



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

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September 14, 2018

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

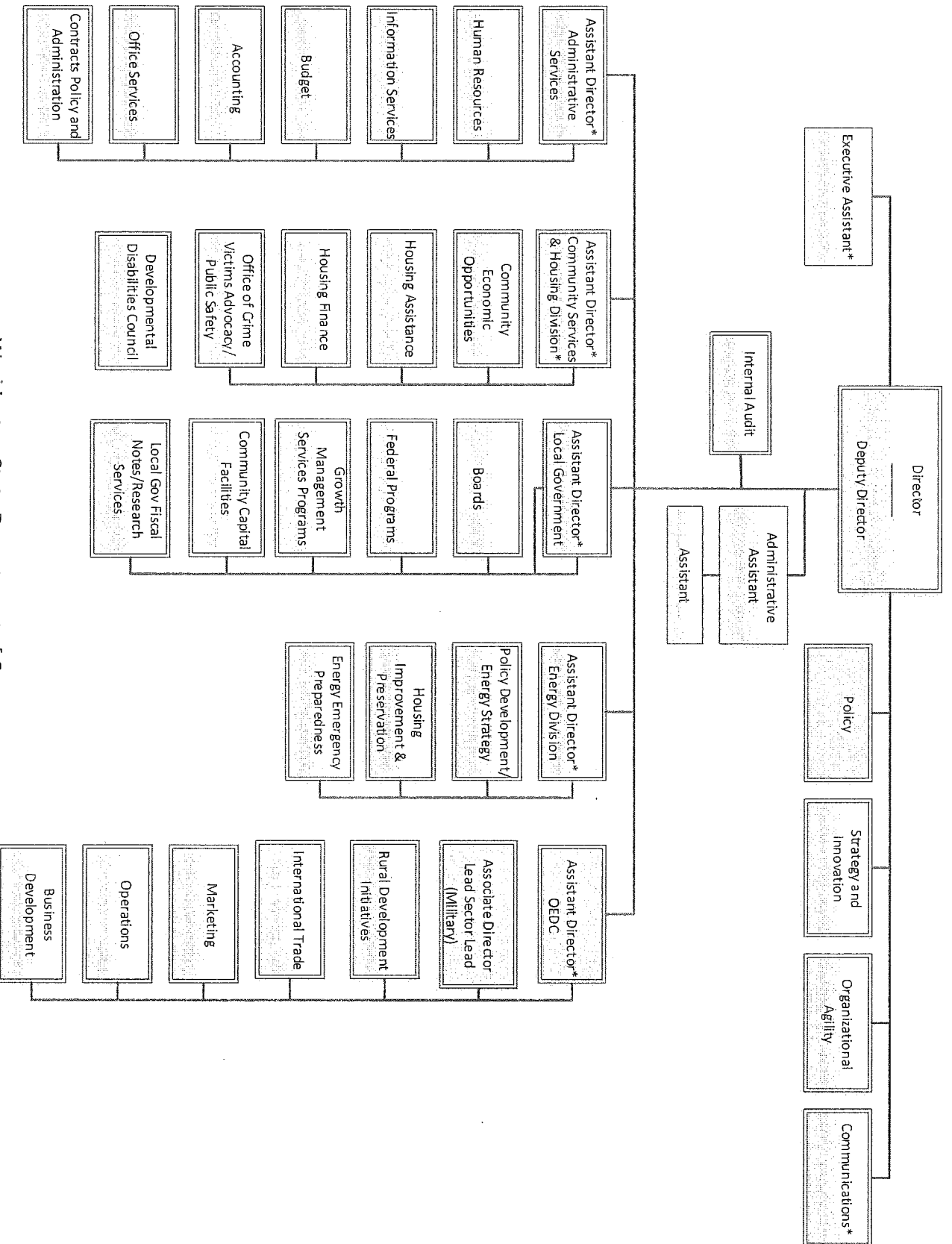
Dear David:

On behalf of the Department of Commerce, I am pleased to present our 2019-2021 Biennial Operating Budget request. It includes items that align with Governor Inslee's priorities under Results Washington. In putting together our proposals, we have been mindful of the limited funding available. However, within these constraints we are putting forward a set of budget and legislative packages that strengthen communities by reducing homelessness, increasing self-sufficiency, increasing living wage jobs, improving housing affordability, funding reliable infrastructure and building a clean energy future.

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,

Brian Bonlender
Director



Washington State Department of Commerce
Organizational Structure
July 2018

* Member of Agency Executive Team

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	0.3	0.3	0.3
501 Liquor Revolving Account			
501-1 State	\$2,800	\$2,799	\$5,599

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.

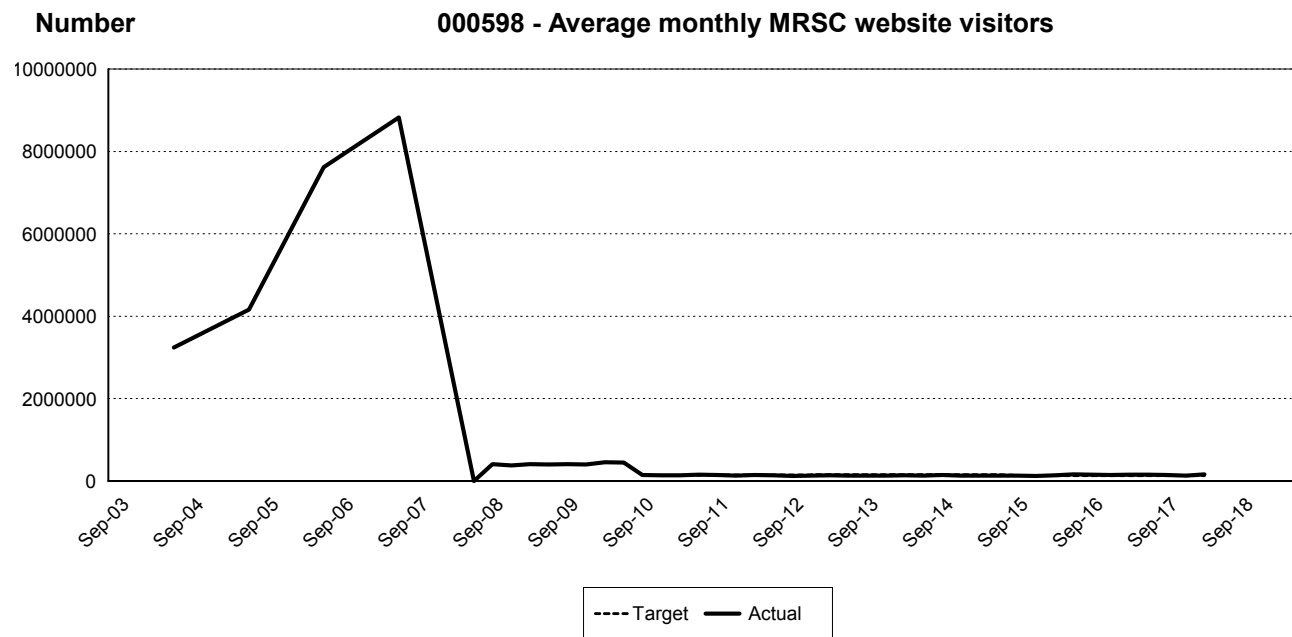
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	158,026	130,000
	Q2	130,850	
	Q1	147,982	130,000
2015-17	Q8	151,307	130,000
	Q7	151,355	130,000
	Q6	141,563	130,000
	Q5	148,885	130,000
	Q4	159,749	130,000
	Q3	136,139	130,000
	Q2	122,357	130,000
	Q1	125,948	130,000
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



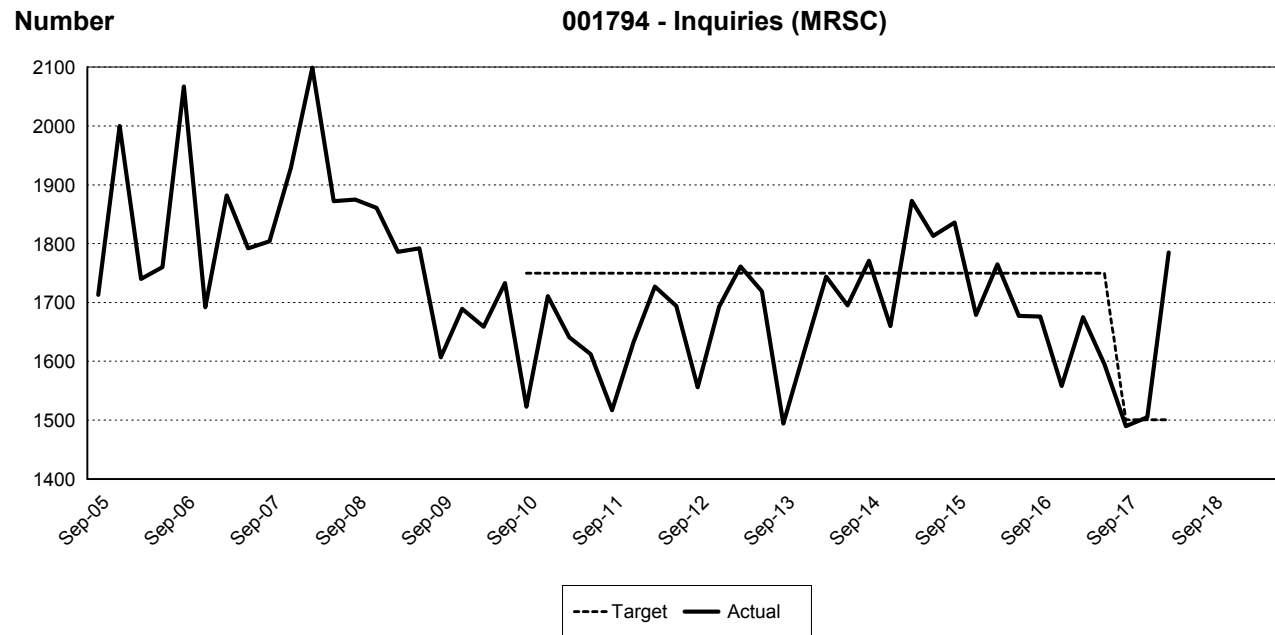
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001794 Number of inquiries received by the Municipal Research Services Center			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	1,785	1,500
	Q2	1,505	1,500
	Q1	1,490	1,500
2015-17	Q8	1,595	1,750
	Q7	1,675	1,750
	Q6	1,558	1,750
	Q5	1,676	1,750
	Q4	1,677	1,750
	Q3	1,765	1,750
	Q2	1,679	1,750
	Q1	1,836	1,750
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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. 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. The Achieving a Better Life Experience (ABLE) program is established in RCW 43.330.460. The purpose of the Governing Board is to design and establish all policies to administer the ABLE program. The Governing Board and the operation of the ABLE will be funded by fees generated by the program. The Office of the Developmental Disabilities Ombuds is established in RCW 43.382.

Account	FY 2020	FY 2021	Biennial Total
FTE	5.0	6.2	5.6
001 General Fund - Basic Account			
001-1 State	\$4,359	\$4,358	\$8,717
001-7 Local	\$3,727	\$923	\$4,650
001 Account Total	\$8,086	\$5,281	\$13,367

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. People with disabilities report they are more independent, financially self-sufficient, and employed. Washington's developmentally disabled citizens receive proper care and certified volunteers promptly intervene when complaints and situations of mistreatment occur.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.0	1.0	1.0
001 General Fund - Basic Account			
001-1 State	\$965	\$965	\$1,930
001-2 Federal	\$324	\$316	\$640
001 Account Total	\$1,289	\$1,281	\$2,570
746 Hanford Area Economic Investment			
746-6 Non-Appropriated	\$1	\$215	\$216

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.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A003 Community Services Block Grant

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	7.7	7.8	7.8
001 General Fund - Basic Account			
001-1 State	\$1,094	\$1,097	\$2,191
001-2 Federal	\$4,705	\$5,469	\$10,174
001-7 Local	\$307	\$333	\$640
001 Account Total	\$6,106	\$6,899	\$13,005

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide support services to children and families

Expected Results

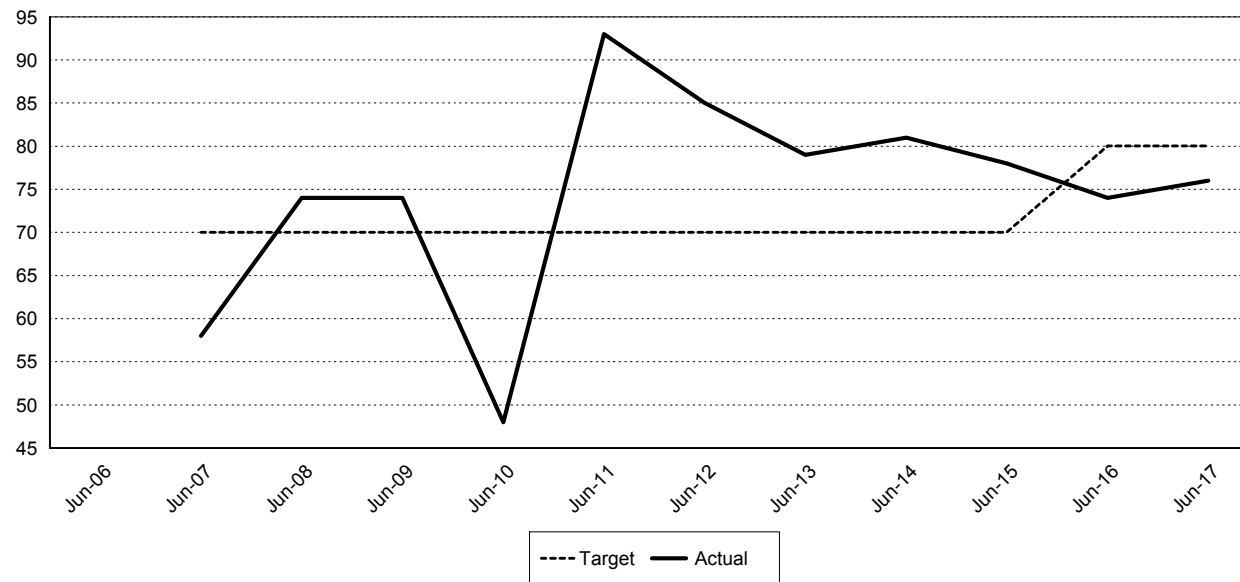
Individuals below the 125 percent poverty line have the skills, training, and amenities they need to reach self-sufficiency.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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	76%	80%
	A2	74%	80%
Performance Measure Status: Approved			

Percent 001069 - The percentage of families served who live below 100% of Federal Poverty Level (FPL)



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A005 Developmental Disabilities Council

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. The goal is for people with intellectual/developmental disabilities to live meaningful lives based on the values of self-determination, integration, and inclusion of individuals into the community. 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.

Account	FY 2020	FY 2021	Biennial Total
FTE	10.4	9.1	9.8
263 Community/Economic Development Fee			
263-1 State	\$348	\$348	\$696
001 General Fund - Basic Account			
001-1 State	\$48	\$57	\$105
001-2 Federal	\$2,710	\$1,048	\$3,758
001-7 Local	\$10	\$0	\$10
001 Account Total	\$2,768	\$1,105	\$3,873

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.

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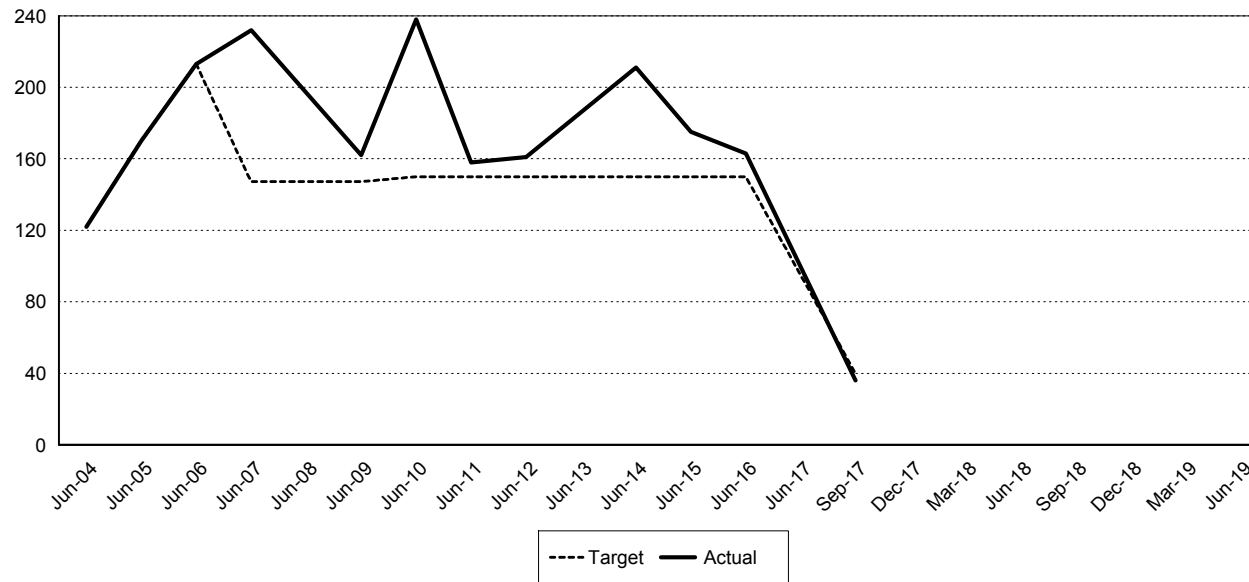
Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001075 Number of persons for whom a developmental disabilities endowment trust fund is established.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1	36	40
2015-17	Q8		
	Q4	163	150
Performance Measure Status: Under Review			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number 001075 - Developmental disabilities endowment trust fund accounts enrolled per quarter



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	10.9	10.7	10.8
001 General Fund - Basic Account			
001-1 State	\$9,463	\$9,424	\$18,887
001-2 Federal	\$9,902	\$24,879	\$34,781
001 Account Total	\$19,365	\$34,303	\$53,668

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.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

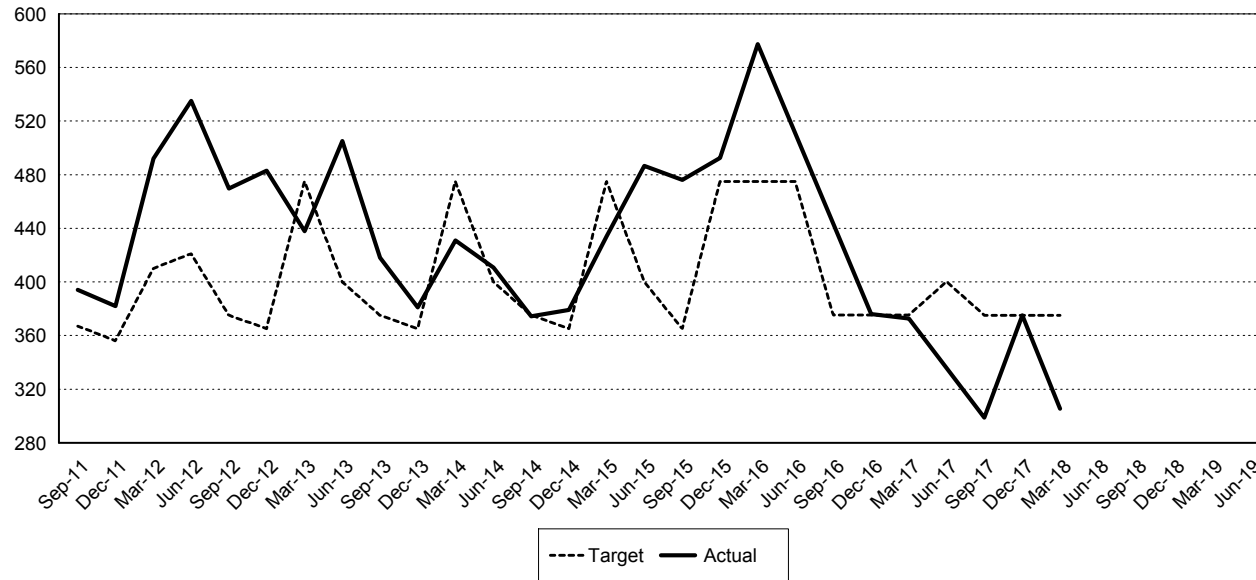
002010 Median service hours per agency was selected as measure to allow analysis of agency performance in monitoring.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	305.5	375
	Q2	375	375
	Q1	298.75	375
2015-17	Q8		400
	Q7	372.75	375
	Q6	375.96	375
	Q5	443	375
	Q4		475
	Q3	577.4	475
	Q2	492.55	475
	Q1	476	365
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

002010 - Median Hours of Service Delivered Per Agency



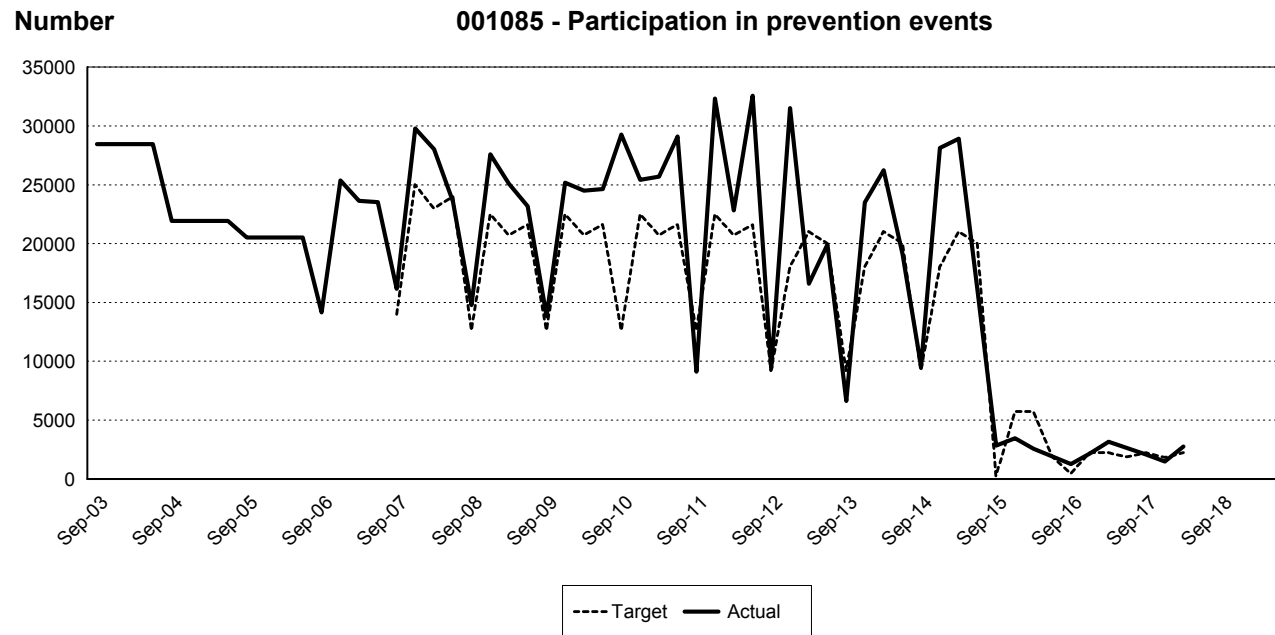
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001085 Number of people who participated in prevention presentations/events.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	2,746	2,200
	Q2	1,491	1,800
	Q1	2,083	2,200
2015-17	Q8		1,850
	Q7	3,148	2,200
	Q6	2,161	2,200
	Q5	1,250	450
	Q4		1,850
	Q3	2,551	5,700
	Q2	3,461	5,700
	Q1	2,825	220
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	6.6	7.8	7.2
001 General Fund - Basic Account			
001-1 State	\$1,691	\$1,721	\$3,412
001-2 Federal	\$1,571	\$2,280	\$3,851
001 Account Total	\$3,262	\$4,001	\$7,263
22S Landlord Mitigation Program Account			
22S-6 Non-Appropriated	\$402	\$402	\$804
777 Prostitution Prevent/Intervention			
777-1 State	\$0	\$26	\$26

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

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	3,086	3,900
	Q2	3,882	3,900
	Q1	3,414	3,900
2015-17	Q8		
	Q7	3,218	8,400
	Q6	6,096	8,400
	Q5	8,983	8,400
	Q4		8,400
	Q3	8,231	8,400
	Q2	7,939	6,800
	Q1	8,018	8,400
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

002009 - Victims/Witness services provided



Appropriation Period: 2019-21 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. The Long-term Care Ombudsman Program partners with the Office of Public Guardianship, to develop and offer training targeted to the legal community and persons working long-term care facilities. The training focuses on the different types of decision-making authority that guardians, persons with powers of attorney, and persons with surrogate health care decision-making authority have. 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.

Account	FY 2020	FY 2021	Biennial Total
001 General Fund - Basic Account			
001-1 State	\$964	\$969	\$1,933

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.

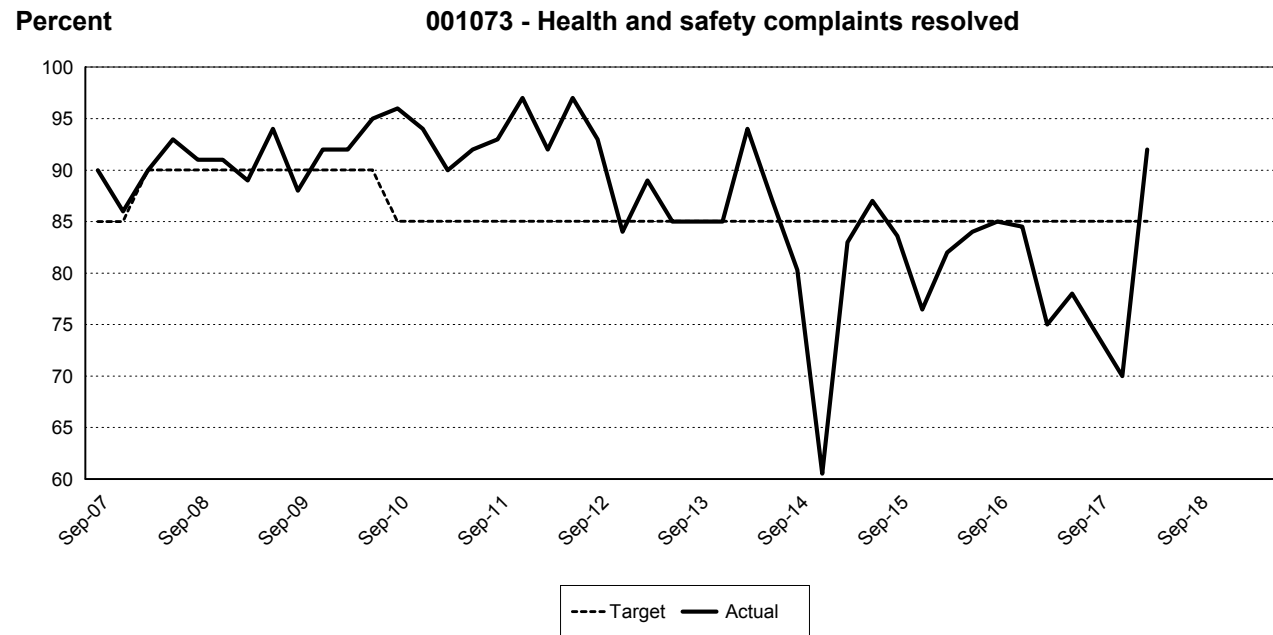
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001073 Percent of health and safety complaints resolved in long term care facilities.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	92%	85%
	Q2	70%	85%
	Q1	74%	85%
2015-17	Q8	78%	85%
	Q7	75%	85%
	Q6	84.5%	85%
	Q5	85%	85%
	Q4	84%	85%
	Q3	82%	85%
	Q2	76.46%	85%
	Q1	83.6%	85%
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A013 Low-Income Home Energy Assistance Program

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	5.9	5.9	5.9
001 General Fund - Basic Account			
001-2 Federal	\$46,002	\$37,405	\$83,407

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.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	4.2	4.2	4.2
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$1,748	\$1,590	\$3,338
001 General Fund - Basic Account			
001-1 State	\$303	\$303	\$606

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.

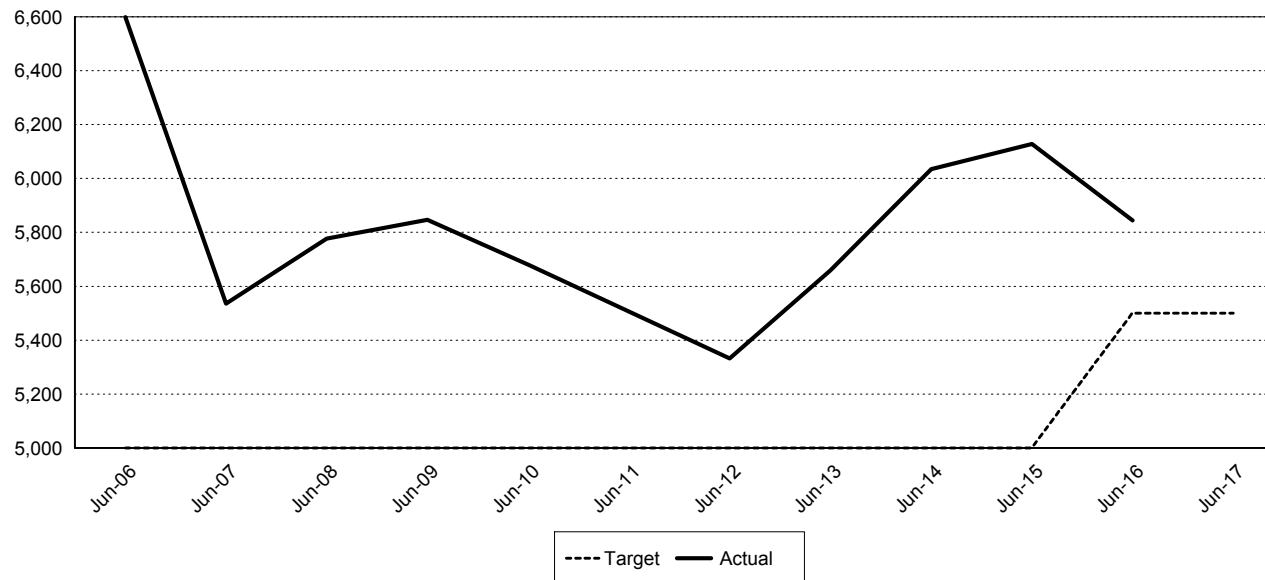
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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

Number

001098 - Dispute resolution cases



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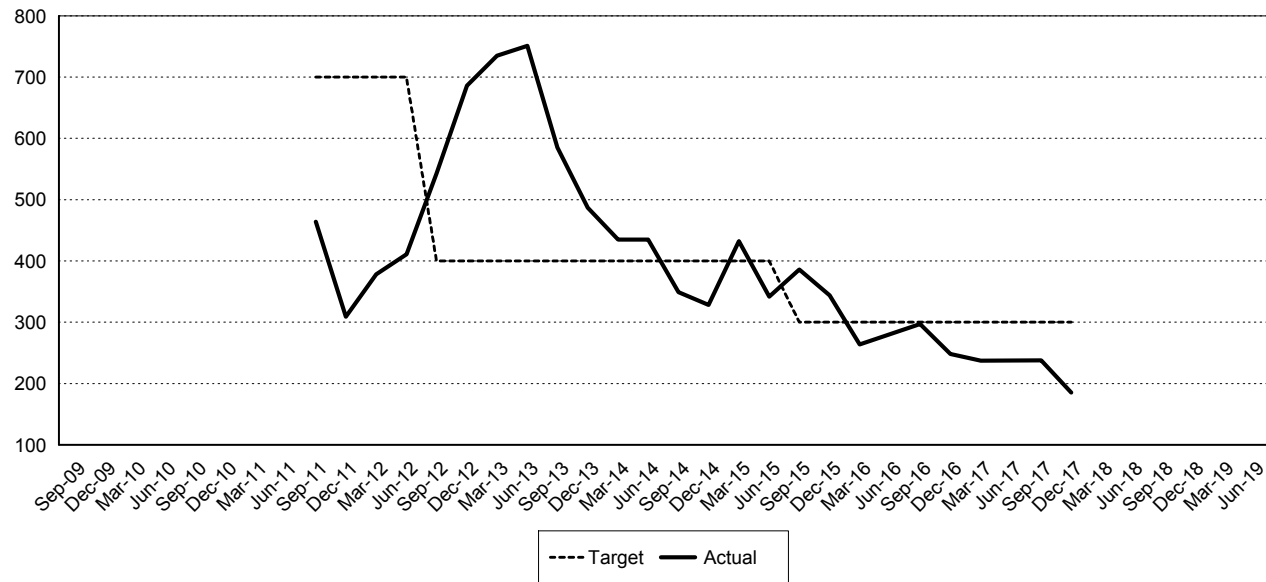
002023 The Foreclosure Fairness Program provides counseling, mediation and legal assistance to homeowners. For RPM, we will track the number of mediation services provided each quarter which have been verified with a certification.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2	185	300
	Q1	238	300
2015-17	Q8		300
	Q7	237	300
	Q6	248	300
	Q5	297	300
	Q4		300
	Q3	264	300
	Q2	344	300
	Q1	386	300
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

002023 - Foreclosure Fairness Mediation Referrals Administered



001087 Number of volunteer placements.			
Biennium	Period	Actual	Target
2015-17	A3	4,591	8,000
	A2	9,046	8,000
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001087 - Volunteer placements



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A025 Agency Administration

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.

ACT001 - Agency Activity Inventory
Department of Commerce

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2020	FY 2021	Biennial Total
FTE	57.5	65.6	61.6
12C Affordable Housing for All Account			
12C-1 State	\$49	\$54	\$103
084 Building Code Council Account			
084-1 State	\$1	\$2	\$3
263 Community/Economic Development Fee			
263-1 State	\$325	\$216	\$541
09R Econ Dev Strategic Reserve Account			
09R-1 State	\$515	\$576	\$1,091
195 Energy Account			
195-6 Non-Appropriated	\$8	\$15	\$23
14M Financial Fraud & Id Theft Crimes			
14M-1 State	\$5	\$5	\$10
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$80	\$82	\$162
001 General Fund - Basic Account			
001-1 State	\$4,068	\$4,114	\$8,182
001-2 Federal	\$2,285	\$1,969	\$4,254
001-7 Local	\$801	\$203	\$1,004
001 Account Total	\$7,154	\$6,286	\$13,440
10B Home Security Fund Account			
10B-1 State	\$795	\$979	\$1,774
06K Lead Paint Account			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2020	FY 2021	Biennial Total
06K-1 State	\$5	\$6	\$11
107 Liquor Excise Tax Account			
107-1 State	\$80	\$81	\$161
501 Liquor Revolving Account			
501-1 State	\$9	\$10	\$19
150 Low-Income Weatherization Asst Acct			
150-1 State	\$3	\$3	\$6
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$22	\$29	\$51
489 Pension Funding Stabilization Acct			
489-1 State	\$807	\$809	\$1,616
887 Public Facility Const Loan Revolv			
887-1 State	\$88	\$97	\$185
058 Public Works Assistance Account			
058-1 State	\$10	\$20	\$30
532 Washington Housing Trust Account			
532-1 State	\$517	\$570	\$1,087

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.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	2.6	2.6	2.6
887 Public Facility Const Loan Revolv			
887-1 State	\$341	\$350	\$691

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.

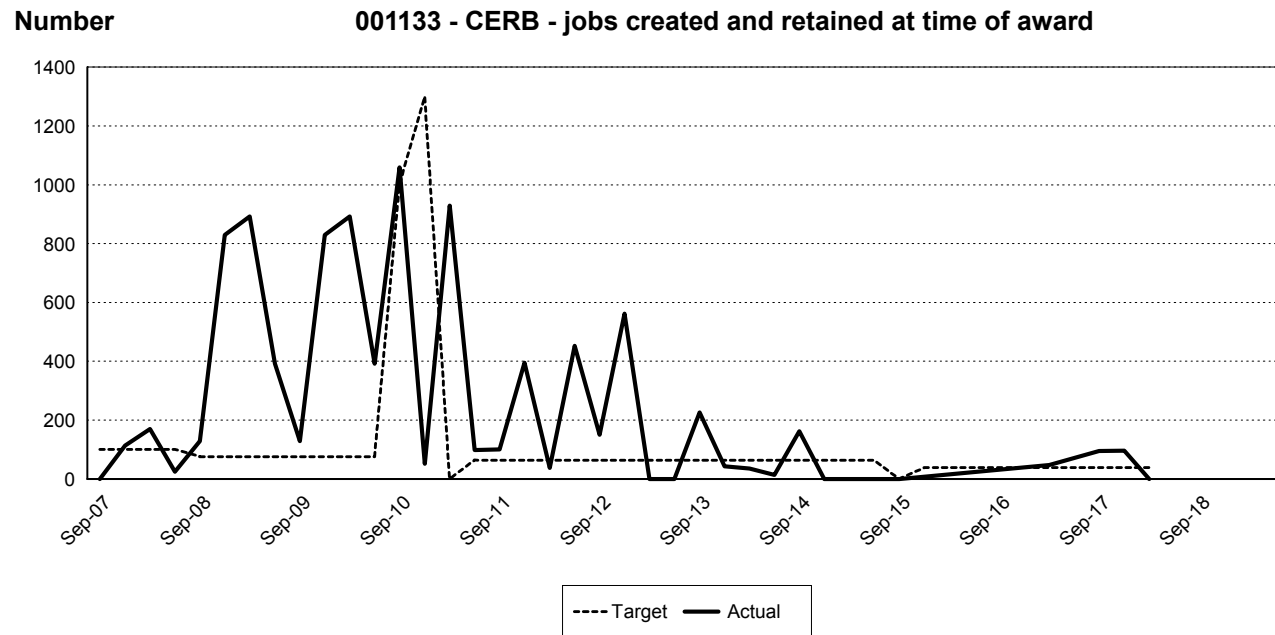
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001133 Estimated number of jobs created and retained as a result of infrastructure investments through CERB.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	0	37
	Q2	96	37
	Q1	95	37
2015-17	Q8		37
	Q7	47	37
	Q6		37
	Q5		37
	Q4		37
	Q3		37
	Q2		37
	Q1	0	0
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



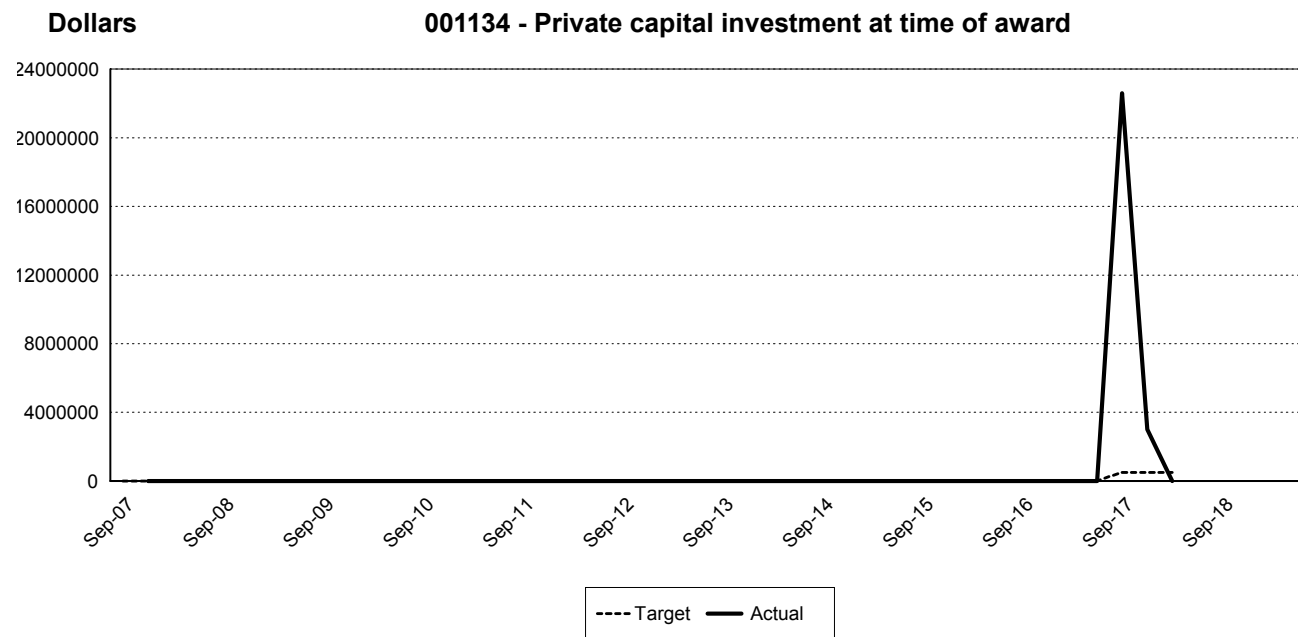
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	\$0	\$500,000
	Q2	\$3,000,000	\$500,000
	Q1	\$22,600,000	\$500,000
2015-17	Q8	\$37.74	\$18.46
	Q7		\$18.46
	Q6		\$18.46
	Q5		\$18.46
	Q4		\$18.46
	Q3		\$18.46
	Q2		\$18.46
	Q1	\$0	\$0
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A046 Energy - Contract Management/Pass Through

The Energy Policy Division (EPD) promotes the state and its businesses in the global and domestic marketplaces by actively supporting the development and expansion of the renewable energy, energy efficiency, fuel cell, and related industries. Activities include providing technical assistance to clean energy companies and CTED economic development staff, and strategically investing oil overcharge funds in industry development, such as market research, incubator development, workshops and forums. The EPD manages the federal State Energy Program (SEP) and Oil Funds Settlement Agreements between the U.S. Department of Energy, state Attorney General's Office, U.S. District Court, and Energy Policy Division. This division subcontracts with the Washington State University (WSU) Extension Energy Program, the state Department of Transportation, and other entities to perform contract functions. Funds must be administered in conformance with U.S. Department of Energy regulations and court orders for the oil settlement funds. EPD, in its designated role as Washington's energy office, is ultimately responsible to the federal government for all of these contracts. This division also partners with the WSU Energy Program, other state agencies, and public and private organizations in identifying and securing federal funds for activities and projects that support state energy priorities, such as energy education, energy efficiency in public buildings, improved energy codes, renewable energy, alternative fuel development, and economic development and industrial competitiveness.

Account	FY 2020	FY 2021	Biennial Total
FTE	16.8	17.5	17.2

Statewide Result Area: Prosperous Economy

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

Expected Results

An increased level of economic activity or number of new jobs in the clean/smart energy sector. Funds are managed in full accordance with federal and state requirements. Reports are submitted on time and are complete. Contracted activities support state energy priorities. EPD increases the amount of non-General Fund-State funding to the state of Washington for energy activities.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A049 State Energy Policy

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 2020	FY 2021	Biennial Total
FTE	15.6	18.2	16.9
084 Building Code Council Account			
084-1 State	\$6	\$7	\$13
263 Community/Economic Development Fee			
263-1 State	\$19	\$19	\$38
195 Energy Account			
195-6 Non-Appropriated	\$108	\$0	\$108
10R Energy Freedom Account			
10R-1 State	\$3	\$2	\$5
001 General Fund - Basic Account			
001-1 State	\$1,576	\$2,069	\$3,645
001-2 Federal	\$1,744	\$741	\$2,485
001-7 Local	\$29	\$9	\$38
001 Account Total	\$3,349	\$2,819	\$6,168

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Statewide Result Area: Prosperous Economy

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

Expected Results

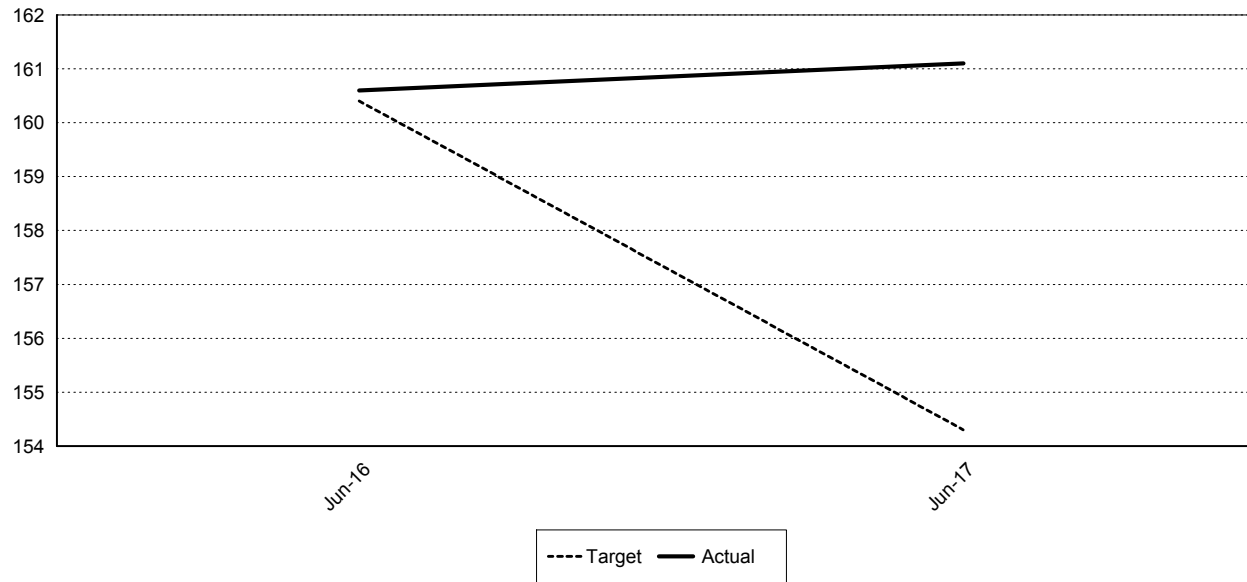
The Governor, Legislature, Commerce, and other energy decision makers have the analytical information to make energy related decisions. The state is prepared to address energy emergencies. The state provides financial support to research, development, demonstration, and deployment of clean energy technologies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

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.			
Biennium	Period	Actual	Target
2015-17	A3	161.1	154.3
	A2	160.6	160.4
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number 002745 - Decrease non-electric fossil fuel consumption associated with residential and commercial end users f



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	5.3	5.3	5.3
001 General Fund - Basic Account			
001-1 State	\$272	\$272	\$544
001-2 Federal	\$3,301	\$560	\$3,861
001 Account Total	\$3,573	\$832	\$4,405
06K Lead Paint Account			
06K-1 State	\$124	\$112	\$236

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: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	15.3	15.1	15.2
001 General Fund - Basic Account			
001-2 Federal	\$21,108	\$24,537	\$45,645
150 Low-Income Weatherization Asst Acct			
150-1 State	\$448	\$947	\$1,395

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide cash, food, and shelter assistance

Expected Results

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

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001237 Number of units preserved through weatherization and rehabilitation			
Biennium	Period	Actual	Target
2015-17	Q8	1,093	632
	Q7	366	632
	Q6	395	632
	Q5	255	463
	Q4	577	517
	Q3	407	758
	Q2	488	468
	Q1	282	639
Performance Measure Status: Approved			

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



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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.1	1.1	1.1
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$333	\$425	\$758

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.

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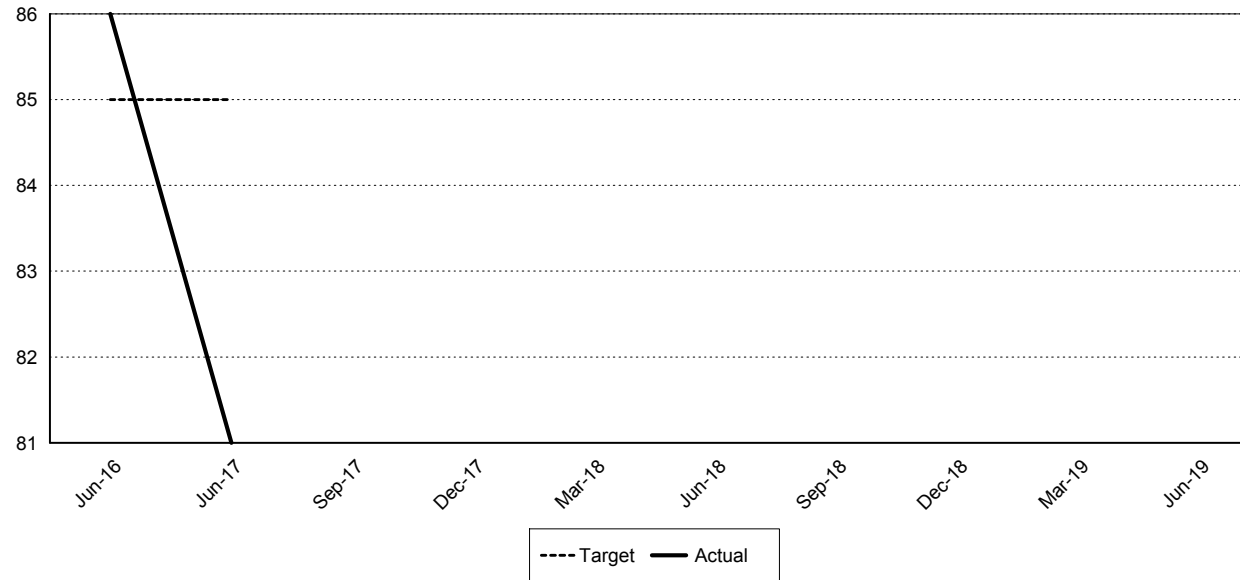
Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

002744 Number of relocation assistance applications that result in relocation assistance.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
2015-17	Q8	81%	85%
	Q4	86%	85%
Performance Measure Status: Under Review			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Percent 002744 - Percent of eligible relocation applications reimbursed since 2006



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.7	1.7	1.7
001 General Fund - Basic Account			
001-7 Local	\$158	\$0	\$158

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..

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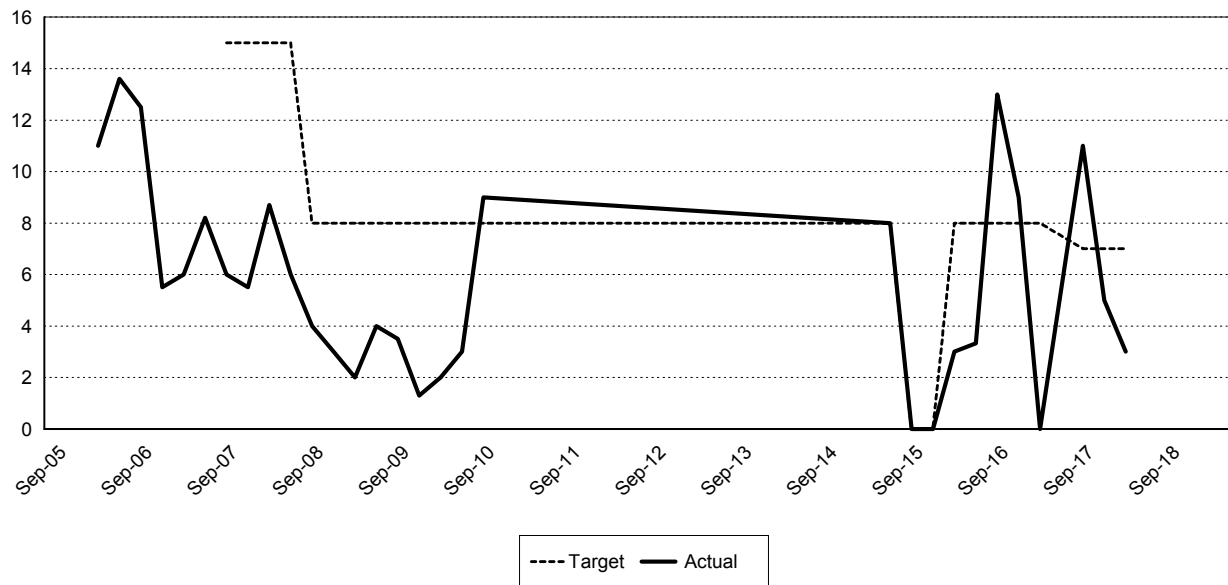
Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001326 Average number of days to process applications.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	3	7
	Q2	5	7
	Q1	11	7
2015-17	Q8		
	Q7	0	8
	Q6	9	8
	Q5	13	8
	Q4	3.33	8
	Q3	3	8
	Q2	0	0
	Q1	0	0
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number 001326 - Days for completed bond application submitted to final decision to applicant



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	7.9	8.2	8.1
001 General Fund - Basic Account			
001-1 State	\$285	\$327	\$612
001-2 Federal	\$31,771	\$21,060	\$52,831
001 Account Total	\$32,056	\$21,387	\$53,443

Statewide Result Area: Prosperous Economy

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

Expected Results

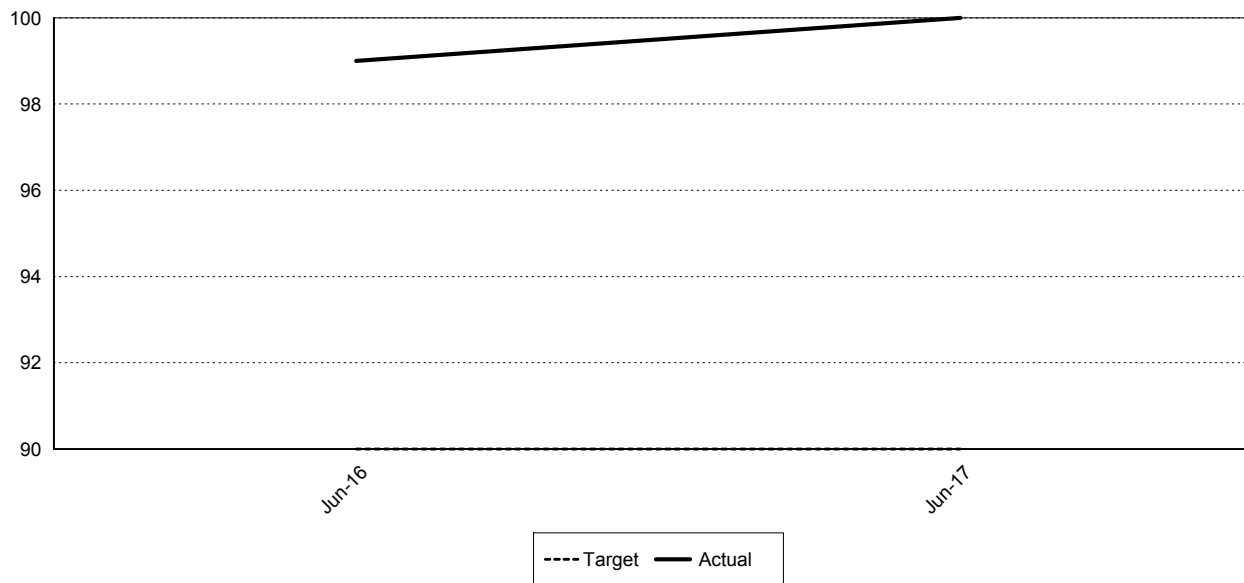
Low and moderate-income families located in counties with populations under 200,000 and cities with populations under 50,000 receive financial assistance necessary to develop and maintain housing, community-services, economic development, and local infrastructure.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

002743 Percentage of Community Development Block Grant (CDBG) activities that benefit low and moderate income persons.			
Biennium	Period	Actual	Target
2015-17	A3	100%	90%
	A2	99%	90%
Performance Measure Status: Approved			

Percent 002743 - Percent of CDBG activities that benefit low and moderate income persons



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.7	1.7	1.7
05R Drinking Water Assistance Admin			
05R-1 State	\$0	\$0	\$0
04R Drinking Water Assistance Account			
04R-1 State	\$0	\$0	\$0

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: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	15.7	15.2	15.5
001 General Fund - Basic Account			
001-1 State	\$4,682	\$4,712	\$9,394
001-7 Local	\$834	\$3	\$837
001 Account Total	\$5,516	\$4,715	\$10,231

Statewide Result Area: Prosperous Economy

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

Expected Results

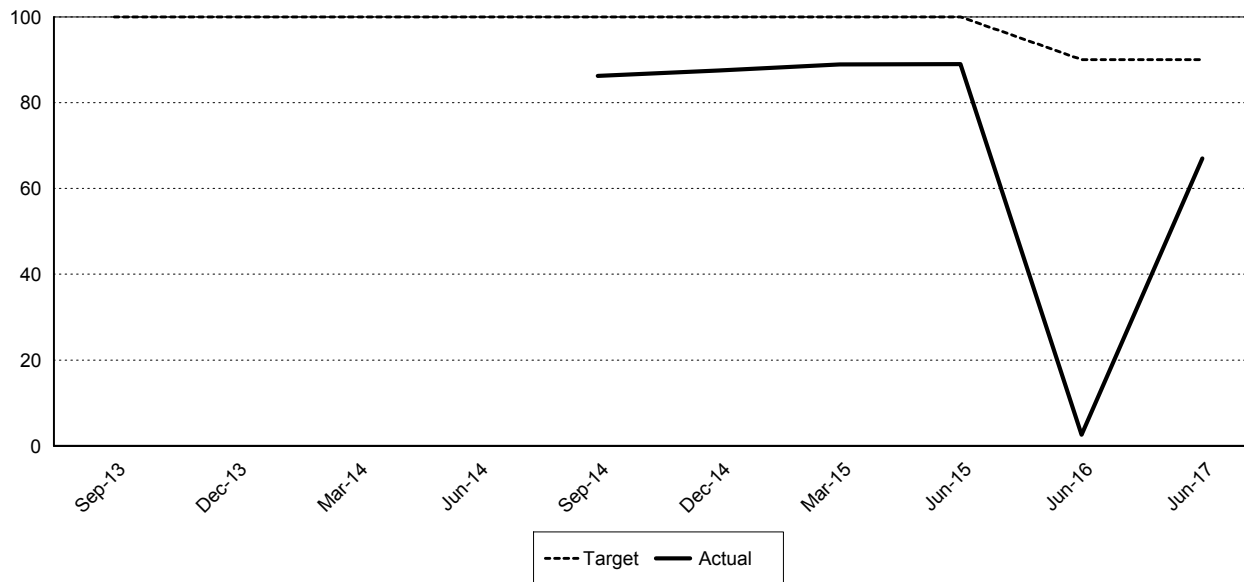
All of Washington's cities and counties have the information required to effectively plan for future growth and economic development.

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	67%	90%
	A2	2.6%	90%
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 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.

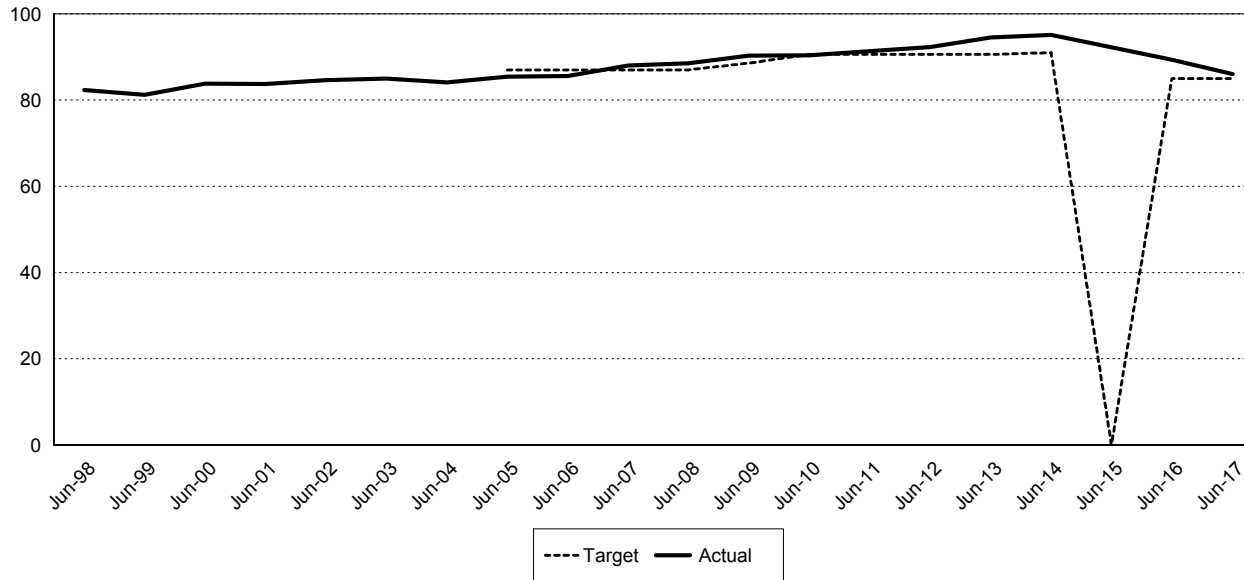
Biennium	Period	Actual	Target
2015-17	A3	86%	85%
	A2	89.33%	85%
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Percent

001185 - Urban Growth Areas



Appropriation Period: 2019-21 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).

Account	FY 2020	FY 2021	Biennial Total
FTE	5.1	5.3	5.2
107 Liquor Excise Tax Account			
107-1 State	\$556	\$554	\$1,110

Statewide Result Area: Efficient, Effective and Accountable Government

Statewide Strategy: Support democratic processes and government accountability

Expected Results

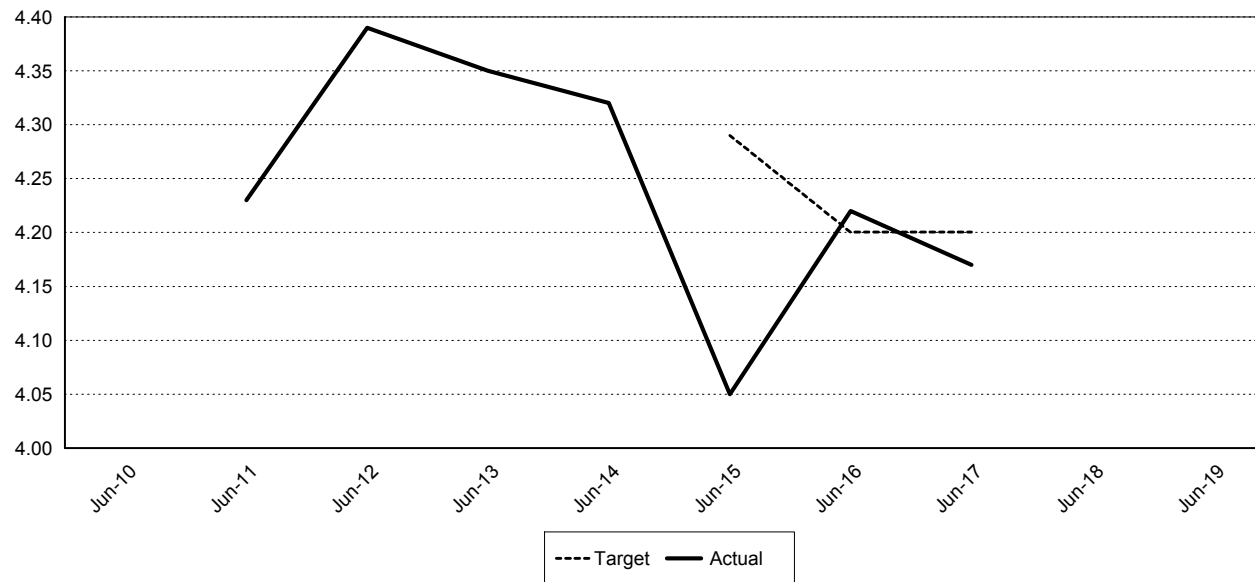
The Legislature receives the appropriate financial information to make timely decisions concerning cities, counties and special districts.

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.			
Biennium	Period	Actual	Target
2017-19	A3		
	A2		
2015-17	A3	4.17	4.2
	A2	4.22	4.2
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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



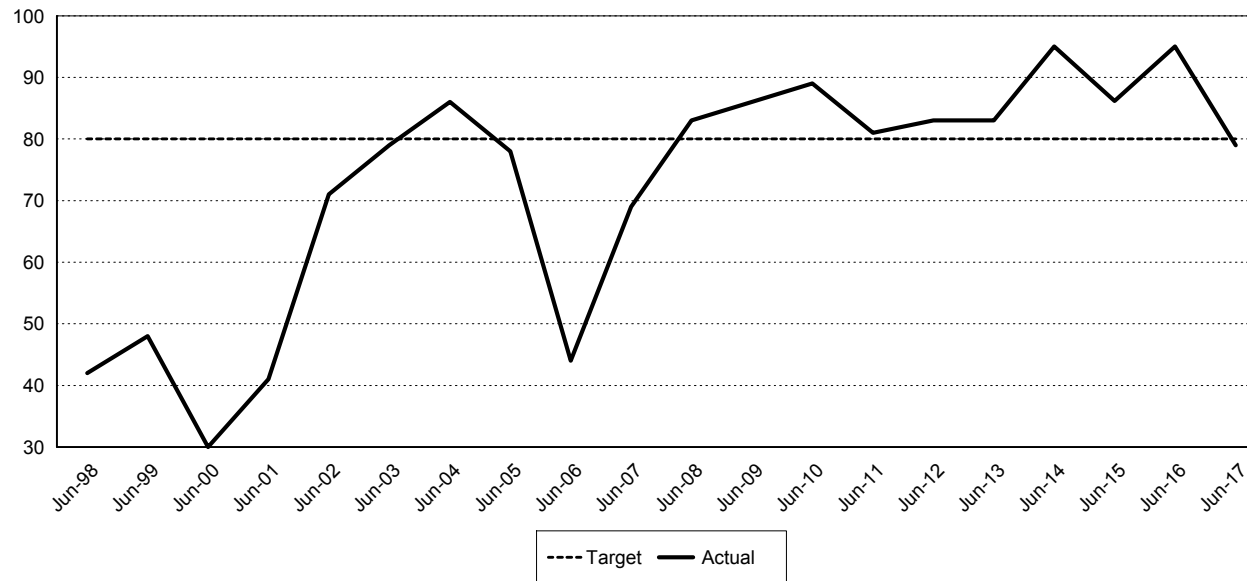
001322 Data is based upon the number of local government fiscal notes submitted to OFM within five working days from when OFM assigned them (the statutory deadline) divided by the total number of notes submitted.

Biennium	Period	Actual	Target
2015-17	A3	79%	80%
	A2	95%	80%
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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

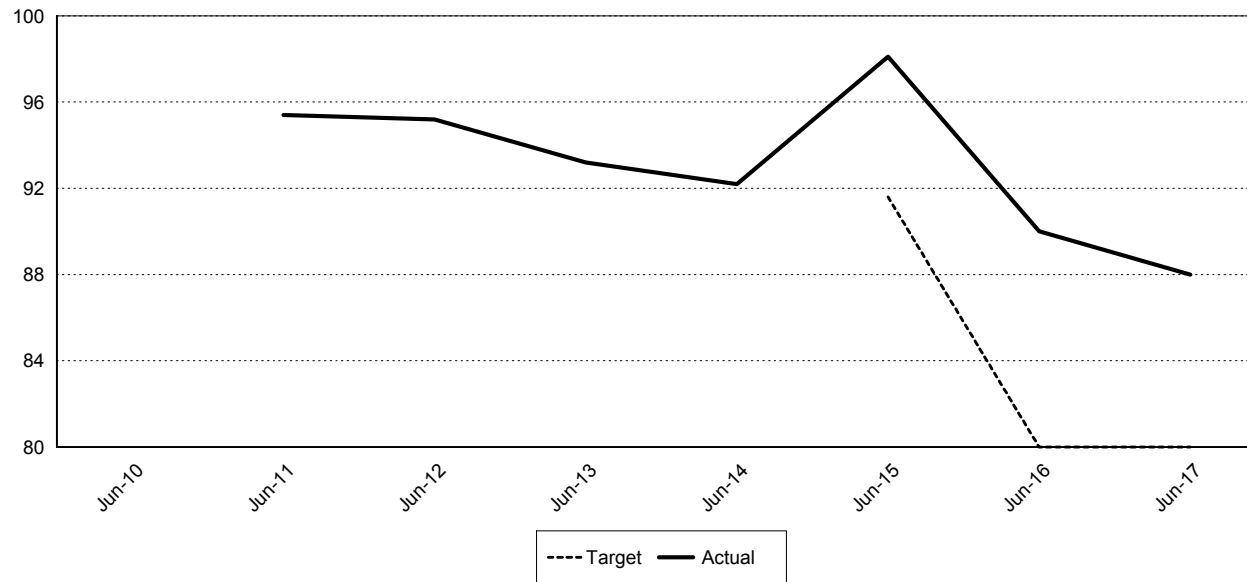


002667 Data is based upon the number of local government fiscal notes where OFM asks for a revision of any kind divided by the total number of notes distributed to the Legislature.			
Biennium	Period	Actual	Target
2015-17	A3	88%	80%
	A2	90%	80%
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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).

Account	FY 2020	FY 2021	Biennial Total
FTE	9.0	9.0	9.0
058 Public Works Assistance Account			
058-1 State	\$4,080	\$3,822	\$7,902

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.

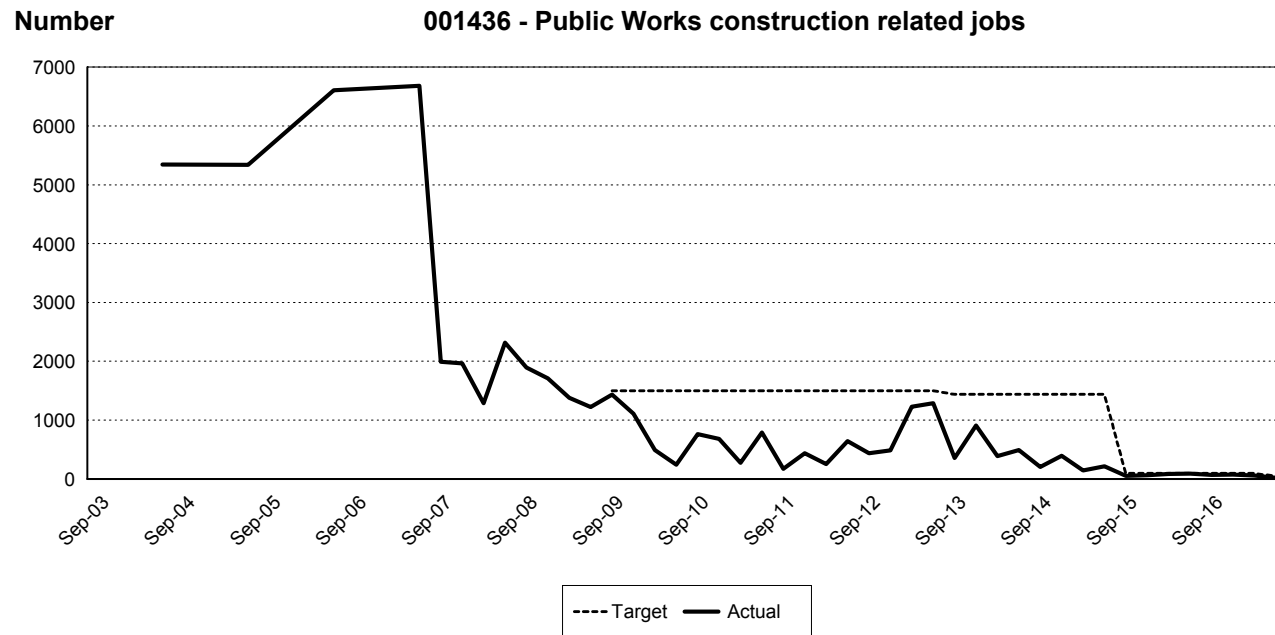
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001436 Number of construction related jobs sustained through Public Works infrastructure investments.			
Biennium	Period	Actual	Target
2015-17	Q8	19.64	45
	Q7	57.36	90
	Q6	75.18	90
	Q5	70.26	90
	Q4	88.29	90
	Q3	83.68	90
	Q2	61.87	90
	Q1	54.77	90
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



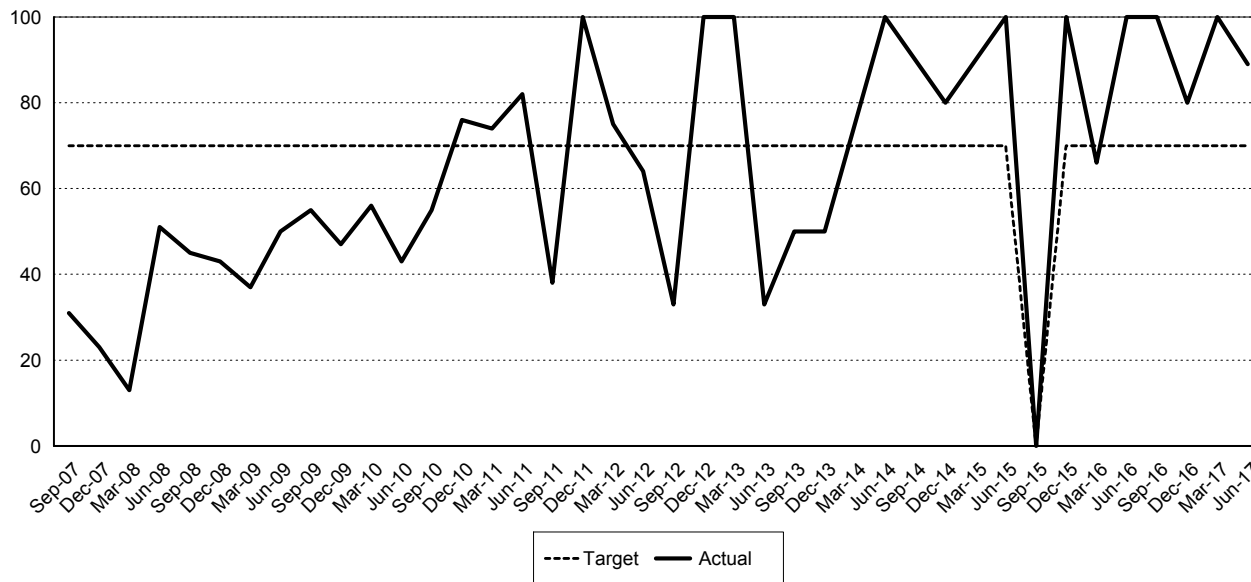
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001437 Percent of projects completed on time, as per contract (within scope of work).			
Biennium	Period	Actual	Target
2015-17	Q8	89%	70%
	Q7	100%	70%
	Q6	80%	70%
	Q5	100%	70%
	Q4	100%	70%
	Q3	66%	70%
	Q2	100%	70%
	Q1	0%	0%
Performance Measure Status: Approved			

Percent

001437 - Public Works projects completed on time



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A157 Homeless Housing and Assistance

This activity funds a crisis response system to help people end their housing crisis and reduces homelessness and related social and economic costs,. 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, Housing and Essential Needs Grant and the Homeless Student Stability 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 federal Housing Opportunities for Persons with AIDS.

Account	FY 2020	FY 2021	Biennial Total
FTE	22.5	22.5	22.5
12C Affordable Housing for All Account			
12C-1 State	\$3,191	\$3,689	\$6,880
001 General Fund - Basic Account			
001-1 State	\$91,309	\$93,011	\$184,320
001-2 Federal	\$1,969	\$3,132	\$5,101
001 Account Total	\$93,278	\$96,143	\$189,421
10B Home Security Fund Account			
10B-1 State	\$26,425	\$32,044	\$58,469

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: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	25.0	25.1	25.1
12C Affordable Housing for All Account			
12C-1 State	\$3,592	\$3,302	\$6,894
263 Community/Economic Development Fee			
263-1 State	\$1,546	\$1,631	\$3,177
001 General Fund - Basic Account			
001-1 State	\$372	\$372	\$744
001-2 Federal	\$18,925	\$18,916	\$37,841
001 Account Total	\$19,297	\$19,288	\$38,585
532 Washington Housing Trust Account			
532-1 State	\$5,674	\$6,000	\$11,674

Statewide Result Area: Prosperous Economy

Statewide Strategy: Help develop affordable housing

Expected Results

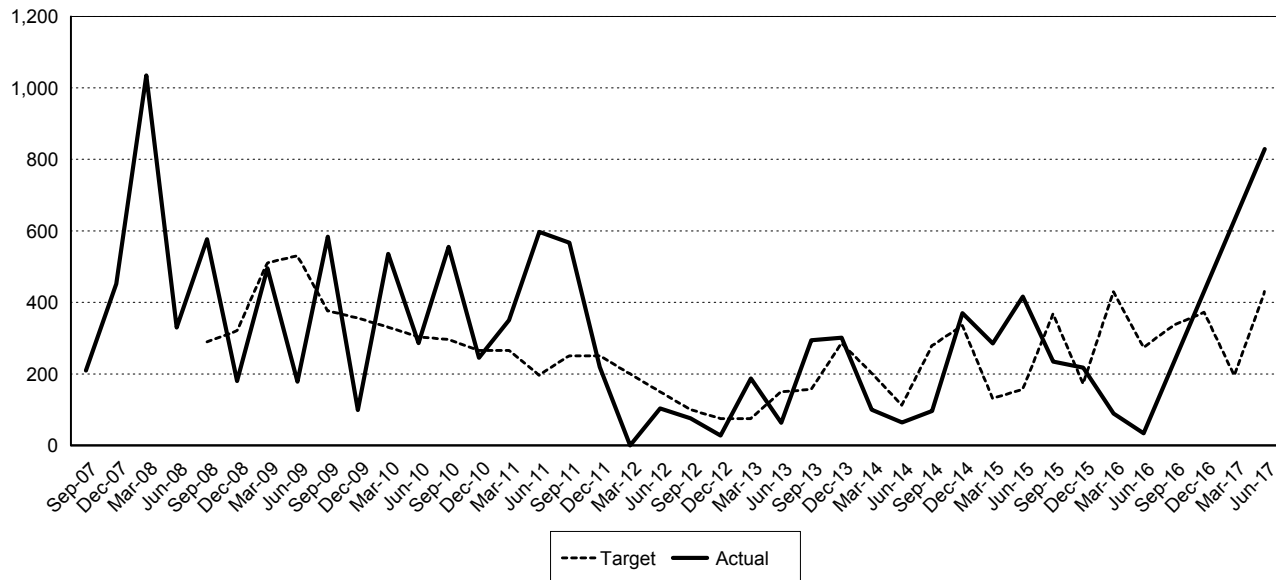
Reduce homelessness by developing and preserving affordable housing.

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Appropriation Period: 2019-21 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	829	430
	Q7		195
	Q6		372
	Q5		336
	Q4	34	274
	Q3	89	430
	Q2	217	172
	Q1	234	367
Performance Measure Status: Approved			

Number 001249 - Commerce funded affordable housing units built and placed in service



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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

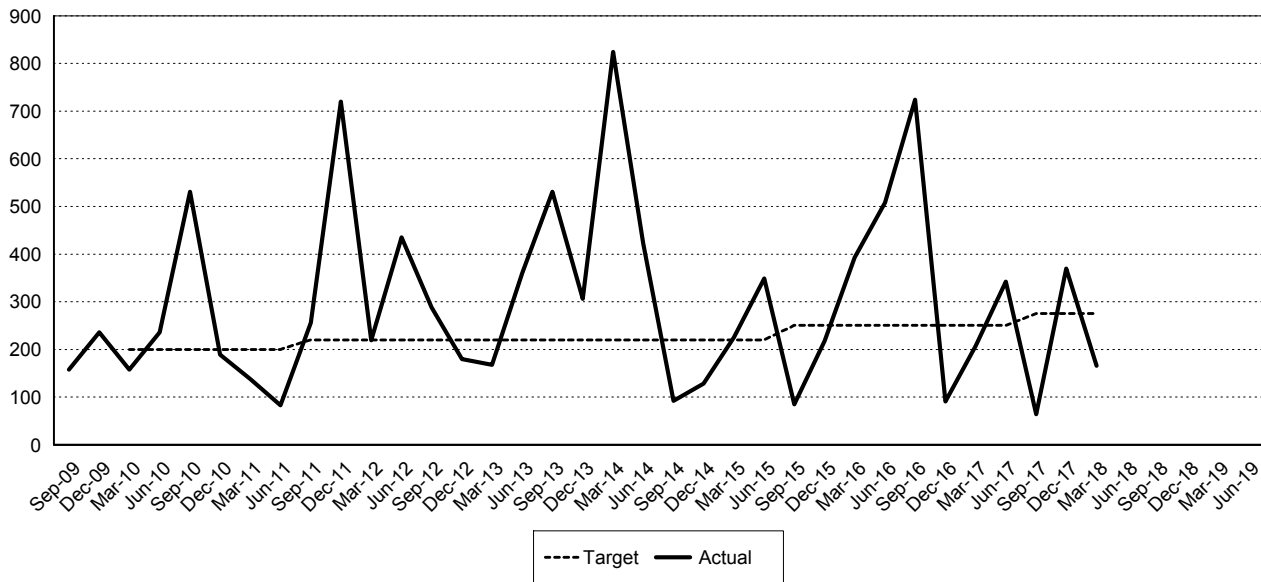
001791 At-risk units preserved in the Housing Trust Fund portfolio through loan management, workouts and monitoring. Does not include data on HTF portfolio units that required no action during the reporting period (units "not at-risk.")			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	166	275
	Q2	370	275
	Q1	64	275
2015-17	Q8	342	250
	Q7	208	250
	Q6	91	250
	Q5	724	250
	Q4	508	250
	Q3	393	250
	Q2	218	250
	Q1	85	250
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001791 - Commerce funded affordable housing units preserved



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

ACT001 - Agency Activity Inventory
Department of Commerce

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2020	FY 2021	Biennial Total
FTE	20.7	20.7	20.7
15T Broadband Mapping Account			
15T-N Federal Non-Appropriated ARRA	\$1,937	\$0	\$1,937
263 Community/Economic Development Fee			
263-1 State	\$117	\$97	\$214
09R Econ Dev Strategic Reserve Account			
09R-1 State	\$(668)	\$(417)	\$(1,085)
001 General Fund - Basic Account			
001-1 State	\$7,886	\$7,744	\$15,630
001-2 Federal	\$29	\$56	\$85
001-7 Local	\$51	\$4	\$55
001 Account Total	\$7,966	\$7,804	\$15,770
18A Investing In Innovation Account			
18A-6 Non-Appropriated	\$847	\$0	\$847
759 Miscellaneous Program Account			
759-6 Non-Appropriated	\$10,913	\$1,149	\$12,062
22T Statewide Tourism Marketing Account			
22T-1 State	\$1,500	\$1,500	\$3,000
15C WA Community Technology Opportunity			
15C-7 Local	\$10	\$0	\$10
17H WA Global Health Technologies/Produ			
17H-6 Non-Appropriated	\$209	\$0	\$209

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

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Appropriation Period: 2019-21 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.

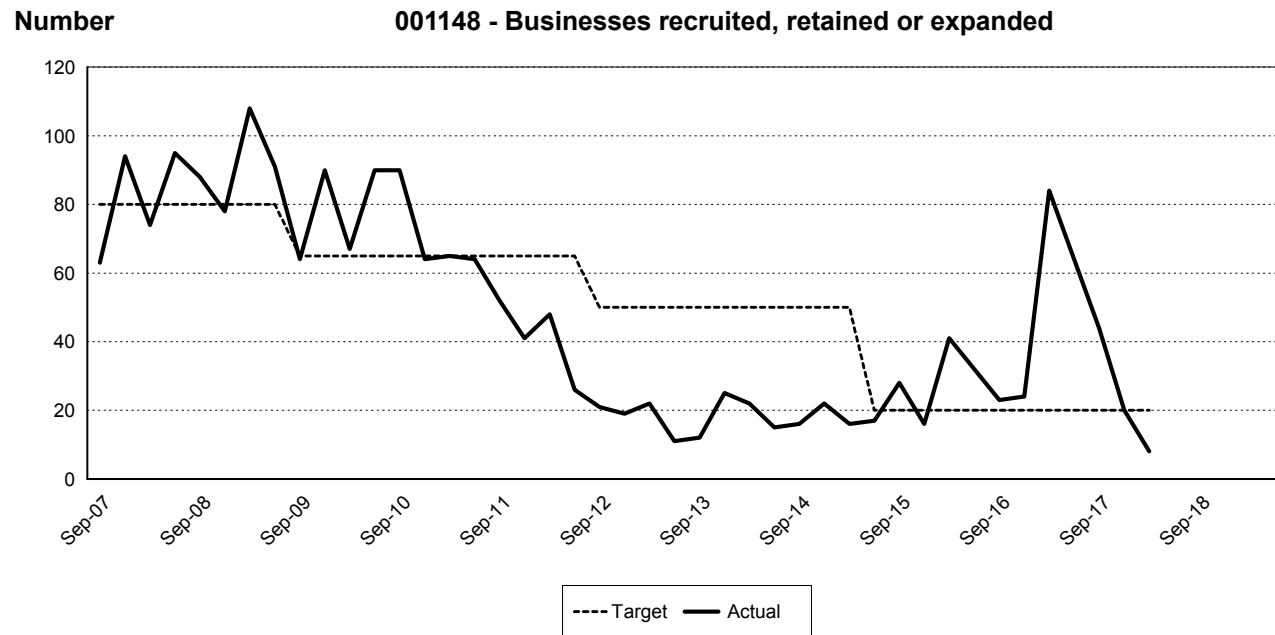
Businesses recruited: Existing companies directly assisted by the ADO in relocating to, or expanding from outside, Washington.

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
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	8	20
	Q2	20	20
	Q1	44	20
2015-17	Q8		20
	Q7	84	20
	Q6	24	20
	Q5	23	20
	Q4		20
	Q3	41	20
	Q2	16	20
	Q1	28	20
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

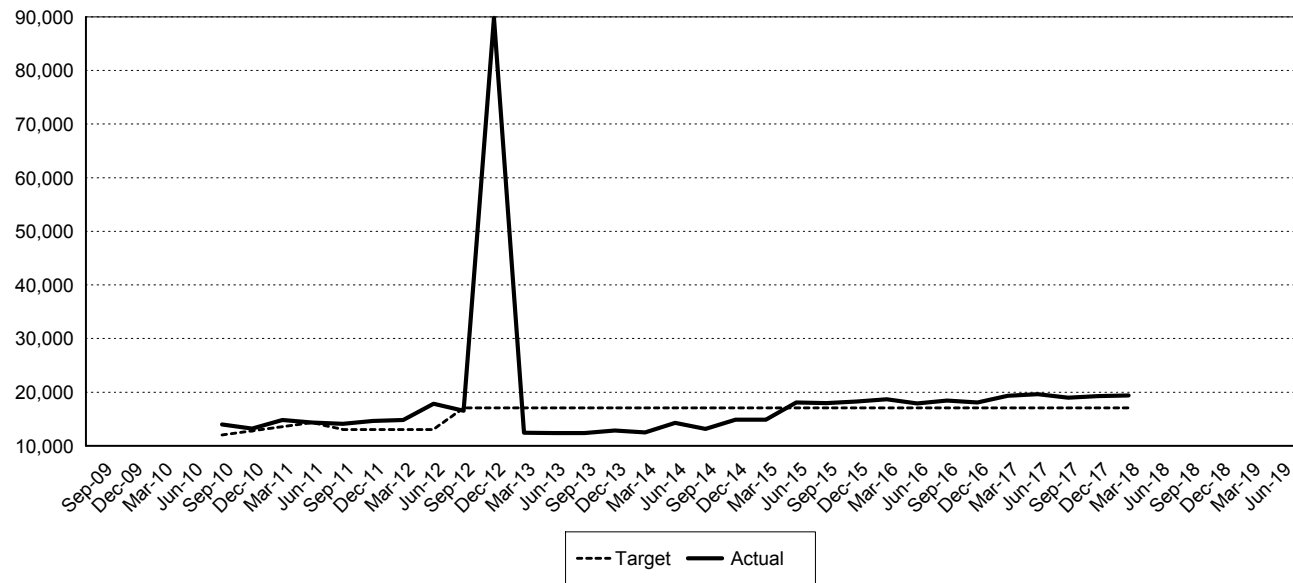
001813 Subject Matter Experts are Robb Zerr ((206) 256-6111, robb.zerr@commerce.wa.gov) and Alexander Harper ((360) 970-1073, alexander.harper@commerce.wa.gov)			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	19,355	17,000
	Q2	19,265	17,000
	Q1	18,952	17,000
2015-17	Q8	19,622	17,000
	Q7	19,345	17,000
	Q6	18,091	17,000
	Q5	18,422	17,000
	Q4	17,911	17,000
	Q3	18,658	17,000
	Q2	18,254	17,000
	Q1	17,985	17,000
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001813 - ChooseWashington.com visits



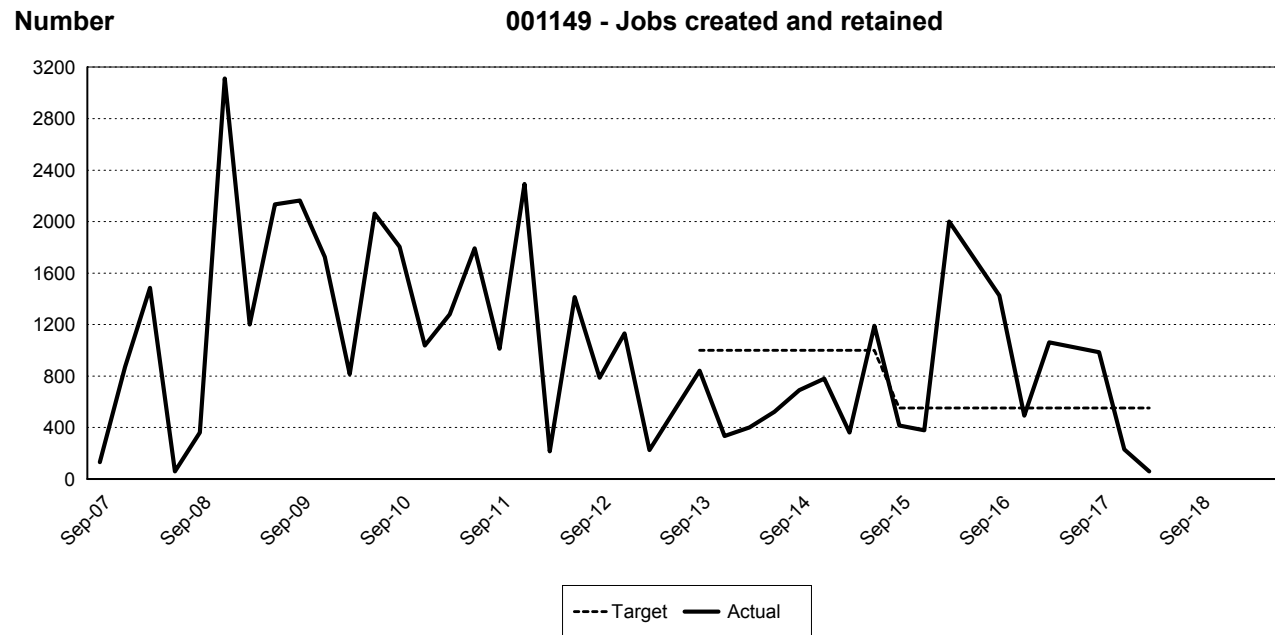
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	59	550
	Q2	229	550
	Q1	985	550
2015-17	Q8		550
	Q7	1,061	550
	Q6	492	550
	Q5	1,426	550
	Q4		550
	Q3	1,999	550
	Q2	378	550
	Q1	416	550
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



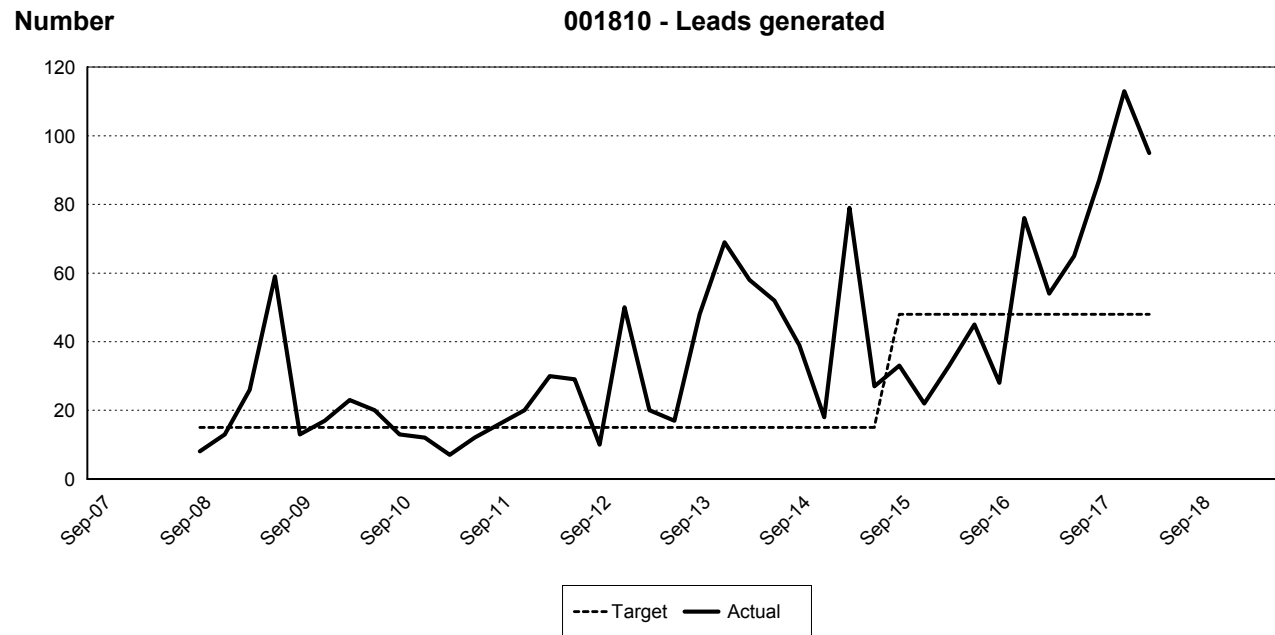
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001810 34 Number of leads generated			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	95	48
	Q2	113	48
	Q1	87	48
2015-17	Q8	65	48
	Q7	54	48
	Q6	76	48
	Q5	28	48
	Q4	45	48
	Q3	33	48
	Q2	22	48
	Q1	33	48
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	9	7
	Q2	22	7
	Q1	25	7
2015-17	Q8	30	7
	Q7	17	7
	Q6	20	7
	Q5	24	7
	Q4	5	7
	Q3	10	7
	Q2	9	7
	Q1	9	7

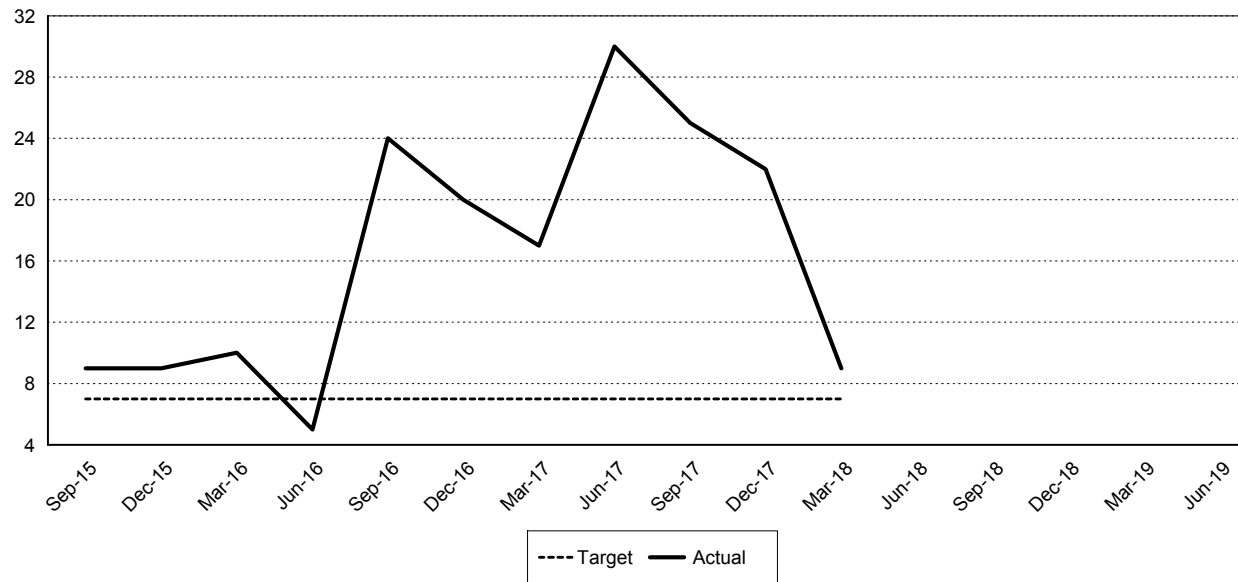
Performance Measure Status: Approved

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

002748 - New Active Cases



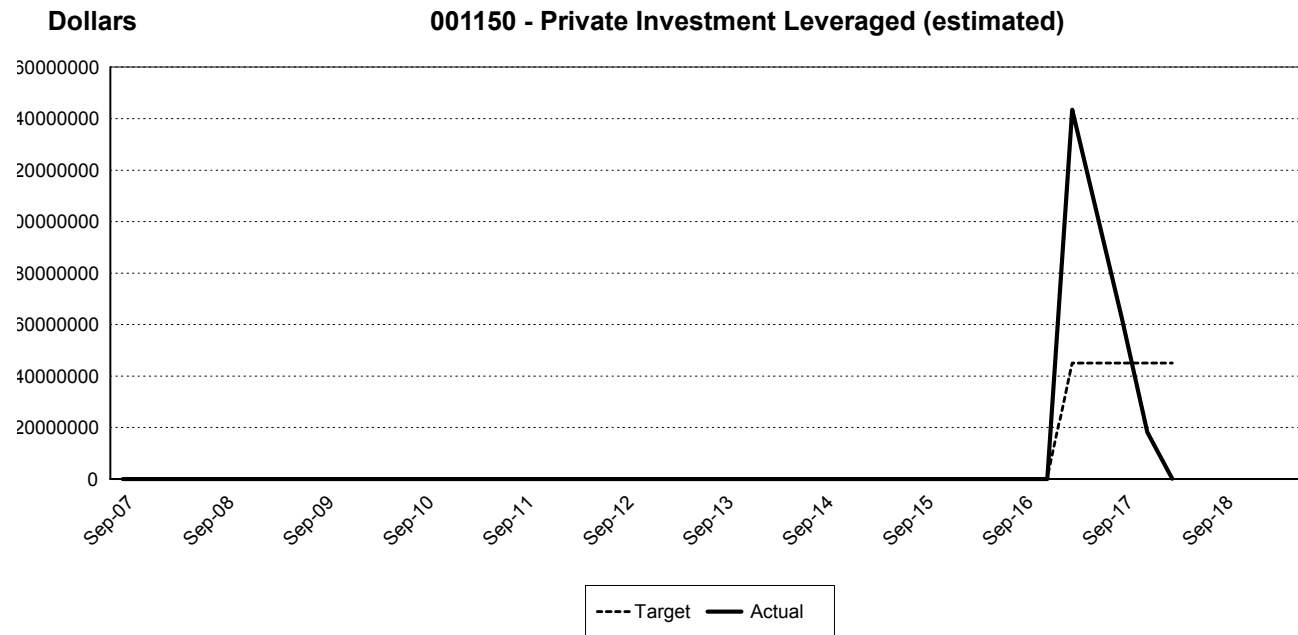
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	\$20,000	\$45,000,000
	Q2	\$18,150,000	\$45,000,000
	Q1	\$62,143,428	\$45,000,000
2015-17	Q8		
	Q7	\$143,423,500	\$45,000,000
	Q6	\$96	\$45
	Q5	\$98	\$45
	Q4		\$45
	Q3	\$134	\$45
	Q2	\$35	\$45
	Q1	\$10	\$45
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
001 General Fund - Basic Account			
001-1 State	\$234	\$233	\$467
08E Individual Development Account Prog			
08E-6 Non-Appropriated	\$68	\$0	\$68

Statewide Result Area: Prosperous Economy

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

Expected Results

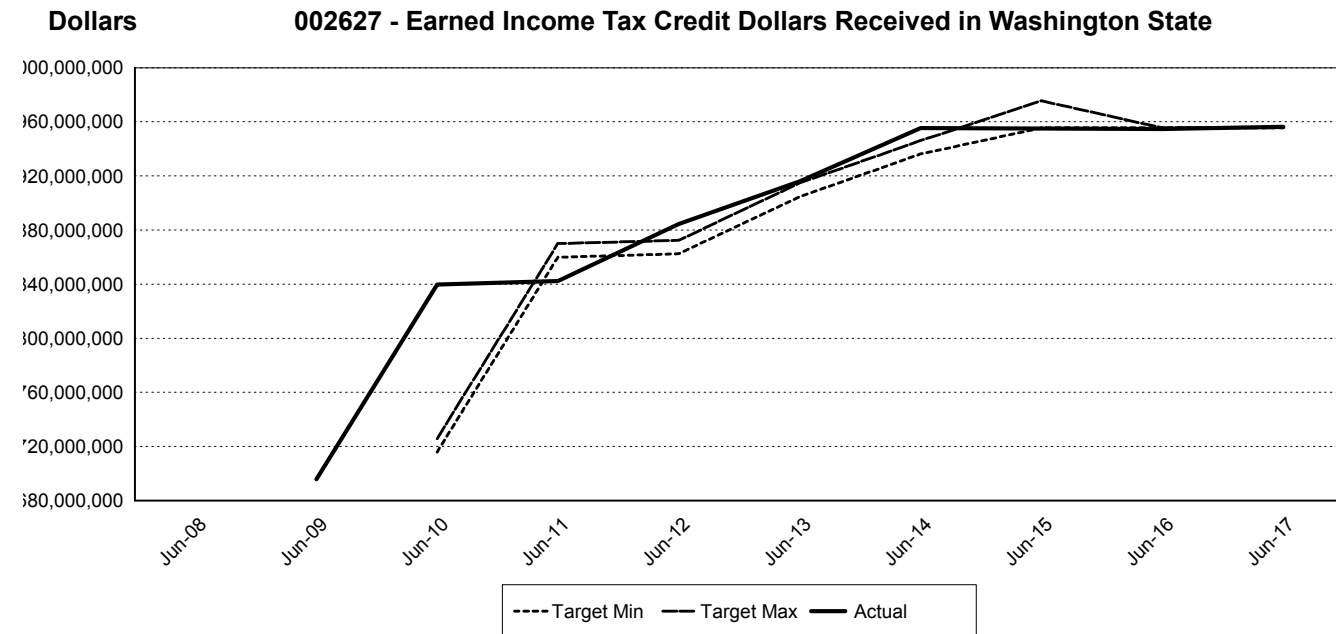
Low and moderate income working families have the skills and training to make sound financial decisions.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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	\$956,257,801	\$955,338,815	\$955,338,815
	A2	\$954,615,166	\$955,338,815	\$955,338,815
Performance Measure Status: Approved				



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A171 Small Business Export Assistance

Small Business Export Assistance (SBEA) 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, SBEA 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 SBEA 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.

Account	FY 2020	FY 2021	Biennial Total
FTE	10.9	9.9	10.4
15T Broadband Mapping Account			
15T-6 Non-Appropriated	\$5	\$0	\$5
001 General Fund - Basic Account			
001-1 State	\$1,900	\$1,901	\$3,801
001-2 Federal	\$338	\$15	\$353
001-7 Local	\$844	\$0	\$844
001 Account Total	\$3,082	\$1,916	\$4,998

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.

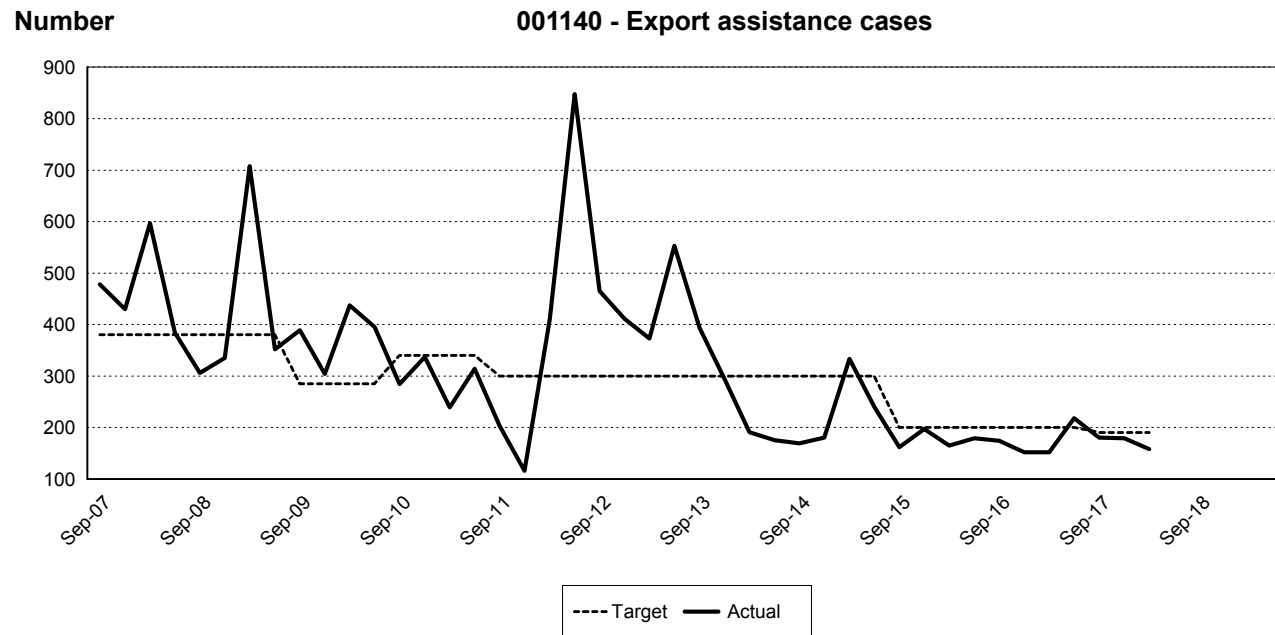
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001140 Commerce received 393 export assistance requests from 212 companies in the first quarter of the fiscal year 2013.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	158	190
	Q2	179	190
	Q1	180	190
2015-17	Q8	218	200
	Q7	152	200
	Q6	152	200
	Q5	174	200
	Q4	179	200
	Q3	165	200
	Q2	197	200
	Q1	162	200
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



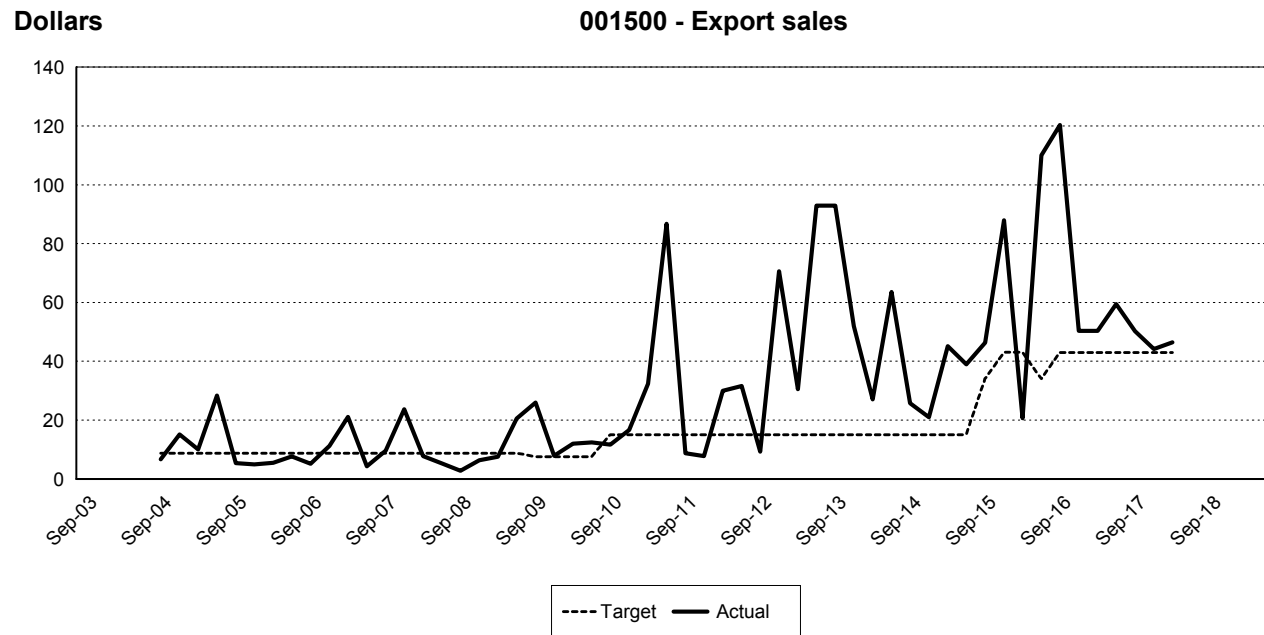
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001500 The International Trade program drives Export Sales by			
<ul style="list-style-type: none"> • Connecting Washington businesses and potential new international buyers through business-to-business meetings. <ul style="list-style-type: none"> • Conduct partner searches to find new buyers and distributors for Washington products and services. <ul style="list-style-type: none"> • Expand international export opportunities for small- to medium-sized businesses. <ul style="list-style-type: none"> • Provide export finance and risk mitigation counseling. • Organize and lead trade missions with Governor and overseas trade shows coordinating delegates and Washington State businesses. <ul style="list-style-type: none"> • Make government-level introductions for Washington businesses to open new doors to trade. <ul style="list-style-type: none"> • Identify new markets for Washington products through foreign trade offices. 			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	\$46.43	\$43
	Q2	\$44.16	\$43
	Q1	\$50.22	\$43
2015-17	Q8	\$59.48	\$43
	Q7	\$50.38	\$43
	Q6	\$50.38	\$43
	Q5	\$120.33	\$43
	Q4	\$110	\$34
	Q3	\$20.7	\$43
	Q2	\$87.9	\$43
	Q1	\$46.3	\$34
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	3.3	3.3	3.3
14M Financial Fraud & Id Theft Crimes			
14M-1 State	\$977	\$987	\$1,964
001 General Fund - Basic Account			
001-1 State	\$497	\$497	\$994
001-2 Federal	\$1,257	\$2,829	\$4,086
001 Account Total	\$1,754	\$3,326	\$5,080

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Administer Justice

Expected Results

Reduce crime in Washington.

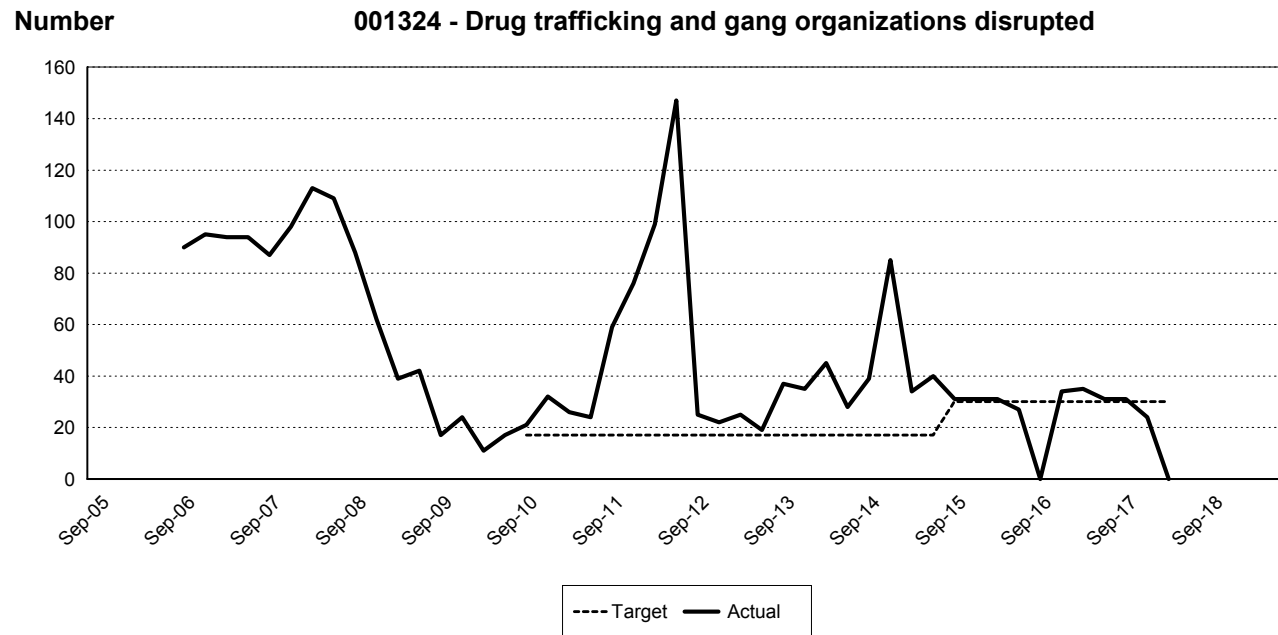
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001324 Number of drug trafficking/gang organizations disrupted/dismantled in counties served by Commerce funded programs.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	0	30
	Q2	24	30
	Q1	31	30
2015-17	Q8	31	30
	Q7	35	30
	Q6	34	30
	Q5	0	30
	Q4	27	30
	Q3	31	30
	Q2	31	30
	Q1	31	30
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity



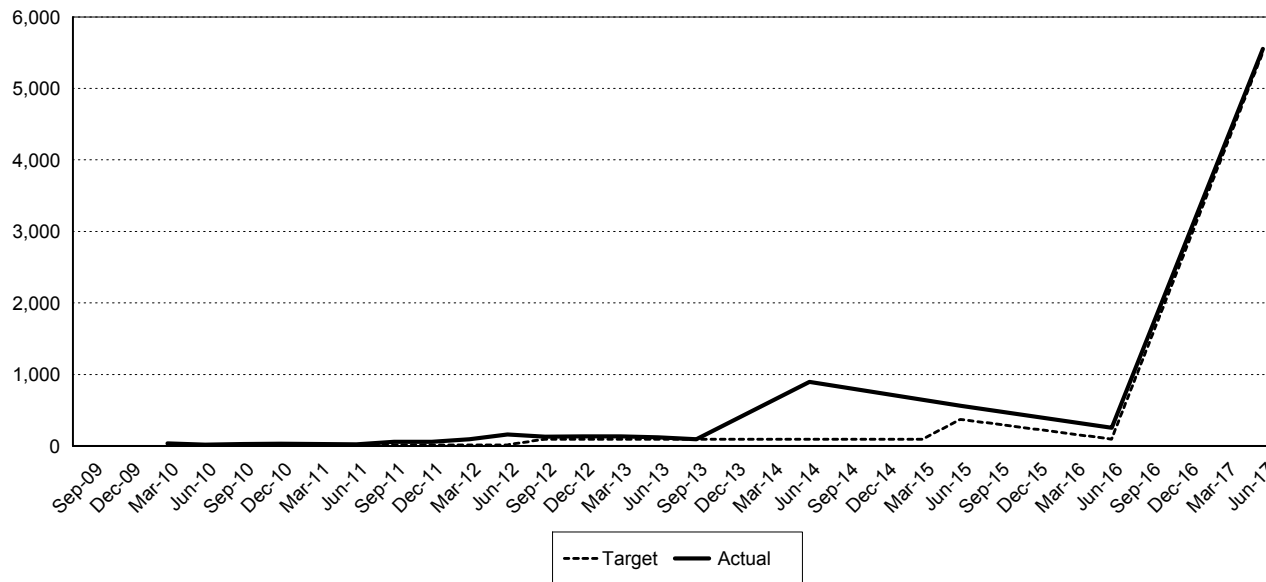
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001096 Number of convictions resulting from the prosecution of task force cases.			
Biennium	Period	Actual	Target
2015-17	Q8	5,555	5,500
	Q7		
	Q6		
	Q5		
	Q4	252	92
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Number

001096 - Financial fraud convictions



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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A179 New Americans

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	0.2	0.2	0.2
001 General Fund - Basic Account			
001-1 State	\$391	\$391	\$782

Statewide Result Area: Prosperous Economy

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

Expected Results

Legal permanent residents receive naturalization assistance.

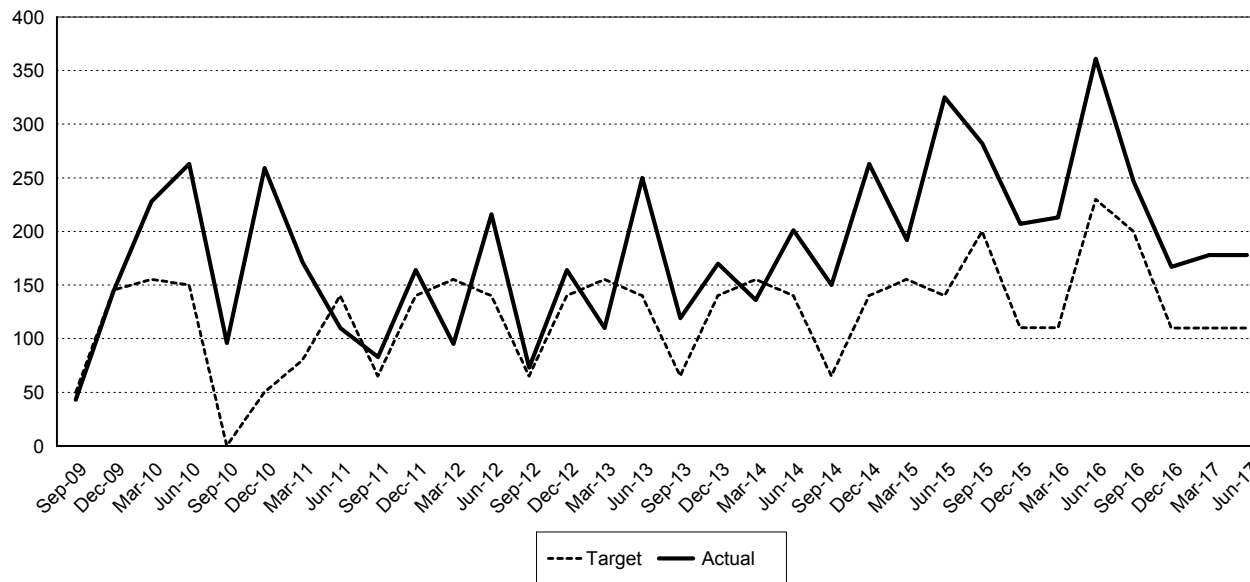
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

001100 Number of program participants completing N-400 applications for citizenship.			
Biennium	Period	Actual	Target
2015-17	Q8	178	110
	Q7	178	110
	Q6	167	110
	Q5	247	200
	Q4	361	230
	Q3	213	110
	Q2	207	110
	Q1	282	200
Performance Measure Status: Approved			

Number

001100 - Applications for Citizenship



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	0.1	0.0	0.1
001 General Fund - Basic Account			
001-7 Local	\$96	\$93	\$189

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.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A184 Sector Leads

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 2020	FY 2021	Biennial Total
FTE	7.4	5.1	6.3
001 General Fund - Basic Account			
001-1 State	\$507	\$478	\$985
001-2 Federal	\$2,525	\$666	\$3,191
001-7 Local	\$131	\$150	\$281
001 Account Total	\$3,163	\$1,294	\$4,457
21K Skilled Worker Awareness Grant Prog			
21K-6 Non-Appropriated	\$150	\$150	\$300

Statewide Result Area: Prosperous Economy

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

Expected Results

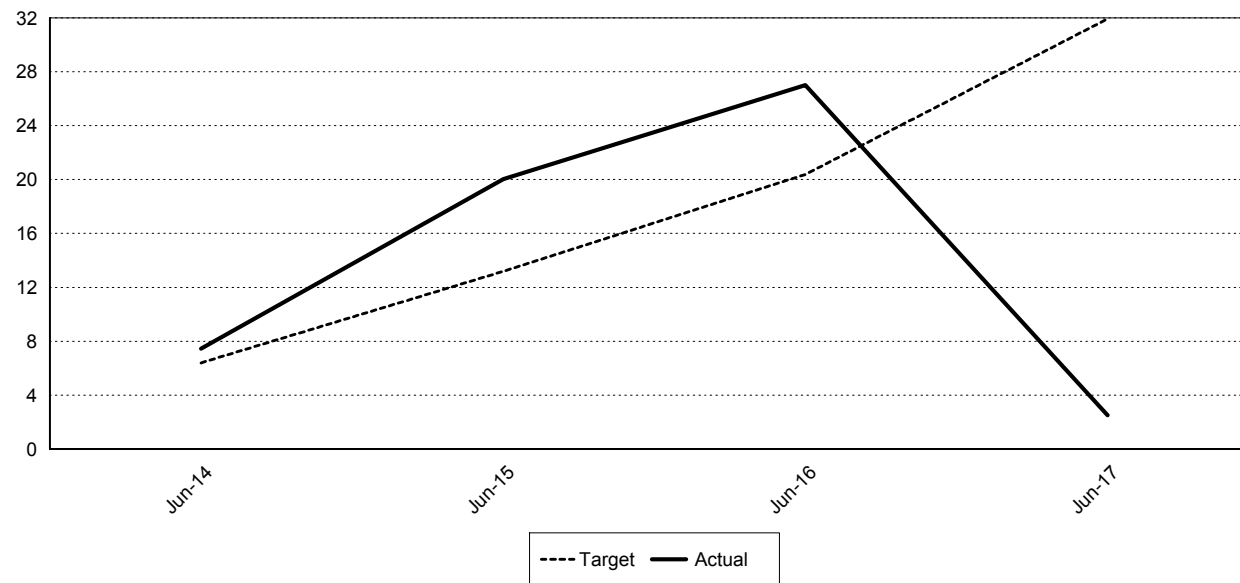
To create and sustain a thriving economic climate that spurs job growth in every industry sector and every corner of Washington State.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.			
Biennium	Period	Actual	Target
2015-17	A3	2.5%	31.9%
	A2	27%	20.37%
Performance Measure Status: Approved			

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



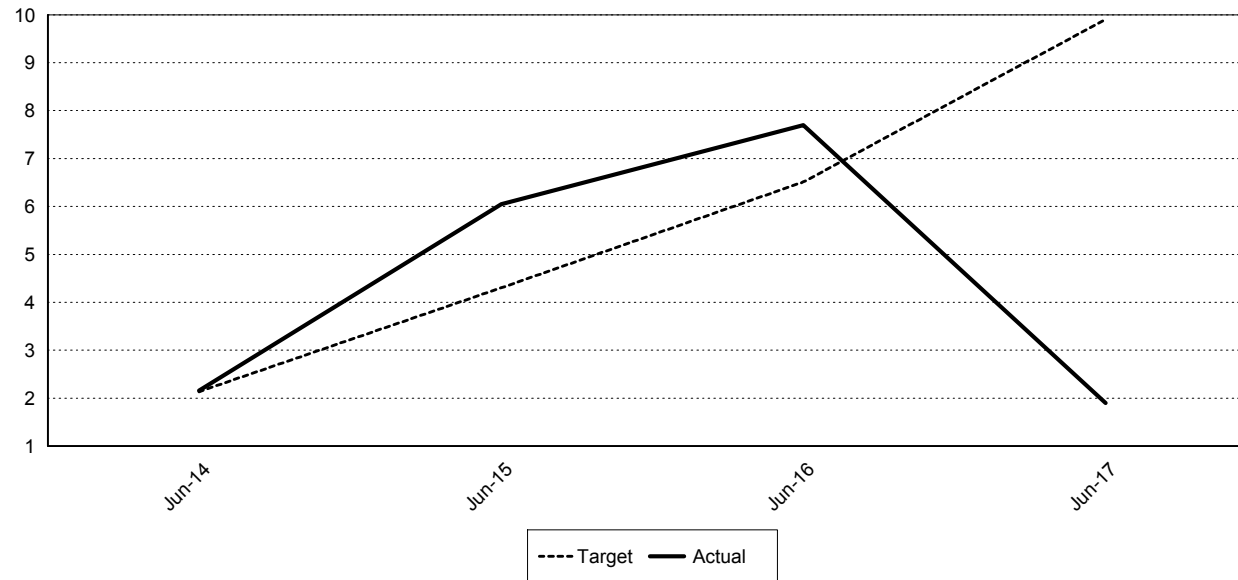
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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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	1.9%	9.9%
	A2	7.7%	6.51%
Performance Measure Status: Approved			

Percent

002632 - Sector Leads: Job Growth in Key Industry Sectors



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	0.4	0.1	0.3
001 General Fund - Basic Account			
001-1 State	\$535	\$509	\$1,044

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.

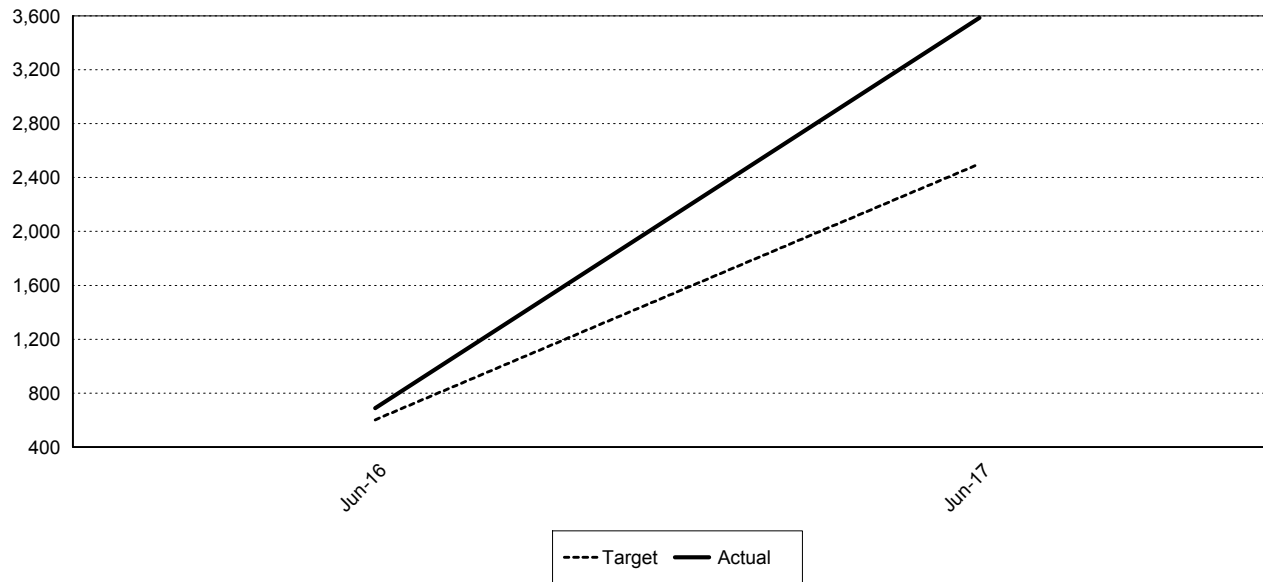
002742 Washington agricultural workers have improved labor skills, resulting in increased employment and workplace safety in the agricultural sector.			
Biennium	Period	Actual	Target
2015-17	A3	3,586	2,500
	A2	688	600
Performance Measure Status: Approved			

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

002742 - Agricultural employees trained



Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

A186 Youth Homelessness

The Office of Youth Homelessness (OYH) 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. OYH 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.

Account	FY 2020	FY 2021	Biennial Total
FTE	5.4	5.4	5.4
001 General Fund - Basic Account			
001-1 State	\$5,211	\$5,200	\$10,411

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.

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.3	1.3	1.3
001 General Fund - Basic Account			
001-1 State	\$206	\$227	\$433

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.

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Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

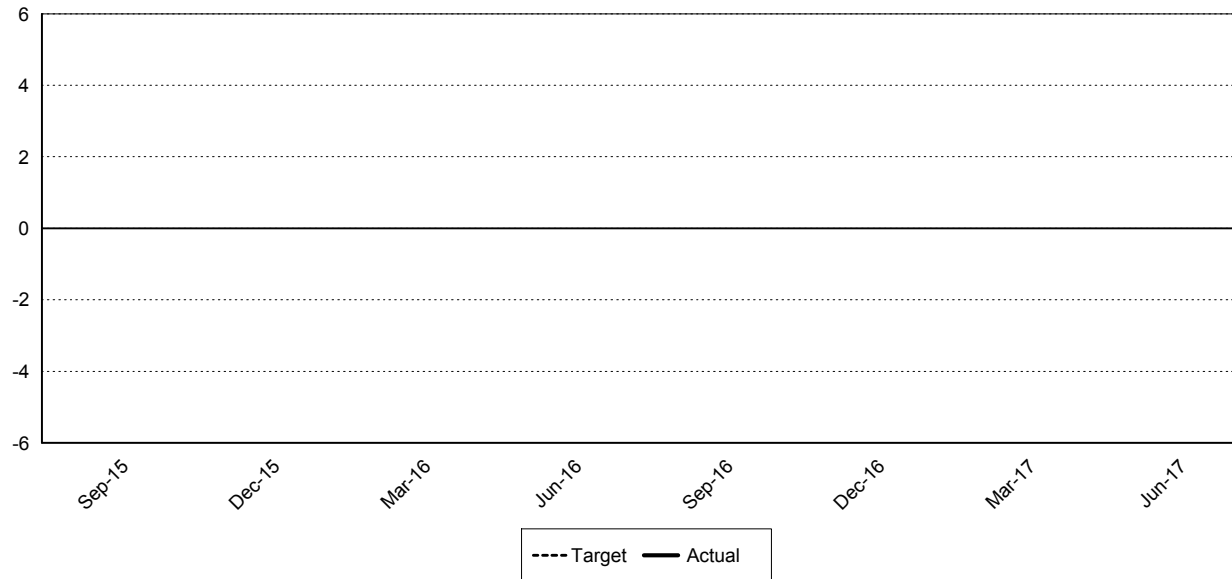
002747 The Small Business Retirement Marketplace creates a voluntary virtual exchange where small businesses and their employees can access qualified retirement savings plans that are provided at a low costs to participants . This measure will track the number of visitors to that virtual exchange.

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

*

Appropriation Period: 2019-21 Activity Version: CL - Carry Forward Level Sort By: Activity

Number 002747 - Small Business Retirement Marketplace virtual exchange visits



Grand Total

	FY 2020	FY 2021	Biennial Total
FTE's	304.5	313.1	308.8
GFS	\$138,818	\$140,951	\$279,769
Other	\$228,583	\$212,900	\$441,483
Total	\$367,401	\$353,851	\$721,252

Activity Inventory Indirect Cost Allocation Approach

Agency: 103 Department of Commerce

Biennium: 2019-2021

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

Activity	Activity Name	% Allocation	FY20 Allocation	FY21 Allocation	Total Allocation
A003	Community Services Block Grant	0.7%	54,537	50,771	105,309
A005	Developmental Disabilities Council and Endowment	1.0%	81,066	75,468	156,534
A007	Streamline Housing and Community Development	1.9%	153,524	142,922	296,446
A008	Services to Crime Victims	3.7%	305,972	284,843	590,816
A011	Strengthening Criminal Justice Response to Victims of Crime	2.7%	218,522	203,432	421,954
A012	Long Term Care Ombudsman Program	0.1%	6,946	6,467	13,413
A013	Low Income Home Energy Assistance Program	3.7%	304,897	283,843	588,740
A019	Train and Maintain Volunteers Supporting Community Capacity	2.6%	216,558	201,604	418,162
A025	Agency Administration	2.9%	239,444	222,909	462,353
A035	Community Economic Revitalization Board and Program	1.2%	99,441	92,574	192,015
A049	State Energy Policy	4.4%	358,380	333,633	692,013
A064	Lead Based Paint Hazard Mitigation	1.2%	100,227	93,305	193,532
A065	Improve and Preserve the Affordability of Housing	6.7%	546,367	508,638	1,055,005
A068	Mobile Home Relocation Assistance	0.3%	28,488	26,521	55,010
A092	Bond Cap Allocation Program for Tax Exempt Financing Authorization	0.7%	55,571	51,734	107,305
A096	Community Development Block Grant	3.6%	290,715	270,640	561,355
A100	Drinking Water System Grants and Loans	2.3%	184,286	171,560	355,847
A104	Growth Management	6.5%	532,329	495,570	1,027,899
A106	Local Government Fiscal Notes	1.1%	91,357	85,049	176,406
A113	Public Works Infrastructure Grants and Loans	4.0%	330,098	307,304	637,402
A157	Homeless Housing and Assistance	8.9%	728,990	678,651	1,407,641
A159	Affordable Housing Development	12.0%	984,631	916,638	1,901,269
A163	Business Development	7.6%	623,065	580,040	1,203,105
A167	Economic Development - Business Loans	0.5%	37,361	34,781	72,142
A168	Asset Building for Working Families	0.0%	-	-	-
A171	Global Trade Services	4.7%	380,604	354,322	734,927
A177	Criminal Justice Investments	1.1%	92,929	86,512	179,440
A179	New Americans	0.1%	5,871	5,466	11,337
A182	Municipal Research and Services Center (MRSC)	0.1%	10,916	10,162	21,078
A183	Public Facilities District Independent Financial Feasibility Reviews	0.0%	2,030	1,890	3,920
A184	Sector Leads	3.5%	286,245	266,479	552,724
A185	Agricultural Labor Skills and Safety Training	0.0%	-	-	-
A186	Youth Homelessness	1.1%	90,002	83,787	173,789
A187	Small Business Retirement Marketplace	0.4%	32,728	30,468	63,196
	Non-Appropriated Non Budget	0.1%	5,970	5,558	11,528
	Capital Budget	8.6%	701,930	653,459	1,355,389
	Total	100.0%	8,182,000	7,617,000	15,799,000

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

WHY

→

HOW

→

WHAT

Strong communities are essential for economic prosperity and thriving people

OUR PURPOSE

We strengthen communities

and

OUR VALUES

Creative
Collaborative
Trusted



Bringing new approaches together to support communities

Equitably distributing agency funding

- Partner with communities to understand the needs and challenges affecting their access to resources.
- Address internal barriers to access so that communities are positioned to compete for and access needed resources.
- Improve the competitiveness of our most underserved communities, helping them to access needed resources.

Engaging communities to better respond to their needs

- Engage with partners and communities to find effective solutions to problems.
- Reach out to all types of communities in Washington to understand and respond to their unique needs.

Helping communities assess and improve resilience

- Develop a resilience framework.
- Help communities assess their resilience and identify critical areas of weakness.
- Identify actions and programs within Commerce’s book of business that improve community resilience.
- Grow community resilience over time.



Addressing communities’ most critical needs
(EXTERNAL)

Reducing homelessness

- Implement required updates to local and state plans.
- Set and require performance standards for existing homeless crisis response system investments.
- Develop research-based models of the policy changes and investment levels needed to leave no people living outside.

Increasing self-sufficiency

- Review all self-sufficiency enhancing programs to ensure they align with the latest research on effectiveness.
- Propose changes to programs as needed to align them with research-proven designs.

Increasing living wage jobs

- Create a data analysis framework for tracking living wage job disparity.
- Revise metrics for living wage job growth, prioritizing communities with the greatest need.
- Develop a network of partnerships (internal and external) to focus on living wage jobs.
- Analyze existing Commerce programs with assessment of flexibility to support living wage jobs.
- Develop policy and resource requirements.



Advancing a healthy culture
(INTERNAL)

Being an employer of choice

- Focus on growing a cohesive healthy culture through employee engagement.
- Integrate the agency Playbook into our systems.
- Create systems to routinely seek and use customer feedback to inform our work processes and make things better for our customers.

Cultivating our values of trust, collaboration and creativity

- Deploy a framework to measure and improve Trust.
- Create work spaces and opportunities for cross-agency collaboration and creativity.

Improving housing affordability

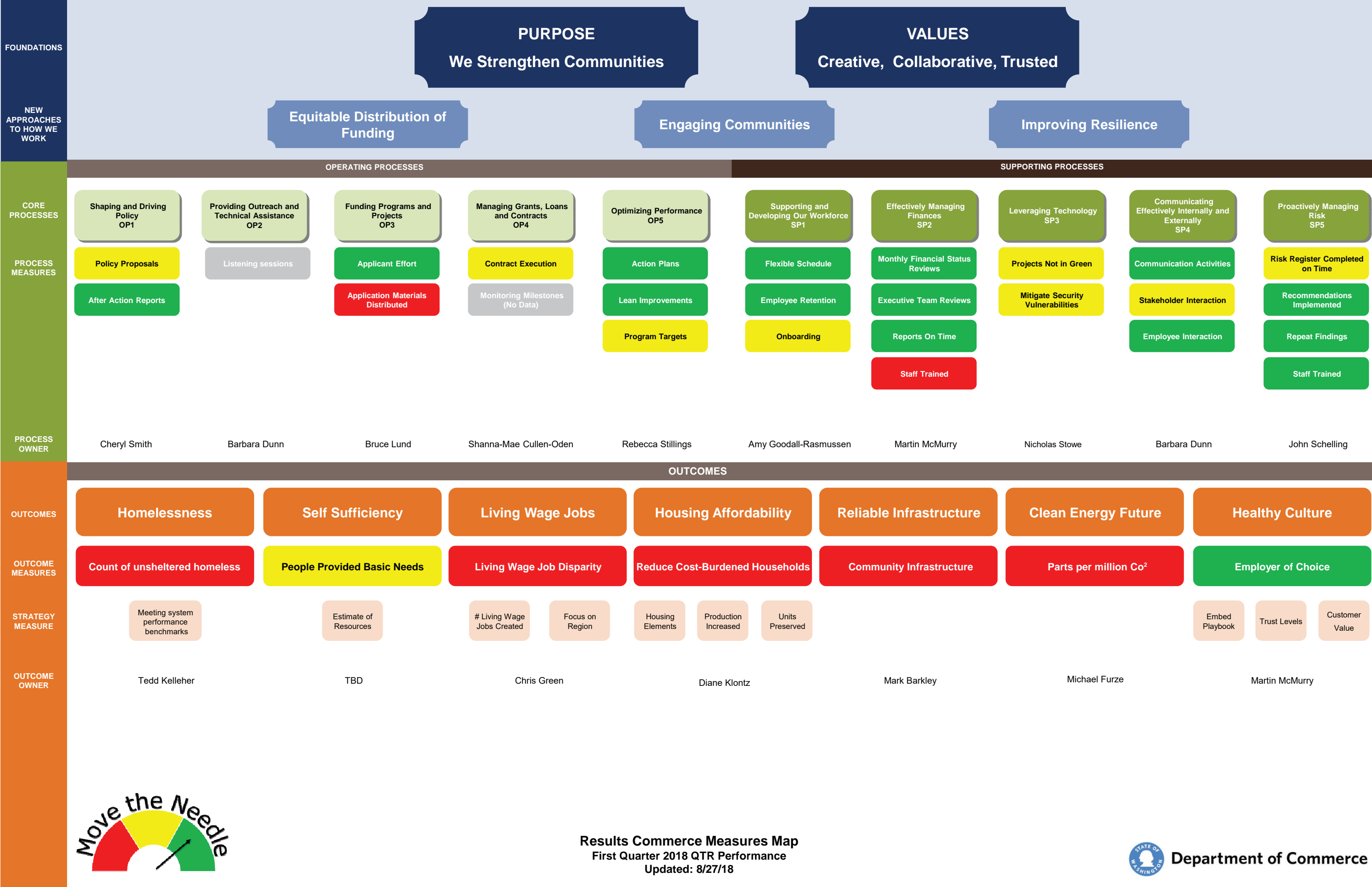
- Encourage effective local planning and collaboration to meet housing needs and income level affordability goals.
- Increase housing production by reducing barriers to modular housing construction.
- Institute comprehensive affordable housing preservation program.

Funding reliable infrastructure

- Identify and address failing infrastructure.
- Support Washington’s growth demands for new infrastructure.
- Build awareness across the state about infrastructure funding opportunities.

Building a clean energy future

- Provide policy analysis, long-term planning, advanced analytics and community technical assistance.
- Accelerate innovation and open new markets for low-carbon technology through public-private partnerships.
- Create healthy buildings and reduce their energy use through rehabilitation, energy upgrades, and Net Zero Energy construction.
- Lead by example to reduce emissions and toxics from state agency operations.
- Help communities plan for, respond to, and recover from energy emergencies.



OUTCOMES

OUTCOME MEASURES

STRATEGY MEASURE

OUTCOME OWNER

Homelessness

Self Sufficiency

Living Wage Jobs

Housing Affordability

Reliable Infrastructure

Clean Energy Future

Healthy Culture

Count of unsheltered homeless

People Provided Basic Needs

Living Wage Job Disparity

Reduce Cost-Burdened Households

Community Infrastructure

Parts per million Co²

Employer of Choice

Meeting system performance benchmarks

Estimate of Resources

Living Wage Jobs Created

Focus on Region

Housing Elements

Production Increased

Units Preserved

Embed Playbook

Trust Levels

Customer Value

Tedd Kelleher

TBD

Chris Green

Diane Klontz

Mark Barkley

Michael Furze

Martin McMurry

Move the Needle

Results Commerce Measures Map

First Quarter 2018 QTR Performance

Updated: 8/27/18

STATE OF WASHINGTON

Department of Commerce

Recommendation Summary

Agency: 103 Department of Commerce

Version: CL Carry Forward Level

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	288.5	141,629	433,763	575,392
2017-19 Current Biennium Total	288.5	141,629	433,763	575,392
CL 1022 Crime Victim Participation	0.8	140	0	140
CL 1570 Homeless Housing and Assistance	0.0	0	5,869	5,869
CL 1988 Vulnerable Youth Guardians	0.0	(14)	0	(14)
CL 2367 Child Care Task Force	0.9	(98)	0	(98)
CL 2382 Surplus Public Property	0.0	(174)	0	(174)
CL 2580 Renewable Natural Gas	0.0	(178)	0	(178)
CL 2667 HEN Eligibility	0.2	31	0	31
CL 2CVG Spinal Cord Mapping	0.0	(125)	0	(125)
CL 3Y Adjust to Available Revenue	0.0	0	3,186	3,186
CL 4CVG Microenterprise Contract	0.0	(250)	0	(250)
CL 5128 Incremental Electricity	0.0	(177)	0	(177)
CL 5251 Tourism Marketing	0.0	0	1,500	1,500
CL 5407 Housing Options	0.0	0	402	402
CL 5577 Incapacitated Persons	0.0	159	0	159
CL 5713 Skilled Worker Program	0.0	(300)	0	(300)
CL 6175 Common Interest Ownership	0.0	12	0	12
CL 6WMS Management Reduction	0.0	(253)	(154)	(407)
CL 8L Lease Adjustments < 20,000 sq. ft.	0.0	119	5	124
CL 92D Audit Services	0.0	1	1	2
CL 92E Legal Services	0.0	6	9	15
CL 92J CTS Central Services	0.0	1	2	3
CL 92R OFM Central Services	0.0	(12)	(23)	(35)
CL 9D Pension and DRS Rate Changes	0.0	1	0	1
CL 9E Other Fund Adjustments	0.0	0	(689)	(689)
CL A4 Shift Family Prosperity Account	0.0	468	(468)	0
CL AIR2 Airport Impact Study	0.0	(300)	(300)	(600)
CL B1 Rural & Small Business Assistance	1.0	1,070	0	1,070
CL B2 Industry Sector Development Program	0.0	736	0	736
CL B4 Buildable Lands	(0.3)	(1,576)	0	(1,576)
CL B7 Lead Based Paint Enforcement	(1.0)	(226)	0	(226)
CL BSA Move Pension Fund Shift to Agencies	0.0	2	(2)	0
CL C2VG Alternative Dispute Resolution	0.0	(500)	0	(500)
CL C3VG Life Sciences Grant	0.0	0	(50)	(50)
CL CVG2 Analyzing Biochar Samples	0.0	(11)	0	(11)
CL CVG3 Clark County Workforce Training	0.0	(149)	0	(149)
CL CVG4 Armistice Day Grant	0.0	(250)	0	(250)
CL CVG6 Sports Medicine Conference	0.0	(50)	0	(50)
CL CVG8 Homeless Youth Resource Portal	0.0	(20)	0	(20)
CL DADS Fathers & Family Reunification	0.0	(125)	0	(125)
CL DATA HMIS Upgrades for Daily Collection	0.0	(600)	0	(600)
CL DCRV Data Center Review	0.0	(50)	0	(50)
CL EC0D Rural Economic Development	0.0	0	(250)	(250)
CL EMII Economic Growth Strategy	0.0	(200)	0	(200)
CL FAMR Legal Support/Community Safety	0.0	1,000	0	1,000

Recommendation Summary

Agency: 103 Department of Commerce

Version: CL Carry Forward Level

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
CL FED2 Small Business Innovation Exchange	0.0	(150)	0	(150)
CL FEDW Emergency Shelter	0.0	(100)	0	(100)
CL FWDC Federal Way Day Center	0.0	(80)	0	(80)
CL G05 Biennialize Employee PEB Rate	0.0	4	6	10
CL G09 WFSE General Government	0.0	137	572	709
CL GBN BH: Permanent Supportive Housing	0.0	990	0	990
CL GBP BH:Supportive Housing Administrator	(1.0)	(280)	0	(280)
CL GL9 Non-Rep General Wage Increase	0.0	393	190	583
CL GLU PERS & TRS Plan 1 Benefit Increase	0.0	5	7	12
CL GPP Gang Prevention Pilot	0.0	(150)	0	(150)
CL GSK Employment Contract Study	0.0	(500)	0	(500)
CL GZC CTS Fee for Service Adjustment	0.0	2	1	3
CL GZF Paid Family Leave--Employer Premium	0.0	15	3	18
CL GZH DES Rate Compensation Changes	0.0	1	0	1
CL HTGN Hoh Tribe Generator	0.0	(60)	0	(60)
CL LAT1 Latino Community Grants	0.0	(200)	0	(200)
CL LTC1 Long-Term Care Ombuds	0.0	(300)	0	(300)
CL MARK Marketing and Communication	0.0	(1)	0	(1)
CL NATI Native American Culture	0.0	(250)	0	(250)
CL PNER Pacific Northwest Economic Region	0.0	60	0	60
CL SAKS Sexual Assault Nurse Examiners	(0.1)	(41)	0	(41)
CL SCD Snohomish County Diversion	0.0	(800)	0	(800)
CL SSNC Safe Streets and Nuevo Camino	0.0	(500)	0	(500)
CL STMP Statewide Tourism Marketing Plan	0.0	(500)	0	(500)
CL T98 Reduce Expenditure Authority	0.0	0	1	1
CL T99 ADO Fund Shift	0.0	(2,960)	2,960	0
CL WFAL Community and Economic Development	0.0	(140)	0	(140)
CL WFPJ Wildfire Project	0.0	(100)	0	(100)
Total Carry Forward Level	289.0	134,232	446,541	580,773
Percent Change from Current Biennium	.2%	(5.2)%	2.9%	.9%
Maintenance – Other Changes				
ML8L Lease Adjustments < 20,000 sq. ft.	0.0	551	518	1,069
ML9E Other Fund Adjustments	0.0	0	(568)	(568)
ML9Z Recast to Activity	0.0	0	0	0
MLB3 Behavioral Health Administrator	1.0	396	0	396
MLB5 State Surplus Property	1.1	348	0	348
MLB6 Skilled Worker	0.5	300	0	300
MLB7 Lead Based Paint Enforcement	2.0	544	0	544
MLB8 ADO Funding	0.0	5,602	(5,602)	0
Maintenance – Other Total	4.6	7,741	(5,652)	2,089
Total Maintenance Level	293.6	141,973	440,889	582,862
Percent Change from Current Biennium	1.8%	.2%	1.6%	1.3%
Policy – Other Changes				
PL C1 Housing Unshelter Families	0.0	76,782	0	76,782

Recommendation Summary**Agency: 103 Department of Commerce****Version: CL Carry Forward Level***Dollars in Thousands*

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
PL C2 Buildable Lands Program	1.0	4,305	0	4,305
PL C3 Rural Economic Development	1.0	3,907	0	3,907
PL C4 Supporting Clean Energy Transition	6.8	3,030	0	3,030
PL C5 Homeless Youth and Young Adults	2.0	9,731	0	9,731
PL C6 Rent Assistance	0.0	34,320	0	34,320
PL C7 Green Business Economy	2.5	1,226	0	1,226
PL C8 Global Washington Strategy	0.0	1,914	0	1,914
PL C9 Modern Work Environment	0.0	2,581	0	2,581
PL CA LGFN Program	2.0	0	594	594
Policy – Other Total	15.3	137,796	594	138,390
 Subtotal - Policy Level Changes	 15.3	 137,796	 594	 138,390
 2019-21 Total Proposed Budget	 308.8	 279,769	 441,483	 721,252
Percent Change from Current Biennium	7.0%	97.5%	1.8%	25.3%

Recommendation Summary**Agency: 103 Department of Commerce****Version: CL Carry Forward Level***Dollars in Thousands*

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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CL 92D Audit Services

CFL Adjustment for Audit Services

CL 92E Legal Services

CFL Adjustment for Legal Services

CL 92J CTS Central Services

CFL Adjustment for CTS Services

CL 92R OFM Central Services

CFL Adjustment for OFM Services

CL 9D Pension and DRS Rate Changes

Biennialize Pension Funding

CL GZC CTS Fee for Service Adjustment

CFL Adjstmnt - CTS Fee for Service

CL GZF Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation.

CL GZH DES Rate Compensation Changes

CFL Adjstmnt - DES Rate for Compensation Changes

Recommendation Summary**Agency: 103 Department of Commerce****Version: CL Carry Forward Level***Dollars in Thousands*

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
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ML 8L Lease Adjustments < 20,000 sq. ft.

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 operations without interruption, the department will need to fulfill these lease requirements.

ML 9E Other Fund Adjustments

The Department of Commerce (department) request removal of expenditure authority for the Drinking Water Assistance Account and Drinking Water Assistance Administrative Account that transferred to the Department of Health effective July 1, 2018.

ML B3 Behavioral Health Administrator

The 2017-19 Operating Budget included two behavioral health provisos under the Department of Commerce (department). One funded new behavioral health housing beds, the other funded an FTE to oversee funding and ensure coordination of future efforts among the department, Department of Social and Health Services, Health Care Authority and other entities to link disparate behavioral health capacity building efforts (e.g., housing for people exiting psychiatric institutions or substance use treatment).

Funding was included in maintenance level, but funding for the FTE wasn't. The department is requesting funds to ensure continued support for contracts and activities related to behavioral health housing.

ML B5 State Surplus Property

3SHB 2382 was enacted during the 2018 Legislative Session. The statute directs the Department of Commerce to work with the Departments of Social and Health Services (DSHS), Natural Resources (DNR), Corrections (DOC), Enterprise Services (DES), Washington State Patrol (WSP) and State Parks and Recreation Commission (Parks) to identify and catalog property suitable for the development of affordable housing for low-income households. The department must provide these inventories of state-owned lands and buildings to parties interested in developing sites for affordable housing, and provide an annual report to the Office of Financial Management and the legislature on its findings.

ML B6 Skilled Worker

The Department of Commerce requests to continue funding to implement Chapter 43.329 RCW the skilled worker outreach, recruitment, and career awareness grant program. This program boosts efforts to connect Washington workers with most-wanted career skills through grants to raise awareness, access to education, training, certifications and employment through apprenticeships, community and technical college programs.

ML B7 Lead Based Paint Enforcement

The Department of Commerce (department) requests funding to maintain the additional enforcement staff funded in the FY2018 Supplemental Operating Budget Level. Thanks to this staffing, the department will be able to conduct meaningful enforcement east of the Cascades for the first time in the program's history.

ML B8 ADO Funding

Recommendation Summary

Agency: 103 Department of Commerce

Version: CL Carry Forward Level

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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The Department of Commerce (department) seeks to continue a technical fix that was made in the FY18 Supplemental Budget for overall funding for Associate Development Organizations (ADOs). ADOs are the conduit to local economic development activities and are traditionally funded through General Fund State (GFS), not the Economic Development Strategic Reserve Account (EDSR). This request seeks to ensure funding continues with GFS as originally intended.

PL C1 Housing Unshelter Families

Most of the currently unsheltered and unserved families in Washington would receive short-term rent assistance to successfully return them to stability. The subset of homeless families with a long history of living homeless due to a significant disability would be provided permanent housing and the ongoing services necessary to maintain stability.

This proposal would house all unsheltered households with minor children who are currently not served.

Focused investments in proven housing and service strategies would result in Washington being a place where no family with minor children lives outside.

PL C2 Buildable Lands Program

The Department of Commerce (department) requests \$4.3 million to help seven counties (Whatcom, Snohomish, King, Pierce, Kitsap, Thurston and Clark) fully implement and maintain their Buildable Lands programs and to implement amendments to the program that occurred in the 2017 Legislative Session.

PL C3 Rural Economic Development

The Department of Commerce (department) requests to establish a competitive grant program targeted to local economic development organizations to provide resources for asset mapping, regional strategic planning and industrial site readiness. These grants help communities create economic development goals and strategies to create living wage jobs. This proposal would also provide an increase in funding for small and rural Associate Development Organizations (ADOs) to help facilitate related economic development activities locally.

PL C4 Supporting Clean Energy Transition

With executive orders on carbon pollution reduction and energy efficiency and one of the cleanest grids in the nation, Washington can be a leader in the national transition to a clean energy future. However, the state energy office has been largely dependent on unstable federal funding to achieve our state objectives, and has limited resources compared to states of comparable size. The Department of Commerce (department) requests additional and ongoing funding to be able to provide long-term planning, advanced analytics, emergency response support, and community technical assistance—to live up to the vision that leaders have already established for Washington as a national leader in the clean energy future.

PL C5 Homeless Youth and Young Adults

More than 13,000 young people, ages 12 through 24, across every county of our state are experiencing homelessness on their own, without the support of family. The Department of Commerce (department) requests \$5.7 million in General Fund State (GFS) to maintain and expand programs addressing housing stability for homeless youth and young adults, and invests an additional \$4 million to leverage \$4 million in private funds as part of a public-private Anchor Communities Initiative to end youth and young adult homelessness in four communities in Washington by 2022.

Recommendation Summary**Agency: 103 Department of Commerce****Version: CL Carry Forward Level***Dollars in Thousands*

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
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PL C6 Rent Assistance

Washington state has received federal approval to use Medicaid funding to provide the supportive services necessary to stably house the 1,000 highest-need chronically homeless people because research shows providing this population housing and supportive services results in net lower Medicaid expenditures. But since Medicaid does not pay rent, most of the people eligible to receive these services remain homeless.

This proposal would provide rent assistance for this population, with most of the services paid by the Medicaid-funded Foundational Community Supports program administered by the Health Care Authority.

PL C7 Green Business Economy

In implementing the “clean energy future” strategy, focused on climate change solutions with global scalability and demand, the Department of Commerce (department) would engage the market to create jobs and attract investment in the Green Economy. The strategy will focus on innovative and exportable markets including decarbonization pathways, electrified transportation, recycling of waste stream technologies, as well as clean technologies used in advanced manufacturing, value-added agriculture, and maritime clusters.

PL C8 Global Washington Strategy

One in three jobs in Washington is tied to importing and exporting. Due to the historic threat to the state’s economy caused by President Trump’s tariffs, Washington businesses are already experiencing decreased revenues and job losses. This proposal aims to fight back by raising the global profile of Washington state to help create jobs, which will be especially beneficial to rural markets, such as food processing and manufacturing that are highly attractive to foreign investment. This strategy will reduce the impact of unpredictable federal trade policies, creating new jobs and creating new opportunities for businesses to attract investment from new markets overseas. This proposal will also promote dialogue with key international decision-makers, from government leaders to investors, and increase tax revenue through the sale of more products and services to a global customer base.

PL C9 Modern Work Environment

This proposal requests funding to address near- and long-term space issues for the Department of Commerce (department) and to fully implement modern workplace requirements (MWE) as set forth in the Governor’s Executive Order 16-07 (EO). This proposal seeks to proactively respond to anticipated growth in a smart way that limits future costs and promotes employee health and satisfaction.

PL CA LGFN Program

The Department of Commerce (department) request additional funding and FTEs to allow the Local Government Fiscal Note Program (LGFN) to provide information state and local decisionmakers need and to maintain staff continuity between legislative sessions. This will increase timeliness, productivity, and accuracy for the growing numbers of local government fiscal notes, and enable the department to complete the legislative report required by Chapter 43.132 RCW, documenting local government fiscal notes and costs to local governments of selected legislation.



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: 8L - Lease Adjustments < 20,000 sq. ft.
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Martin McMurry
 (360) 725-2710
 martin.mcmurry@commerce.wa.gov

Agency Recommendation Summary

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 operations without interruption, the department will need to fulfill these lease requirements.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$236	\$315	\$352	\$403
Fund 001 - 7	\$4	\$7	\$9	\$11
Fund 001 - 2	\$78	\$151	\$179	\$224
Fund 058 - 1	\$10	\$20	\$24	\$30
Fund 06K - 1	\$1	\$2	\$2	\$3
Fund 084 - 1	\$0	\$1	\$1	\$1
Fund 10B - 1	\$21	\$41	\$48	\$60
Fund 12C - 1	\$2	\$5	\$6	\$7
Fund 150 - 1	\$1	\$1	\$1	\$2
Fund 17L - 6	\$10	\$19	\$22	\$27
Fund 195 - 6	\$8	\$15	\$18	\$22
Fund 205 - 6	\$1	\$2	\$3	\$3
Fund 263 - 1	\$6	\$12	\$14	\$18
Fund 501 - 1	\$0	\$1	\$1	\$1
Fund 532 - 1	\$28	\$54	\$64	\$81
Fund 887 - 1	\$6	\$11	\$13	\$16
Total Expenditures	\$412	\$657	\$757	\$909
Biennial Totals		\$1,069		\$1,666
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	\$412	\$657	\$757	\$909

Package Description

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.

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.

Assumptions and Calculations

Expansion or alteration of a current program or service:

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

Detailed assumptions and calculations:

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, at a DES recommended rent accelerator of 8.5% and Olympia Town Square buildings, at a rent accelerator rate of 3% for FY2020 \$255,227 and \$495,492 respectively and for FY2021. The department assumes subleases to continue.

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

- \$157,202 increase above 17-19 base in FY2020
- \$161,918 increase above 17-19 base in FY2021
- \$170,257 increase above 17-19 base in FY2022
- \$175,365 increase above 17-19 base in FY2023

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

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.

Performance outcomes:

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

Other Collateral Connections

Intergovernmental:

N/A

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: 9E - Other Fund Adjustments
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

The Department of Commerce (department) request removal of expenditure authority for the Drinking Water Assistance Account and Drinking Water Assistance Administrative Account that transferred to the Department of Health effective July 1, 2018.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 04R - 1	\$-55	\$-3	\$0	\$0
Fund 05R - 1	\$-509	\$-1	\$0	\$0
Total Expenditures	\$-564	\$-4	\$0	\$0
Biennial Totals		\$-568		\$0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. N	\$-564	\$-4	\$0	\$0

Package Description

Drinking Water Assistance and Drinking Water Assistance Administrative Account

Beginning July 1, 2018 authority for expenditures from the account transfer to the Department of Health. The department request the removal of expenditure authority for these two accounts.

This request will remove the excess expenditure authority for Fund 17L, Fund 04R and Fund 05R for the department.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

N/A

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

N/A

Performance outcomes:

n/a

Other Collateral Connections

Intergovernmental:

N/A

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: B3 - Behavioral Health Administrator
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

The 2017-19 Operating Budget included two behavioral health provisos under the Department of Commerce (department). One funded new behavioral health housing beds, the other funded an FTE to oversee funding and ensure coordination of future efforts among the department, Department of Social and Health Services, Health Care Authority and other entities to link disparate behavioral health capacity building efforts (e.g., housing for people exiting psychiatric institutions or substance use treatment). Funding was included in maintenance level, but funding for the FTE wasn't. The department is requesting funds to ensure continued support for contracts and activities related to behavioral health housing.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$198	\$198	\$198	\$198
Total Expenditures	\$198	\$198	\$198	\$198
Biennial Totals		\$396		\$396
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.0	1.0	1.0	1.0
Average Annual		1.0		1.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$108	\$108	\$108	\$108
Obj. B	\$33	\$33	\$33	\$33
Obj. E	\$54	\$54	\$54	\$54
Obj. G	\$3	\$3	\$3	\$3

Package Description

What is the problem, opportunity or priority you are addressing with the request?

The department and state are at risk of losing a statewide lead administrator for activities related to housing people discharging from psychiatric or other behavioral health facilities (including substance use disorders). This administrator currently oversees \$2.9 million in behavioral health housing contracts, \$5.7 million in HUD 811 funds, and startup of the new Landlord Mitigation program (estimated \$3 million). This position supervises two staff who manage behavioral health contracts and outreach to private landlords working with public housing programs.

Loss of this FTE would also result in a reduction of operational coordination among local behavioral health organizations, state hospitals, and agencies including the Department of Social and Health Services and Health Care Authority.

What is your proposed solution?

This proposal is to maintain funding for the behavioral health housing administrator so the department can continue to support development and integration of behavioral health housing systems. This proposal is intended to reduce local and state costs related to hospitalization and treatment, and improve quality of life for Washingtonians.

Prior to this position, the department had no staff dedicated to developing and improving outcomes related to exiting institutions and maintaining community-based services and housing that results in an increase in quality of life and a decrease in the costs associated with institutionalization.

What are you purchasing and how does it solve the problem?

The department is purchasing the continued expertise of a behavioral health housing administrator who is working with executives at the federal, state and local level to increase the quality and number of housing opportunities linked to supportive services for people with disabilities.

The current administrator also works with state and local agencies, including behavioral health organizations and state hospitals, to reduce homelessness and housing instability for people discharging from institutions.

This FTE has an itinerant desk at the Health Care Authority's Division of Behavioral Health and Recovery, and represents the department on the Statewide Behavioral Health Advisory Council.

Below are a few examples of policy action or routines already initiated on behalf of the department as a result of this position:

- Created a new supportive housing program to ensure Housing and Recovery through Peer Services (HARPS) clients are supported to reduce homelessness and returns to institutions.
- Funded a Department of Social and Health Services Research and Data Analysis paper to inventory beds and quantify discharge patterns.
- Represented the department as the lead contact for Transformation Waiver housing matters.
- Reported policy and program updates on a monthly basis to statewide Behavioral Health Administrators.
- Represented the department on the Statewide Behavioral Health Advisory Council.
- Has an imbedded desk and key at the Health Care Authority, in addition to a desk at the department.
- Regularly meets at Eastern and Western State Hospitals to confer with administrators and discharge-related program staff like Peer Bridgers.
- Toured around the state in 2018 with the Department of Social and Health Services and Health Care Authority staff as part of the Foundational Community Supports program (supportive housing) implementation.
- Coordinated application for federal Substance Abuse and Mental Health Services Administration (SAMHSA) funds focused on increasing youth behavioral health and housing resources in Washington's three largest counties (grant decision pending).
- Advised Health Care Authority on supportive housing technical assistance and secured the department funds to contribute to that effort.

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

The department considered eliminating the funding in 2020 but decided that the contributions of the FTE far outweighed the reduction in funding.

Assumptions and Calculations

Expansion or alteration of a current program or service:

In the 2017-2019 biennial budget, the department was provided \$280,000 in state proviso money for a Supportive Housing administrator, and \$2,970,000 for behavioral health housing contracts.

Detailed assumptions and calculations:

This proposal continues funding for the Behavioral Health Housing administrator.

This position is responsible for developing and coordinating an effective, collaborative statewide system to facilitate seamless transitions for patients discharged from state psychiatric hospitals, local inpatient behavioral health settings and other public institutions into permanent housing (1044 hours).

This individual must work closely with the Washington Healthcare Authority and the Department of Social and Health Services to facilitate linkages among disparate behavioral health community bed capacity building efforts, integrate building infrastructure with ongoing supportive housing benefits, and develop and maintain a statewide inventory of mental health community beds by bed type. This work will result in new permanent supportive housing units and long-term capacity in Washington (940 hours).

Additional duties include staff management by overseeing work performed, participate in the hiring process, identify and support training and mentoring needs and opportunities, provide regular feedback, coaching, and guidance, set goals and expectations, evaluate and if necessary, correct job performance.

The administrator would develop goals, objectives, work plans, contribute to the development and maintenance of staff morale and coordinate issues, projects, and staffing. Staff would contribute to the development of legislative proposals and or political strategies to achieve unit goals (104 hours).

Workforce Assumptions:

The costs for this position are composed of:

Salaries and Wages: \$108,000

Employee Benefits: \$33,000

Goods and Other Services: \$54,000

Travel: \$3,000

Annual Total: \$198,000

Strategic and Performance Outcomes

Strategic framework:

This position is directly related to Results Washington Goal 4: Healthy and Safe Communities, and oversees policy alignment and program oversight. Areas of

direct impact through housing programs and policy alignment efforts include:

- 3.1.c: Decrease the number of homeless people from the anticipated increase to 25,221 in 2018.
- 3.1.e: Increase the percentage of people housed by homeless housing systems who were unsheltered.
- 3.1.f: Maintain a rate of return to homelessness that is below 12 percent.
- 1.2A.a: Increase the percentage of mental health consumers receiving a service within seven days after discharge.
- 1.3.b: Meet or exceed Medicaid expansion enrollment target of 300,000 by 2016.

This position also has indirect impact on these Results areas:

- 3.2.b: Increase the percentage of long-term service and support clients served in home and community-based settings.
- 1.2Y.g: Increase the percentage of youth outpatient chemical dependency treatment retention.
- 1.2.A.c: Increase the percentage of outpatient chemical dependency treatment retention in adults.

This proposal will directly impact Commerce's strategic goal of reducing homeless and increasing self-sufficiency.

Maintenance of this FTE would result in program innovations and an increase in housing availability for people with substance use and behavioral health challenges and other disabilities. This position has already funded new housing partnerships and new contract relationships related to stabilizing housing since joining the department in November.

In the first six months of this position, the department estimates that over \$700,000 was paid to rent for roughly 310 individuals receiving behavioral health services who would have lost their housing (not all year one data is available at this time).

Performance outcomes:

Maintenance of this FTE would result in program innovations and an increase in housing availability for people with substance use and behavioral health challenges and other disabilities. This position has already funded new housing partnerships and new contract relationships related to stabilizing housing since joining the department in November.

In the first six months of this position, the department estimates that over \$700,000 was paid to rent for roughly 310 individuals receiving behavioral health services who would have lost their housing (not all year one data is available at this time).

Other Collateral Connections

Intergovernmental:

State agencies and local housing and behavioral health providers that this FTE has been interacting with for the last year support this effort. Entities include Behavioral Health Organizations, the Department of Social and Health Services (including state hospitals), and the Washington State Health Care Authority. This position currently oversees a contract with the Health Care Authority to provide housing services that are linked to community-based behavioral health services.

Stakeholder response:

This FTE is also a voting member of the Statewide Behavioral Health Advisory Council and represents housing interests. The department anticipates strong support from stakeholders that currently work with this FTE, including the Department of Social and Health Services, state hospitals and the Washington State Health Care Authority.

The department is not aware of any concern or opposition to this proposal.

Legal or administrative mandates:

This position was created in the 2017 Operating Budget to:

"...create a behavioral health supportive housing administrator within the department to coordinate development of effective behavioral health housing options and services statewide to aid in the discharge of individuals from state hospitals. The position will work closely with the Health Care Authority, the Department of Social and Health Services, and other entities to facilitate linkages among disparate behavioral health community bed capacity-building efforts. This position must work to integrate building infrastructure capacity with ongoing supportive housing benefits, and must also develop and maintain a statewide inventory of mental health beds by bed type."

Changes from current law:

This position was created in the 2017 Operating Budget as a proviso in Commerce's budget. It will not require a statutory change or rule making.

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: B5 - State Surplus Property
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

3SHB 2382 was enacted during the 2018 Legislative Session. The statute directs the Department of Commerce to work with the Departments of Social and Health Services (DSHS), Natural Resources (DNR), Corrections (DOC), Enterprise Services (DES), Washington State Patrol (WSP) and State Parks and Recreation Commission (Parks) to identify and catalog property suitable for the development of affordable housing for low-income households. The department must provide these inventories of state-owned lands and buildings to parties interested in developing sites for affordable housing, and provide an annual report to the Office of Financial Management and the legislature on its findings.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$174	\$174	\$174	\$174
Total Expenditures	\$174	\$174	\$174	\$174
Biennial Totals		\$348		\$348
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.1	1.1	1.1	1.1
Average Annual		1.1		1.1
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$80	\$80	\$80	\$80
Obj. B	\$29	\$29	\$29	\$29
Obj. E	\$60	\$60	\$60	\$60
Obj. G	\$5	\$5	\$5	\$5

Package Description

The legislature enacted the Third Substitute HB 2382 during the 2018 Legislative Session to match state surplus property with potential affordable housing opportunities. Each year, the department is directed to work with the Departments of Social and Health Services, Natural Resources, Corrections, and Enterprise Services; and Washington State Patrol and State Parks and Recreation Commission to compile a list of surplus properties, analyze the list, and determine sites suitable for affordable housing opportunities, and report to the legislature on potential opportunities for affordable housing development. The legislation directs Commerce to report to the Office of Financial Management and appropriate policy and fiscal committees of the legislature by Dec. 1 of each year.

To meet the intent of the legislation, the department will need an annual appropriation to implement the program.

One full-time staff person will be designated to carry out the program. Activities required to fulfill program responsibilities as outlined in the authorizing legislation include:

- Developing interagency agreements and working collaboratively with other state agencies
- Developing program policies and guidelines
- Developing and maintaining a tracking system for the inventory of the properties
- Inventorying and analyzing potential properties

- Preparing legislative reports and responding to legislative inquiries
- Promoting and marketing the surplus property to interested stakeholders

Providing technical assistance.

The legislation was explicit in the actions to be taken. Working collaboratively with other state agencies, developing policies and guidelines, and conducting analysis of the surplus properties for affordable housing development opportunities are explicit components of the program. These activities are required to fully comply with the authorizing statute.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The legislature initially funded the program in FY19 at \$174,000. This request continues the funding for the next biennium. The indeterminate fiscal note for 3SHB 2382 suggests costs annually beyond the 17-19 biennium would be \$119,000, but in order to honor intent, the department has discovered during implementation \$174,000 is also needed in FY20, but then \$119,000 each year thereafter.

Detailed assumptions and calculations:

This request continues the intent of the legislature to provide an annual inventory of surplus state property suitable for affordable housing development purposes. The first primary activity is coordinating with the designated agencies to ensure that all surplus properties are identified and inventoried, and the information needed to assess whether the properties are suitable for affordable housing purposes is provided. Next, the department must analyze data provided by the partner agencies, and make determinations about whether the property is suitable or not suitable for affordable housing. The findings are then reported to the Office of Financial Management and the legislature, and are provided to parties potentially interested in developing the sites for affordable housing development.

The costs for this work are comprised of:

Salaries and Wages: \$80,000

Employee Benefits: \$29,000

Goods and Other Services: \$60,000 (includes amendments to existing data systems)

Travel: \$5,000

Annual Total for FY19: \$174,000

As this is a continuation of an existing program, the department anticipates no start-up costs or one-time expenditures.

Workforce Assumptions:

1.0 FTE Commerce Specialist 3 and 0.10 FTE Commerce Specialist5

The costs for these positions are composed of:

Salaries and Wages: \$80,000

Employee Benefits: \$29,000

Goods and Other Services: \$60,000

Travel: \$5,000

Annual Total: \$174,000

Strategic and Performance Outcomes

Strategic framework:

This supports the agency strategic priority of improving housing affordability.

Performance outcomes:

Existing performance standards are expected to be continued at their current levels, assuming no changes to the program are made. As the first operational year has not been completed, the volume on the number of properties is indeterminate until the initial inventories are completed.

At the conclusion of FY19 program activities, the department will undertake an evaluation of the process used, and as appropriate, improve the process. A part of the evaluation will include an assessment to determine if Lean or other process improvement activities would lend value to increasing the efficiency of the program in its second year.

Performance metrics are established to include timeliness, quality, and quantity outcomes.

Other Collateral Connections

Intergovernmental:

Six state agencies are required to report on property available for sale or lease:

- Department of Social and Health Services,
- Department of Natural Resources,
- Department of Corrections,
- Department of Enterprise Services,
- Washington State Patrol, and
- Washington State Parks and Recreation Commission.

For each property, the information must include at a minimum, the location, approximate lot size, current land use designation, and current zoning classification. The department may elect to add additional information necessary in order to evaluate and determine a property's suitability for affordable housing.

In addition, each agency must provide information on the disposal of any public property for public benefit. The information must include the property appraisal; terms and conditions of the sale, lease or transfer; value of the public benefit; and the impact of the transaction to the agency.

Stakeholder response:

During hearings held prior to the bill's passage in 2018, there was no opposition expressed to the legislature. The Washington Low-Income Housing Alliance, the Association of Washington Housing Authorities, Seattle Housing Authority, Enterprise Community Partners, State Affordable Housing Advisory Board, and Community Frameworks all expressed support for the legislation.

Legal or administrative mandates:

This request is not in response to a legal or administrative mandate, and continues implementation of the directives identified in Third Substitute House Bill 2382.

Changes from current law:

No changes needed.

State workforce impacts:

The proposal includes hiring an additional 1.0 FTEs at a Commerce Specialist 3 and .10 FTE of a Commerce Specialist 5 level. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

If state-owned surplus properties are determined as suitable for affordable housing development, properties must be made available for that purpose. It is unknown how that may affect a decrease or increase in sales prices, which may impact state revenues.

One additional staff position in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: B6 - Skilled Worker
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

The Department of Commerce requests to continue funding to implement Chapter 43.329 RCW the skilled worker outreach, recruitment, and career awareness grant program. This program boosts efforts to connect Washington workers with most-wanted career skills through grants to raise awareness, access to education, training, certifications and employment through apprenticeships, community and technical college programs.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$150	\$150	\$150	\$0
Total Expenditures	\$150	\$150	\$150	\$0
Biennial Totals		\$300		\$150
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.5	0.5	0.5	0.5
Average Annual		0.5		0.5
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$38	\$38	\$38	\$0
Obj. B	\$13	\$13	\$13	\$0
Obj. C	\$75	\$75	\$75	\$0
Obj. E	\$24	\$24	\$24	\$0

Package Description

During the 2017 legislative Session, funding was provided to Commerce to implement Chapter 43.329 RCW, which required the department to create the Skilled Worker Outreach, Recruitment, and Career Awareness Grant Program. The chapter expires July 1, 2022, but funding for the program was not included in carry-forward.

This proposal is to maintain funding for the Skilled Worker Outreach, Recruitment, and Career Awareness Grant Program through June 30, 2022 (FY22).

The Washington Skilled Worker Outreach, Recruitment and Career Awareness Grant Program was created to increase the state's skilled workforce by raising awareness of, and enrollment in, accredited educational, occupational, state-approved pre-apprenticeship, apprenticeship, and similar education and training programs.

These programs educate individuals so they can perform skills needed in the workforce and receive industry- or state-recognized certificate, credentials, associate degrees, professional license, or similar evidence of achievement, but not bachelor's or higher degree.

Under the grant program, the department awards matching grants to eligible applicants that will engage in outreach and recruiting efforts to increase enrollment in and completion of worker education and training programs. Recipients must provide a matching cash contribution of two dollars for each one dollar of the grant. The recipient's match may not be in the form of in-kind contributions. During the first year of the program, three applications were received and awarded \$70,000.

This program began July 1, 2017. The department received its first applications Jan. 1, 2018. RCW 43.329.090 created the skilled worker outreach, recruitment, and career awareness grant program account in the custody of the state treasurer. The department deposits money received for the program into the account. The RCW allows for funds appropriated by the legislature for the program to be deposited into the account, as well as private contributions. To date, no private contributions have been received; as such, to ensure the program meets its statutory obligations, the department is seeking an appropriation.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The proposal continues the program as mandated through FY22. The department received \$300,000 in the 17-19 biennium.

Detailed assumptions and calculations:

0.50 FTE per fiscal year to solicit and screen applications, work with the eleven-member grant review committee on awards, submit funding recommendations to the director, execute and monitor matching grants, review reports and invoices received from grantees, and prepare and submit a report on the program on behalf of the review committee to the governor and appropriate legislative committees (salaries and benefits \$51,000 per fiscal year). Expenditure calculations for the FTE also include:

Rent and standard goods and services costs including supplies and materials, employee development and training, mandatory state seat of government and Department of Enterprise Services' charges, and Commerce agency administration (\$24,000 per fiscal year).

Grants \$75,000 per fiscal year.

Workforce Assumptions:

0.5 FTE Commerce Specialist 4

The costs for these positions are composed of:

Salaries and Wages: \$38,000

Employee Benefits: \$13,000

Personal Service Contracts: \$75,000

Goods and Other Services: \$24,000

Annual Total: \$150,000

Strategic and Performance Outcomes

Strategic framework:

This decision package supports the agency's mission of strengthening communities. The goal of the Skilled Worker Outreach, Recruitment and Career Awareness Grant Program is to educate and train individuals to perform skills needed in the workforce, and award industry- or state-recognized certificates, credentials, associate degrees, professional licenses and similar evidence of achievement.

It also supports Results Washington Goal 2 – Prosperous Economy and the agency's strategic priorities of reducing homeless and increasing self-sufficiency and increasing living wage jobs.

A [2015 study](#) of workforce supply and demand conducted jointly by three Washington state agencies found gaps in the supply of workers in a number of mid-level occupations, such as production and trades, business management, and services fields, including hospitality and culinary. According to the study, as businesses, industries, and workplaces become increasingly complex, employers need workers with skills and education that allow them to adapt and excel in evolving environments.

These workforce supply gaps led the state legislature to create a new Skilled Worker Awareness program to help prospective workers understand how they can get the skills and credentials to get into the career fields where employers most need skilled workers.

This proposal affects the agency activity A184 Sector Leads.

Performance outcomes:

Specific grant goals are to increase the number of skilled workers enrolled in the program, to increase the number of workers finishing the program, and to fill gaps for skilled workers in the industry.

Other Collateral Connections

Intergovernmental:

Filling workforce supply gaps will positively impact tribal, county and city governments. The SWA review committee is composed of legislatively required partners from the Department of Labor and Industries, Employment Security, Enterprise Services, Workforce Training and Education Coordinating Board, State Board of Community and Technical Colleges, two representatives from business, two representatives from labor, and two representatives from the Washington Apprenticeship and Training Council.

Stakeholder response:

During the 2017 Legislative Session, Senators Palumbo, Wilson, Zeiger, and King originally sponsored bill SSB 5713. Persons testifying pro included Leslie Jones, Sound Transit; David D-Hondt, Associated General Contractors of Washington; Nancy Munro, Mid-Mountain Contractors; Julia Gorton, Washington Hospitality Association; Sandra Miller, WA Hospitality Association, Education Foundation; Terry Tilton, Pacific NW Carpenters; Peter Guzman, State Board for Community and Technical Colleges.

Legal or administrative mandates:

N/A

Changes from current law:

If unfunded, repeal chapter 43.329 RCW.

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: B7 - Lead Based Paint Enforcement
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
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Agency Recommendation Summary

The Department of Commerce (department) requests funding to maintain the additional enforcement staff funded in the FY2018 Supplemental Operating Budget Level. Thanks to this staffing, the department will be able to conduct meaningful enforcement east of the Cascades for the first time in the program's history.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$272	\$272	\$272	\$272
Total Expenditures	\$272	\$272	\$272	\$272
Biennial Totals		\$544		\$544
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	2.0	2.0	2.0	2.0
Average Annual		2.0		2.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$124	\$124	\$124	\$124
Obj. B	\$49	\$49	\$49	\$49
Obj. E	\$89	\$89	\$89	\$89
Obj. G	\$10	\$10	\$10	\$10

Package Description

The department is responsible for administering the lead-based Paint (LBP) program and enforcing 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 not followed.

In recent years, the LBP program has had one enforcement officer focused primarily on the west side of the state. In the 2018 legislative session, the LBP program received GFS funding via a proviso to add capacity for additional monitoring and enforcement with an eye toward statewide enforcement. Beginning this fiscal year, the department is now funding 1.0 FTE with GFS funding on the eastern side of the state and will be hiring another enforcement officer Jan. 1, 2019 (location to be determined). This has been completed with the understanding that additional funding would be part of carry-forward levels, and a fee increase would not be requested at this time. The funding provided for one fiscal year, and once depleted, the department's capacity for enforcement will be reduced and the department will be unable to operate at a statewide level.

The department is requesting that the funding become part of carry-forward levels. The department's federal award pays for one FTE, and in FY19 the state dollars pay for two positions: one FTE being hired in July 2018 and 1.0 FTE being hired in January 2019. In order to provide statewide coverage, the department needs funds to support three monitoring/enforcement FTEs. One will be dedicated to the west side of the state, one to the east side and another will travel and work across the state in accordance with statewide need.

The department is requesting funding to continue in future biennia to maintain the expansion of enforcement staffing to protect the public from lead poisoning. This will allow the department to retain two additional enforcement officers, for a total of three. The enforcement officers will increase public safety and awareness across the state. The additional enforcement officers will allow us to enforce compliance in central, eastern and western Washington. We will be able to enforce certification in areas that have not been properly monitored due to a lack of staff.

Increased monitoring and enforcement will also increase program revenue through citations and the number of contractors obtaining certifications. In order to investigate complaints and issue citations, the department currently relies on a mix of external tips and a review of the permits that local governmental agencies issue to contractors.

Another benefit of increased monitoring and enforcement staff will be the ability to gather more robust data on LBP in Washington and LBP certification compliance levels. The department is already seeing an increase in the data gathered with use of the one-time general fund state (GFS)dollars provided to the department in the 2018 Supplemental Budget. This data will allow us to better assess program needs in the future.

The department considered creating a sustainable source of revenue in the existing LBP Account (Fund 06K) by requesting a fee increase and pursued agency request legislation in 2017 and 2018. Generating more program revenue by bringing certification fees closer to those charged in other states makes the LBP program more self-sufficient, and less dependent on the political process to secure general state funds. This option has been widely supported among stakeholders, but has not been successful in the legislature. Continuing GFS funding for enforcement allows us to continue to make the program much more successful without increasing the fees.

Assumptions and Calculations

Expansion or alteration of a current program or service:

2015 – 2017 Biennium:

FY16 – Federal 001-2 \$376,097 and Fund 06K (LBP)\$45,735 = \$421,832

FY17 – Federal 001-2 \$355,562 and Fund 06K (LBP)\$100,542 = \$456,104

2017 – 2019 Biennium:

FY18 – Federal 001-2 \$310,065 and Fund 06K (LBP) \$22,696= \$332,761

Detailed assumptions and calculations:

Commerce Specialist 2 – 2.0 FTEs in FY20 and forward. FTEs would be responsible for lead-based paint certification/accreditation training, best practices, compliance and enforcement, and technical assistance. This will also require frequent travel based on region.

- Certification and Accreditation Training - (836 hours in 19-21 biennium and forward) - Conduct licensing and accreditation training, process and review certification and accreditation applications for the lead-based paint program.
- Best Practices – (3,340 hours in 19-21 biennium and forward) - 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, updates inspection and investigation protocols and templates necessary to standardize investigatory, enforcement and compliance processes.
- Compliance and Enforcement – (2,924 hours in 19-21 biennium and forward) Conduct compliance intake interviews, investigate complaints, recommend 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 – (1,252 hours in 19-21 biennium and forward) 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 and documents for distribution.

Workforce Assumptions:

2.0 FTE Commerce Specialist 2

The costs for these positions are composed of:

Salaries and Wages: \$124,000

Employee Benefits: \$49,000

Goods and Other Services: \$89,000

Travel: \$10,000

Annual Total: \$272,000

Strategic and Performance Outcomes

Strategic framework:

This proposal supports the agency's strategic priority of helping communities assess and improve resilience.

This proposal also supports the Results WA goal of promoting healthy and safe communities.

Performance outcomes:

As noted above, the department anticipates that this proposal will have an impact on the Results WA goal of Healthy and Safe Communities.

It is directly tied to Priority of Government 1235 – Number of certifications issued. The additional revenue brought in from the GFS dollars will allow us to hire more enforcement officers. As the department works toward compliance throughout the state, the department expects to see more firms and individuals become certified in order to avoid penalties. Until the staff are hired and the increased monitoring occurs, the department is unable to quantify the expected rate of increase.

The department will also be able to gather new data and potentially work on additional measures of program effectiveness as we gain more information from expanded enforcement team.

Other Collateral Connections**Intergovernmental:**

This package directly impacts the health and safety of all Washington residents. Commerce and the Department of Health (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 the department's 2016 stakeholder discussions regarding this proposal and will continue to be an active partner.

Stakeholder response:

The stakeholders the department consulted with in 2016 were overwhelmingly in favor of increasing the fees. During the summer of 2016 the LBP program met with stakeholders to develop a plan of action. The plan included requesting a fee increase of \$30 per year to provide two new compliance and enforcement FTEs. The legislature instead provided \$226,000 general fund state to fund 1.75 FTEs for FY19. At this time, the best approach is for state dollars to be part of the base. As the program continues with GFS funding for enforcement expansion and data collection, it will help drive the department's next steps.

The LBP program anticipates meeting with stakeholders in the fall of 2018 to continue an open dialog about the progress of this program. This session the department is not requesting an increase of certification fees, due to the request for general state funds to continue past this biennium and expand its enforcement ability to meet statewide need. While most of the stakeholders supported an increase last session, the department was not able to gain support from the Washington Landlord Association in 2016.

Once the enforcement expansion and data collection has been up and running for another year or two, the department and stakeholders will be looking at successes and data and seeking to identify whether a fee increase to create a stabilized funding source is a viable option for a more sustainable lead-based paint enforcement program.

Legal or administrative mandates:

N/A

Changes from current law:

No change needed.

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: B8 - ADO Funding
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
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Agency Recommendation Summary

The Department of Commerce (department) seeks to continue a technical fix that was made in the FY18 Supplemental Budget for overall funding for Associate Development Organizations (ADOs). ADOs are the conduit to local economic development activities and are traditionally funded through General Fund State (GFS), not the Economic Development Strategic Reserve Account (EDSR). This request seeks to ensure funding continues with GFS as originally intended.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$2,801	\$2,801	\$2,801	\$2,801
Fund 09R - 1	\$-2,801	\$-2,801	\$-2,801	\$-2,801
Total Expenditures	\$0	\$0	\$0	\$0
Biennial Totals		\$0		\$0

Package Description

Since 2010 the department has received a general fund-state appropriation for Associate Development Organizations through a proviso. Since 2016, the proviso amount has been \$2.8 million each fiscal year. During the 2017 session that appropriation went from a GFS appropriation to \$5.6 million from the EDSR, a dedicated account. The EDSR funds specific economic development activities outlined in [RCW 43.330.250](#).

During the 2018 Legislative Session an attempt was made to fix the funding and allocate GFS back to the program. Rather than dividing the appropriation in two and appropriating \$2.8 million each fiscal year, the department was allocated \$2.6 million from the economic development strategic reserve account and \$2.9 million of GFS funds for the remainder of the 17-19 biennium.

Assumptions and Calculations

Expansion or alteration of a current program or service:

At the end of the 2018 Legislative Session, the funding for the department for the associate development organizations was not put into the carry-forward level budget.

2017-2019 \$2,642,000 EDSR FY2018; \$2,960,000 GF-State FY19

2015-2017 \$2,801,000 GF-State FY16; \$2,801,000 GF-State FY17

2013-2015 \$2,949,000 GF-State FY14 \$2,949,000 GF-State FY15

2011-2013 \$2,949,000 GF-State FY12; \$2,949,000 FY-State FY13

2009-2011 \$3,231,000 GF-State FY10; \$2,953,000 GF-State FY11

Detailed assumptions and calculations:

Quarterly payments made to ADOs.

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

This decision package supports the agency's mission of strengthening communities by preparing Washington's communities and the state to compete globally for business development and job growth. The activities supported through the ADO program fund promote job creation and retention at the community level. Specifically, it supports the agency strategic priority of increasing living wage jobs.

It also supports Results Washington Goal 2 – Prosperous Economy and the agency's strategic priorities of increasing living wage jobs.

ADOs proactively drive our statewide economic development strategies to retain and attract new businesses and workforce across the state. They contribute directly to attracting and retaining businesses to improve the economic vitality of businesses and individuals. Business retention, expansion and recruitment leads to job retention and creation and investment that creates a significant ripple effect throughout the state economy. New business and investment translate to new tax revenue at the city, county and state level.

This proposal would support activity A163 Business Development.

Performance outcomes:

Between July 1, 2015 and June 30, 2017, ADO partners have:

- Helped create and retain 7,429 jobs via business retention, expansion and creation;
- Reported new private investment in land acquisition, buildings and equipment created by businesses they helped, totaling more than \$557 million;
- Retained, recruited or expanded 282 companies; and
- Helped 115 new startups.

Other Collateral Connections**Intergovernmental:**

- An increase in job opportunities and building a revenue base for local governments.
- An increase in tax revenue that will positively impact local governments.
- Tribal firms and communities will benefit similarly to other communities.

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 that statistically correlate to the financial well-being of individuals and families of state residents.

Stakeholder response:

Support—the department is charged with maintaining the ADO contracts and provides support to the ADO network. This relationship between the department and ADOs plays out on two distinct levels. The first level is a contractual one, where grants are made to ADOs and the department monitors the results. The second level is one of economic partnership between state and local entities to coordinate activities, jointly market the state to businesses and investors, and leverage state and local branding, messaging, resources and staff to create a unified strategy for growing the economy and strengthening communities.

ADOs serve as the principal contact for the department regarding local economic development efforts. ADOs help Commerce gather data about community profiles, industrial sites, plans for business development and retention, reports on business activities and proposals for other economic activities in their service areas.

Legal or administrative mandates:

N/A

Changes from current law:

Carrying out these tasks will be in response to the department's mandates in RCWs 43.330.080, 43.330.086, and 43.330.250.

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C1 - Housing Unshelter Families
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

Most of the currently unsheltered and unserved families in Washington would receive short-term rent assistance to successfully return them to stability. The subset of homeless families with a long history of living homeless due to a significant disability would be provided permanent housing and the ongoing services necessary to maintain stability. This proposal would house all unsheltered households with minor children who are currently not served. Focused investments in proven housing and service strategies would result in Washington being a place where no family with minor children lives outside.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$37,171	\$39,611	\$42,050	\$44,489
Total Expenditures	\$37,171	\$39,611	\$42,050	\$44,489
Biennial Totals		\$76,782		\$86,539
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. N	\$37,171	\$39,611	\$42,050	\$44,489

Package Description

Currently about 2,200 households with minor children live outside or in locations unfit for human habitation. These are families left living unsheltered for more than two weeks due to a lack of available housing.

This estimate is based on:

1. The count of unsheltered families found during the annual point-in-time count: 273
2. That number multiplied by two to account for families not found during the count, and in alignment with the findings of the supplemental point-in-time count that uses administrative data and finds double the number of people experiencing homelessness: 546
3. That number multiplied by four to account for the flow in and out of homelessness during the course of a year (average of three months homeless): 2,184

Sources:

<http://www.commerce.wa.gov/serving-communities/homelessness/annual-point-time-count/>

<http://www.commerce.wa.gov/wp-content/uploads/2018/04/hau-hmis-snapshot-2017.pdf>

Of the 117 larger homeless continuums of care in the United States reporting more than 1,000 people experiencing homelessness, 34 report zero unsheltered families, demonstrating that leaving no family living outside is within reach.

The Department of Commerce (department) proposes two efforts:

1. Provide rapid re-housing to 80 percent of the families (1,760 households each year receiving an average of 10 months of rent assistance in private for-profit units).
2. Permanent supportive housing to approximately 20 percent of families (440 households in year one, served in master leased buildings or using tenant-based vouchers). These families need ongoing subsidized housing and services to remain housed.

Funding for this purpose will be added to the existing Consolidated Homeless Grant, requiring each community to have a system to identify and prioritize any available homeless housing resources, including prioritization of people with a history of living unsheltered.

The department is expanding existing coordinated entry requirements and related contracted performance measurement and coordinated entry technical assistance in 2018, which will help ensure that these additional funds, along with existing resources, are accurately targeted to unsheltered families.

Additionally, new local plan requirements the department released in 2018 will require counties to estimate the unmet need and use research-supported models of how additional investments and system performance improvements will reduce the number of people living outside.

Providing housing ends homelessness for an unsheltered family. For most families, rapid re-housing is effective and costs less than other housing interventions (e.g., shelter or transitional housing). Rapid rehousing also leads to slightly higher levels of employment income (+\$300 annually) versus permanent subsidies, but has the downside of a 16 percentage point increase in homelessness or being doubled up in subsequent years.

Intervention costs vary by household because families are served using a progressive engagement approach that varies the length of housing subsidy and intensity of services based on the evolving needs of each family. On average, interventions would cost \$16,500 per family:

- \$1,200/month rent and utility subsidy for 10 months
- \$300/month for supportive services
- \$150/month for data collection and grantee administrative costs.

For nearly 20 percent of families, permanent subsidies tied to services are necessary to keep families stably housed. A majority of services would be funded using federal Medicaid waiver community supports. The balance of annual costs per family on average would be \$18,480:

- \$1,200/month rent and utility subsidy for 12 month,
- \$200/month for supportive services not funded by Medicaid
- \$140/month for data collection and grantee administrative costs.

(Data collection is 10 percent of the admin rate.)

Permanent vouchers lead to better housing stability outcomes than those achieved through this proposal, but long-term costs of vouchers due to ongoing vs. temporary rent subsidies are much higher. This results in costs of at least triple those of our rapid rehousing proposal for families served with permanent vouchers.

The department considered attempting to prevent unsheltered homelessness through rent subsidies to at-risk families, but because even sophisticated screening tools and outreach efforts cannot accurately identify families who will subsequently become unsheltered, this strategy cannot work without massive spending, much larger than serving the much smaller number of families who actually become homeless.

The agency also considered attempting to “work upstream” by looking at the potential impact of combinations of interventions that increase income, reduce dependence on services, improve family stability, or improve other behavioral health. In carefully controlled studies, these types of interventions can result in improvement for some people, and in most cases pay for themselves over time through reduced public costs. But the effect on income and the related capacity to purchase rental housing is too small to meaningfully increase families’ ability to obtain housing.

The most effective upstream intervention identified was supported employment for people with severe mental illness, which increases income on average from \$2,100/year to \$5,300/year. However, the total average income is significantly less than necessary to afford housing. Expansion of this strategy is already being pursued with federal Medicaid funding in Washington state.

Other interventions considered had much smaller average impacts on annual income, and therefore cannot address unsheltered homelessness for the vast majority of families living outside. In most cases people living outside have already been offered these types of interventions, further reducing the potential impact of offering them as a solution to living outside.

The following shows the average impact on income of other interventions that were considered:

<i>Estimated annual income change</i>	<i>% increase in income</i>	<i>Intervention</i>
\$ 374	4%	Welfare to work
\$ 3,212	152%	Supported employment for people with severe mental illness
\$ 294	1%	Early childhood education for low income students
\$ 77	0%	Drug treatment
\$ 53	0%	Treatment of major depression
\$ 0	0%	Providing low-income students the same quality of teachers provided to high income students
\$ 0	0%	Charter schools
\$ 480	6%	Job training and incentives for low income people in subsidized housing
\$ 0	0%	Marriage education for low-income, married couples

Assumptions and Calculations

Expansion or alteration of a current program or service:

Consolidated Homeless Grant:

2015-17: \$34,542,836

2017-19: \$40,860,562

Based on system modeling, the SFY 2019 \$27 million increase of state + local funding increases and system performance improvements will not be sufficient to overcome the increased demand for housing interventions driven by rent increases displacing additional people, general population increases, and increased per-intervention costs driven by rent and general cost inflation.

This proposal assumes an abrupt halt to the annual rent increases and general population increases experienced in 2017 and 2018. If recent rent and population trends continue into 2019, the homeless crisis response system will need an estimated additional \$19 million each year beyond this request just to maintain the current counts of people living outside. We are looking into ways to adjust current funds for caseload needs.

Detailed assumptions and calculations:

Rapid rehousing: Approximately 1,760 households/year

On average, interventions would cost \$16,500:

- \$1,200/month rent and utility subsidy for 10 months
- \$300/month for supportive services
- \$150/month for data collection and grantee administrative costs.

Year 1: \$29,040,000

Year 2 and subsequent years: \$29,040,000

Permanent supportive housing: Approximately 440 households year one, an additional 132 households added each year thereafter. A majority of services would be funded using federal Medicaid waiver-funded community supports. The balance of costs include on average \$18,480:

- \$1,200/month rent and utility subsidy for 12 months
- \$200/month for supportive services not funded by Medicaid
- \$140/month for data collection and grantee administrative costs.

Year 1: \$8,131,200

Year 2 and subsequent years: +\$2,439,360 added to base cost each year, since housing is permanent and additional families (30 percent of the initial backlog amount served in year 1) will need this intervention each year.

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

This proposal is directly tied to the Results Washington goal of reducing homelessness. It would contribute to the goal of reducing the point-in-time count of homeless persons to 24,222 by 2020. This initiative is estimated to reduce the count by 1,210 people (2,200 interventions each year / 4 (to account of flow in and out of homelessness each year) x 2.2 people per household.

This proposal is also tied to our agency strategic goal of reducing homelessness and increasing self sufficiency.

Performance outcomes:

Primary performance outcome: No families left living outside for more than a brief period of time.

Funding will be provided via the existing Consolidated Homeless Grant that requires counties to work toward performance benchmarks in the areas of unsheltered people served, exits to permanent housing, returns to homelessness, and length of time homeless. See details by county here:

<http://www.commerce.wa.gov/serving-communities/homelessness/homeless-system-performance/>

Additional performance measurements and benchmarks for coordinated entry systems will be added in 2018.

Based on research, it is anticipated that families participating in rapid rehousing will earn an average of \$1,000 each year more than those in transitional housing, and +\$1,700 more than those left living outside or in emergency shelter. See page 5 of:

<https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-11-219.pdf>

Research on the education outcomes of low-income children receiving subsidized housing showed that subsidized housing reduced homelessness, but did not improve educational outcomes:

https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-11-238_0.pdf

Therefore, based on the available evidence, this intervention is not expected to increase education attainment and related income earned as an adult. Research more narrowly focused on helping unsheltered households may show some effect on education, but it is likely to be a small effect as no impact was found when helping low-income households in general.

Other Collateral Connections

Intergovernmental:

Funds will be granted as part of the larger Consolidated Homeless Grant, which counties are given the right of first refusal to receive. The majority of funds currently is contracted to counties, and in past funding rounds, the portion of counties opting in has increased. These funds will improve the capacity of county governments to implement their local homeless housing plans.

Stakeholder response:

Strong support is expected from cities, counties, and the Low Income Housing Alliance.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C2 - Buildable Lands Program
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Commerce (department) requests \$4.3 million to help seven counties (Whatcom, Snohomish, King, Pierce, Kitsap, Thurston and Clark) fully implement and maintain their Buildable Lands programs and to implement amendments to the program that occurred in the 2017 Legislative Session.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$2,155	\$2,150	\$2,150	\$2,150
Total Expenditures	\$2,155	\$2,150	\$2,150	\$2,150
Biennial Totals		\$4,305		\$4,300
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.0	1.0	1.0	1.0
Average Annual		1.0		1.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$72	\$72	\$72	\$72
Obj. B	\$26	\$26	\$26	\$26
Obj. E	\$48	\$48	\$48	\$48
Obj. G	\$4	\$4	\$4	\$4
Obj. J	\$5	\$0	\$0	\$0
Obj. N	\$2,000	\$2,000	\$2,000	\$2,000

Package Description

Affordable housing is a priority for the department. The Buildable Lands counties and cities/towns therein are on the front lines of the affordable housing crisis. Incorporating tools/policies to address affordable housing issues into buildable lands analyses will allow counties and cities to consider and evaluate affordable housing strategies in their comprehensive plans, thereby addressing the immediate and on-going affordable housing crisis in Washington state.

The 2017 Legislature passed ESSSB 5254, which ensured adequacy of buildable lands and zoning in urban growth areas and provided funding for low-income housing and homelessness programs. However, funding to counties, cities, and regional planning organizations to conduct the Buildable Lands analysis and a subsequent report required in legislation was not provided at that time. A departmental supplemental budget request for \$1.6 million was approved last year that provided funding in Fiscal Year 2019. The legislation has a null and void clause that takes effect in 2020 if additional funding is not provided.

This request meets the financial requirements of the ESSSB 5254 and would likely satisfy the null and void clause. After the reports are produced in 2021, these jurisdictions would have to adopt countywide and multi-county policies to implement reasonable measures into their comprehensive plans as required by the new legislation. This would occur in the subsequent biennium (2022-2023).

A two-step solution is proposed:

1. Request \$4.3 million in the 19–21 biennium for grants to Buildable Lands counties for professional guidance in implementing the program guidance required under ESSSB 5254. Funding is necessary for these seven counties, and 105 cities/towns within them, to incorporate new requirements as prescribed in ESSSB 5254. This would require additional stakeholder engagement, larger volumes of data collection, increased time for analysis, and an incorporation of this information into the next Buildable Lands reports, due in 2021, using the updated program guidance completed in December 2018.

This funding is essential to engage the cities and other stakeholders so that they can better understand the implications of the new requirements and how it relates to the "reasonable measures" requirements and comprehensive plan updates. This funding would also proportionally support Whatcom County to establish a Buildable Lands Program from scratch (hiring staff, establishing a public process, and adopting countywide planning policies).

2. Demonstrate why base funding is needed in the subsequent biennium (21–23) for these jurisdictions to implement Reasonable Measures as recommended in their Buildable Lands reports. Countywide Planning Policies and in some cases multi-county policies would need to be adopted in order to implement reasonable measures.

ESSSB 5254 provided funding to the department to develop new buildable lands program guidance using the services of a land use consultant. The new guidelines will be ready by December 2018 and will provide recommendations on how jurisdictions could maintain their buildable lands program, as well as address the new requirements in ESSSB 5254, such as:

- Guidance on how to do a credible land capacity analysis and determine connection between housing availability/affordability and capacity.
- Identifying strategies to increase local government capacity to invest in needed infrastructure to accommodate growth and provide opportunities for affordable housing for all economic segments.
- Guidance on how reasonable measures should be implemented into updates for countywide planning policies and GMA comprehensive plans.
- Addressing how existing zoning and land use regulations are promoting or hindering attainment of affordable housing goals.
- Guidance on how to determine appropriate market factor for buildable lands analysis.

With the new guidelines and appropriate level of funding, these seven counties will be in a better position to collect required data and conduct an analysis that would result in a credible Buildable Lands Report in 2021. While the Buildable Lands program directly applies to seven counties in Western Washington, the overall program provides valuable lessons on factors that all comprehensive planning jurisdictions can and should consider as they conduct their own land capacity assessments during their individual comprehensive planning processes.

Three alternative options were considered:		
<ol style="list-style-type: none"> 1. Requiring local governments to fund the buildable lands program out of their own resources to the detriment of the respective Buildable Lands Program implementation and effectiveness; and, 2. Reduce department funding to local governments to the detriment of existing programs at the department. 3. Not funding this proposal. 		
	Pros	Cons
Alternative 1	Savings for the Department of Commerce (i.e., state)	Underfunding of buildable lands by local governments facing multiple funding priorities and tradeoffs. New requirements for buildable lands reports and analysis will be untimely and of insufficient quality if predictability is not ensured. This would adversely affect affordable housing challenges and implementation of ESSSB 5254.
Alternative 2	Provides funding to buildable lands counties	Would severely affect Department of Commerce programs and personnel. Would potentially require significant service reductions and personnel reductions.
Alternative 3	Savings to the state.	Null and void clause would go into effect and the program would lapse.
This request for \$4.3 million is the best option to implement ESSSB 5254 and address the affordable housing crisis and homelessness challenges through buildable lands.		

Assumptions and Calculations

Expansion or alteration of a current program or service:

2017-2019 Biennium

2017 Legislative Session: \$200,000 in FY 2018 and \$200,000 in FY 2019 to hire a consultant to develop guidance for all Buildable Lands counties to use in creating their Buildable Lands reports.

2018 Legislative Session: \$1.6 million provided to Buildable Lands counties ensuring an equal starting point in terms of data analysis with an emphasis to bring Whatcom County, added as a Buildable Lands County in 2017, to the same place as the other six counties.

Detailed assumptions and calculations:

The \$4.3 million biennial request is based off legislative intent to provide funding to continue the Buildable Lands program. This amount was generated by adjusting the amount of funding when the Buildable Lands program originally came into existence (early 2000s) while adjusting for inflation. This information corresponds to the fiscal note assumptions related to ESSSB 5254. Each of the seven counties will likely use its portion of the funds in a slightly different way. The department expects that the counties will use the funding for staff resources, collecting data, purchasing data from private sector vendors, hardware, and software and consultant services.

Workforce Assumptions:

This request would fund one full-time Commerce specialist 3.

1.0 FTE Commerce Specialist 3 position

The costs for this work are composed of:

Salaries and Wages: \$72,000

Employee Benefits: \$26,000

Goods and Other Services: \$48,000

Travel: \$4,000

Annual Total: \$150,000

\$5,000 first year for a workstation.

Strategic and Performance Outcomes

Strategic framework:

This proposal supports the following departmental strategic priorities:

- Helping communities assess and improve resilience
- Engaging communities to better respond to their needs
- Improving housing affordability
- Funding reliable infrastructure

The proposal supports the Results WA goal of Healthy & Safe Communities by creating the conditions for more affordable housing development to mitigate homelessness in communities.

Performance outcomes:

With the new guidelines and an appropriate level of funding, these seven counties will be in a better position to collect required data and conduct an analysis that would result in a credible Buildable Lands Report (BLR) in 2021. All seven counties will complete their Buildable Lands Report by the June 30, 2021 deadline. If any of the BLRs have recommendations on reasonable measures to fix inconsistencies, the counties and cities will be required to implement those reasonable measures. That may include, but is not limited to, updating countywide planning policies, Multi-county policies in some regions, and incorporating reasonable measures in the jurisdiction's comprehensive plan update & development regulations. With an appropriate level of funding, jurisdictions within the Buildable Lands counties are able to implement reasonable measures swiftly, and efficiently. The performance metrics, and measurement outcomes occur at multiple times, starting at the time of BLR submittal, the implementation of the BLR, and updating countywide planning policies, comprehensive plans & development regulations. These outcomes are ongoing through 2023, and augmented through the next BLR cycle.

Other Collateral Connections

Intergovernmental:

ESSSB 5254 requires extensive stakeholder participation because of the impacts of the affordable housing crisis to tribal, regional, county and city governments. The Building Industry Association of Washington, realtors' association, and regional governments and agencies are in support of implementation of ESSSB 5254. The seven counties, cities and other local governments would be responsible for completing the buildable lands reports by 2021.

Stakeholder response:

The Building Industry Association of Washington and its affiliates were supporters of ESSSB 5254, and will be in support of implementation, and completion by the 2021 deadline. This funding would also proportionally support Whatcom County to establish a Buildable Lands Program from scratch (hiring staff, establishing a public process, and adopting countywide planning policies). Infrastructure capacity and future funding is a big concern of many stakeholders, and they would support implementation of ESSSB5254 to properly address these concerns.

Legal or administrative mandates:

The seven counties, and cities therein, will be required to produce a buildable lands report in 2021 and every eight years thereafter (2029, 2037). This request is to get the funding necessary for the seven counties to produce their 2021 Buildable Lands report. Funding requests in subsequent biennia will occur at the appropriate time.

Changes from current law:

Passage of ESSSB 5254 changed RCW 36.70A.215 and calls for the department to develop guidance, with the assistance of a land use/economics consulting firm. The new guidelines will be ready Dec. 1, 2018, and will provide recommendations on how jurisdictions could maintain their buildable lands program, as well as address the new requirements in RCW 36.70A.215. Recommendations could include, but are not limited to, updates to the Washington Administrative Code. WAC 365-196-315, the Buildable lands review and evaluation, to include the seventh county, Whatcom County, and Commerce may have other recommended updates to be processed in 2020.

State workforce impacts:

The proposal includes hiring an additional 1 FTE at a Commerce Specialist 3 level in the agency's Olympia office. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

One additional staff position in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C3 - Rural Economic Development
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Commerce (department) requests to establish a competitive grant program targeted to local economic development organizations to provide resources for asset mapping, regional strategic planning and industrial site readiness. These grants help communities create economic development goals and strategies to create living wage jobs. This proposal would also provide an increase in funding for small and rural Associate Development Organizations (ADOs) to help facilitate related economic development activities locally.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$1,956	\$1,951	\$1,951	\$1,951
Total Expenditures	\$1,956	\$1,951	\$1,951	\$1,951
Biennial Totals		\$3,907		\$3,902
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.0	1.0	1.0	1.0
Average Annual		1.0		1.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$72	\$72	\$72	\$72
Obj. B	\$26	\$26	\$26	\$26
Obj. E	\$43	\$43	\$43	\$43
Obj. G	\$10	\$10	\$10	\$10
Obj. J	\$5	\$0	\$0	\$0
Obj. N	\$1,800	\$1,800	\$1,800	\$1,800

Package Description

Rural and underserved communities in Washington lack capacity and resources to adequately plan and execute economic development strategies. Washington has successfully added new, high-wage jobs to many urban centers around the state. However many rural and underserved communities continue to struggle to attract new employers or grow jobs from existing employers. This lack of growth has negative impacts on communities' ability to grow the tax base and provide basic government services to these communities. Based on feedback from ADOs, ports, economic development associations, cities and counties, and from research completed by the Washington Roundtable Rural Economic Development Study, it is clear that there is an overwhelming need for additional capacity and resources to develop strategic plans to begin to execute activities to increase living wage jobs in these communities. Most of these communities do not have capacity to effectively plan for economic development, and thus either take no action or miss opportunities to attract, retain or grow employers.

Additionally, industrial real estate planning and preparation is severely under resourced in these communities. Many properties that are zoned for industrial use and are part of an urban growth area are not prepared for rapid development – they lack environmental review, utility connections, roadway access, rail spur infrastructure and topographic analysis.

This results in lost opportunities for communities due to the current market environment of site selection processes for large employers requiring "shovel ready" sites on extremely short timelines. Many other states devote resources to industrial site development and market those sites effectively, which is a significant competitive factor in decisions around industrial expansion plans.

The overall health of these communities is greatly challenged without sound economic development and job creation prospects. In some communities, the growth or closure of a moderate-sized employer can significantly impact community planning and the ability to provide other essential government services due to the tax revenue generated at local and junior taxing districts, as well as revenue to public utility providers. For these and other reasons, living wage job growth is a key priority for many rural and underserved communities that are falling behind as the national market trends toward higher-wage white collar jobs in urban centers. Washington needs to provide better focus on creating rural manufacturing and food processing jobs to maintain the health and economic resiliency of these communities.

The department will create a competitive grant program for local economic development organizations with three categories: asset mapping, regional strategic planning and industrial site readiness.

Asset mapping resources will allow smaller communities that have little capacity for strategic planning to provide resources for asset mapping. The department will strengthen communities' ability to prepare for economic development opportunities and proactively execute on living wage jobs initiatives, either by recruiting industrial development or planning to help companies that would like to expand. This will be particularly helpful for communities that have had little to no capacity to develop strategic plans and may have little sense about what they should do to promote job growth. Communities that are better prepared with thoughtful strategic plans in place will also lead to more effective, high-quality applications to other department resources for development planning such as CERB or the Public Works Trust Fund.

This initiative will prepare Washington's communities and the state to compete globally for business development and job growth. Funding will help communities by planning for development of specific sites; preparing SWOT, feasibility and market analyses; and analyzing and solving other impediments to economic development. These activities occur in advance of business development projects or concurrently with private sector expansion and site selection planning.

Similarly, funding for economic impact analyses will foster greater strategy development and capacity building throughout the ADO network. These analyses enable communities to quantify overall effects related to job creation and investment, inform public finance decisions, foster understanding of local and regional economies for strategy and policy development, educate residents and legislators on cumulative impacts of business policies and programs, and further enhance the department's own economic development programs.

For communities that are more advanced, and have done some strategic planning, resources would be available to help them act on portions of their economic development strategy, particularly regarding industrial land planning and capital infrastructure improvements. This will help communities respond to imminent requests from site selectors interested in a site in their community. It is often the fact the department engages with large manufacturers or food processors that are interested in a site in a rural community but are not able to delay their timeline to wait for the property to have environmental reviews completed or a variety of infrastructure improvements made. Planning and grant funds would be used to help these communities make these sites "shovel ready."

Additional resources to increase funding for rural ADOs that are under resourced will also create an improved ability for local economic development activity and to meet statutory requirements for business retention, expansion and attraction deliverables. The community outcome support position will focus on coordinating with communities on planning and infrastructure strategies and goals and facilitate the transition from the planning stages to actionable industrial development investments.

Washington's 35 ADOs are the department's main partner for local economic development. They are tasked with collaborating with the department and helping businesses recruit, retain and expand. With many ADOs having insufficient funding to meet the most basic of efforts, this decision package will also bring them up to the expected capacity.

Additionally, the competitive grants are a mechanism to determine quantifiable state of being for communities and where they are in their pursuit of viable economic development.

The department is developing a new approach to providing intensive technical assistance to identified communities with the greatest relative need and the fewest resources. The approach includes:

- The use of data to identify underserved communities.
- A process for facilitating targeted outreach/learning events.
- A process for bringing learned information back to the department.
- Development of an actionable plan to address needs and barriers.
- Technical support in fulfilling the action plan.

Underserved communities will be identified by using a variety of data sets that examine inequities in the distribution of our funding. This data will be used as a proxy to determine our most vulnerable communities that have the least amount of resources in comparison to determined need.

As communities are identified, the department will pursue partnerships with those communities. Through multiple learning events, we'll work with the community to better understand their needs and the challenges they face. This will be approached through the lens of resilience. Resilience embraces a framework of priorities that, when addressed, increase the capacity of a community and its ability to overcome adversity. Much of that framework embodies the resources the department is equipped to support, such as the built environment, climate and energy, the economy and jobs, equity and empowerment, and health and safety. The learning events will result in a better understanding of the community's capacity, needs, and barriers.

This information will then be brought back to the department to begin developing an individualized action plan. The community will get access to department staff as relevant subject matter experts are identified and included in the plan development. The plans will be approached holistically, examining both local challenges of the community and systematic barriers that prevent or limit access to resources. The communities will receive hands-on technical support from the department in implementing and completing the plan. It is anticipated that action items will vary between short-term to long-term, some of which may take multiple years to address. The department will support these efforts through to their completion as well as help position the communities to sustain progress made.

The purchase is three-fold:

1. Funds will purchase additional capacity for ADOs and local economic development entities to develop complete strategic plans focused on living wage job growth. Processes for creating plans will include activities such as analyzing key values and goals for economic development, asset mapping exercises – the process of creating an inventory of unique and/or valuable assets that can be leveraged to create jobs. Assets include industries as educational institutions, unique geographic assets (for example outdoor recreation assets), low energy costs, rail capacity and other transportation assets, industry clusters (such as a

wine industry cluster) among others – identifying key areas around which to focus asset development to better market to prospective employers or retain existing ones, and analysis of economic impact of prior projects to determine efficacy of past strategies and to demonstrate results to stakeholders and legislators.

2. Funds will be used for industrial site development needs that have been identified either through a prior strategic planning process or from a planning process related to this program.
3. Funds will also purchase better solutions and better, more qualified proposals to Commerce for a variety of resources and programs we offer. Once communities can develop a community-wide strategic plan, such as the “Our Valley Our Future” plan developed in the Wenatchee Valley community, they will be able to produce better vetted proposals for many of Commerce’s programs, including Community Economic Revitalization Board, Housing Trust Fund, Clean Energy Fund and the Governor’s Strategic Reserve Fund, among others.

A community outcome support position would be established to facilitate this effort.

Having the resources to implement a multifaceted capacity building strategy for the state’s ADOs will yield impressive gains for a wide cross-section of Washington communities. The department is developing a new approach to providing intensive technical assistance to identified communities with the greatest relative need and the fewest resources. The approach includes:

- The use of data to identify underserved communities.
- A process for facilitating targeted outreach/learning events.
- A process for bringing learned information back to Commerce.
- Development of an actionable plan to address needs and barriers.
- Technical support in fulfilling the action plan.

Underserved communities will be identified by using a variety of data sets that examine inequities in the distribution of our funding. This data will be used as a proxy to determine our most vulnerable communities that have the least amount of resources in comparison to determined need.

As communities are identified, the department will pursue partnerships with those communities. Through multiple learning events, we’ll work with the community to better understand its needs and challenges. This will be approached through the lens of resilience. Resilience embraces a framework of priorities that, when addressed, increase the capacity of a community and its ability to overcome adversity. Much of that framework embodies the resources the department is equipped to support, such as the environment, climate and energy, the economy and jobs, equity and empowerment, and health and safety. The learning events will result in a better understanding of the community’s capacity, needs, and barriers.

This information will then be brought back to the department to begin developing an individualized action plan. The community will get access to department staff as relevant subject matter experts are identified and included in the plan development.

The plans will be approached holistically, examining both local challenges of the community and systematic barriers that prevent or limit access to resources. The communities will receive hands-on technical support from the department in implementing and completing the plan. It is anticipated that action items will vary between short-term to long-term, some of which may take multiple years to address. The department will support these efforts through to their completion, as well as help position the communities to sustain progress made.

The department works with ADOs and local governments to help in some strategic planning work, but without appropriate resources for this work, it is minimally effective at enabling local communities to develop actionable strategic plans. The department engages the ADO network both on an individual basis by introducing them to high-employment project opportunities, but often communities are not prepared or do not have a viable industrial asset that will be ready in time for the company.

The department also conducts training seminars and convenes ADOs for “best practices” meetings several times annually, helping to highlight activities that some communities have had success with. However these training and roundtable discussion events are not a sufficient replacement for the actual need, which is the development of effective and realistic strategic plans from which communities can begin to develop solutions for larger economic challenges or opportunities in their communities.

Similarly, inaction is not viable for the community outcome support position. Without this position, the department would not be able to help communities through needs discovered through asset mapping and leads provided by agency outreach staff. This position provides a more intense, lengthier service to communities across a wide spectrum of the department services than is currently available.

The department is the state’s leading agency devoted to economic development throughout the state, working in partnership with the statewide network of ADOs to strengthen communities and grow the economy. Increased ADO capacity via in-depth analysis and impact studies will strengthen the ability of communities to attract and retain companies and develop cohesive strategies and policies for greater job creation and investment. There is no better time to capitalize on Washington’s robust ecosystem and further strengthen the state’s unique value proposition and competitive advantages. Having the resources to implement a multifaceted capacity building strategy for the state’s ADOs will yield impressive gains for a wide cross-section of Washington communities.

Assumptions and Calculations

Expansion or alteration of a current program or service:

ADOs have a current appropriation in the 17-19 biennial budget of \$5.6 million, but there is no current funding related to the activities articulated in this proposal.

Detailed assumptions and calculations:

To implement the use of funds, the ADO funding will be absorbed work as it is additive to the existing award structure. The competitive funding would have applications reviewed by a cross-agency team.

This request would fund one full-time Commerce specialist 3. This position will provide intense, hands-on technical assistance to vulnerable and underserved communities. Their duties include but are not limited to:

- Serving as a community's liaison to the department (88 hours)
- Helping identify and select underserved communities (100 hours)
- Participating in targeted community learning events to better understand their needs and challenges (400 hours)
- Developing individualized action plans (400 hours)
- Providing technical support to communities (1,000 hours)
- Collecting data and monitoring results of strategic measures. (100 hours)

Salaries & Benefits:

FY19: \$98,556

FY20: \$98,556

Total: \$197,112

Goods and Services:

Goods and services costs are standard costs associated with 1.0 FTE.

FY19: \$42,524

FY20: \$42,524

Total: \$85,048

Travel:

Travel is based on the assumption that this position will partner with five communities statewide. Each community will involve three in-person technical assistance visits each year, each consisting of three days and two nights. Expenditures were calculated based on estimated roundtrip distances of; 100 miles, 200 miles, 300 miles, 400 miles, and one flight with a rental car.

FY19: \$10,339

FY20: \$10,330

Total: \$20,669

Equipment and Capital Outlays:

\$5,000 first year for a workstation.

Grants:

Funds can be used in grants up to \$20,000 for a variety of flexible activities. This includes training (such as grant writing) that allows communities to better access resources, community education, identification of community assets, community assessments, small community projects that respond to identified local priorities and other activities that meet identified needs. For industrial site development grants, the department anticipates approximately \$250,000 per site development project. Of the total grant assumption, \$500,000 would go toward these costs, funding approximately two site development projects a year.

\$1,800,000 each fiscal year for grant funding.

Workforce Assumptions:

1.0 FTE Commerce Specialist 3 position

The costs for this work are composed of:

Salaries and Wages: \$72,000

Employee Benefits: \$27,000

Goods and Other Services: \$43,000

Travel: \$10,000

Annual Total: \$152,000

\$5,000 first year for a workstation.

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Strategic and Performance Outcomes

Strategic framework:

This package contributes to the Results WA goal of building a *prosperous economy* by developing the strategic capacity of the statewide ADO network, with a particular emphasis on the state's rural and underserved regions. Competitive grant funds will help communities research and develop strategic community/economic development plans and will include asset mapping, SWOT analysis, and economic impact analyses. These, in turn, will be useful for building regional efficiencies and capacities for attracting inbound investment, as well as evaluating overall investment impacts and related business recruitment/retention/attraction practices and policies.

The effort directly aligns with the department's strategic priorities. The department's 2019-2021 strategic priorities are to address a community's most urgent needs by:

- Reducing homelessness and increasing self-sufficiency
- Increasing living wage jobs
- Improving housing affordability
- Funding reliable infrastructure
- Building a clean energy future

Increasing ADO capacity via in-depth analysis and impact studies will strengthen the ability of communities to attract and retain companies and develop cohesive strategies and policies for greater job creation and investment. Moreover, as the department's main economic development partners at the local level, these efforts will further bolster Commerce's business development strategies to promote Washington and attract investment to the state, thereby growing the economy. Since 2012, Commerce's investment attraction efforts to attract new businesses to Washington have resulted in 58 won projects, representing the creation of nearly 5,000 new jobs and \$2.3 billion in capital investment in regions throughout the state. The capacity building strategy will build on these gains for the benefit of communities throughout Washington.

Increase to activity A163 Business Development of \$1,600,000 each year from General Fund State.

To accomplish these priorities, the department will make a difference by bringing new approaches to how we support communities. In doing so, it will equitably distribute agency funds, engage communities to better respond to their needs, and help communities assess and improve resilience.

This effort accomplishes exactly that. This proposal is a new way of providing technical support to our communities in need and a much more intimate level of support. Through the lens of equitable distribution of funding, we will identify which communities to target with our support. The learning events will use a resiliency framework that encompasses every one of the strategic priorities. The learning events will be designed to better understand the community's needs, help them prioritize their needs, and help them begin to address them. In doing so, we will strengthen communities by improving their understanding of resilience and positioning themselves to overcome adversity.

Increase to Activity A168 - Asset Building for Working Families with \$356,419 GFS annually.

Performance outcomes:

Proactive international business development yields distinct statewide results across industry sectors: Since 2012, Commerce's business recruitment, retention, and expansion activities successfully generated more than \$8 billion in capital investment and created 15,000 new jobs from a total of 128 won domestic and international projects. The ADO network is necessarily involved in all of Commerce's business development activities and serve as our main partners at the local level. Increasing ADO capacities for the development of specific sites, preparing SWOT, feasibility and market analyses, and analyzing and solving other impediments to economic development will enable increased returns at both the state and local level: Commerce and the ADO network will be able to create at least 15-20 combined new recruitment opportunities in regions throughout the state, five of which will be in rural and underserved communities.

In addition, funding for economic impact analyses will foster greater strategy development and capacity building throughout the ADO network. These analyses drive efficiencies by enabling communities to better quantify overall effects related to job creation and investment, inform public finance decisions, foster understanding of local and regional economies for strategy and policy development, educate residents and legislators on cumulative impacts of business policies and programs, and further enhance Commerce's own economic development programs. At least 10-12 communities will be able to undertake impact analyses in their areas.

The department believes that this approach will impact most of their key outcomes. By using the lens of resilience, this effort will address barriers that impact the department's success in achieving its strategic priorities. These priorities have a direct connection with the outcomes of the department. Depending on the needs of each community and the supports they require, this work will produce results for the following agency outcomes:

- Living Wage Jobs
- Resilience
- Housing Affordability
- Equitable Distribution of Funding
- Self Sufficiency

Strategic measures will be used to monitor the success of the technical assistance efforts. Some data points will include the following:

- % of targeted outreach efforts resulting in an action plan.
- % of action plans completed.
- Systematic barriers identified.
- % of identified systematic barriers addressed.
- Change (+/-) in the amount of funding received by the community.

Other Collateral Connections

Intergovernmental:

The Capacity Building Strategy positively affects cities, counties, and regions throughout the state, and particularly the state's rural and underserved areas. Since 2012, there have been 27 successful won projects in rural counties, resulting in 3,000 new jobs and \$1.9 million in capital investment. Capacity building at the local level will result in more business leads generated, more project opportunities for Washington communities, and subsequently more business investment in rural and underserved regions statewide. As a result, communities will experience increased tax revenues and job creation, particularly in those communities in most need.

Depending on the communities selected, this effort could impact intergovernmental entities, such as tribal, regional, county, or city. We do not anticipate any opposition to this request. These efforts will only be pursued with willing partnerships. No intergovernmental entity will be required to participate, if selected. Those entities that choose to participate will receive personalized, hands-on technical support at no cost to them. In addition, the support they receive will be driven by their community's needs and priorities, not the priorities of the department.

Stakeholder response:

This strategy's goal of increasing ADO capacities will directly benefit regions throughout Washington, and the ADO network is highly supportive of efforts that will enable increased investment into their communities. ADOs require critical information in order to attract and retain business investment, as well as fully understand overall impacts derived from economic development activities and policies. Capacity building at the local level will further increase economic prosperity around the entire state, creating efficiencies and providing pathways toward financial security for families and residents.

Additionally, the Washington Roundtable supports regional economic development planning grants, as well as many economic development stakeholders such as ports, cities, counties and workforce development councils. Commerce has communicated with many of these organizations over the last two years to understand their level of interest in this program and has received positive feedback.

The department does not anticipate any opposition to this request. These efforts will only be pursued with willing community partners. No community will be required to participate if selected. Those communities that choose to participate will receive personalized, hands-on technical support at no cost to them. In addition, the support they receive will be driven by their community's needs and priorities, not the priorities of the department.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

The proposal includes hiring an additional 1.0 FTE at a Commerce specialist 3 level in the agency's Olympia office. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

One additional staff positions in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C4 - Supporting Clean Energy Transition
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

With executive orders on carbon pollution reduction and energy efficiency and one of the cleanest grids in the nation, Washington can be a leader in the national transition to a clean energy future. However, the state energy office has been largely dependent on unstable federal funding to achieve our state objectives, and has limited resources compared to states of comparable size. The Department of Commerce (department) requests additional and ongoing funding to be able to provide long-term planning, advanced analytics, emergency response support, and community technical assistance—to live up to the vision that leaders have already established for Washington as a national leader in the clean energy future.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$1,500	\$1,530	\$1,510	\$1,517
Total Expenditures	\$1,500	\$1,530	\$1,510	\$1,517
Biennial Totals		\$3,030		\$3,027
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	5.0	8.5	8.5	8.5
Average Annual		6.8		8.5
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$445	\$771	\$771	\$771
Obj. B	\$148	\$254	\$254	\$254
Obj. C	\$600	\$0	\$0	\$0
Obj. E	\$272	\$468	\$468	\$468
Obj. G	\$10	\$17	\$17	\$17
Obj. J	\$25	\$20	\$0	\$7

Package Description

From executive orders on carbon pollution and clean energy action to the legislature's creation of the Clean Energy Fund, Washington is at the forefront of the transition to a clean energy future. However, the state energy office within the department has been largely dependent on uncertain and variable federal funding, leveraging this funding to the greatest extent possible to achieve our state objectives. Over the past two years, as federal stimulus spending has dried up, the department has consolidated multiple energy-related functions in the Energy Division and strengthened its program management capabilities. However, the department currently relies on a staff of seven energy policy analysts to do planning and innovation work, in comparison with the state of Oregon that has 22 managers and analysts in its planning and innovation division. This is the case even though Washington's GDP is twice Oregon's and Washington ranks 17th in the nation in terms of energy production (according to the U.S. Energy Information Administration) versus Oregon's ranking as 33rd. For Washington to continue to provide cutting-edge research and analytical support to state decision makers, local governments and utilities that are setting or responding to increasingly ambitious energy goals, state funding is required. The department seeks stable state funding to provide long-term planning, advanced analytics, emergency response support, and community technical assistance. This is not a request to meet new mandates, but to live up to the vision that the governor, legislators, and stakeholders have already established for Washington's clean energy future.

It is imperative that the state gain a more detailed understanding of the dynamic environment within the clean energy transition. This foundational understanding will provide accurate, timely and innovative information to decision makers as we usher the state toward our clean energy and climate goals.

The solution is to build and sustain capacity to answer the fundamental questions that decision makers are asking. The department can accomplish this by increasing funding for the following:

1. Support for strategy, planning and analysis;
2. Technology research and deployment;
3. Detailed energy market knowledge on energy efficiency, distributed generation, and transportation matters;
4. Energy emergency support and resilience, community technical assistance; and
5. Provisioning disadvantaged communities to benefit from the clean energy transition.

It is also imperative that the state energy office develop greater capacity to provide timely and accessible services and communications not only to decision makers but also to the varied stakeholders—including but not limited to local governments, citizens, tribes, utilities and other energy businesses.

There is critically important work to do in order to understand the complexities of clean energy transition and energy economy. The state's ability to transition to a clean energy economy will be directly impacted by the department's ability to make investments in grid technology, clean energy generation, decarbonizing our transportation systems and supporting communities that are most impacted by energy related environmental pollution.

The department would purchase the ability to gain a detailed understanding of, and ability to effectively communicate about, the dynamic circumstances of clean and affordable energy for all people in the state of Washington.

The department's Energy Division would do this by increasing the level of support to policy leaders, agency partners, and community stakeholders, including but not limited to:

1. Better support to the Governor's Office, Legislature, and other state agencies and local governments that seek to achieve their climate, renewable energy, and energy efficiency goals, such as helping local government transition to electric vehicles.
2. Greater analytical and modeling capabilities to support policy makers as they consider potential energy and climate policies, such as detailed decarbonization pathways, more robust analysis of cost and jobs impacts, and development of more stringent energy codes.
3. More in-depth analysis and evaluation of existing energy policies and programs, such as fuel mix disclosure, the Energy Independence Act, and integrated resource plan reporting.
4. Better pre-disaster planning, incident, and recovery support to the state's energy providers and consumers during earthquakes and electric and fuels disruptions.
5. Improved communications to the public and to external stakeholders, including support for a statewide energy policy advisory committee.
6. Improve the efficiency of our regionally connected grid through greater participation in multi-state efforts to improve the efficiency of the regional power grid and other energy systems and support Washington's interests in actions by the Bonneville Power Administration, the Northwest Power Planning Council, and other agencies; additional activities would include engagement on the rapidly expanding Energy Imbalance Markets/ISOs policy, demand-response forums, and energy-efficiency investment policies.
7. Assistance to local governments in implementation of electric vehicle and alternative fuels policies.
8. Increased energy-specific technical and contractual support and oversight of grants to improve investment outcome and reduce risk to the agency.
9. Development of net zero energy codes for both new and existing structures.

This proposal would enable the department to consistently provide the policy and technical support that policy makers and stakeholders expect. In terms of how the money will functionally be spent:

- 4.5 FTE will provide advanced policy development and planning and innovation, including emergency support in the event of a catastrophic event and equity issues for disadvantaged communities. For example, the state could benefit from a dedicated analyst for transportation (the largest source of carbon emissions), thermal energy and natural gas, consumer-owned utilities (that serve more than 50 percent of state customers), greenhouse gas emissions, and resiliency and energy storage.
- 2.0 FTE will provide for research analysts to provide deeper support and research capabilities under the supervision of current energy policy specialists.
- 2.0 FTE will be devoted to management analysts who will be able to provide technical assistance to communities.
- \$600,000 will be set aside for contracting for advanced analytical support, building and applying in-house expertise and oversight to ensure work is tailored to Washington's unique energy landscape.

This request could be a precursor to securing a dedicated funding source for the department's Energy Division, as is provided in some other states and for the Washington Utilities and Transportation Commission. The state funds the UTC through a revenue-based fee assessed on the companies it regulates. The governor's carbon pricing legislative proposals have included significant dedicated funding for many of the activities included in this proposal.

If this proposal is not funded, the department would need to collaborate in adjusting the expectations of executive leadership, legislators, and stakeholders regarding the limitations that limited funding would impose on its ability to provide energy policy support. The department would need to determine the best path to meet climate goals as outlined by the governor.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

Below is further detail related to this proposal:

EMS2: 4.5 FTE will provide advanced policy development, planning and coordination, including emergency support in the event of a catastrophic event and equitable benefits for disadvantaged communities.

MA5: 2.0 FTE will be devoted to management analysts who will be able to provide technical assistance and outreach to communities.

RA5: 2.0 FTE will provide for research analysts to provide deeper support and research capabilities under the supervision of current energy policy specialists.

Workforce Assumptions:

4.5FTE Executive Management Services (EMS2) positions

2.0FTE Management Analyst 5 (MA5) positions

2.0FTE Research Analyst 5 (RA5) positions

The costs for this work are composed of:

Salaries and Wages: \$445,000

Employee Benefits: \$148,000

Contracts: \$600,000

Goods and Other Services: \$272,000

Travel: \$10,000

Annual Total: \$1,475,000

\$25,000 first year for a workstation.

Strategic and Performance Outcomes

Strategic framework:

The following Results WA goals are impacted:

Results WA Goal 2.3.1 (Prosperous Economy – Sustainable, Efficient Infrastructure -Reliable Infrastructure) has goals for maintaining Washington's infrastructure assets, which is enhanced in the energy sector by increased all-hazards planning within the State Energy Office. Increasing capacity within ESF12 contributes to developing strategies to meet these goals.

Sustainable energy and clean environment 1.2 and 1.3 – by producing/increasing access to clean electricity and ensuring disadvantaged households can live in efficient buildings.

Healthy and safe communities 1.2 – improve individual and community health outcomes by reducing carbon emissions.

Results WA Goal 3.1.1 (Clean Transportation) has goals for transportation fuel economy, greenhouse gas emissions, and electric vehicles (EVs), all of which would be advanced by increased EV infrastructure and deployment. State energy office (SEO) policy expertise and technical assistance also contribute to developing strategies to meet all of Results WA Goal 3.1 (Clean Energy and Efficient Buildings and Industrial Processes), which would be enhanced with greater analytical capacity.

This proposal supports the department's strategic priority of Building a Clean Energy Future.

Performance outcomes:

- # local governments developing plans to install EV infrastructure with Commerce's assistance: **50/year**
- # of comprehensive energy code package recommendations for 2031 code: **1**
- # of studies commissioned to inform long-term energy strategy: **2/year**
- # of contributions to long-term energy strategy (e.g., white paper on emergency response priorities) and other relevant plans (e.g., updates to Growth Management Act modules) authored by the department: **4/year**
- Number of analytical tools upgraded: **3/year**

Other Collateral Connections

Intergovernmental:

This proposal will provide optional support to state agencies and local governments in clean energy transition to help them meet their goals.

Stakeholder response:

Clean energy advocates in the nonprofit and clean tech business sectors support efforts to strengthen the implementation of Governor Inslee's energy and climate goals. Energy industry members may oppose this role for Commerce, and some local governments will be concerned about the potential for lost autonomy with a stronger energy policy voice in Olympia.

Legal or administrative mandates:

Although this proposal is not directly required by litigation or other administrative mandate, it is responsive to a range of directives that have called for us as a state to do more, but have not always been accompanied with resources to operationalize the vision, such as energy-focused executive orders, and procurement mandates.

Changes from current law:

N/A

State workforce impacts:

The proposal includes hiring an additional 4.5 FTE EMS2, 2.0 FTE MA5, and 2.0 FTE RA5 in the agency's Olympia office. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

8.5 additional staff positions in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C5 - Homeless Youth and Young Adults
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

More than 13,000 young people, ages 12 through 24, across every county of our state are experiencing homelessness on their own, without the support of family. The Department of Commerce (department) requests \$5.7 million in General Fund State (GFS) to maintain and expand programs addressing housing stability for homeless youth and young adults, and invests an additional \$4 million to leverage \$4 million in private funds as part of a public-private Anchor Communities Initiative to end youth and young adult homelessness in four communities in Washington by 2022.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$4,871	\$4,860	\$4,860	\$4,863
Total Expenditures	\$4,871	\$4,860	\$4,860	\$4,863
Biennial Totals		\$9,731		\$9,723
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	2.0	2.0	2.0	2.0
Average Annual		2.0		2.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$156	\$156	\$156	\$156
Obj. B	\$54	\$54	\$54	\$54
Obj. E	\$99	\$99	\$99	\$99
Obj. G	\$6	\$6	\$6	\$6
Obj. J	\$11	\$0	\$0	\$3
Obj. N	\$4,545	\$4,545	\$4,545	\$4,545

Package Description

More than 13,000 young people, ages 12 through 24, across every county of our state are experiencing homelessness on their own, without the support of family. Instead of studying for tomorrow's test, they are worrying about where they will sleep tonight or if the place they are temporarily housed in today will be an option tomorrow. Their basic safety and immediate future are uncertain.

The solution will require a multi-pronged and multi-year approach. Solving youth homelessness requires an understanding of the unique needs of young people, who often become homeless as a result of family crisis or dysfunction, or involvement in systems such as child welfare and juvenile justice. The immediate next steps are outlined in this request and address several key areas including:

- Maintenance of existing resources;
- Expansion to communities that lack services; and
- Support for four communities to serve as a model for the rest of the state to end youth and young adult homelessness.

This request has three components. The first component would maintain current service levels for homeless youth throughout the state. The second and third budget components expand housing, shelter and services to under-served communities.

1. **Maintain existing commitments:** Communities rely on an ongoing commitment of current funding levels to keep young people safe and housed. To maximize funds given delayed timing of the 2017-19 capital budget, the 2017-19 proviso funding was allocated through 18-month (rather than 24-month) contracts. Because of this decision to optimize funding, the department needs six months of additional funding to cover a full 24 months of services in the new biennium.

This funding supports shelter, housing, and outreach services for youth and young adults. Additionally, the Office of Homeless Youth (OHY) relied on private funding to support one FTE to lead the Governor-created Interagency Workgroup on Youth Homelessness. The private funding sunsets, but ongoing staffing is needed to support the work of the Governor's Interagency Workgroup. This request is designed to support this FTE. If an additional \$1 million to maintain current service levels is not received, the functional impact will be a 5 percent across-the-board cut in funding for all services.

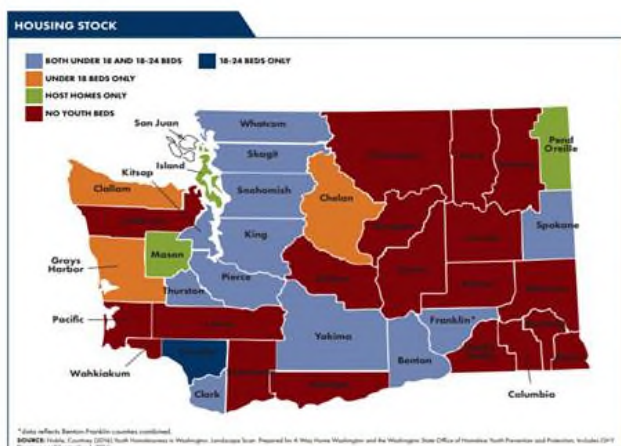
2. **Anchor Communities Initiative:** Commerce is requesting \$4 million to build infrastructure and services in four pilot communities selected through the Anchor Communities Initiative, in partnership with A Way Home Washington. The goal of these Anchor Communities is to end youth and young adult homelessness in their communities by 2022. Private philanthropic funds will support the A Way Home WA staffing model, including a data lead and coach for each of the chosen communities. However, the pilot communities will need state resources to support a continuum of interventions, including prevention, crisis response, and long-term housing. This will allow communities to successfully implement the Anchor Communities initiative and create a blueprint for ending homeless for young people throughout the state.

The Anchor Communities Initiative is similar to the 100 Day Challenge, but with more built-in sustainability to end youth homeless in four counties by 2022. It dovetails with the work OHY and the Department of Child, Youth and Families (DCYF) are directed to do under a 2018 Supplemental Budget proviso to improve the delivery of services to families and youth in crisis. The proviso directs DCYF to conduct a study on the public system response to families and youth in crisis who are seeking services to address family conflict and to develop a plan to provide community-based early intervention services, as well as intensive interventions for families and youth facing crisis so severe that a youth cannot continue to reside in the home or is at risk of experiencing homelessness.

3. **Expand services and housing for homeless youth and young adults:** While more than 13,000 youth and young adults experience homelessness in every corner of the state, half of Washington's counties have no shelter beds or housing. Demand for shelter, housing, and outreach services is high. In a recent funding round, Commerce received \$27 million in requests while only \$17.5 million was available. The department requests an additional \$4 million to expand funding for all OHY programs (shelter beds, housing for young adults and outreach) to increase the availability of services and ensure resources are equitably distributed across the state. The map below shows housing stock available to youth and young adults in 2016. While this has shifted over the past two years, the need is still strong. Some counties have gained youth and young adult beds, and others have lost services or are trying to bring in services. Examples include:

- Grays Harbor, which is losing funding for its youth shelter, the only youth-oriented asset in the county;
- Tacoma Housing Authority's Arlington Campus that will need funding for 12 CRC beds as part of their 53 unit campus; and
- Yakima, which lost its Crisis Residential Center (CRC) license last year and is now working on opening a shelter for minors.

The expansion of services for young adults is crucial to this package. According to Commerce's Homeless Management Information System data, young adults account for 87 percent of reported homeless youth and young adults. Commerce will use this funding to purchase beds and services based on the specific needs of communities.



4. **Align program eligibility and requirements with the needs of young people:** The last component proposes statutory changes to bring programs into alignment with the needs of young people. These statutory changes do not drive a budget impact but will have a real impact on homeless youth and young adults.

- A definition of "Street Outreach Services" would be added to RCW 43.185C.010 and would establish eligibility for street youth and unaccompanied young adults through age 24 (current eligibility is limited to youth under age 18). Young adults represent a large portion of the homeless youth population. Data suggest that there are more than 11,000 homeless young adults. Outreach services would identify young people experiencing homelessness and connect them to services and housing.
- To accompany the change in eligibility for outreach, clarity is needed within the statute to specify that segregation of youth programs and young adult programs applies to residential programs (rather than services, such as outreach and drop-in centers). RCW 43.330.700(4) would be modified to insert the word "residential" before "youth programs and young adult programs."
- Staffing requirements for the HOPE shelter program would be modified to align with staff qualifications contained within licensing requirements. RCW 43.185C.315 would be modified to remove specific references to education and experience requirements for specific staffing positions.
- The restriction that prevents youth with a Child In Need of Services (CHINS) petition from residing in a HOPE Center would be removed. By definition, a young person who files a CHINS petition has declared that they need housing assistance. This closes off options for young people who have asked for assistance by eliminating one of the available housing options.

Funding under this proposal purchases:

- Outreach staff through the Street Outreach Services program to identify homeless youth and young adults and connect them with services and housing;

- Shelter beds through the Young Adult Shelter program, HOPE Centers, and CRC programs based on the needs of the specific community; and
- Rent assistance and case management for young adults through the Young Adult Housing Program and Independent Youth Housing Program. (Numbers served will be based on community need and submitted through applications.)

Through the Anchor Communities Initiative, funding would support a continuum of interventions, including prevention, crisis response, and long-term housing. Prevention may include diversion and community-based counseling and services for families, crisis response that includes shelters and services that address immediate needs of both families and youth, and long-term housing and services that transition young people to healthy adulthood and stability.

The Anchor Communities Initiative takes a new approach to addressing youth homelessness and cannot rely solely on funding for existing programs. This effort will ideally implement solutions and recommendations that are developed through the OHY and DCYF proviso-directed work to improve the delivery of services to families and youth in crisis. This is new, innovative work that requires flexibility to effectively respond to the need. The Anchor Communities Initiative positions four selected communities to be a testing ground to create a blueprint for what works to end youth and young adult homelessness that can be replicated across the state.

Data collection and research on the prevalence and characteristics of youth/young adult homelessness in WA state informed this proposal. It's also the result of stakeholder engagement, provider and youth input, and collaboration with philanthropy. The alternatives discussed were a) not advancing a request and b) proposing larger policy reforms. This approach was chosen because it will achieve positive and tangible results to address youth homelessness, yet does not attempt to take on too much policy and system reform that would be premature, given the status of stakeholder work and impending efforts through the OHY/ DCYF proviso work.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Programs	State	15-17 Biennium Dedicated	Totals			
Street Youth Services	1,823,000		1,823,000			
Office of Homeless Youth Administrations	867,000		867,000			
Young Adult Shelter Beds	210,000	210,000	420,000			
Independent Youth Housing Program	1,800,000		1,800,000			
CRCs, Hope Beds	10,741,000		10,741,000			
Additional Hope Beds		1,028,000	1,028,000			
Truancy Reform		714,000	714,000			
Youth Specific Programs		787,000	787,000			
Totals	15,441,000	2,739,000	18,180,000			
Programs	Federal	17-19 Biennium State	Dedicated	Proviso	Private	Totals
Office of Homeless Youth Admin (46301)	930,721		330,188	150,000	100,000	1,510,909
CRCs, Hope Beds (PI 46302)			14,000,212			14,000,212
Street Youth Service (PI 46303)	2,568,213					2,568,213
Reduce Youth Homeless Proviso (PI 46304)		988,722		2,350,000		3,338,722
Young Adult Shelter (PI 46120)	411,066		420,568			831,634
Young Adult Housing (PI 46122)	-	11,278	1,615,032			1,626,310
Independent Youth Housing 9PI 46110)			1,800,000			1,800,000
	3,910,000	1,000,000	18,166,000	2,500,000	100,000	25,676,000
Total State	4,910,000					
Total Dedicated	20,666,000					

Detailed assumptions and calculations:

Total workload costs are:

FY19-21: \$325,964 each year;

FY21-23: \$315,104 in FY22 and \$317,736 in FY23.

Additional workload includes 2 FTEs: 1 FTE to manage the Governor's Interagency Workgroup on Youth Homelessness that has been previously supported through private philanthropy funding that is coming to a close. An additional FTE is needed to absorb the responsibilities with new funding for the Anchor Communities Initiative and expanded program funding. Responsibilities for the FTE include creating RFPs and designing requirements and parameters for awarding funding, conducting procurement processes, and managing funding contracts.

Total program expenditures are \$9,090,000 for 2019-21 and \$9,090,000 for 2021-23:

- \$1,090,000 is the cost to carry forward existing commitments. This funding is needed to reconcile allocating 24 months of funding into contracts that lasted 18 months in order to maximize the impact of 2017-19 proviso funding to maintain current service levels.
- \$4 million to expand OHY programs and services. This figure was determined after accounting for the gap between minimum funding requests and the amount funded in the last procurement. That gap was approximately \$4.6 million. In addition, since that procurement in late 2017, four new communities have surfaced that are actively exploring resources to support services, shelter, or housing for their community. This funding would be allocated through a competitive process, and it is assumed that not all entities that apply would receive awards due to increased interest and need.
- \$4 million to support four communities identified through the Anchor Communities Initiative is a conservative estimate of what would be needed in each community to fund prevention, crisis response, and long-term housing. It is estimated that each community would receive \$1 million.

Workforce Assumptions:

1.0 FTE Commerce Specialist 3 position

1.0 FTE Commerce Specialist 5 position

The costs for this work are composed of:

Salaries and Wages: \$156,000

Employee Benefits: \$54,000

Goods and Other Services: \$99,000

Travel: \$6,000

Annual Total: \$315,000

\$11,000 first year for a workstation/monitors.

Strategic and Performance Outcomes

Strategic framework:

This proposal contributes to goals 3.1.c, 3.1.e, and 3.1.f under goal area “Supported People.” The goals are to reduce the number of homeless people, increase the percentage of people housed by the homeless housing system who were unsheltered, and reduce the number of returns to homelessness.

This package reflects Commerce’s playbook to strengthen communities. It also ties directly to our strategic goal of reducing homelessness and increasing self-sufficiency.

It leverages partnerships with local communities to solve youth and young adult homelessness. This proposal drives resources to underserved communities and builds an intensive relationship with four communities to build their own capacity, expertise, and strength to keep their young people safe and housed. This package is the result of continual learning and adaptation. It reflects changes that need to be made based on what is learned from data and fieldwork. It’s also innovative and advances creative approaches.

This proposal increases agency activity A186 by approximately \$4.8 million GFS per fiscal year.

Performance outcomes:

The Office of Homeless Youth is in the process of identifying program-level performance measures that will be incorporated into funding contracts. Draft performance measures include:

- Increased exits to permanent housing
- Reduced returns to homelessness
- Increased returns to family for minors
- Increased school enrollment and attendance
- Increased access to services/treatment for youth with a physical or behavioral health diagnosis

The four communities that will be part of the Anchor Community Initiative will end youth and young adult homelessness by 2022. Progress will be measured by these factors:

- Homelessness has been ended for one youth or young adult when they are housed in safe and stable, non-time-limited housing.
- No youth or young adult is on the actively homeless list for more than 30 days,

AND

- Over the course of a consecutive 90-day timeframe, the number of youth or young adults experiencing homelessness and not currently receiving housing support will be less than the housing placement rate for youth and young adults experiencing homelessness in the same time frame.

Other Collateral Connections

Intergovernmental:

The changes to statute that remove specific experience and education requirements for specific staffing positions in HOPE Centers will require the Division of Licensed Resources within the DCYF to align those staff positions with the staffing qualifications contained within licensing. OHY has consulted with the licensing division within DCYF, and they support the alignment of staffing requirements in statute and WAC.

Stakeholder response:

Stakeholder work has informed the development of this proposal from the start. Once OHY drafted this proposal for submission in the department’s budget submittal process, it was simultaneously published and feedback was invited. Multiple coalitions of advocates and service providers gave feedback, which resulted in some tweaks to the original proposal in order to respond to the feedback. Overwhelmingly, the response was supportive for the funding and policy changes proposed within this package.

A Way Home WA is leading the Anchor Communities Initiative and supports this proposal. A Way Home WA involves many stakeholders, including service providers, young people, legal advocates, and philanthropy.

The department anticipates strong stakeholder support and advocacy for this proposal. The department will continue to work with stakeholders to refine these efforts.

Legal or administrative mandates:

This proposal complements the implementation of SSB 6560, which requires the Department of Children, Youth, and Families and the Office of Homeless Youth Prevention and Protection Programs to develop a plan to ensure that, by Dec. 31, 2020, no unaccompanied youth is discharged from a publicly funded system of care into homelessness.

This proposal draws heavily on recommendations that are contained in the Office of Homeless Youth's 2016 Report to the Governor and Legislature: <http://www.commerce.wa.gov/wp-content/uploads/2015/11/hau-ohy-report-2016-update.pdf>

Specifically, it addressed the recommendation to close regional gaps in services, address the shortage of shelters, and take a community-based approach to addressing youth/ young adult homelessness.

Changes from current law:

This proposal is separate from any RCW changes the department is proposing.

State workforce impacts:

The proposal includes hiring an additional 1.0 FTE at a Commerce Specialist 3 and 1.0 FTE at a Commerce Specialist 5 level in the agency's Olympia office. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

Two additional staff positions in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C6 - Rent Assistance
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

Washington state has received federal approval to use Medicaid funding to provide the supportive services necessary to stably house the 1,000 highest-need chronically homeless people because research shows providing this population housing and supportive services results in net lower Medicaid expenditures. But since Medicaid does not pay rent, most of the people eligible to receive these services remain homeless. This proposal would provide rent assistance for this population, with most of the services paid by the Medicaid-funded Foundational Community Supports program administered by the Health Care Authority.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$17,160	\$17,160	\$17,160	\$17,160
Total Expenditures	\$17,160	\$17,160	\$17,160	\$17,160
Biennial Totals		\$34,320		\$34,320
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. N	\$17,160	\$17,160	\$17,160	\$17,160

Package Description

Thousands of chronically homeless people living outside or in shelters in Washington state are eligible for Medicaid-funded services but remain homeless because there is no housing available for them. About 3,000 single people are chronically homeless in Washington state, meaning they have been homeless for a long period of time and have a federally recognized disability.

<https://www.gpo.gov/fdsys/pkg/FR-2015-12-04/pdf/2015-30473.pdf>

Living outside for a long time with a disability is traumatizing and contributes to poor health. While homeless, this population incurs significant medical and law enforcement-related costs. Research shows providing chronically homeless persons with housing plus supportive services reduces public costs.

The federal government approved the Health Care Authority's Medicaid-funded Foundational Community Supports program because Washington's proposal provided evidence of the Medicaid cost savings the initiative will produce, and includes a rigorous research component that verifies the predicted costs savings.

<https://www.hca.wa.gov/about-hca/healthier-washington/initiative-3-supportive-housing-and-supported-employment>

Our state's Medicaid waiver does not pay rent for individuals, so this proposal provides the critical housing component that links to community-based supportive services. Providing housing linked to services for high-needs populations has reduced state hospital, prison, emergency room or other institutional costs in studies in Washington and nationally.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2772242

<https://jamanetwork.com/journals/jama/fullarticle/183666>

Permanent supportive housing (PSH) has been proven to successfully bring vulnerable disabled people inside, reducing public medical and law enforcement costs.

Washington state has successful PSH projects throughout the state, in both rural and urban communities. Additional investments in PSH will bring more people inside, eliminating the trauma of living outside with a disability for 1,000 people, and will leverage federal Medicaid resources to help address homelessness in Washington state.

This proposal would fund permanent supportive housing for 1,000 chronically homeless people (served in master leased buildings or using tenant-based vouchers) that need ongoing subsidized housing and services to remain housed. While Medicaid covers some costs associated with housing (housing searches and support and landlord liaisons), it does not cover rent subsidies, utilities, rental deposits or items like past-due rent prior to subsidies being available. These funds will fill that gap for the 1,000 most-vulnerable individuals on Medicaid. They also will cover medical expenses that are not allowed to be paid through Medicaid, including disposable medical supplies and private nursing.

Funding for this purpose would require each community to have a system to identify and prioritize any available homeless housing resources, including prioritization of people with a history of living unsheltered. Ten percent of requested funds passed through to grantees will be dedicated to data collection and grantee administrative costs.

The Department of Commerce (department) expanded existing coordinated entry requirements and related contracted performance measurement and coordinated entry technical assistance in 2018, which will help ensure that these additional funds, plus existing resources, are accurately targeted to the most vulnerable 1,000 chronically homeless persons.

Additionally, new local plan requirements that the department released in 2018 will require counties to estimate the unmet need and use research-supported models of how additional investments and system performance improvements will reduce the number of people living outside.

Affordable housing is in short supply in Washington state. The department has successfully reprioritized existing homeless housing resources to higher-need households as part of a contractually required performance improvement process with counties, leading to a 16 percentage point increase in portion of higher-need unsheltered people being served.

Despite this and other performance improvements, the overall need is larger and growing faster than resources. This means reprioritizing existing resources toward this population would result in a disproportionate increase in homelessness among other populations (e.g., families, veterans, youth, etc.).

By definition, this population is disabled, and most will never find work that will provide enough income to pay fully for housing. However, this population is offered the most effective intervention available to improve employment outcomes: supported employment (also funded by the Medicaid waiver). A combination of supported housing and supported employment will maximize participant self-sufficiency and provide links to community integration, which are critical to positive health outcomes.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Consolidated Homeless Grant:

2015-17: \$34,542,836

2017-19: \$40,860,562

Detailed assumptions and calculations:

Permanent supportive housing of 1,000 people:

A majority of services would be funded using federal Medicaid waiver funded Foundational Community Supports. Those services include medical and behavioral health expenses, employment search and housing search. Medicaid will not cover rent, utilities, or other expenses related to housing. The balance of annual costs include on average \$17,160 per individual:

- \$1,100/month for 12 months' rent and utility subsidy
- \$200/month for supportive services not funded by Medicaid (like private nursing, support provided by a household member, bandages, adult diapers and other disposables)
- \$130/month for grantee administrative costs (10 percent of funds for data collection).

Each year: \$17,160,000

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

This proposal ties directly to the Results Washington goal of reducing homelessness. It would contribute to the goal of reducing the point-in-

time count of homeless persons of 24,222 by 2020. This initiative is estimated to reduce the count by 1,000 people.

This proposal also ties to the department's strategic goal of reducing homelessness and increasing self-sufficiency.

Performance outcomes:

- One thousand fewer highly vulnerable people will be left living outside.
- Medicaid funding will be used to pay for lower-cost ongoing services, as opposed to funding high-cost emergency interventions and services.
- Law enforcement costs will be lower.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4679128/>

- Community health and related economic vitality will be improved by having fewer people living on the streets in urban cores.

Other Collateral Connections

Intergovernmental:

Funds will be granted as part of the larger Consolidated Homeless Grant, which counties are given the right of first refusal to receive. The majority of funds is currently contracted to counties, and in past funding round, the portion of counties opting in has increased. These funds will improve the capacity of county governments to implement their local homeless housing plans.

Stakeholder response:

Strong support is expected from cities, counties, and the Low Income Housing Alliance. The Washington State Health Care Authority is already partnering with Commerce to provide technical support to behavioral health and housing providers to improve outcomes for this population, and we are working together to ensure that definitions for "homeless" and "chronically homeless" allow us to ensure adequate support to these populations.

Stakeholders opposed in principle to an expansion in Medicaid generally will be opposed.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C7 - Green Business Economy
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

In implementing the “clean energy future” strategy, focused on climate change solutions with global scalability and demand, the Department of Commerce (department) would engage the market to create jobs and attract investment in the Green Economy. The strategy will focus on innovative and exportable markets including decarbonization pathways, electrified transportation, recycling of waste stream technologies, as well as clean technologies used in advanced manufacturing, value-added agriculture, and maritime clusters.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$618	\$608	\$608	\$608
Total Expenditures	\$618	\$608	\$608	\$608
Biennial Totals		\$1,226		\$1,216
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	2.5	2.5	2.5	2.5
Average Annual		2.5		2.5
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$167	\$167	\$167	\$167
Obj. B	\$63	\$63	\$63	\$63
Obj. C	\$72	\$72	\$72	\$72
Obj. E	\$231	\$231	\$231	\$231
Obj. G	\$75	\$75	\$75	\$75
Obj. J	\$10	\$0	\$0	\$0

Package Description

Shifting state and federal priorities have affected the department’s initiatives, reducing capacity, resources, and the ability to drive results. The department may lose major investment opportunities for the state’s communities, as well as the opportunity to mitigate global climate change, if it does not proactively engage the market and attract international clean technologies to the state. Bolstered by numerous corporate giants, strong GDP, and low unemployment, Washington has one of the most productive economies in the country. There is no better time to leverage these strengths to increase clean and exportable business investment, emphasize the possibilities available in rural and underserved counties, and further help the department’s economic development partners with innovative business growth in their communities.

A proactive and targeted business development strategy centered on innovative industries using clean technologies is necessary for sustained results. The strategy focuses on three main deliverables for maximum statewide impact: foreign direct investment attraction in Europe, Japan, and Canada; face-to-face meetings with business prospects, site selector consultants, and multiplier organizations via a long-term calendar of events and activities; and targeted sector research and prospect development in innovative, exportable technologies related to decarbonization, electrified transportation, and recycling. Particular emphasis will be placed on companies in the solar power, biofuels, renewable energy, autonomous vehicle, and energy storage arenas.

Proactive business development requires significant advanced research, targeting, and prospect development culminating in face-to-face interaction when conducting business transactions. Commerce can only have a certain level of success when conducting business in other ways beyond in-person meetings. The Green Business Economy Strategy will leverage the state's overall value proposition and legacy of environmental stewardship, entrepreneurship and innovation by developing new business pipelines, both domestically and internationally, and further building new relationships in important industry sectors using clean and exportable technologies. This strategy increases the department's capacity to undertake business research, targeting, and outreach necessary for cultivating business investment while significantly reducing the timeframes required to build such relationships.

The department is the state entity that leads business recruitment, retention, and expansion, successfully collaborating with statewide economic and workforce development partners to strengthen communities and grow the economy. There have been no previous proposals submitted for programs and strategies related to increased business development in innovative and exportable clean technologies and green businesses, despite a record of strong results and statewide success in the face of decreasing resources and staff capacity. Proactive business development conducted at the state level results in more business leads generated, more project opportunities for Washington communities, and subsequently more business investment in rural and underserved regions statewide. There is no greater time to combat global climate change by capitalizing on Washington's robust clean technology ecosystem and further highlighting Washington's unique value proposition and competitive advantages in global markets. Having the resources to implement a multifaceted, proactive Green Business Economy Strategy with a proven track record of success will yield impressive gains for a wide cross-section of Washington communities.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The current funding in supporting a Green Business Economy resides within the Sector Lead Program within the department:

2017-2019: \$106,000

2015-2017: \$90,000

Detailed assumptions and calculations:

Two FTE would serve as business development managers to support the Green Business Economy Strategy. These positions will provide expertise to foreign and domestic companies looking to invest in the state and the recruitment of companies using innovative, green technologies in advanced manufacturing, maritime, and value-added agriculture. This includes cost associated with providing a better understanding of Washington's real estate data, a presence at international and domestic events to allow the department to engage with businesses, and 0.5 FTE of a research assistant is assumed for advanced research in this area.

Contracts to support foreign direct investment attraction in Europe, Japan, and Canada; face-to-face meetings with business prospects, site selector consultants, and multiplier organizations are assumed. These meetings would focus on sector research and prospect development in innovative, green technologies.

Additional goods and services are also assumed: continue an existing GIS planning subscription \$35,000 (department used temporary vacancy savings previously); trade show registrations \$15,000; trade show presence i.e., booth costs \$50,000.

Travel costs represent travel related to 20-30 domestic and international business recruitment opportunities.

Workforce Assumptions:

2.0 FTE Commerce Specialist 3 and .5 FTE Research Analyst 1

The costs for this work are composed of:

Salaries and Wages: \$167,000

Employee Benefits: \$63,000

Professional Services Contracts: \$72,000

Goods and Other Services: \$231,000

Travel: \$75,000

Annual Total: \$608,000

A \$10,000 one-time expenditure in FY20 is dedicated to two standard workstation set-ups, for the new FTEs.

Strategic and Performance Outcomes

Strategic framework:

This package specifically contributes to two Results WA goals: working to build a *prosperous economy* via increased business investment in the state and *creating sustainable energy and a clean environment* by focusing on the recruitment of companies involved with decarbonization, electrified transportation, recycling, and other clean technologies in strategic industry sectors. Washington is a leader in finding new clean technology solutions for renewable and sustainable energy, so particular emphasis will be placed on companies in the solar power, biofuels, renewable energy, autonomous vehicle, and energy storage arenas.

This package relates to the department's strategic priority of increasing living wage jobs.

Agency activity A163 Business Development would be impacted.

Performance outcomes:

The Green Business Economy Strategy will result in 40-50 new leads per industry trade event/conference attended, leading to 20-30 new business recruitment opportunities for Washington communities per year.

For a sense of scale in performance, since 2012, the department's overall efforts to attract new businesses through foreign direct investment in Washington resulted in 58 won projects, representing the creation of nearly 5,000 new jobs and \$2.3 billion in capital investment. Of those, 35 were foreign direct investment projects, resulting in nearly 2,000 new jobs created and \$772 million in capital investment in regions throughout Washington. The Green Business Economy Strategy will focus on activities, events, and face-to-face meetings, both domestically and abroad, in order to realize impressive impacts in Washington communities, particularly those that are rural and underserved.

For a sense of scale in performance in business development, since 2012, the department's overall business recruitment, retention, and expansion activities successfully generated more than \$8 billion in capital investment and created 15,000 new jobs from a total of 128 won domestic and international projects. This proactive Green Business Economy Strategy will enable the department to focus on both domestic and international business opportunities, the latter comprising more than half of the Business Development pipeline, at select venues and through targeted outreach, in innovative and exportable technologies that can address climate change issues and positively impact the state's rural and underserved communities.

Other Collateral Connections

Intergovernmental:

This strategy's focus on new green business investment into Washington will positively impact cities, counties, and regions throughout the state, and particularly the state's rural and underserved areas. Historically, business recruitment has facilitated economic growth in Washington's rural communities. Since 2012, there have been 27 successful won projects in rural counties, resulting in 3,000 new jobs and \$1.9 million in capital investment. Proactive business development conducted by the state to key innovative industry targets in both domestic and international markets results in more business leads generated, more project opportunities for Washington communities, and subsequently more business investment in rural and underserved regions statewide.

Stakeholder response:

Business investment attraction is by necessity collaborative in nature, and the Green Business Economy Strategy requires the involvement and support of a wide array of stakeholders via partnerships and information exchanges, including: regional associate development organizations (ADOs), local and regional government offices, state government agencies, workforce development organizations, and industry associations, to name a few. These stakeholders, and particularly the ADO network, are necessarily involved in all of the department's business development efforts, providing important information on available sites and real estate, taxes and incentives, workforce development, as well as zoning and permitting. This strategy's goal of attracting new green business investment will directly benefit regions throughout Washington, and our primary stakeholder, the ADO network, is highly supportive of the state efforts to increase investment into their communities.

Legal or administrative mandates:

N/A

Changes from current law:

No change needed.

State workforce impacts:

The proposal includes hiring an additional 2.0 FTEs at a Commerce Specialist 3 level and .5 FTE Research Analyst 1. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

Two additional staff positions in the agency will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C8 - Global Washington Strategy
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

One in three jobs in Washington is tied to importing and exporting. Due to the historic threat to the state's economy caused by President Trump's tariffs, Washington businesses are already experiencing decreased revenues and job losses. This proposal aims to fight back by raising the global profile of Washington state to help create jobs, which will be especially beneficial to rural markets, such as food processing and manufacturing that are highly attractive to foreign investment. This strategy will reduce the impact of unpredictable federal trade policies, creating new jobs and creating new opportunities for businesses to attract investment from new markets overseas. This proposal will also promote dialogue with key international decision-makers, from government leaders to investors, and increase tax revenue through the sale of more products and services to a global customer base.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$957	\$957	\$957	\$957
Total Expenditures	\$957	\$957	\$957	\$957
Biennial Totals		\$1,914		\$1,914
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. C	\$957	\$957	\$957	\$957

Package Description

Changes in tariff policies with our key trade partners and the threat of an all-out trade war between the U.S. and its trade partners have created a volatile, unsettling environment for businesses that produce Washington-made products and services.

The state's economy is highly dependent on exports; fully one-third of all jobs in the state – from agriculture and airplanes to software and medical devices – depend on steady, stable trade with our overseas customers. Given the state's dependency on trade for economic growth and stability, it has become imperative that state economic development organizations promote and support global trade and investment directly, building upon existing Memoranda of Understanding and Cooperation (MOUs/MOCs) and relationships, forging direct ties with key markets and opening new markets in the process, particularly those in Asia and Europe.

This includes forging new government-to-government and government-to-business ties in China, the European Union, a post-BREXIT Great Britain, and to a lesser extent, India and other emerging markets. The state, at this juncture, cannot rely on traditional federal government programs, services and protocols to build the strong relationships and trust necessary to ensure that the state continues its leadership (#4 nationally) in exports and investment. Jobs, economic growth and state revenue depend on a predictable, stable trade environment. The Global Washington Strategy creates the direct connections necessary to reassure our trade partners that Washington is still a viable and trusted source of products and services.

The proposed Global Washington Strategy in the Department of Commerce (department) would elevate the state's positioning and expands its role in targeted international markets, brings increased visibility to business and investment opportunities in urban and rural communities statewide, opens new lines of communication and dialogue with global government and business leaders, and results in increased sales and new jobs for Washington's small businesses and additional tax revenue for the state.

Global Washington will focus on three deliverables:

- 1) Increased international business opportunities for Washington businesses, particularly small businesses in rural parts of the state;
- 2) Increased investment in Washington; and

3) New partnerships with international businesses and organizations, particularly those in the areas of clean energy; aerospace; life science; information, communication and technology (ICT); maritime and advanced manufacturing.

Year-to-year data show a tangible relationship between international commerce and Washington jobs, growth and economic stability and vitality. The funds for this program will help state businesses expand into new markets, find new customers, introduce products and services to new audiences and increase sales exponentially over the next five years. Global Washington will leverage existing contacts and relationships with international consultants in targeted Asian and European markets to create and leverage these opportunities to maximize the strategy's impact and return on investment.

Based on the department's experience, re-establishing and maintaining relationships in key European and Asian markets will result in 10 to 20 new recruitment opportunities to Washington per year, resulting in the long-term potential of 100 to 350 new jobs created and \$50 - \$150 million in capital investment. This proposal also will provide the opportunity for small businesses to enter or expand into new markets overseas and increase tax revenue through the sale of more products and services to international customers through support for an additional 250 small businesses, including 50 rural small businesses and new small business export sales of \$50 million.

Given the deep mistrust in global economic relations that the current presidential administration has caused through erratic tariff policies and irresponsible, non-strategic rhetoric in the foreign relations space, Washington state needs to increase dramatically its engagement with foreign markets for continued business development. This proposal, centered on international business engagement and advancement of cooperative agreements, is one of the only ways our state has to fight back against the historic threats President Trump is causing to our economy – which is already experiencing layoffs and decreased revenues in key industries.

Even in an age of digital communications, many international cultures and protocols require face-to-face interaction when conducting business transactions. The department can achieve only a limited level of success without these face-to-face interactions that create lasting relationship and long-term sales. With federal trade policies in disarray, the Global Washington Strategy provides a level playing field for helping state businesses deal with unfavorable trade conditions. This strategy focuses on building and maintaining historical and new business relationships with overseas partners, including governments, businesses, investors and other economic partners and stakeholders.

Forging these relationships, removing roadblocks to trade and creating pathways to new markets, are essential to increasing exports and inbound investment. Using existing and new partnerships with overseas economic development consultants will significantly reduce the timeframe required to build and maintain these relationships while reducing costs associated with international travel.

Other states have a significant presence in these markets, putting Washington's small businesses and the state at large at a significant competitive disadvantage, particularly in the areas of penetrating new markets for exports and courting foreign investment in Washington. There is a direct correlation between exports, investments and jobs, and state revenue. Global Washington strengthens this connection, as well as the state's commitment to small businesses, particularly those in rural and underserved communities throughout the state.

While previous proposals focused on small business assistance for exporting and providing export training for rural and underserved communities, the Global Washington Strategy focuses on building one-on-one relationships on multiple fronts to spur investments throughout Washington; increasing sales, particularly for businesses that have not traditionally sold their products or services overseas; and resourcing MOUs, MOCs and other economic development tools that can create lasting partnerships and new growth opportunities in key markets.

The Global Washington Strategy combines existing state economic development resources with a revamped and re-energized rural strategy for economic development to create a pipeline of opportunities in high-return markets, securing new investments, promoting Washington-made products and the state as a tourist destination, and giving businesses in rural and underserved communities greater access to international markets that would otherwise be out of reach, either budgetary or strategically.

The only other option explored was to maintain the status quo, which is a reactive strategy that fails to proactively counter today's unpredictable federal trade policies and the related risk it poses to the state's economy. Over the long term, this strategy will translate into a reduction in export volumes and dollars, reduced tax revenue, and increased unemployment as customers find new sources for products and services that were once Made in Washington.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

A Request for Proposal process will be used to identify contractors. Contractor payments to be made on a monthly, quarterly, or project basis.

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

The Global Washington Strategy connects directly to Goal 2: Prosperous Economy as it relates to:

- Increasing by 2020 total exports by 35 percent from its 2015 level;
- increasing by 2020 gross business income by 25 percent from its 2015 level;
- increasing by 2020 GBI in the clean technology, agriculture, aerospace, life sciences, ICT and maritime industries by 31.9% from its 2015 level; and
- increasing by 2020 small business GBI by 25% from its 2015 level.

Increasing demand for Washington-made goods and services and promoting Washington as a sound and smart place for foreign investment offer two sound strategies for achieving these aggressive goals. Compared to domestic markets, international markets offer substantial opportunities for growth in these areas, creating a more competitive and diversified economy in the process.

This package relates to the agency's strategic plan of growing Washington's economy via increased international investment into Washington and increased exports of Washington products. Since 2012, Commerce's business development efforts to attract new businesses to Washington have resulted in 58 won projects representing the creation of nearly 5,000 new jobs and \$2.3 billion in capital investment. Of those, 35 were foreign direct investment projects, resulting in nearly 2,000 new jobs created and \$772 million in capital investment in regions throughout Washington.

Export assistance for small businesses is an integral component of Commerce's economic development strategy for the state. Small businesses represent 90 percent of companies that export from Washington. Data have proven that small businesses that develop successful export operations are financially stronger due to market diversification and the increase in revenue from export sales. These businesses grow and ultimately create more jobs that are higher paying than non-exporters in similar industries. The department's Small Business Export Assistance program targets very small and early-stage businesses without internal resources to develop and launch an export strategy on their own. This program focuses on helping these companies be strategic and competent enough to get over the export hurdles and eventually be self-sufficient doing international business deals and transactions

This proposal will affect agency activity funding for activities A163 Business Development and A171 Small Business Export Assistance.

Performance outcomes:

This funding change will result in a greater ability to market Washington as a prime business location, further attracting new business investment to Washington and creating an increased number of key partnerships and collaborations with overseas entities. Re-establishing and maintaining relationships in key European and Asian markets will result in 10 to 20 new recruitment opportunities to Washington per year, resulting in the long-term potential of 100 to 350 new jobs created and \$50 - \$150 million in capital investment. This proposal will also provide the opportunity for small businesses to enter or expand into new markets overseas and increase tax revenue through the sale of more products and services to international customers through support for an additional 250 small businesses, including 50 rural small businesses and new small business export sales of \$50 million.

Other Collateral Connections**Intergovernmental:**

Global Washington's emphasis on new business investment into Washington and increased exports will directly impact cities, counties, and regions throughout the state. Historically, business recruitment has positively impacted Washington's rural communities. Since 2012, there have been 27 successful won projects in rural counties, resulting in 3,000 new jobs and \$1.9 million in capital investment. With increased representation in key international markets, there will be continued emphasis on attracting companies in Washington's strategic industries, including advanced manufacturing, value-added agriculture, forestry products, and clean technologies.

Stakeholder response:

The department works directly with the state network of associate economic development organizations (ADOs) that in turn are key partners at the regional and local levels. They are necessarily involved in all of Commerce's business recruitment efforts, providing important information on available sites and real estate, taxes, and incentives, as well as zoning and permitting. The Global Washington Strategy to highlight Washington as a prime business location will directly benefit regions throughout Washington, including local businesses and regional economic development concerns. The ADO network strongly supports state efforts to increase investment and create living wage jobs in their communities, as well as the development of these relationships in key markets overseas, connecting small businesses, particularly those in rural and underserved parts of the state, to new international opportunities for sales and service.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: C9 - Modern Work Environment
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Martin McMurry
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Agency Recommendation Summary

This proposal requests funding to address near- and long-term space issues for the Department of Commerce (department) and to fully implement modern workplace requirements (MWE) as set forth in the Governor's Executive Order 16-07 (EO). This proposal seeks to proactively respond to anticipated growth in a smart way that limits future costs and promotes employee health and satisfaction.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$1,308	\$1,273	\$0	\$0
Total Expenditures	\$1,308	\$1,273	\$0	\$0
Biennial Totals		\$2,581		\$0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	\$1,308	\$1,273	\$0	\$0

Package Description

To carry out the work to strengthen communities, the department's authorized FTEs have increased from 307 in FY18 to 321 in FY19. In reviewing the department's historical trend, and looking ahead, the department estimates an average growth of three percent per year in personnel. With that change, the department will exceed the capacity of our current space at the end of the 19-21 biennium. The department must provide smarter options with existing space such as efficient space options and increased mobility options.

The department's current physical space has developed over time with furnishings that are not flexible and are not responsive to the needs of a mobile work environment. While the department has made some progress toward a more modern and mobile environment, the department needs to convert current workspaces in order to make better use of the space and accommodate the department's projected growth. This proposal seeks additional resources to help bring the agency into alignment with the Office of Financial Management (OFM) guidance regarding workstations, internal/external mobility options and other standards stemming from the EO. This investment will also result in more efficient use of the department's space, and avoid the increased costs of acquiring additional leased space.

Other data and information informing this decision package:

Governor's Executive Order 18-01, State Efficiency and Environmental Performance (SEEP) -

The goals of greenhouse gas emission reduction identified by Governor Inslee's SEEP program by maximizing currently allocated space. Using modern work concepts, such as removal or replacement of taller cubicle panels with lower panels that also include windows, will enable the agency to capitalize on greater use of natural lighting and improved air circulation, which should reduce the agency's overall energy usage and carbon footprint.

Workplace Safety Surveys -

By acquiring and installing more ergonomic-friendly furnishings, such as electronic desks that promote standing and variable height customization, this project addresses top issues related to repetitive motion/ergonomics (66 percent in 2017, 64 percent in 2018) and sedentary work (65 percent in 2017, 64 percent in 2018).

State Employee Engagement Survey -

When asked to assess the department's suitability of MWE, including flexibility, technology, well-being, mobility, and physical space, department staff scored physical space the lowest category (63%). Implementation of a consistent, cohesive, and functional workspace configuration and design will meet the agency's near-term and long-term business needs.

To implement a solution over two years that converts some spaces to ensure growth can occur within the same departmental footprint. The solution includes an investment in various work environments, such as touchdown spaces, collaboration spaces, standard resident workstations, mobility options, shared offices and open space conversions.

This request will allow the department to dedicate resources to grow smarter. Funds would buy conversions ranging from focus areas, huddle spaces, electric sit/stand desks, hoteling stations and others. The department averages and anticipates staffing growth of approximately 3 percent a year (see below). This presents a space challenge, since the department would exceed leased capacity. Converting the existing footprint and purchasing other MWE implements will address future growth and limit costs.

Projected Staff Growth/Year	Headcount
FY18 (actual)	307
FY19 (projected)	321
FY20 (projected)	331
FY21 (projected)	341
FY22 (projected)	351
FY23 (projected)	361
FY24 (projected)	372
FY25 (projected)	383

This proposal presents a plan for the department to address its current barriers in accommodating growth within its existing footprint. It is also intended to provide the department flexibility in planning for future growth while also adhering to OFM guidelines. In other words, the department wants to provide staff workplace options, while honoring space requirements and limiting expansion to its footprint.

The department analyzed the option of leasing additional space should the growth pattern continue over the next 5-6 years. The department concluded securing additional space may cost more over time. Below are a set of assumptions in leasing additional space to accommodate growth over five years:

New Lease + 1 time Tenant Improvement Costs

\$/Sq./Ft	\$35
Sq. Ft*	13,850
Lease (years)	5
Tenant Improvements (\$20/sq. ft.)	\$276,996
Standard Furniture Cost	\$263,304
IT/Network Costs	\$42,761

Total Costs over 5 Years (Rent + 1 Time Costs): \$3,006,773

Projected Staff Growth/Year	Headcount
FY19	321
FY20	331
FY21	341
FY22	351
FY23	361
FY24	372
FY25	383
Headcount diff between FY20 and FY25:	53
Annual Growth Factor:	3%
MWE Decision Package would save:	\$426,773

An investment now would enable the department to use its space in a way that would accommodate future growth when compared against the above assumptions. Based on these assumptions, it is anticipated the department would save over \$426,000 over five years. As such, the department chose the option to request funding now to convert its existing space.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

The department estimates conversion to 130 work areas and 46 other space areas that could be converted each fiscal year of the 19-21 biennium. This established the following type and number of areas per fiscal year.

For planning purposes, the following type and number of areas per fiscal year are considered:

- 100 Resident and internally mobile stations per fiscal year. This is an open or partially enclosed, unassigned or assigned space used by a resident or internally mobile users and is typically 42-64 square feet per user.
- 15 Internally or externally mobile stations per fiscal year. This is a workstation in a bench format, unassigned or assigned, used by an internally or externally mobile user and is typically 24-36 square feet per user.
- 15 Externally mobile user, remote user and visitor stations per fiscal year. This is unassigned space that provides open seating in varying forms, used by externally mobile users, remote users and visitors to conduct work on an irregular basis or for short periods of time and is typically 24 square feet per user.
- 15 Shared offices per fiscal year. Two or more people will share these are offices with single-user options that double as a team meeting space.
- 12 Focus space and partners per fiscal year. This is a concentration and focus space that requires more storage, and users spend more time at their desks with little to no visitors.
- 8 Huddle areas per fiscal year. This is a meeting space for groups of up to six people in an open area with an ensemble of lounge furniture that responds to the evolving nature of work by facilitating the new landscape of today's work environment.
- 4 Plaza areas per fiscal year. These are large open gathering/touchdown areas with a variety of furniture and spaces, lounge type seating, tables, comfortable seating with an array of warm materials evoking a residential atmosphere to create inviting space.
- 7 Transition spaces and dens. These are areas between work groups that can serve as informal meeting or work areas. Each has single-person quiet spaces interspersed throughout workspaces. They accommodate impromptu meetings and brainstorming, or serve as ancillary collaborative touchdown stations. In a casual application, beside storage does duty, keeping reference resources nearby, as well as creating multiple distinct areas for ad hoc meetings.

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

The targeted outcomes for this initiative is in line with the governor's priorities. It directly contributes to Results Washington Goal Council 5, Efficient, Effective and Accountable Government. The two goal areas are Employer of Choice and Workplace Culture.

This request promotes the department's strategic priority of promoting a Healthy Culture by being an employer of choice and cultivating our values of trust, collaboration and creativity.

Performance outcomes:

The performance outcomes include:

- Reduce the cost of space to staffing ratio
- Increase the percentage of department employees that are satisfied with their physical space from 66 percent satisfied to very satisfied to 75 percent by 2021.
- Save \$427,000 over five years;
- Increase the department as an Employer of Choice score as measured by the Engaged Employee survey from 80 percent positive response rate to 85 percent positive response rate by 2020.

Other Collateral Connections

Intergovernmental:

This area of focus is consistent with strategies being deploying in other state agencies, including the Office of Financial Management, Department of Health, Department of Licensing and the Department of Enterprise Services

Stakeholder response:

The department anticipates support from the OFM Facilities team as they have reviewed a draft of the 2019-25 Six-Year Facilities Plan (the plan). In the plan, the department indicates the types of furnishings it would purchase and confirmed the costs associated with optimizing Commerce's space. This information is required to be part of the plan because the department will be putting forward a decision package. The department anticipates internal stakeholders to support the request. Through divisional advisory groups, leader interviews and change management implemented by a core team, the department has taken steps to begin implementation on potential space changes.

Legal or administrative mandates:

Modern Work Environment and Employer of Choice

This request is in direct association with the Executive Order 16-07-Building a Modern Work Environment and supports Governor's Executive Order 18-01, State Efficiency and Environmental Performance (SEEP) issued by Governor Inslee.

Changes from current law:

None required.

State workforce impacts:

The department does not anticipate an impact; however, if the Washington Federation of State Employees believes there is an impact to their members. There could be a demand to bargain.

State facilities impacts:

The department analyzed the option of leasing additional space should the growth pattern continue over the next 5-6 years. The department concluded securing additional space may cost more over time. Below are a set of assumptions in leasing additional space to accommodate growth over five years:

New Lease + 1 time

Tenant

Improvement Costs

\$/Sq./Ft	\$35
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Sq. Ft*	13,850
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Lease (years)	5
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Tenant Improvements (\$20/sq. ft.)	\$276,996
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Standard Furniture Cost	\$263,304
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IT/Network Costs	\$42,761
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Total Costs over 5 Years (Rent + 1 Time Costs):	\$3,006,773
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Projected Staff Growth/Year	Headcount
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FY19	321
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FY20	331
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FY21	341
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FY22	351
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FY23	361
------	-----

FY24	372
------	-----

FY25	383
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Headcount diff between FY20 and FY25:	53
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Annual Growth Factor:	3%
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MWE Decision Package would save:	\$ 426,773
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*263 square feet per person; 64 square feet per workstation space and approximately 200 square feet allocated per person for common space, conference rooms and training rooms.

An investment now would enable the department to use its space in a way that would accommodate future growth when compared against the above assumptions. Based on these assumptions, it is anticipated the department would save over \$426,000 over five years. As such, the department chose the option to request funding now to convert its existing space.

Puget Sound recovery:
N/A

IT Addendum

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

No



2019-21 Biennium Budget Decision Package

Agency: 103 - Department of Commerce
Decision Package Code-Title: CA - LGFN Program
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Commerce (department) request additional funding and FTEs to allow the Local Government Fiscal Note Program (LGFN) to provide information state and local decisionmakers need and to maintain staff continuity between legislative sessions. This will increase timeliness, productivity, and accuracy for the growing numbers of local government fiscal notes, and enable the department to complete the legislative report required by Chapter 43.132 RCW, documenting local government fiscal notes and costs to local governments of selected legislation.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 107 - 1	\$302	\$292	\$292	\$292
Total Expenditures	\$302	\$292	\$292	\$292
Biennial Totals		\$594		\$584
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	2.0	2.0	2.0	2.0
Average Annual		2.0		2.0
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$125	\$125	\$125	\$125
Obj. B	\$48	\$48	\$48	\$48
Obj. C	\$30	\$30	\$30	\$30
Obj. E	\$87	\$87	\$87	\$87
Obj. G	\$2	\$2	\$2	\$2
Obj. J	\$10	\$0	\$0	\$0

Package Description

The Local Government Fiscal Note Program (LGFN) is responsible for estimating the costs to cities, towns, and special districts of bills before the legislature. Accurate cost estimates are essential to decision-making for elected leaders, the public, and stakeholders. Without them, legislators cannot adequately prioritize policy initiatives and projects competing for increasingly limited resources.

Today an increase in legislative requirements that are not funded is adversely impacting local governments. The budgets of cities and towns are stretched to their limits to address the crises of homelessness, opioid addiction, growing load of public disclosure requests and responding to new election requirements, to name a few.

Twelve years of LGFN productivity data indicates maintaining adequate staffing levels of experienced analysts produces more timely fiscal notes with fewer revision requests. [See Attachment for summary data.] Current funding levels do not adequately provide for data collection, limit the program's ability to recruit experienced staff to respond to growing numbers of fiscal note requests each session, reduce adequate staff training, and constrain the program's ability to provide staff continuity necessary to maintain the timeliness and accuracy of fiscal notes.

Subject to available funding, chapter 43.132 RCW requires that LGFN, in consultation with the Office of Financial Management (OFM), report to the legislature on the actual local government costs of implementing selected legislation, and on the accuracy of local government fiscal note cost estimates compared with actual costs of legislation. Funding for the development of the report has not been provided.

This request provides an additional two FTE at a Commerce Specialist 2 level to the LGFN program. The additional staff resources will allow LGFN to better respond to bipartisan requests for fiscal notes and to quantify the cost impacts to local governments of new demands and increased requirements. Specifically, the increase will allow the program to:

1. Enhance staff continuity by retaining trained, experienced staff.
2. Increase staff expertise in multiple subject matter areas, including criminal justice, taxes, election impacts, transportation, and land use, by allowing for better training, research, and staff preparation prior to session.
3. Respond promptly and accurately to growing numbers of local government fiscal note requests. Funding would support an increase in timeliness from 76 percent to an estimated 92 percent.
4. Determine, in consultation with OFM and local government associations, which specific legislation should be studied for local government costs, as required under RCW 43.132.
5. Work together with local government associations and officials to determine feasible cost-tracking methodology for the selected legislation.
6. Assess and document the accuracy of local government fiscal note cost estimates by comparing the estimates to actual cost data.
7. Provide legislators and local government officials with reports containing objective, verified cost data needed to facilitate data-driven planning and decision-making.

The request consists of additional staff – two FTEs at a Commerce Specialist 2 level – and standard space and IT resources associated with the FTEs. No travel, capital expenses, or other out-of-the-ordinary purchases are expected.

Additional staff will enhance the program's ability to improve its datasets by conducting surveys, designing data models, reviewing published reports and online databases, and consulting directly with state and local government officials. Better staff retention will allow for increased quality, accuracy, and timeliness of fiscal notes. LGFN staff will be in a better position to collaborate with Municipal Research Services Center (MRSC), who provide a variety of technical resources and assistance to local governments. MRSC will be able to use the additional research to better assist Washington's local governments. Likewise, LGFN staff will be able to use the research and local information MRSC collects to serve local governments. Lastly, staff will have time and capacity to produce a statutorily required annual report that has not been issued because it is subject to the availability of funding (RCW 43.132).

There is no viable alternative that includes the production of the report described in Chapter 43.132 RCW. The alternative – not funding this initiative (that is, LGFN funding remaining at current levels) – also will result in an increasing number of fiscal notes that are delivered too late to inform committee and floor decisions, given the trend toward increasing numbers of fiscal note requests. In particular, LGFN has noted increased errors and revision requests, decreased numbers of completed fiscal notes, and decreased timeliness associated with hiring temporary staff to work only during session. Recruiting and training qualified staff during the legislative session and retaining experienced staff over time is already challenging for the program, and would become increasingly difficult without this decision package being funded.

Assumptions and Calculations

Expansion or alteration of a current program or service:

LGFN was funded at \$643,000 for the 2015-2017 biennium, and \$663,000 for the 2017-2019 biennium. The funds are appropriated from the Liquor Excise Tax Account, as provided for in RCW 82.08.170.

Detailed assumptions and calculations:

Funding for this proposal will come from the local government share of the Liquor Revolving Account (private - local, Fund 107-1), which is the source of current LGFN funding. The two Commerce Specialist 2 positions will function as fiscal note analysts during session, to respond to the growing number of fiscal note requests. During the interim, the staff will work under the supervision of the LGFN program manager to conduct data collection; to work with cities, counties, special districts and local government associations to identify actual costs to local governments of specific legislation; and research and analyze data for the annual report.

Analysis shows a strong correlation between years of staff program experience and the program's ability to submit notes by the statutory due date. For example, the 2018 session LGFN team consisted of seven analysts with 14 years of total LGFN experience; this team submitted notes with a 76 percent timeliness rate. If every member of that team were to return for the 2019 session, total years of experience would increase by seven, and timeliness would be expected to increase to 92 percent.

The costs for this work are composed of:

Salaries and Wages: \$125,000

Employee Benefits: \$48,000

Professional Services Contracts: \$30,000

Goods and Other Services: \$87,000

Travel: \$2,000

Annual Total: \$292,000

A \$10,000 one-time expenditure in FY20 is dedicated to two standard workstation set-ups, for the new FTEs, to be located in the agency's Olympia office.

Workforce Assumptions:

2.0 FTE Commerce Specialist 2 positions

The costs for this work are composed of:

Salaries and Wages: \$125,000

Employee Benefits: \$48,000

Professional Services Contracts: \$30,000

Goods and Other Services: \$87,000

Travel: \$2,000

Annual Total: \$292,000

A \$10,000 one-time expenditure in FY20 is dedicated to two standard workstation set-ups, for the new FTEs, to be located in the agency's Olympia office.

Strategic and Performance Outcomes

Strategic framework:

This requests supports helping the agency strategic goal of assessing and improving resilience in communities and engaging communities to better respond to their needs.

The proposal also supports the Results WA goal of promoting an efficient, effective and accountable state government.

Performance outcomes:

Twelve years of LGFN productivity data indicates maintaining adequate staffing levels of experienced analysts produces more timely fiscal notes with fewer revision requests. Adding additional staff capacity will allow the program to work toward the performance outcome of 92 percent for timeliness. Fiscal note accuracy will increase, significantly improving performance outcomes for fiscal note timeliness.

The program experienced a record number of fiscal note requests for both a long session (2017) and a short session (2018), with over 1,518 fiscal notes completed in the last two years. The trend of increased note requests is likely to continue. In 2018, more than half of the LGFN staff were new to the program, and as a result, timeliness decreased from its previous high of 92 percent (2014) to 76 percent. Two additional FTEs will allow the program to meet the demand for on-time fiscal notes while maintaining high levels of quality in its data and analysis.

By funding the statutory report requirement, this request will allow the program to provide a clear, annual examination of the longer-term impacts of bills on local government. The report further requires the program to assess the accuracy of a select number of fiscal notes, by comparing their predictions to the real-world costs of the bills. The research and assessment necessary to produce the reports will in turn contribute to a more in-depth understanding of the ways in which fiscal impacts have cumulative effects on the budgets of cities and towns. LGFN's notes will improve in quality and accuracy as a result

Other Collateral Connections

Intergovernmental:

By increasing the accuracy and timeliness of fiscal notes, and by documenting real costs of legislation on local governments, LGFN anticipates this proposal will increase the availability of much-needed information on impacts to cities, counties, and special districts. The annual report will describe the longer-term impacts of bills signed into law, as well as the accuracy of fiscal note predictions over time. This data and analysis is currently not otherwise available, and will facilitate decision-making at the state and local levels, allowing the legislature to make informed decisions on budgetary and policy issues.

This request increases the percentage of the local government portion of the state's Liquor Revolving Fund that goes to the LGFN program, and as a result, decreases the portion directed to cities and counties. While this dollar amount fluctuates from month to month, data provided by the Office of the State Treasurer allows for an example. A total of \$6.8 million in liquor excise taxes was collected in January 2018.

Extrapolating that amount to the biennium, an estimated \$163.2 million in total revenue would be collected over two years. Local governments receive 35 percent of the fund, or \$57.1 million. The request for \$300,000 for LGFN therefore represents approximately 0.53percent of cities' and counties' portion of the fund.

Stakeholder response:

LGFN has enjoyed bipartisan support over the 40 years it has been in operation. Requests for fiscal notes originate from members of both parties, from both the House and the Senate, and from every legislative caucus. An annual customer satisfaction survey consistently shows that most respondents are satisfied with the timeliness, accuracy, and thoroughness of the fiscal notes.

The Research Services Section Manager and the Community Assistance and Research Unit Managing Director held a series of meetings with the Association of Washington Cities, the Washington State Association of Counties, the Washington Association of County Officials (WACO), and the Washington State Association of Sheriffs and Police Chiefs. All four organizations expressed strong support for the program and the request for increased funding.

WACO's President wrote, *"The steady increase in local government fiscal note requests reflects increased expectations on our counties by state government. This is driven by increase and expanded need of our citizens, shifts in responsibility from the state to local level, and response to crises like the opioid epidemic. Counties provide constitutionally and statutorily directed state services to all Washington residents, and our members are committed to doing so in cost-effective, sustainable ways on behalf of the state. As such, we want to provide the state an accurate picture of the cost of providing the services expected us. With current revenue limits, county-level costs are outpacing revenues. Fiscal notes with predictive accuracy are a fundamental part of ensuring the success of state-level mandates on county services."*

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

The proposal includes hiring an additional two FTEs at a Commerce specialist 2 level in the agency's Olympia office. These positions are covered under the current collective bargaining agreement and will require the standard compensation and benefits package of similar classified positions.

State facilities impacts:

Two additional staff positions in the agency's Olympia office will require standard staff facilities, including square footage, desk, chair, computer, monitors, telephone, standard software package, and file storage. No extraordinary equipment or capital expenditures are required.

Puget Sound recovery:

N/A

IT Addendum

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

No

State of Washington
Summarized Revenue by Account and Source

Agency: 103 Department of Commerce

Session: 2019-21 Regular

Version: CL - Carry Forward Level

All Programs at the Program Level

Supporting Text Excluded

Dollars in Thousands

	Maintenance Level				Policy Level				Annual Totals				
	FY2020	FY2021	FY2022	FY2023	FY2020	FY2021	FY2022	FY2023	FY2020	FY2021	FY2022	FY2023	Total
058 - Public Works Assist													
90 - Maintenance Level Revenue	3,430	2,891	2,418	2,001									
Total - 0409 - Interest Income - S	3,430	2,891	2,418	2,001					3,430	2,891	2,418	2,001	10,740
90 - Maintenance Level Revenue	11,354	11,189	11,189	11,189									
Total - 0444 - Grant Repayments - S	11,354	11,189	11,189	11,189					11,354	11,189	11,189	11,189	44,921
90 - Maintenance Level Revenue	83,147	77,832	70,793	61,156									
Total - 0866 - Loan Principal Repay - S	83,147	77,832	70,793	61,156					83,147	77,832	70,793	61,156	292,928
058 - Public Works Assist - State	97,931	91,912	84,400	74,346					97,931	91,912	84,400	74,346	348,589
Total - 058 - Public Works Assist	97,931	91,912	84,400	74,346					97,931	91,912	84,400	74,346	348,589
06K - Lead Paint Account													
90 - Maintenance Level Revenue	63	63	63	63									
Total - 0299 - Other Licenses Permi - S	63	63	63	63					63	63	63	63	252
06K - Lead Paint Account - State	63	63	63	63					63	63	63	63	252
Total - 06K - Lead Paint Account	63	63	63	63					63	63	63	63	252
10B - Home Security Fund													
90 - Maintenance Level Revenue	20,842	21,468	21,468	21,468									
Total - 0425 - Filing/Legal Srvcs - S	20,842	21,468	21,468	21,468					20,842	21,468	21,468	21,468	85,246
10B - Home Security Fund - State	20,842	21,468	21,468	21,468					20,842	21,468	21,468	21,468	85,246
Total - 10B - Home Security Fund	20,842	21,468	21,468	21,468					20,842	21,468	21,468	21,468	85,246
12C - Affordable Housing													
90 - Maintenance Level Revenue	5,043	5,195	5,195	5,195									
Total - 0425 - Filing/Legal Srvcs - S	5,043	5,195	5,195	5,195					5,043	5,195	5,195	5,195	20,628
12C - Affordable Housing - State	5,043	5,195	5,195	5,195					5,043	5,195	5,195	5,195	20,628
Total - 12C - Affordable Housing	5,043	5,195	5,195	5,195					5,043	5,195	5,195	5,195	20,628
14M - Fin Fraud Ident Acct													
90 - Maintenance Level Revenue	81	81	81	81									
Total - 0299 - Other Licenses Permi - S	81	81	81	81					81	81	81	81	324
14M - Fin Fraud Ident Acct - State	81	81	81	81					81	81	81	81	324
Total - 14M - Fin Fraud Ident Acct	81	81	81	81					81	81	81	81	324
150 - Low-Inc Weathr Asstc													
90 - Maintenance Level Revenue	110	110	110	110									
Total - 0499 - Other Revenue - S	110	110	110	110					110	110	110	110	440

State of Washington
Summarized Revenue by Account and Source

Agency: 103 Department of Commerce
Session: 2019-21 Regular
Version: CL - Carry Forward Level
All Programs at the Program Level

Supporting Text Excluded
Dollars in Thousands

	Maintenance Level				Policy Level				Annual Totals				
	FY2020	FY2021	FY2022	FY2023	FY2020	FY2021	FY2022	FY2023	FY2020	FY2021	FY2022	FY2023	Total
Total - 0444 - Grant Repayments - S	4,264	4,642	5,108	5,853					4,264	4,642	5,108	5,853	19,867
532 - Wa Housing Trst Ac - State	5,516	5,912	6,401	7,156					5,516	5,912	6,401	7,156	24,985
Total - 532 - Wa Housing Trst Ac	5,516	5,912	6,401	7,156					5,516	5,912	6,401	7,156	24,985
759 - Miscellaneous Pgm													
90 - Maintenance Level Revenue	15												
Total - 0409 - Interest Income - S	15								15				15
90 - Maintenance Level Revenue	3	20											
Total - 0444 - Grant Repayments - S	3	20							3	20			23
90 - Maintenance Level Revenue	1,019												
Total - 0866 - Loan Principal Repay - S	1,019								1,019				1,019
759 - Miscellaneous Pgm - State	1,037	20							1,037	20			1,057
Total - 759 - Miscellaneous Pgm	1,037	20							1,037	20			1,057
777 - Prostitution Prevent													
90 - Maintenance Level Revenue	23	23	23	23									
Total - 0299 - Other Licenses Permi - S	23	23	23	23					23	23	23	23	92
777 - Prostitution Prevent - State	23	23	23	23					23	23	23	23	92
Total - 777 - Prostitution Prevent	23	23	23	23					23	23	23	23	92
887 - Pub Facil Const Ln													
90 - Maintenance Level Revenue	507	470	384	341									
Total - 0409 - Interest Income - S	507	470	384	341					507	470	384	341	1,702
90 - Maintenance Level Revenue	246	248	207	208									
Total - 0444 - Grant Repayments - S	246	248	207	208					246	248	207	208	909
90 - Maintenance Level Revenue	3,243	3,268	3,297	3,291									
Total - 0866 - Loan Principal Repay - S	3,243	3,268	3,297	3,291					3,243	3,268	3,297	3,291	13,099
887 - Pub Facil Const Ln - State	3,996	3,986	3,888	3,840					3,996	3,986	3,888	3,840	15,710
Total - 887 - Pub Facil Const Ln	3,996	3,986	3,888	3,840					3,996	3,986	3,888	3,840	15,710
Agency: 103 COM - State	138,475	131,827	124,565	115,015					138,475	131,827	124,565	115,015	509,882
Total - Agency: 103 COM	138,475	131,827	124,565	115,015					138,475	131,827	124,565	115,015	509,882

State of Washington
Working Capital Reserve

Agency: 103 Department of Commerce

Session: 2019-21 Regular

Version: CL Carry Forward Level

Dollars in Thousands

FUND ADMINISTRATOR AGENCY ONLY		RECOMMENDED ENDING FUND BALANCE	
FUND	FUND TITLE	2017-19 Current Biennium	2019-21 Ensuing Biennium
058	Public Works Assistance Account	28	219
06K	Lead Paint Account	134	179
08E	Individual Development Account Prog	2	2
10B	Home Security Fund Account	3,094	4,441
12C	Affordable Housing for All Account	1,185	1,185
14M	Financial Fraud & Id Theft Crimes	688	611
150	Low-Income Weatherization Asst Acct	931	2
15A	Transitional Housing Oper & Rent	166	166
17L	Foreclosure Fairness Account	156	156
205	Mobile Home Park Relocation Account	1,326	1,417
263	Community/Economic Development Fee	2,282	942

ABS030

State of Washington
Working Capital Reserve

Agency: 103 Department of Commerce

Session: 2019-21 Regular

Version: CL Carry Forward Level

Dollars in Thousands

FUND ADMINISTRATOR AGENCY ONLY		RECOMMENDED ENDING FUND BALANCE	
FUND	FUND TITLE	2017-19 Current Biennium	2019-21 Ensuing Biennium
532	Washington Housing Trust Account	43,046	41,795
689	Rural Washington Loan Account	7,419	7,419
777	Prostitution Prevent/Intervention	99	120
833	Develop Disability Endowment Trust	69,742	73,742
887	Public Facility Const Loan Revolv	59,980	30,412

AGENCY

Code	Title
103	Department of Commerce

2019-21 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 2018	150,644,665	129,928,639	2,524,851	
	FY 2019	154,821,572	146,490,153	2,972,250	
	FY 2020	141,154,648	136,061,193	2,387,584	
	FY 2021	141,155,368	136,128,920	2,400,348	
12.617	Department of Defense				
	Activity Code: A				
	FY 2018	1,342,549	1,342,549	150,003	001-1
	FY 2019	497,191	497,191	55,551	001-1
	FY 2020	0	0		
	FY 2021	0	0		
14.228	Housing & Urban Development (HUD)				
	Activity Code: A096				
	FY 2018	11,319,386	10,979,804	202,843	001-1
	FY 2019	11,372,604	11,031,426	203,797	001-1
	FY 2020	11,148,658	10,814,198	199,784	001-1
	FY 2021	11,148,658	10,814,198	199,784	001-1
14.231	Housing & Urban Development (HUD)				
	Activity Code: A157				
	FY 2018	2,500,872	2,500,872	625,218	10B-1
	FY 2019	2,554,041	2,554,041	638,510	10B-1
	FY 2020	2,519,397	2,519,397	629,849	10B-1
	FY 2021	2,519,397	2,519,397	629,849	10B-1
14.239	Housing & Urban Development (HUD)				
	Activity Code: A159				
	FY 2018	4,319,147	4,319,147	1,079,787	355-1
	FY 2019	6,367,774	6,367,774	1,591,944	355-1
	FY 2020	4,302,012	4,302,012	1,075,503	355-1
	FY 2021	4,302,012	4,302,012	1,075,503	355-1
14.241	Housing & Urban Development (HUD)				
	Activity Code: A157				
	FY 2018	843,936	843,936		
	FY 2019	737,000	737,000		
	FY 2020	717,795	717,795		
	FY 2021	717,795	717,795		
14.267	Housing & Urban Development (HUD)				
	Activity Code: A157				
	FY 2018	143,082	70,166		
	FY 2019	143,082	72,272		
	FY 2020	143,082	72,272		
	FY 2021	143,802	72,272		
14.326	Housing & Urban Development (HUD)				
	Activity Code: A157				
	FY 2018	4,901,438	3,431,007		
	FY 2019	0	0		
	FY 2020	0	0		
	FY 2021	0	0		

AGENCY

Code	Title
103	Department of Commerce

2019-21 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 2018	43,296,812	34,931,369		
	FY 2019	48,821,061	47,439,999		
	FY 2020	41,060,865	43,000,914		
	FY 2021	41,060,865	43,000,914		
16.588	Department of Justice (DOJ) Activity Code: A011				
	FY 2018	2,898,100	2,898,100		
	FY 2019	3,200,839	3,200,839		
	FY 2020	3,196,090	3,196,090		
	FY 2021	3,196,090	3,196,090		
16.738	Department of Justice (DOJ) Activity Code: A177				
	FY 2018	3,240,581	3,274,268		
	FY 2019	3,460,297	3,494,900		
	FY 2020				
	FY 2021				
16.750	Department of Justice (DOJ) Activity Code: A177				
	FY 2018	161,518	161,518		
	FY 2019	145,918	145,918		
	FY 2020	130,318	130,318		
	FY 2021	130,318	134,228		
66.707	Environmental Protection Agency (EPA) Activity Code: A064				
	FY 2018	378,608	348,631		
	FY 2019	395,121	378,608		
	FY 2020	399,072	395,121		
	FY 2021	399,072	395,121		
66.818	Environmental Protection Agency (EPA) Activity Code: A167				
	FY 2018	500,000	500,000		
	FY 2019	640,000	640,000		
	FY 2020				
	FY 2021				
81.F17	Bonneville Power Administration (BPA) Activity Code: A065				
	FY 2018	2,269,134	1,588,394		
	FY 2019	2,348,822	1,644,175		
	FY 2020	2,212,789	1,548,952		
	FY 2021	2,212,789	1,548,952		
81.042	Department of Energy (DOE) Activity Code: A065				
	FY 2018	3,885,453			
	FY 2019	5,782,698	5,840,525		
	FY 2020	5,782,698	5,840,525		
	FY 2021	5,782,698	5,840,525		
81.117	Department of Energy (DOE) Activity Code: A065				

AGENCY

Code	Title
103	Department of Commerce

2019-21 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 2018	2,050,000	2,050,000	410,000	001-1
	FY 2019	2,127,240	2,127,240	425,448	001-1
	FY 2020	2,127,240	2,127,240	425,448	001-1
	FY 2021	2,127,240	2,191,057	438,211	001-1
93.568	Department of Health and Human Services (HHS) Activity Code: A065				
	FY 2018	11,209,109	10,424,471		
	FY 2019	9,699,701	9,020,722		
	FY 2020	9,893,695	9,201,136		
93.568	Department of Health and Human Services (HHS) Activity Code: A065				
	FY 2018	45,826,459	41,243,813		
	FY 2019	46,750,577	42,075,519		
	FY 2020	47,685,588	42,917,029		
93.569	Department of Health and Human Services (HHS) Activity Code: A003				
	FY 2018	8,359,229	7,941,268		
	FY 2019	8,443,152	8,020,994		
	FY 2020	8,527,584	8,101,205		
93.630	Department of Health and Human Services (HHS) Activity Code: A005				
	FY 2018	1,199,252	1,079,327	57,000	001-1
	FY 2019	1,334,454	1,201,009	57,000	001-1
	FY 2020	1,307,765	1,176,989	57,000	001-1
	FY 2021	1,307,765	1,176,989	57,000	001-1

		Page
Code	Title	
103	Department of Commerce	

PROPOSED 2019-21 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
	Agency Total								
	FY 2018	150,644,665	129,928,640	0	0	0			
	FY 2019	154,821,572	146,490,152	0	0	0			
	FY 2020	141,154,648	136,061,193	0	142,698,060	112,668,063			
	FY 2021	141,154,648	136,132,871	0	142,698,060	112,668,063			
12.617	Department of Defense								Comment: office of Economic Adjustment Grant ends 6/30/2019
	Activity Code: A								
	FY 2018	1,342,549	1,342,549						
	FY 2019	497,191	497,191						
	FY 2020	0	0		0	0			
	FY 2021		0						
14.228	Housing & Urban Development (HUD)								Comment: CDBG
	Activity Code: A096								
	FY 2018	11,319,386	10,979,804						
	FY 2019	11,372,604	11,031,426						
	FY 2020	11,148,658	10,814,198		10,803,974	8,529,453	2	3	
	FY 2021	11,148,658	10,814,198		10,803,974	8,529,453	2	3	
14.231	Housing & Urban Development (HUD)								Comment: Emergency Solutions Grant
	Activity Code: A157								
	FY 2018	2,500,872	2,500,872						
	FY 2019	2,554,041	2,554,041						
	FY 2020	2,519,397	2,519,397		2,426,339	1,915,531	1	1	
	FY 2021	2,519,397	2,519,397		2,426,339	1,915,531	1	1	
14.239	Housing & Urban Development (HUD)								Comment: HOME Investment Partnership Program
	Activity Code: A159								
	FY 2018	4,319,147	4,319,147						
	FY 2019	6,367,774	6,367,774						
	FY 2020	4,302,012	4,302,012		6,049,385	4,775,831	1	1	
	FY 2021	4,302,012	4,302,012		6,049,385	4,775,831	1	1	
14.241	Housing & Urban Development (HUD)								Comment: Housing Opportunities for People with AIDS (HOPWA)
	Activity Code: A157								
	FY 2018	843,936	843,936						
	FY 2019	737,000	737,000						
	FY 2020	717,795	717,795		700,150	552,750	1	3	
	FY 2021	717,795	717,795		700,150	552,750	2	3	
14.267	Housing & Urban Development (HUD)								Comment: Continuum of Care Grant
	Activity Code: A157								
	FY 2018	143,082	70,166						
	FY 2019	143,082	72,272						
	FY 2020	143,082	72,272		135,928	107,312	1	1	
	FY 2021	143,082	72,272		135,928	107,312	1	1	
14.326	Housing & Urban Development (HUD)								Comment: 811 Project-Due to extensive process for HUD application approvals, slower than anticipated reimbursements. Grant ends 8/14/19.
	Activity Code: A157								
	FY 2018	4,901,438	3,431,007						
	FY 2019								
	FY 2020								
	FY 2021								
16.575	Department of Justice (DOJ)								Comment: VOCA Grant
	Activity Code: A008								
	FY 2018	43,296,812	34,931,369						
	FY 2019	48,821,061	47,439,999						
	FY 2020	41,060,865	43,000,914		46,380,008	36,615,796	1	1	
	FY 2021	41,060,865	43,000,914		46,380,008	36,615,796	1	1	
16.588	Department of Justice (DOJ)								Comment: Violence Against Women Act (STOP Grant)
	Activity Code: A011								
	FY 2018	2,898,100	2,898,100						
	FY 2019	3,200,839	3,200,839						
	FY 2020	3,196,090	3,196,090		3,040,797	2,400,629	1	1	
	FY 2021	3,196,090	3,196,090		3,040,797	2,400,629	1	1	
16.738	Department of Justice (DOJ)								Comment: JAG Grant
	Activity Code: A177								
	FY 2018	3,240,581	3,274,268						
	FY 2019	3,460,297	3,494,900						
	FY 2020								
	FY 2021								
16.750	Department of Justice (DOJ)								Comment: SORNA Grant
	Activity Code: A177								
	FY 2018	161,518	161,518						
	FY 2019	145,918	145,918						
	FY 2020	130,318	130,318		123,802	109,439	1	1	
	FY 2021	130,318	134,228		123,802	109,439	1	1	
66.707	Environmental Protection Agency (EPA)								Comment: Lead Base Paint Hazard Control Grant
	Activity Code: A064								
	FY 2018	378,608	348,631						
	FY 2019	395,121	378,608						
	FY 2020	399,072	395,121		375,365	296,341	1	1	
	FY 2021	399,072	399,072		375,365	296,341	1	1	

		Page
Code	Title	
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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 2018	500,000	500,000						
	FY 2019	640,000	640,000						
	FY 2020								
	FY 2021								
81.F17	Bonneville Power Administration (BPA)								
	Activity Code: A065								Comment:
	FY 2018	2,269,134	1,588,394						
	FY 2019	2,348,822	1,644,175						
	FY 2020	2,212,789	1,548,952		2,231,381	1,761,617	1	1	
	FY 2021	2,212,789	1,548,952		2,231,381	1,761,617	1	1	
81.042	Department of Energy (DOE)								
	Activity Code: A065								Comment:
	FY 2018	3,885,453							
	FY 2019	5,782,698	5,840,525						
	FY 2020	5,782,698	5,840,525		5,493,563	4,337,024	1	1	
	FY 2021	5,782,698	5,840,525		5,493,563	4,337,024	1	1	
81.117	Department of Energy (DOE)								
	Activity Code: A065								Comment:
	FY 2018	2,050,000	2,050,000						
	FY 2019	2,127,240	2,127,240						
	FY 2020	2,127,240	2,127,240		2,020,878	1,595,430	1	1	
	FY 2021	2,127,240	2,191,057		2,020,878	1,595,430	1	1	
93.568	Department of Health and Human Services (HHS)								
	Activity Code: A065								Comment: LIHEAP-Weatherization
	FY 2018	11,209,109	10,424,471						
	FY 2019	9,699,701	9,020,722						
	FY 2020	9,893,695	9,201,136		9,214,716	7,274,776	1	1	
	FY 2021	9,893,695	9,201,136		9,214,716	7,274,776	1	1	
93.568	Department of Health and Human Services (HHS)								
	Activity Code: A065								Comment: LIHEAP-Utilities
	FY 2018	45,826,459	41,243,813						
	FY 2019	46,750,577	42,075,519						
	FY 2020	47,685,588	42,917,029		44,413,048	35,062,933	1	1	
	FY 2021	47,685,588	42,917,029		44,413,048	35,062,933	1	1	
93.569	Department of Health and Human Services (HHS)								
	Activity Code: A003								Comment: Community Services Block Grant
	FY 2018	8,359,229	7,941,268						
	FY 2019	8,443,152	8,020,994						
	FY 2020	8,527,584	8,101,204		8,020,994	6,332,364	1	1	
	FY 2021	8,527,584	8,101,204		8,020,994	6,332,364	1	1	
93.630	Department of Health and Human Services (HHS)								
	Activity Code: A005								Comment: Developmental Disabilities Basic Support & Advocacy Grant
	FY 2018	1,199,252	1,079,327						
	FY 2019	1,334,454	1,201,009						
	FY 2020	1,307,765	1,176,988		1,267,731	1,000,841	1	1	
	FY 2021	1,307,765	1,176,988		1,267,731	1,000,841	1	1	

NON-BUDGETED LOCAL FUND SUMMARY

DATE _____

[illegible]

* This column must agree with the 6/30/17 CAFR balance.

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.

Department of Commerce

2019-2021 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%
Total			100%

*Updates based on 2017 expenditures through June 2017 close and consideration of dedicated funds no longer available for the 2019-2021 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 a revised Agency Risk Register and have implemented a revised policy, Implementing Enterprise Risk Management. A workgroup was formed in FY18 and completed a revised set of risks for the Register.

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 29 agency-wide risks that the department is currently working on with 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 continues to provide ongoing training to staff regarding state contracting and Federal Procurements and ensured that all required staff completed the required DES contracts training. The department is also working with Tribes to ensure the department's Tribal contracts are legally compliant. Lastly, the department has initiated a project to improve clarity on roles, responsibilities, procedures, templates and process flows for contract management. This will include new training around processes.

Compliance

The department has held multiple trainings and issued a new Ethics Policy that was approved by the Ethics Board. The department will have a cyber-liability policy that covers potential data breaches and staff will understand how to prevent issues from occurring.

Health and Safety

The department intends to conduct an exercise of the new Commerce Emergency Operations Plan to validate concept(s) of operations, planning assumptions, and processes captured within the plan. Workplace safety is another risk area where the department's Modern Work Environment implementation will also focus on employee health and productivity.

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.