

**OFFICE OF THE  
ATTORNEY GENERAL**







Bob Ferguson  
**ATTORNEY GENERAL OF WASHINGTON**  
1125 Washington Street SE • PO Box 40100 • Olympia, WA 98504-0100

October 1, 2018

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

Dear Mr. Schumacher:

*David -*

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

In recognition of the continuing constraints on state resources, we limited our requests to those needs that arise directly from significant litigation, legislative mandate, or increased workload. The funding requested will allow us to protect tax dollars and serve the legal needs of the state and its residents. These include:

- Funding to support the legal work associated with the new Paid Family and Medical Leave program;
- Funding to defend the state and recover resources (e.g. Monsanto, Lighthouse Resources);
- Funding to support the expansion of the Medicaid Fraud Control Division to support increased workload and recovering resources; and
- Funding for facility security and safety improvements.

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

Thank you for your continued assistance.

Sincerely,

  
BOB FERGUSON  
Attorney General

RWF/jlg  
Enclosure







# OFFICE OF THE ATTORNEY GENERAL

## 2019 Supplemental Budget Request

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**TAB A**

**RECOMMENDATION  
SUMMARY**







## Recommendation Summary

**Agency: 100 Office of Attorney General**

**Version: 2019 2019 Supplemental Budget**

*Dollars in Thousands*

	FY2 FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	1,179.7	16,168	287,851	304,019
<b>2017-19 Current Biennium Total</b>	<b>1,179.7</b>	<b>16,168</b>	<b>287,851</b>	<b>304,019</b>
<b>Total Carry Forward Level</b>	<b>1,179.7</b>	<b>16,168</b>	<b>287,851</b>	<b>304,019</b>
Percent Change from Current Biennium	.0%	.0%	.0%	.0%
<b>Maintenance – Other Changes</b>				
ML 9Z Recast to Activity	0.0	0	0	0
MLN2 Lighthouse Resources v. Gov Inslee	5.8	0	1,137	1,137
MLN3 WA State v. Monsanto	1.8	230	0	230
MLN4 Family Leave Legal Services	1.8	0	228	228
MLN5 Facility Safety and Security	0.0	0	471	471
<b>Maintenance – Other Total</b>	<b>9.4</b>	<b>230</b>	<b>1,836</b>	<b>2,066</b>
<b>Total Maintenance Level</b>	<b>1,189.1</b>	<b>16,398</b>	<b>289,687</b>	<b>306,085</b>
Percent Change from Current Biennium	.8%	1.4%	.6%	.7%
<b>Policy – Other Changes</b>				
PL N1 MFC Elder and Program Protection	11.5	0	1,736	1,736
<b>Policy – Other Total</b>	<b>11.5</b>	<b>0</b>	<b>1,736</b>	<b>1,736</b>
<b>Subtotal - Policy Level Changes</b>	<b>11.5</b>	<b>0</b>	<b>1,736</b>	<b>1,736</b>
<b>2017-19 Total Proposed Budget</b>	<b>1,200.6</b>	<b>16,398</b>	<b>291,423</b>	<b>307,821</b>
Percent Change from Current Biennium	1.8%	1.4%	1.2%	1.3%

**Recommendation Summary****Agency: 100 Office of Attorney General****Version: 2019 2019 Supplemental Budget***Dollars in Thousands*

		<b>General</b>		
	<b>FY2 FTEs</b>	<b>Fund State</b>	<b>Other Funds</b>	<b>Total Funds</b>

**ML N2 Lighthouse Resources v. Gov Inslee**

The Office of the Attorney General's (AGO) Ecology Division (ECY) requests funding to defend a federal lawsuit filed against Governor Jay Inslee, Commissioner of Public Lands Hilary Franz, and Ecology Director Maia Bellon. Lighthouse challenges on constitutional grounds state decisions to deny approval for what would be, if built, the largest coal export terminal in North America. The suit raises significant issues around the scope of a state's authority to apply its environmental laws to export projects. Loss of this suit would impair state officials' ability to make decisions under state law that protect the environment and public health.

**ML N3 WA State v. Monsanto**

The Attorney General's Office (AGO) Counsel for Environmental Protection (CEP) seeks funding to continue a lawsuit against the Monsanto Company for unspecified damages caused by production of polychlorinated biphenyls, or PCBs, statewide. The suit seeks financial damages related to cleanup costs and harm to natural resources, including state-managed salmon. This lawsuit requires coordination of 34 different state agencies that have records related to PCBs or Monsanto, and management of outside attorneys and staff. Effective supervision of this suit, and coordination of state agencies, will ensure the state complies with discovery and records preservation obligations, and ensure the proper litigation of this case.

**ML N4 Family Leave Legal Services**

The Employment Security Department (ESD) was tasked in FY 2018 with implementing the nation's fifth and likely most generous Paid Family and Medical Leave (PFML) law. ESD has created a new division and is writing rules. The Attorney General's Office (AGO) has provided legal services to assist but it did not receive additional legal services funding. Beginning in FY 2019, the AGO will provide representation in litigation when tax and benefits adjudicative orders are issued. This request will help with the implementation of this important legislation by providing quality advice and representation in litigation for ESD.

**ML N5 Facility Safety and Security**

The Attorney General's Office (AGO) has experienced a significant increase of incidents that require heightened security alerts and actions. The AGO requests funding to upgrade security in the Highway License Building (HLB) and Tumwater locations. The HLB requires improved safety and security for reception and building staff. The Tumwater location requires wall construction to limit guest access to the central elevators and stairwells, parking light enhancements, and a security system upgrade to accommodate additional card readers. These upgrades and remodels will significantly increase staff safety in two of the AGO's largest locations.

**PL N1 MFC Elder and Program Protection**

In the past year, the number of Medicaid Fraud investigations dramatically increased in number, complexity, nature and scope. Due to outreach and education of our partner agencies, fraud referrals continue to increase in number and quality along with data mining produced investigations. The Office of the Attorney General (AGO) requests legislative approval to spend Medicaid Fraud Penalty Account (MFPA) funds to meet the state match for an increase approval from the Office of the Inspector General at the Department of Health and Human Services (HHS OIG). The results would better protect the Medicaid program and Washington's most vulnerable citizens.

**TAB B**

**DECISION  
PACKAGES**







**2019 SUPPLEMENTAL BUDGET REQUEST**  
**Office of the Attorney General**  
**Decision Package Summary**

<b>PL Priority</b>			
<b>Type</b>	<b>DP Code</b>	<b>DP Title</b>	<b>Priority</b>
PL	N1	MFC Elder and Program Protection	1

<b>ML Priority</b>			
<b>Type</b>	<b>DP Code</b>	<b>DP Title</b>	<b>Priority</b>
ML	N2	Lighthouse Resources v Governor Inslee	1
ML	N3	WA State v. Monsanto	2
ML	N4	Family Leave Legal Services	3
ML	N5	Facility Safety & Security	4





## 2019 Supplemental Budget Decision Package

**Agency:** 100 - Office of Attorney General  
**Decision Package Code-Title:** N1 - MFC Elder and Program Protection  
**Budget Session:** 2019 Supp  
**Budget Level:** Policy Level  
**Contact Info:** Edd Giger  
 (360) 586-2104  
 EdwardG@ATG.WA.GOV

### Agency Recommendation Summary

In the past year, the number of Medicaid Fraud investigations dramatically increased in number, complexity, nature and scope. Due to outreach and education of our partner agencies, fraud referrals continue to increase in number and quality along with data mining produced investigations. The Office of the Attorney General (AGO) requests legislative approval to spend Medicaid Fraud Penalty Account (MFPA) funds to meet the state match for an increase approval from the Office of the Inspector General at the Department of Health and Human Services (HHS OIG). The results would better protect the Medicaid program and Washington's most vulnerable citizens.

### Fiscal Summary

*Dollars in Thousands*

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001 - 2	\$0	\$1,302	\$2,060	\$2,160
Fund 19A - 1	\$0	\$434	\$687	\$720
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$1,736</b>	<b>\$2,747</b>	<b>\$2,880</b>
<b>Biennial Totals</b>		<b>\$1,736</b>		<b>\$5,627</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	11.5	17.0	18.0
<b>Average Annual</b>		<b>5.8</b>		<b>17.5</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	\$0	\$907	\$1,347	\$1,435
Obj. B	\$0	\$317	\$464	\$494
Obj. E	\$0	\$491	\$895	\$920
Obj. G	\$0	\$11	\$16	\$17

<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. J	\$0	\$10	\$25	\$14
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
001 - 0393	\$0	\$1,302	\$2,060	\$2,160
<b>Total</b>	<b>\$0</b>	<b>\$1,302</b>	<b>\$2,060</b>	<b>\$2,160</b>
<b>Biennial Totals</b>		<b>\$1,302</b>		<b>\$4,220</b>

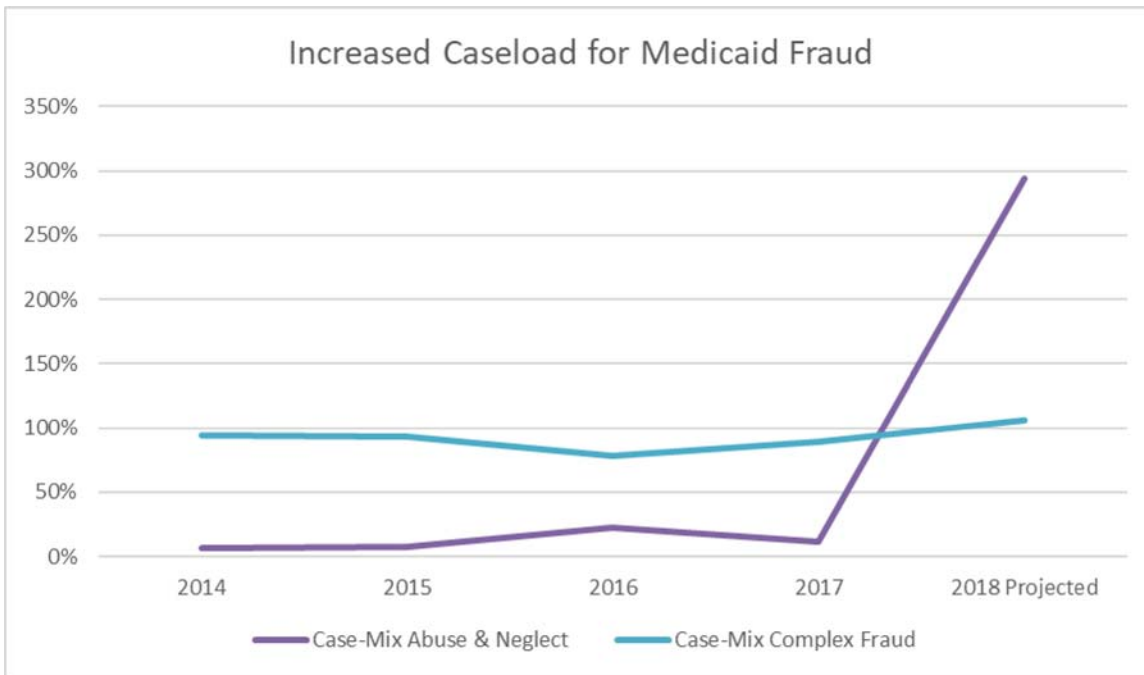
## Package Description

### Additional Medicaid Fraud Control Division (MFC) Staff

Since January 2018, MFC criminal investigative matters significantly increased. On April 10, 2018, MFC had 52 full criminal and dual track investigations, 152 dual track assessment (criminal and civil) investigations as well as several intake matters. By contrast, exactly one year earlier, MFC was involved in only 27 active criminal investigations. This increased volume of almost 100%, is attributable to MFC's diversification of its case mix, engaging in outreach and the automatic abuse and neglect referral system. The most dramatic increase is in the abuse and neglect investigations – 90% since December 2017 due to automated access to the statewide residential patient abuse database. MFC currently only takes abuse and neglect matters involving death, sexual assault, serious bodily injury, drug diversion or restraints. Due to outreach and education of our partner agencies, it appears that fraud referrals are increasing in number and quality along with data mining produced investigations. Based upon our current data, we expect MFC investigations will grow at a rate of at least an additional 400 matters annually.

The cases we are opening, investigating and litigating are complex cases. The criminal section recently moved to the routine use of forensic fraud analysts to follow both the Medicaid claims as well as criminal proceeds stolen from the Medicaid fund. The fraud cases moved from being 805 simple single provider matters two years ago to 80% complex multi defendant structured fraud scheme investigations.





### **MFC Funding –**

It is important to understand the source of the funds MFC is requesting in this decision package. The funds requested to serve as matching funds to the federally allocated funds are not part of the state’s general funds, but rather already exist in the Medicaid Fraud Penalty Account (MFPA). The MFPA is fully and solely funded by MFC recoveries. The fund balance supports this request and projected recoveries will continue to be a viable fund source. While the large national recoveries are decreasing, MFC continues to increase its in-state recoveries and our national matter recoveries are holding steady at an average of \$3.9 million per year, well in excess of the requested state match of approximately seven hundred thousand dollars.

**Criminal Section Assistant Attorneys General** - With the investigation increases note above, the Criminal Section of the MFC has an immediate need for two additional assistant attorneys generals.

As our cases are attorney led from referral to post-litigation, AAG caseloads include numerous cases at various stages of the process. MFC investigations typically involve white collar fraud or non-sentient victims, which are complex by their very nature. The additional positions will allow for quicker AAG analysis and determination if a matter should be closed, referred or prosecuted. Therefore, sufficient AAG staffing, as part of the team, ensures proper resource management, critical case management, legal analysis and guidance from inception.

**Data Analytics Team (DAT) staff** - With the criminal section now utilizing DAT, rather than just the civil section, the increased number of assessments, investigations and cases, DAT is in desperate need of additional staff – in particular supervisory data analysts (two AGO supervisory investigator/analysts) to conduct and oversee forensic accounting as well as data and/or coding expertise. Medicaid data and forensic financial analysis are fundamental and necessary elements of most MFC assessments, investigations and cases, whether civil or criminal fraud, abuse and neglect. The National Association of Medicaid Fraud Control Unit (NAMFCU) recognizes the excellence of our DAT team, as we are the only state other than New York, with two members on the National Data Analyst Sub Committee – the highest honor a data analyst can achieve in the Medicaid fraud area.

DAT provides:

- Intake Teams with initial Medicaid utilization to assist with their assessments.
- Investigation Teams with advice on what data is available and necessary to assist in an investigation, assistance in interviews and search warrants as needed as well as forensic examination and analysis of financial records.
- Damage models specific to the individual complaint, investigation or case – civil and criminal.
- Washington State data to NAMFCU global teams.
- Our expertise knowledge and time by participating on global NAMFCU Intake, Investigative and Settlement teams.
- Three team members on NAMFCU working groups- two on the Data Analyst Sub Committee (DASC) and one on the Managed Care working group. This means they create the national level queries taking into account the various data systems for each of the 50 states.

These two additional supervisory data analysts will allow MFC to: (1) more effectively determine whether an intake assessment should close, refer for administrative action or open into a full investigation, and (2) follow the money and forensically analyze data and finances during the investigative phase to determine whether closure, referral, settlement or litigation is appropriate. Finally, having this form of expertise on MFC staff would reduce the need to retain outside experts as well as helping the entire MFC grow in sophistication and knowledge of civilly and criminally prosecuting financial crimes, as is the national MFC model.

**Additional Field Investigators** – We are requesting three new AGO senior investigator/analyst FTE's. All investigators now conduct both civil and criminal investigations ranging from global qui tam cases to abuse and neglect residential matters.

The cases we are opening, investigating and litigating are dual track, complex cases demanding specific investigative skills and experience. Over the past five years, our case mix dropped from 80% in home care single provider fraud cases to 27%. Replacing these relatively straightforward cases are more complex fraud scheme investigations. The current caseload consists of global NAMFCU investigations, complex civil matters, abuse/neglect as well as complex fraud cases, almost all of which include money-laundering allegations. The majority of the victims in our abuse/ neglect matters cannot effectively communicate which requires extra time and skill.

For MFC to foster successful outcomes in our investigations it is imperative to have a vast understanding of an array of billing schemes, experience in conducting financial investigations, and teamwork across the disciplines: data analysts, AAGs and field investigators. As of June 7, 2018, MFC field investigators are limited commission peace officers. This means that they are able to be affiants on their own search warrants, serve search warrants, draft and execute one-party-consent intercept warrants, use confidential informants, and potentially serve on task forces as well as conduct covert or undercover operations using authorized recording devices.

**Additional Clerical Staff** - We are requesting 1.0 Paralegal (PL), 2.5 Legal Assistant 3 (LA3), and 1.0 Legal Office Assistant (LOA). The need for the FTE is due to a substantial increase in abuse/neglect referrals, an increase in intake data entry, additional cases moving from assessment to investigation, and increased litigation tasks.

The PL position is critical to assist in additional paralegal duties, public records requests and primary Critical Event Reader. The LA3 positions will be the assistants to two Assistant Attorney Generals (AAG) in Seattle, two AAGs in Spokane, and three AAGs in Olympia. These positions carry a civil and criminal caseload and will need to be efficient and effective in communication, workload management, and case monitoring. In addition, we are also requesting funding for a LOA FTE for essential non-legal clerical and administrative duties in the office. In the past, we tried to cover these duties by hiring temporary staff when possible, and when that has not been possible; the duties are spread among the current LAs. However, this diverts the LAs from their primary/necessary legal work, interfering with casework.

In general, an increase in staff such as investigators, analysts, and AAGs increases the workload for all legal professional staff. The additional LOA will allow for the current and future greater increase of casework to move effectively.

### Federal Program References -

Funds to States, Medicaid Fraud Control Units:	42 USC 1396(b)(q)
Medicaid Fraud Control Units:	42 USC 1007.7-13
HHS OIG standards for Medicaid Fraud Control Units:	77 FR 32645
Medicaid Fraud Enabling Statute:	Washington Session law §238

Attachment 1 is the Federal Fiscal Year 2019 grant award letter.

### Assumptions and Calculations

#### Expansion or alteration of a current program or service:

<u>Actuals</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
FTE's	34.9	34.9	35.9
Salaries and Benefits	\$3,438,000	\$3,514,000	\$3,829,000

#### Detailed assumptions and calculations:

The MFC experienced an increase of over 90% in relevant referred matters due to MFC refining its referral intake. Cases moved from being primarily simple in home single provider cases, to almost all being complex fraud or abuse/neglect matters. The chart above sets forth the change in caseload and types. In a single year our active investigations increased from 27 to over 200. All of these new investigations are relevant, complex matters.

Due to outreach and education of our partner agencies, fraud referrals continue to increase in number and quality along with data mining produced investigations. Reviewing this past year's model, we expect MFC investigations will grow at a rate of at least an additional 400 matters annually. That increase will necessitate the need for two additional AAGs, two DAT Supervising Investigator/Analysts, three Senior Investigator/Analysts, one PL1, two and a half LA3s and one LOA to help cover the additional investigation and litigation work.

These costs are ongoing and will carry forward into future biennia. One-time costs are not included in this request.

**Workforce Assumptions:**

<b>FTE</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Ongoing ? Y / N</b>
AAG		2.0	2.0	2.0	Yes
Object A & B		269,000	269,000	269,000	
LA3		2.0	2.5	2.5	Yes
Object A & B		127,000	169,000	169,000	
PL1		1.0	1.0	1.0	Yes
Object A & B		92,000	92,000	92,000	
SENIOR INVESTIGATOR		3.0	7.0	7.0	Yes
Object A & B		352,000	820,000	820,000	
INV SUPERVISOR		2.0	2.0	2.0	Yes
Object A & B		230,000	230,000	230,000	
FIN EXAM 2			1.0	2.0	Yes
Object A & B			118,000	235,000	
LOA		1.0	1.0	1.0	Yes
Object A & B		60,000	60,000	60,000	
MA5		0.5	0.5	0.5	Yes
Object A & B		52,000	52,000	52,000	
<b>TOTAL FTE</b>	<b>0.0</b>	<b>11.5</b>	<b>17.0</b>	<b>18.0</b>	
<b>TOTAL A &amp; B</b>	<b>0</b>	<b>1,182,000</b>	<b>1,810,000</b>	<b>1,927,000</b>	

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

## Strategic and Performance Outcomes

**Strategic framework:**

Results Washington:

Goal 4: Healthy & safe communities

Goal 5: Efficient, effective & accountable government

Agency Strategic plan:

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

2-2-3 Combat the opioid epidemic.

2-4-2 Combat health care fraud.

This request supports the AGO strategic plan and Results Washington because MFC's expansion enables the division to increase provider fraud accountability, increase revenue for the Medicaid Fraud Penalty Account and enables the division to bring more residential patient abuse and neglect matters - helping deter and

protect Washington's most vulnerable citizens. In the 1970s, congress mandated states receiving federal funding for Medicaid have MFCs because of abuse and neglect of vulnerable adults in residential facilities. Most MFC's for states with similarly sized Medicaid programs have staffing of 55-109. Washington's MFC is 38.8 FTE, this increase brings it to 56.8 FTE.

With the significant increase in relevant residential patient abuse and neglect as well as Washington MFC national leadership roles on NAMFCU Residential Abuse Committees, as well as highly specialized training MFC has the ability to bring these difficult abuse and neglect cases.

As to the opioid epidemic, this request will enable MFC to attach staff to Opioid taskforces, where local law enforcement focuses on the street level crime and MFC on the fraudulent doctor's and pharmacies fueling the epidemic. The expansion will also give MFC adequate staffing to continue to expand its role in working with other AGO divisions in combating those responsible for the opioid epidemic.

MFC recovered over \$15 million in fiscal year 2017. Increased staffing leads to increased recoveries, particularly as the majority of our in state investigations are dual track – criminal matters with restitution sought civilly for up to treble damages. MFC brought the first death patient abuse case in the State this past year and has several more matters under investigation. However; as stated above, without this requested expansion, MFC does not have the requisite staffing to properly investigate and bring the cases that should be brought to punish and deter the wide variety of providers who steal from the Medicaid program.

There is no impact on agency funding as MFC is 75% federally funded and 25% funded from the MFPA. MFC recoveries constitute 100% of the funds in the MFPA. We are revenue generating division, paying for ourselves as well as providing additional funds for the State. This request has no impact on state-general funds.

### Performance outcomes

With the expansion, MFC expects a far greater number of fraud and abuse/neglect investigations, charged matters and civil recoveries. Currently, we have several matters held up for analysis, investigation and litigation due to lack of staffing. This request enables MFC to bring on and train additional highly skilled staff to move matters to resolution far more efficiently.

Activity	Fund	FY2018	FY2019	FY2020	FY2021
A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse	19A-1		434,000	687,000	720,000
A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse	001-2		1,302,000	2,060,000	2,160,000
<b>TOTAL</b>		-	<b>1,736,000</b>	<b>2,747,000</b>	<b>2,880,000</b>

### Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
002538 - Recoveries to the Medicaid System	\$	0	0	0	0

**Performance outcomes:**

**Performance Measure 2538:** Recoveries to the Medicaid System

**Target:** \$8,000,000 of biennial recoveries to the Medicaid System, reported annually.

**Key Divisions:** Medicaid Fraud Control

This expansion should increase MFC recoveries for the State as there will be more staff to work the civil cases as well as for the first time in Washington State, focus on civil asset forfeiture under RCW 9A.83.030 (money laundering) and using the false claims act for recoveries in lieu of restitution orders in criminal matters.

## Other Collateral Connections

**Intergovernmental:**

N/A

**Stakeholder response:**

All fellow law enforcement agencies such as Washington Association of Sheriffs and Police Chiefs, Washington Association of Community Oriented Police, Washington Association of Prosecuting Attorneys, and Washington State Patrol support this request. Health Care Authority and Dept. of Social and Health Services expressed their support as well. There is no known opposition to this request at this time.

**Legal or administrative mandates:**

N/A

**Changes from current law:**

N/A

**State workforce impacts:**

N/A

**State facilities impacts:**

MFC is currently working with Office of Financial Management and Department of Enterprise Services to obtain space in Seattle that is near several law enforcement agencies that MFC works closely with such as Federal Bureau of Investigation, Washington State Patrol, Immigration and Customs Enforcement, Drug Enforcement Agency and HHG OIG.

Seattle Bank of America Building

1494 square feet on the 37<sup>th</sup> floor at \$46.12 per square foot. For an annual cost of \$69,000

**Puget Sound recovery:**

N/A

## Reference Documents

- ATTCH 1 2019SupplDP - MFC - FFY2019 Grant.pdf
- References.JPG

## 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 Supplemental Budget Request  
 PL-N1 - MFC Elder & Program Protection  
 ATTACHMENT 1: FFY 2019 Grant

**Grant/Document:** 1901WA5050  
**Subaccount:** MFCU19  
**Period of Performance:** 10/1/2018 through 9/30/2019  
**CFDA:** 93.775  
**Program Title:** State Medicaid Fraud Control Unit  
**Federal Award Description:**  
 Medicaid Fraud Control Units (MFCU) investigate and prosecute Medicaid fraud as well as patient abuse and neglect in health care facilities.

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



**Notice of Grant Award**  
 Award Authority: Section 1902(a)(61), 1903(a)(6), 1903(b)(3) and 1903(q) of the Social Security Act

**Financial Information**  
**CAN:** D99MFC9  
**Appropriation:** 75X0512  
**Object Class:** 4151  
**EIN:** 916001060A1  
**DUNS:** 809100019  
**Program Income:** Deduction

**Grantee Information**  
 State of Washington  
 Office of Attorney General  
 Medicaid Fraud Control Unit  
 2425 Bristol Court SW PO Box 40114, Olympia, WA, 98504  
 Director: Larissa Payne

**Award Information**

Personnel.....	\$4,366,682
Fringe Benefits.....	\$1,583,315
Travel.....	\$367,604
Equipment.....	\$0
Supplies.....	\$198,830
Contractual.....	\$563,607
Other.....	\$1,026,264
<hr/>	
Total Direct Costs.....	\$8,106,302
Indirect Costs.....	\$595,000
Indirect rate.....	10.00%
<b>Total Approved Budget.....</b>	<b>\$8,701,302</b>
75% Federal Share .....	\$6,525,980
25% Non-Federal Share.....	\$2,175,322

Federal funding will be obligated in quarterly amounts on the following schedule:

1 <sup>st</sup> Quarter, on October 1, 2018	\$1,631,495
2 <sup>nd</sup> Quarter, on January 1, 2019	\$1,631,495
3 <sup>rd</sup> Quarter, on April 1, 2019	\$1,631,495
4 <sup>th</sup> Quarter, on July 1, 2019	\$1,631,495

Matching requirement at end of grant period is 25% of Total Net Expenditures.



Additional Action(s):

Is this award R&D? No  
Remarks:  
 General Terms and Conditions for this award are hereby included by reference and can be found [here](#).

Subaccount:  
 A Public Assistance (P) Account in the Division of Payment Management's (DPM) Payment Management System (PMS) has been created to provide separate accounting of federal funds per each document number. The subaccount code for this grant award is MFCU19.

Financial Reporting  
 The SF-425 due dates for the grant period of this award are as follows:

- The first quarter report covers the period beginning 10/1/2018 and ending 12/31/2018 and is due by 1/30/2019.
- The second quarter report covers the period beginning 10/1/2018 and ending 3/31/2019 and is due by 4/30/2019.
- The third quarter report covers the period beginning 10/1/2018 and ending 6/30/2019 and is due by 7/30/2019.
- The fourth quarter report covers the period beginning 10/1/2018 and ending 9/30/2019 and is due by 10/30/2019.
- The final report is due by 12/29/2019.

**Authorizing Officials and Contacts**  
 Jacob Barney, Budget Officer  Date: OCT - 1 2018  
 Alexis Crowley, Grants Management Officer  Date: OCT - 1 2018  
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## 2019 Supplemental Budget Decision Package

**Agency:** 100 - Office of Attorney General  
**Decision Package Code-Title:** N2 - Lighthouse Resources v. Gov Inslee  
**Budget Session:** 2019 Supp  
**Budget Level:** Maintenance Level  
**Contact Info:** Edd Giger  
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### Agency Recommendation Summary

The Office of the Attorney General's (AGO) Ecology Division (ECY) requests funding to defend a federal lawsuit filed against Governor Jay Inslee, Commissioner of Public Lands Hilary Franz, and Ecology Director Maia Bellon. Lighthouse challenges on constitutional grounds state decisions to deny approval for what would be, if built, the largest coal export terminal in North America. The suit raises significant issues around the scope of a state's authority to apply its environmental laws to export projects. Loss of this suit would impair state officials' ability to make decisions under state law that protect the environment and public health.

### Fiscal Summary

*Dollars in Thousands*

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 405 - 1	\$0	\$1,137	\$0	\$0
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$1,137</b>	<b>\$0</b>	<b>\$0</b>
<b>Biennial Totals</b>		<b>\$1,137</b>		<b>\$0</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	5.8	0.0	0.0
<b>Average Annual</b>		<b>2.9</b>		<b>0.0</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	\$0	\$471	\$0	\$0
Obj. B	\$0	\$162	\$0	\$0
Obj. C	\$0	\$400	\$0	\$0
Obj. E	\$0	\$89	\$0	\$0
Obj. G	\$0	\$6	\$0	\$0
Obj. J	\$0	\$9	\$0	\$0

<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
405 - 0420	\$0	\$1,137	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$1,137</b>	<b>\$0</b>	<b>\$0</b>
<b>Biennial Totals</b>		<b>\$1,137</b>		<b>\$0</b>

## Package Description

Millennium Bulk Terminals (a subsidiary of Lighthouse) proposes to build the largest coal terminal in North America on state-owned aquatic lands on the shores of the Columbia River in Longview.

Cowlitz County invited the Department of Ecology (Ecology) to co-lead in the preparation of an environmental impact statement for this project which culminated in a 30,000-plus page study identifying multiple significant unavoidable environmental impacts, including: (1) increased cancer risk rates to a nearby low-income neighborhood due to diesel emissions; (2) over two hours daily of traffic delays, including delays to emergency vehicles, based on sixteen transits of mile-plus long trains traveling through already congested areas; (3) a 22% increase in rail accidents along the rail routes in Washington; (4) an increase in vessel collisions, fires, and groundings based on a 37% increase in vessels transiting the Columbia River; and (5) impacts to tribal resources, arising from injury to fish and aquatic habitat from in-water construction, increased ship traffic, and entry of coal dust into the water.

After the environmental impact statement was complete, Millennium applied to Ecology for a Clean Water Act permit. In order to get such a permit, Millennium needed to demonstrate reasonable assurance that the project would meet water quality standards. Millennium failed to come forward with sufficient proof that its project would protect water quality, and therefore (like other applicants who are unable to show reasonable assurance) Millennium was not eligible to receive the permit. In addition, Ecology concluded that it could not approve a project that had all of the significant environmental impacts described above.

After Ecology denied the Clean Water Act permit, an independent Cowlitz County hearings examiner denied necessary land use permits for the project after reaching the same conclusion---that the project simply presented too many significant environmental impacts to be approved under state and local law.

In addition to the denial of the Clean Water Act and land use permits, Lands Commissioner Franz denied a sub-lease for the project after Millennium refused to produce sufficient information to demonstrate that the company and the project was financially viable, and that Millennium had the business experience to carry out the project. This information was vital, as Millennium had previously deliberately concealed the full scope of its plans for the coal export terminal as part of a permitting strategy to avoid environmental review, and one of Millennium's primary owners, Arch Coal, Inc., had recently declared bankruptcy. To date, Millennium has not produced the requested business and financial information.

Millennium challenged all of these decisions in state court. In addition, Lighthouse and Millennium filed a federal lawsuit seeking to compel state agencies to approve the project. Burlington Northern Santa Fe (BNSF) Railroad intervened in the lawsuit on behalf of Lighthouse. They argue that denial of the project violates the

dormant commerce clause of the United States Constitution and interferes with a foreign policy of increasing coal exports. Put another way, they argue that the federal constitution prevents state decision-makers from applying state environmental laws to this project like they would to any other project. Trial on their claims is set for May 2019.

Discovery, motions practice, and trial are expected to be extremely resource intensive. The AGO also anticipates expert costs associated with the litigation. This request will fund the State's defense of the lawsuit through trial.

## Assumptions and Calculations

### Expansion or alteration of a current program or service:

N/A

### Detailed assumptions and calculations:

The AGO will need to perform numerous tasks associated with the litigation during FY 2019. AAG tasks include (1) researching, briefing, and arguing motions; (2) propounding and responding to discovery, including written discovery and depositions; (3) assisting expert witnesses in preparing their expert reports; (4) preparing trial briefs and written expert testimony; (5) working with fact and expert witnesses to prepare them for trial; (6) identifying trial exhibits; (7) preparing opening statements, direct examinations, cross examinations, and closing arguments; and (8) presenting the State's case at trial. Paralegal tasks include: (1) extensive document management associated with discovery; (2) compiling exhibit notebooks; (3) developing and arranging presentation of State's electronic exhibits for trial; and (4) providing technical and other assistance to AAGs during trial.

The AGO anticipates hiring up to two experts for trial at an assumed combined cost of \$400,000. Expert tasks during FY 2019 will include: (1) meetings with AAGs; (2) review of relevant trial-related materials; (3) preparation of expert reports and possible rebuttal reports; (4) preparing for and delivering live trial testimony; and (5) helping to prepare AAGs for depositions and cross examination of opposing experts.

These costs are one-time costs and not assumed to carry forward into future biennia.

### Workforce Assumptions:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
AAG		3.0			No
Object A & B		401,000			
LA		1.5			No
Object A & B		108,000			
PL		0.5			No
Object A & B		46,000			
MA5		0.8			No
Object A & B		78,000			
<b>TOTAL FTE</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	
<b>TOTAL A &amp; B</b>	<b>0</b>	<b>633,000</b>	<b>0</b>	<b>0</b>	

Costs associated with this request will be billed to Ecology.

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

## Strategic and Performance Outcomes

### Strategic framework:

**Results Washington Goal 5:** Efficient, Effective and Accountable Government

Sub-Topic: Customer Satisfaction and Employee Engagement

Outcome Measures:

- 1.1: Increase/maintain customer service satisfaction
- 1.2: Increase/maintain timely delivery for state services

This request advances goal 5 by reflecting the actual costs of the lawsuit filed against the Governor, Ecology, and DNR. It clarifies how costs are being spent, shows accountability and responsibility in spending, and offers transparency resulting in customer satisfaction and confidence in legal services provided.

**Results Washington Goal 3:** Sustainable Energy and a Clean Environment

Sub-Topics: Clean, Cool Water

Healthy Air

Outcome Measures:

- 3.2: Increase number of rivers meeting good water quality
- 3.3: Increase number of people living in areas with clean air, including 3.3.a (decrease tons of toxic diesel soot pollution emitted from mobile sources)

**Results Washington Goal 4:** Healthy and Safe Communities

Sub-Topic: Healthy Youth and Adults

Outcome Measure:

- 1.2: Decrease number of adults with fair or poor health.

This request advances goals 3 and 4 because the federal lawsuit challenges the denial of permits based on environmental and public health grounds, including: (1) the project proponent's inability to demonstrate that the proposal would meet state water quality standards; (2) impacts to nearby residents from increased diesel emissions; and (3) multiple potential health effects to nearby residents if the project is built as proposed.

### AGO Strategic Plan—

Priority 1--Serve the State

Goal 1—Deliver high quality, timely, and efficient legal services

Priority 2—Protect the People

Goal 2-Protect Washington's Environment and Public Health

This request supports the AGO Strategic Plan by ensuring adequate funding to provide high-quality, timely, and efficient legal services to agencies in the defense of this lawsuit thereby allowing agencies to focus on their core missions. The request also protects Washington's environment and public health because it funds the defense of agency decision to deny permits based on environmental and public health grounds.

### AGO Activities—

Activity	Fund	FY2018	FY2019	FY2020	FY2021
A0001 Administration	405		1,364		
A0010 Legal Services to State Agencies	405		1,135,636		
<b>TOTAL</b>		-	<b>1,137,000</b>	-	-

### Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
002539 - Cases Open at End of Fiscal Year	#	0	0	0	0

#### Performance outcomes:

This package advances Performance Measure 2539: Cases Open at the End of Fiscal Year. By providing high quality legal assistance and representation to the Governor, Ecology, and Department of Natural Resources, the AGO improves government services, increases government efficiency, and manages the costs of lawsuits. The legal defense provided by the AGO in this lawsuit will promote the public interest in a clean and healthy environment, and ensure that agencies are able to fulfill their essential missions. The goal in defending this lawsuit is to resolve the case effectively and efficiently for the benefit of the state, its agencies, and its citizens.

This package optimizes efficiencies and decreases costs by having a Paralegal perform tasks that would otherwise be performed by Assistant Attorneys General.

Indeterminate incremental adjustments for this Performance Measure.

## Other Collateral Connections

### Intergovernmental:

Ecology supports this funding package and intends to submit a parallel package. It is anticipated that the Governor and DNR will also support this package as the package will also fund the defense of the Governor and Public Lands Commissioner in the lawsuit.

Some elected officials in Cowlitz County support the proposal by Millennium Bulk Terminals to build a coal export terminal and may therefore be opposed to this package. Coal-producing states such as Montana and Wyoming also support the proposal by Millennium Bulk. It is not anticipated that other government entities, including other Washington state agencies, will take a position on this package.

Client	Fund	FY2018	FY2019	FY2020	FY2020
Ecology			1,137,000		
<b>TOTAL</b>		-	<b>1,137,000</b>	-	-

### Stakeholder response:

Several conservation organizations have intervened in the lawsuit on behalf of state defendants and would likely support this proposal. The intervening organizations include Washington Environmental Council, Climate Solutions, Columbia River Keepers, Friends of the Columbia Gorge, and the Sierra Club.

### Legal or administrative mandates:

This proposal is intended to fund ongoing litigation.

### 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 Supplemental Budget Decision Package

**Agency:** 100 - Office of Attorney General  
**Decision Package Code-Title:** N3 - WA State v. Monsanto  
**Budget Session:** 2019 Supp  
**Budget Level:** Maintenance Level  
**Contact Info:** Edd Giger  
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### Agency Recommendation Summary

The Attorney General's Office (AGO) Counsel for Environmental Protection (CEP) seeks funding to continue a lawsuit against the Monsanto Company for unspecified damages caused by production of polychlorinated biphenyls, or PCBs, statewide. The suit seeks financial damages related to cleanup costs and harm to natural resources, including state-managed salmon. This lawsuit requires coordination of 34 different state agencies that have records related to PCBs or Monsanto, and management of outside attorneys and staff. Effective supervision of this suit, and coordination of state agencies, will ensure the state complies with discovery and records preservation obligations, and ensure the proper litigation of this case.

### Fiscal Summary

*Dollars in Thousands*

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001 - 1	\$0	\$230	\$230	\$230
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>
<b>Biennial Totals</b>		<b>\$230</b>		<b>\$460</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	1.8	1.8	1.8
<b>Average Annual</b>		<b>0.9</b>		<b>1.8</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	\$0	\$147	\$147	\$147
Obj. B	\$0	\$50	\$50	\$50
Obj. E	\$0	\$28	\$28	\$28
Obj. G	\$0	\$2	\$2	\$2
Obj. J	\$0	\$3	\$3	\$3

## Package Description

On December 8, 2016, the State of Washington sued the Monsanto Company to recover statewide harm caused by Monsanto's production and sale of polychlorinated biphenyls, or PCBs. In this suit, the State alleges that Monsanto's PCBs have caused significant harm to Washington and our natural resources, including fish and marine mammals, state waters, and upland and aquatic lands. The complaint states claims for Public Nuisance, Products Liability, Negligence, Equitable Indemnity, and Trespass.

Monsanto was the sole commercial producer of PCBs in North America since the 1930s. Monsanto's PCBs were used as component parts in a variety of industrial, commercial, and consumer products, including paint, caulking, transformers, capacitors, asphalt compounds for building materials, coolants, hydraulic fluids, plasticizers, sealants, inks and lubricants, as well as a variety of household products such as shoe lacquer, flame proofing for Christmas trees, floor wax, adhesive for certain goods, and invisible marking ink used to make chenille rugs and spreads.

Although Monsanto knew for decades that PCBs were toxic, knew that they could not be contained and as a result were widely contaminating all natural resources and living organisms, and knew that there was no safe way to use or dispose of them, Monsanto concealed these facts and continued producing PCBs until shortly before Congress enacted the Toxic Substances Control Act ("TSCA"), which banned the manufacture and most uses of PCBs as of January 1, 1978.

In this lawsuit, the State seeks compensation for harms Monsanto's PCBs caused to state-owned or managed public natural resources—in particular to the beds of State-owned aquatic lands, to state-trust ground and surface waters, and to state-managed wildlife. In addition, the State seeks to hold Monsanto liable, through equitable indemnity, for certain costs to remediate contamination. Exposure to PCBs causes serious health effects in humans and animals, including cancer as well as toxicity affecting the immune system, reproductive system, nervous system, and endocrine system.

The case is extraordinarily complex, requiring the State to demonstrate the effect of Monsanto's PCBs on uplands, aquatic lands, shellfish, fish, and marine mammals. Given that PCBs have been in common use since the 1930s and are ubiquitous in the environment, the State's obligations to preserve potentially relevant records and to produce documents in response to future discovery requests will be extremely burdensome, and require detailed, high-level legal work.

The AGO has endeavored to pursue this case economically by contracting with outside counsel on a contingent fee basis. Consequently, the State does not have to advance the costs of litigation, and will only pay attorneys a percentage of the recovery if the case is successful. However, AGO must coordinate the activities of 34 different state agencies that have records related to PCBs or Monsanto, and provide management of the team of outside attorneys and staff.

This work involves high-level discovery-related matters that will have significant implications for AGO and state agencies, as well as rigorous oversight of outside counsel to ensure that the case is proceeding in a timely fashion and in a manner consistent with high legal standards. Currently one AAG is working on this matter full time. This has required other important work to be deprioritized.



This work was unforeseen. However, the unique nature of this case and the way it affects many state agencies has made AGO involvement critical to the success of the case and the potential financial recovery for the State. In addition, the extensive records preservation and discovery obligations associated with this suit require the State to take special care communicating and coordinating with agencies and the many records custodians therein.

This request comprises one AAG position and support staff to manage our outside legal team and coordinate with state agencies and their attorneys.

## Assumptions and Calculations

### Expansion or alteration of a current program or service:

N/A

### Detailed assumptions and calculations:

This case has recently been remanded to state court from federal court, and we expect to receive a case scheduling order from the Court in August 2018. This Request is for one AAG.

This AAG's tasks will include assisting with responding to discovery; working with other AAGs who represent state agencies to convey information about the case, discovery, and records preservation obligations; working with the records custodians in each of those 34 state agencies; coordinating vendors, such as e-discovery vendors; supervising and conducting quality control on the work product of outside counsel; developing litigation strategy; assessing and addressing potential ethical issues, including potential conflicts related to other lawsuits brought by or against the state or other cases related to PCBs.

Because of the nature and complexity and, experience in similar cases, the AGO expects the Monsanto litigation to require one full time AAG and appropriate support staff to successfully manage this case.

These costs are ongoing and will carry forward into future biennia. One-time costs are not included in this request.

### Workforce Assumptions:

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

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? / N
AAG		1.0	1.0	1.0	N
Object A & B		135,000	135,000	135,000	
LA		0.5	0.5	0.5	N
Object A & B		36,000	36,000	36,000	
MA5		0.3	0.3	0.3	N
Object A & B		26,000	26,000	26,000	
<b>TOTAL FTE</b>	<b>0.0</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	
<b>TOTAL A &amp; B</b>	<b>0</b>	<b>197,000</b>	<b>197,000</b>	<b>197,000</b>	

## Strategic and Performance Outcomes

### Strategic framework:

Results Washington Goal 3: Sustainable Energy & a Clean Environment.

Sub-Topic: Clean and Restored Environment - Healthy Lands; Clean, Cool Water

### Outcome Measures:

3.1: Increase the number of contaminated sites cleaned up by 17% from 5,815 to 6,803 by 2020.

3.2: Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020.

Results Washington Goal 4: Healthy & Safe Communities.

Sub-Topic: Healthy People

### Outcome Measures:

1.2: Decrease percentage of adults reporting fair or poor health from 15% in 2011 to 14% by 2020.

AGO Strategic Plan:

Priority 2 – Protect the People

Goal 2: Protect Washington's Environment and Public Health

Objective 2-2-1: Protect the environment and public health.

Objective 2-2-2: Investigate and prosecute environmental crimes.

Activity	Fund	FY2018	FY2019	FY2020	FY2021
A0001 Administration	001		30,000	30,000	30,000
A0005 Consumer Protection	001		200,000	200,000	200,000
<b>TOTAL</b>		-	<b>230,000</b>	<b>230,000</b>	<b>230,000</b>

## Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
002534 - Direct Restitution Provided to Consumers through Litigation and Complaint Resolution	\$	0	0	0	0

### Performance outcomes:

This package advances Performance Measure 2534 Enforcement of Consumer Protection Laws.

By providing high quality legal representation to the citizens of the State of Washington the AGO improves government services, increases government efficiency, and manages the costs of lawsuits. The legal services provided by the AGO in this lawsuit will promote the public interest in a clean and healthy environment.

Incremental impact to this performance measure is indeterminate.

## Other Collateral Connections

### Intergovernmental:

This lawsuit, if successful, would result the defendant's payment of funds to the state that could be used for toxic site cleanup, water treatment, and other benefits to tribal governments or local governments.

There is no client agency to bill for this legal work.

### Stakeholder response:

There is no known opposition to this request at this time.

### 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 Supplemental Budget Decision Package

**Agency:** 100 - Office of Attorney General  
**Decision Package Code-Title:** N4 - Family Leave Legal Services  
**Budget Session:** 2019 Supp  
**Budget Level:** Maintenance Level  
**Contact Info:** Edd Giger  
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### Agency Recommendation Summary

The Employment Security Department (ESD) was tasked in FY 2018 with implementing the nation's fifth and likely most generous Paid Family and Medical Leave (PFML) law. ESD has created a new division and is writing rules. The Attorney General's Office (AGO) has provided legal services to assist but it did not receive additional legal services funding. Beginning in FY 2019, the AGO will provide representation in litigation when tax and benefits adjudicative orders are issued. This request will help with the implementation of this important legislation by providing quality advice and representation in litigation for ESD.

### Fiscal Summary

*Dollars in Thousands*

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 405 - 1	\$0	\$228	\$228	\$457
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$228</b>	<b>\$228</b>	<b>\$457</b>
<b>Biennial Totals</b>		<b>\$228</b>		<b>\$685</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	0.0	1.8	1.8	3.5
<b>Average Annual</b>		<b>0.9</b>		<b>2.7</b>
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	\$0	\$147	\$147	\$295
Obj. B	\$0	\$50	\$50	\$100
Obj. E	\$0	\$28	\$28	\$58
Obj. G	\$0	\$2	\$2	\$3
Obj. J	\$0	\$1	\$1	\$1
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
405 - 0420	\$0	\$228	\$228	\$457
<b>Total</b>	<b>\$0</b>	<b>\$228</b>	<b>\$228</b>	<b>\$457</b>
<b>Biennial Totals</b>		<b>\$228</b>		<b>\$685</b>

## Package Description

The operative provisions of the PFML law have not yet gone into effect, yet the AGO has already provided nearly 1,000 hours of unfunded legal services to assist with the implementation of this important legislation. Employers begin paying PFML premiums in FY 2019 (in January), and employees may file benefit claims starting in FY 2020 (in January).

Since the PFML law passed in June 2017, ESD has been in the process of writing rules implementing the new RCW Title 50A. The rulemaking was split into six phases. One phase of rule development is complete, and the other five are in process. Assistant Attorneys General (AAGs) have provided advice on rule development and review process, open meetings, public records, the impact of the new legislation on state agencies as employers, and areas for possible legislative amendments. AAGs have also advised on contract issues concerning the design of computer systems to carry out ESD's responsibilities, the writing and review of requests for proposal, and management of contracts with vendors. AAGs provided personnel assistance as ESD has created a new division to implement the PFML legislation. The work assisting ESD has been more time-intensive in recent months and will continue to escalate.

The AGO submitted a fiscal note for SSB 5975 (2017) that detailed many anticipated costs but ultimately stated indeterminate impact because the full quantity of work could not be accurately measured in relation to the AGO's services to state agency clients as employers who are covered by the new law. While the extent of the law's impact will continue to be defined over time, FY 2018 legal services have provided data and enabled certain predictions.

The primary division providing legal services on PFML issues has been the AGO's Licensing and Administrative Law (LAL) Division. LAL AAGs have billed over 800 AAG hours in FY 2018. This alone exceeds the time anticipated in the fiscal note for FY 2018 by more than 300 hours.

The AGO's Spokane Division (SPO) provided 110 AAG hours of work in FY 2018 on an advice memo jointly written for ESD and another cabinet agency. The work focused on labor and employment law issues and was limited in scope and time. It is anticipated that future work by AAGs in the SPO division will be similarly limited or possibly even eliminated because AAGs in the AGO's Licensing and Administrative Law Division (LAL) are developing subject matter expertise through their interaction with the SPO AAG. Because of this limited future work need and knowledge transfer, it is anticipated that the SPO Division can manage the minimal additional legal services work within its existing resources.

Additionally, AAGs in the AGO Labor and Personnel Division (LPD) spent dozens of hours assisting on this advice and on other PFML issues, but that time was not specifically tracked. It is assumed that AAGs in the LAL Division, as opposed to those in LPD, will handle all advice, all tax litigation, and—at least through FY 2021—all benefits litigation in Paid Family and Medical Leave (PFML) matters. With respect to litigation, while appeals may be filed across the State, LAL AAGs will develop and apply subject matter expertise, and in later years may share this work with other divisions when resources are developed, training can be provided, and the law is more settled.

This level of new legal services is not sustainable and the workload is assumed to increase. In addition to any ongoing rulemaking and other advice projects, significant litigation will commence as ESD will have begun issuing determinations subject to appeal. The Administrative Procedure Act allows aggrieved parties to request hearings concerning the Department's determinations administering the PFML laws. ESD will require AGO representation in appeals, and advice in connection with litigation matters. AAG advice is assumed to be higher than initially projected since ESD's experience over the last year has shown that to be the case, and because the advice needs will dramatically increase. For example, advice is now required for five phases of ongoing rulemaking while the work to date has largely focused on the first rulemaking phase. Legal assistance will also be required to develop training materials for new ESD staff on legal issues, to give trainings, and to aid in development and review of ESD's internal operations processes relating to administration of the PFML law—none of which work has yet begun. Overall, in FY 2019, at least 2,080 AAG hours are projected.

If the AGO is not funded for this PFML work, this will affect the success of the new law. Without adequate legal advice, rules may not be as clear, consistent, or complete and may be challenged by affected parties if they are alleged to not be adopted in compliance with procedural and substantive legal requirements. If ESD's systems and procedures are not clear and well-planned, individuals and employers may be adversely affected and ESD may require additional litigation costs and may risk adverse litigation outcomes.

Rules to implement all of RCW 50A.04 will be complete before benefit claims go into effect in January 2020. There will likely be a need to amend some rules thereafter based on ESD's experience processing and adjudicating claims and implementing other provisions.

If the AGO is not provided legal services allocation for PFML work, the shortfall will cut into necessary legal services provided to ESD for other important program areas including unemployment insurance, H-2A administration, and workforce development. It could potentially impede the AGO's ability to provide risk management advice and assistance on public records issues. Having taken on the implementation of the new PFML program and its existing responsibilities, ESD has a vastly increased need for legal services, but without additional legal services funding. This shortfall will increase overall agency risk and impede agency advancement of its mission and objectives.

## Assumptions and Calculations

### **Expansion or alteration of a current program or service:**

Legal services in this request relate to a new program, and there is no funding in the AGO's base budget for costs included in this request.

**Detailed assumptions and calculations:**

## Workload assumptions:

**FY 2019 – 1.0 AAG:** New legal advice with rule development is required for this new leave benefit and tax system. Five phases of rulemaking are ongoing in this period. Legal advice will also include aid with policy and process development for premium and benefits issues, and development and giving of training on legal issues for ESD staff. Given that this work entailed around 1,000 AAG hours of work in FY 2018 and that the majority of this work was in connection with the first of six rulemaking phases, it is anticipated that at least 1,780 AAG hours will be required for the dramatically increased advice needs in FY 2019.

Legal advice will also include aid with contract negotiations with vendors for designing computer systems, assistance with contract compliance issues, and negotiating contract amendments, totaling an estimated 300 AAG hours.

Projections are for at least 2,080 total AAG hours in FY 2019.

The AGO assumes that for premium assessment appeals, it will appear in many administrative review hearings and will handle all judicial review petitions. The AGO anticipates 10 premium assessment appeals in administrative tribunals each year, requiring AAG assistance averaging 40 hours per case (totaling 400 hours for this administrative appeal work). This includes development and/or review of the record, preparation of briefing, handling hearings and/or oral argument (including associated travel), and case-related communications. In addition, it is assumed at least two cases will be appealed to superior courts each year, for an average of another 40 AAG hours for each case, and one case will be appealed to the appellate courts, requiring at least 80 hours of work (as additional time is required to account for AAG appellate advisor and deputy solicitor general review, given that appellate cases set legal precedent).

It is conservatively estimated that another 800 AAG hours will be required for:

- 1) AAG assistance in bankruptcy and warrant collection activity.
- 2) Advice regarding development and review of training materials for ESD staff and stakeholders, development and review of internal and operational processes and policies, and giving training for ESD staff on legal issues.
- 3) Advice regarding contract issues concerning the benefit system, assistance with rule development and possible legislative or rule amendments, and other advice issues.

Furthermore, it is assumed that at least 400 hours of AAG services will be required for hearings and judicial reviews under RCW 50A.04.095 relating to discrimination complaints. Given that the law is new, there may be a significant number of discrimination complaints, and resolution of each complaint may take significant time. AAGs will provide input concerning some complaint investigations, and will represent ESD in all administrative hearings where the investigation indicates that a violation may have occurred. The AGO will also handle all judicial review petitions from the Commissioner's determinations in discrimination cases.



These costs are ongoing and will carry forward into future biennia. One-time costs are not included in this request.

**Workforce Assumptions:**

Costs associated with this request will be billed to ESD.

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

If this request is not funded, we will be unable to fully support the legal needs of ESD programs including but not limited to: PFML, unemployment benefit advice and litigation; unemployment tax advice and litigation; collection of unemployment taxes and overpayments; public records and data sharing advice and litigation; contract procurement, negotiation, and management; H-2A certification and wage survey legal support; and, personnel advice and litigation. This could lead to more litigation and the need for legal advice to address the results or consequences that a timely legal review and case processing could have averted.

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
AAG		1.0	1.0	2.0	Yes
Object A & B		134,000	134,000	269,000	
LA		0.5	0.5	1.0	Yes
Object A & B		36,000	36,000	73,000	
MA5		0.3	0.3	0.5	Yes
Object A & B		26,000	26,000	52,000	
<b>TOTAL FTE</b>	<b>0.0</b>	<b>1.8</b>	<b>1.8</b>	<b>3.5</b>	
<b>TOTAL A &amp; B</b>	<b>0</b>	<b>196,000</b>	<b>196,000</b>	<b>394,000</b>	

## Strategic and Performance Outcomes

**Strategic framework:**

**1.Results Washington**

This request advances the following goals, goal topics, and sub topics within the Governor's Results Washington strategic framework, in that the AGO's services to ESD will enable it to better advance strategic goals:

Goal 2 – Prosperous Economy

Goal topic: Thriving Washingtonians

Sub topic: Quality Jobs

Various outcomes relating to increasing employment

Goal 4 – Healthy and Safe Communities

General advancement of goal topics for Healthy People & Safe People & Supported People

Goal 5 – Efficient, Effective and Accountable Government

Goal topic: Customer satisfaction and employee engagement

Sub topic: Customer satisfaction

Specific objectives are not captured in the Governor's Results Washington plan relating to PFML because the law was not enacted when the State's plan was developed, but ESD's successful implementation of the PFML laws, aided by the AGO as enabled by this request, advances the broad purposes of multiple goals and topics.

**2.AGO Strategic Plan:** This request advances AGO strategic priorities as follows:

1. Priority – Serve the State

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

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

Goal 4 – Protect and enhance the financial health and resources of the AGO including optimizing fund utilization and management.

2. Priority – Protect the People

Goal 1 – Defend the civil rights and stand up for vulnerable Washingtonians.

Objective: Assist and partner with client agencies in their mission to strengthen communities, grow Washington's economy, and protect public health, safety, and welfare

The request supports the AGO Strategic Plan by the AGO's delivery of high quality, timely, and efficient legal services, and its help with management of risk for ESD so that it may reduce liability and improve outcomes. The request enables appropriate legal services fund utilization, because the AGO does not have specific authority to bill relating to its PFML work and any time it spends doing so impacts the allotments for legal services relating to other ESD programs and issues. The request enables the AGO to closely work with ESD on its development of rules, policies, and processes to best support achievement of legislative objectives of the PFML law.

The legislative objectives are described in RCW 50A.04.005:

“The legislature finds that the demands of the workplace and of families need to be balanced to promote family stability and economic security. The legislature also finds that families across the state own and operate businesses. Workplace leave policies are desirable to accommodate changes in the workforce such as rising numbers of dual-career couples, working single parents, and an aging population. In addition the impact of significant new requirements should be reasonably balanced to help small businesses thrive.

The legislature also finds that access to paid leave is associated with many important health benefits. Research confirms that paid leave results in decreased infant mortality and more well-baby visits and reductions in maternal postpartum depression and stress. The legislature further finds that paid leave increases the duration of breastfeeding, which supports bonding, stimulates positive neurological and psychological development, strengthens a child's immune system, and reduces the risks of serious or costly health problems such as asthma, acute ear infections, obesity, Type 2 diabetes, leukemia, and sudden infant death syndrome. The legislature also finds that when fathers have access to paid leave they are more directly engaged during the child's first few months, thereby increasing father infant bonding and reducing overall stress on the family.

The legislature declares it to be in the public interest to create a family and medical leave insurance program to provide reasonable paid family leave for the birth or placement of a child with the employee, for the care of a family member who has a serious health condition, and for a qualifying exigency under the federal family and medical leave act, and reasonable paid medical leave for an employee's own serious health condition and to reasonably assist businesses in implementing and maintaining a program to support their employees and family.”

**3. AGO Activities:** So far, the AGO has provided 1,000 hours of legal services for which it has not received funding. This is not sustainable, especially as legal services needs grow. Without authority to bill dedicated to PFML work, the legal services for this program will continue to cut into the AGO’s ability to provide other services to ESD relating to its administration of other programs, including unemployment insurance, H-2A, and workforce development, among other issues.

Legal assistance reduces or mitigates undesired results of delay in implementation of the PFML law, problems with computer systems for ESD’s administration of the law, likelihood of legal challenge of rules and procedures, and risk of adverse outcomes in litigation challenging any rules, procedures, or determinations concerning individuals or employers. The AGO’s assistance will help to enable ESD to meet its performance measures concerning this program.

Having taken on the implementation of the new PFML program and its existing responsibilities, ESD now has a vastly increased need for legal services but without corresponding additional legal services funding. If the AGO is not given authority to bill and additional allotment in the legal services revolving fund relating to PFML work, this shortfall will increase overall agency risk and impede agency advancement of its mission and objectives.

Activity	Fund	FY2018	FY2019	FY2020	FY2021
A010 Legal Services to State Agencies	405		228,000	228,000	457,000
<b>TOTAL</b>		-	<b>228,000</b>	<b>228,000</b>	<b>457,000</b>

## Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
002539 - Cases Open at End of Fiscal Year	#	0	0	0	0

### Performance outcomes:

Legal assistance reduces or mitigates undesired results of delay in implementation of the PFML law, problems with computer systems for ESD’s administration of the law, likelihood of legal challenge of rules and procedures, and risk of adverse outcomes in litigation challenging any rules, procedures, or determinations concerning individuals or employers. The AGO’s assistance will help to enable ESD to meet its performance measures concerning this program.

**Performance Measure 2539:** Cases Open at End of Fiscal Year

**Target:** 25,000 open cases at the end of each FY, reported annually.

**Key Divisions:** Legal Services Divisions

Indeterminate incremental adjustments for this Performance Measure.

## Other Collateral Connections

### Intergovernmental:

ESD is in agreement with these legal services needs and fully support the AGO request.

Client	Fund	FY2018	FY2019	FY2020	FY2020
ESD	405		228,000	228,000	457,000
<b>TOTAL</b>		-	<b>228,000</b>	<b>228,000</b>	<b>457,000</b>

### Stakeholder response:

There is no known opposition to this request at this time.

### Legal or administrative mandates:

N/A

### Changes from current law:

ESD is proposing certain changes to the PFML law, and the AGO has provided advice concerning those recommendations, but this request is not limited to legal services for legislative changes nor is it required by any particular legislation or amendment.

### 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 Supplemental Budget Decision Package

**Agency:** 100 - Office of Attorney General  
**Decision Package Code-Title:** N5 - Facility Safety and Security  
**Budget Session:** 2019 Supp  
**Budget Level:** Maintenance Level  
**Contact Info:** Edd Giger  
 (360) 586-2104  
 EdwardG@ATG.WA.GOV

### Agency Recommendation Summary

The Attorney General's Office (AGO) has experienced a significant increase of incidents that require heightened security alerts and actions. The AGO requests funding to upgrade security in the Highway License Building (HLB) and Tumwater locations. The HLB requires improved safety and security for reception and building staff. The Tumwater location requires wall construction to limit guest access to the central elevators and stairwells, parking light enhancements, and a security system upgrade to accommodate additional card readers. These upgrades and remodels will significantly increase staff safety in two of the AGO's largest locations.

### Fiscal Summary

*Dollars in Thousands*

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 405 - 1	\$0	\$471	\$0	\$0
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$471</b>	<b>\$0</b>	<b>\$0</b>
<b>Biennial Totals</b>		<b>\$471</b>		<b>\$0</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$0	\$471	\$0	\$0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
405 - 0420	\$0	\$471	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$471</b>	<b>\$0</b>	<b>\$0</b>
<b>Biennial Totals</b>		<b>\$471</b>		<b>\$0</b>

### Package Description

**HIGHWAY LICENSE BUILDING (HLB):**

The AGO needs to remodel its first floor reception area in the HLB on the Capitol Campus in Olympia. The current configuration consists of a freestanding workstation that provides minimal security for the two receptionists. The Attorney General is primarily housed in the HLB and this location is published as the AGO headquarters for constituents wishing to conduct business with the agency. Constituents who are frustrated with any state agency may contact the AGO under the assumption that the AGO can help them. Heightened constituent frustrations lead to hostile interactions with our office and sometimes direct threats to AGO staff. While AGO receptionists and staff do an admirable job of diffusing situations, the increased number of specific threats has motivated the AGO to improve facility security. Since June 2017, there have been over 40 situations requiring additional security precautions at the HLB location; 29 of these occurred in the first six months of 2018. Situations range from verbal abuse from constituents, to actual threats against specific AGO employees, to directly causing destruction to the building. This includes threats of gun violence, veiled bomb threats, and disruption/threats associated with protests.

The AGO shares occupancy of the HLB with the Department of Licensing (DOL). DOL currently has a built-in reception area for its receptionists which is significantly more secure than the AGO workstation. The AGO and DOL have collaborated on a shared solution. In June 2017, the AGO and DOL worked with the Department of Enterprise Services (DES) to obtain plans for upgrading the lobby reception areas. The proposed pricing was \$320,000 (\$160,000 each).

The AGO has since requested updated pricing from DES, and the new pricing (for just the AGO's reception area) is \$340,000. This solution creates a stable, fully enclosed (floor to ceiling) built-in work area for two receptionists. There are two means of egress from the reception area: one exiting into the lobby area and one exiting into the adjacent office space. This configuration will prevent a potential assailant from having a direct line of fire to staff in the reception areas. This enclosure will use glazing paneling built into the reception counter walls and countertops that will afford staff the opportunity for shelter-in-place or immediate evacuation to a safer location after the duress alarm has been initiated.

#### **TUMWATER BUILDING:**

The AGO Tumwater location (7141 Cleanwater Drive) houses approximately 350 AGO attorneys and staff. It is a four-story building with elevators and stairs in the center and additional stairwells at the north and south ends of the building. Currently the north and south stairwells are secure and only provide access to staff with approved access cards. The center stairwell and the elevators can be accessed without restriction during normal business hours (8:00 a.m. to 5:00 p.m.), or whenever the main doors are unlocked. The reception staff are located in a booth with one exit door into secure space.

Tumwater AAGs in the Torts and Social and Health Services divisions have received an increasing number of disturbing and threatening communications from disgruntled parents and litigants. In the last year, the Tumwater Police Department was contacted on several occasions to report threats to our employees from constituents, threatening behavior in the parking lot by non-AGO staff, theft of gasoline from AGO fleet vehicles parked in the parking lot, vandalism of staff vehicles, and loitering in the brush and trails adjacent to the building.

It is evident to AGO Management that the increased security is needed in Tumwater in order to provide employees with basic safety while at work. This request funds the construction of a wall adjacent to the current reception booth with a secure door leading to the elevator lobby. It will also add a small wall with a secure door at the ground level of the center stairwell in order to limit access to AGO employees. The cost to add these two walls and doors is \$52,000. Additionally, \$10,000 in DES fees is required.

In order to effectively limit access in the Tumwater building, the security alarm system needs to be upgraded at a cost of \$21,000. Once upgraded, the system will be able to accommodate additional card readers - the AGO will install two card reader call buttons to the lobby elevators at a cost of \$3,000, a card reader at the new double doors off the reception area at a cost of \$5,000, and a card reader at the new stairwell door at a cost of \$2,000. Additionally, the AGO will install two new strobe lights behind secure doors on the ground floor to alert staff to potential lobby danger at a cost of \$1,000. These upgrades will require an access card in order to get past main reception, operate the elevators, or utilize the stairwell to access upper floors. This effectively secures the upper floors from unauthorized visitors.

Finally, the parking lot lighting at the Tumwater location does not provide adequate light for staff arriving or leaving the building when it is dark. Staff continue to stress that they do not feel comfortable with the lighting in the parking lot, especially during the winter months. It will cost \$37,000 to upgrade the lighting in the parking lot to a brighter, more energy efficient LED light.

## Assumptions and Calculations

### **Expansion or alteration of a current program or service:**

There is no funding in the AGO's base budget for costs included in this request.

HLB – The AGO has partnered with DOL in the past as well as with this specific request in order to provide economies of scale when implementing upgrades to the shared space on the first floor of HLB. The current DOL space is more secure than the AGO space as it has a floor to ceiling enclosure. The AGO space consists of workstation furniture that is not properly secured to the floor or ceiling and is therefore easily breached.

Tumwater – The deficiencies in the safety and security of the Tumwater location have been highlighted in the past few years as security threats have increased. It is the AGO's belief that with these upgrades (addition of two walls, building security and parking lot lighting) staff will feel safer while at work as well as when arriving and departing each day. The AGO has chosen the cost effective solution of upgrading the parking lot lighting (rather than adding additional lighting posts) as the best solution to the problem.

### **Detailed assumptions and calculations:**

This request is to cover one-time costs for both facilities projects. Ongoing costs are assumed nominal.



**TOTAL 471,000****Highway License Building****340,000** Construct new reception station**Tumwater**

52,000 Lobby Walls  
 21,000 Upgrade Alarm System  
 2,000 Add stairwell door to alarm system  
 5,000 Add card readers to new double front doors  
 3,000 Add card readers for ground floor elevators  
 1,000 Install two strobe lights on ground floor  
 37,000 Upgrade parking lot lighting  
 10,000 DES Plans  
**131,000 TOTAL**

**Workforce Assumptions:**

<b>FTE</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Ongoing ? Y / N</b>
None	0.0	0.0	0.0	0.0	No
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

The AGO is not seeking additional staffing resources.

**Strategic and Performance Outcomes****Strategic framework:**

This request is to provide appropriate security for two AGO locations. The performance outcome expected is that staff will be safer and more secure, thus allowing them the freedom to do their jobs, all of which bring value to Washington State and its various agencies.

**1. Results Washington:**

Goal 4: Healthy & Safe Communities

Sub-Topic: Safe People

Outcome Measures: Worker Safety

Implementation of this request will significantly increase the safety and security of the 500 AGO staff located in the HLB and Tumwater buildings thus contributing to the above stated goal.

**2. AGO Strategic Plan**

Priority 1: Serve the State

Goal 2 – Improve internal efficiency and effectiveness through the use of technology solutions and data.

Priority 3: Empower our Employees

Goal 5 – Promote the health, safety and well-being of all employees in the workplace.



Implementation of this request will help the AGO meet the Strategic Plan priorities. Providing a safe work environment is essential in enabling staff to perform effectively without concerns of potential threats.

### 3. Activity

Activity	Fund	FY2018	FY2019	FY2020	FY2021
0001 Administration	405		164,000		
0010 Legal Services to State Agencies	405		307,000		
<b>TOTAL</b>		-	<b>471,000</b>	-	-

### Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
002533 - Total AG Formal and Informal Opinions Issued	#	0	0	0	0
002539 - Cases Open at End of Fiscal Year	#	0	0	0	0

#### Performance outcomes:

There are close to 500 staff assigned to work out of the AGO's HLB and Tumwater buildings. Numerous staff have indicated that they are uncomfortable with the potential of unwanted and/or dangerous members of the public gaining access to AGO space. Upgrading the security in these two locations will significantly increase staff's feeling of security and will increase the morale of those that have indicated they are uncomfortable. Additionally, improvements will benefit the safety and security of all 500 staff in these locations, including the Attorney General. If the AGO is not able to provide an atmosphere where staff feel safe, it will negatively impact recruitment and retention of qualified staff.

**Performance Measure 2533:** Total AG Formal and Informal Opinions Issued

**Target:** Forty Five opinions (formal or informal) per biennium, reported quarterly.

**Key Divisions:** Administration

**Performance Measure 2539:** Cases Open at End of Fiscal Year

**Target:** 25,000 open cases at the end of each FY, reported annually.

**Key Divisions:** Legal Services Divisions

Indeterminate incremental adjustments for this Performance Measure.

### Other Collateral Connections

**Intergovernmental:**

The HLB portion of this request is for the AGO's reception/receiving area only. DOL also has reception/receiving staff located on the same floor and has expressed an interest in upgrading their section at the same time as the AGO. The AGO does not know if DOL intends to move forward with the upgrade on their side of the floor.

Attachment 1 details adjustments to the Central Service Model (CSM) based of this request. All expenditures will be paid for with Fund 405 (Legal Services Revolving Fund - LSRA). These costs will be billed to the client agencies. Cash receipts are assumed to equal the LSRA cost estimates. Client agencies and assumed costs are provided in Attachment 1.

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

**Stakeholder response:**

There is no known opposition to this request at this time.

**Legal or administrative mandates:**

N/A

**Changes from current law:**

N/A

**State workforce impacts:**

N/A

**State facilities impacts:**

The AGO has worked with the DES to obtain all bids and cost estimates for these projects. There are no anticipated on-going costs that will impact state facilities if these projects are implemented.

**Puget Sound recovery:**

N/A

## Reference Documents

- ATTACHMENT 1 - CSM ADJUSTMENTS.pdf

## 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

#	Client Agency	2019 CSM ADJUSTMENT
011	011 House	6
012	012 Senate	10
014	014 JLARC	208
035	035 Actuary	38
038	038 Joint Leg Systems	6
040	040 Statute Law/Code Reviser	40
045	045 Supreme Court	237
048	048 Court of Appeals	93
050	050 Judicial Conduct	47
055	055 Admin-Courts	1,512
075	075 Governor	137
080	080 Lt.Gov	1
082	082 PDC	4,350
085	085 Sec State	4,850
090	090 Treasurer	1,033
095	095 Auditors	2,920
099	099 Comm - Salaries	12
101	101 Caseload	8
102	102 Financial Institutions	9,783
103	103 Commerce	1,451
105	105 OFM	1,165
107	107 HCA	7,839
110	110 Admin Hearings	292
116	116 Lottery	576
117	117 Gambling	3,186
118	118 Hispanic Affairs	10
120	120 Human Rights	2,539
124	124 DRS	4,344
126	126 SIB	1,643
140	140 Revenue (BCU See %)	10,000
142	142 Tax Appeals	11
147	147 OMWBE	2,171
160	160 Insurance	4,013
163	163 CTS	164
165	165 Accountancy	672
179	179 DES	2,355
185	185 Horse Racing	512
190	190 Ind Ins.Appeals	524
195	195 Liquor Control	28,259
205	205 Pilotage	239
215	215 WA UTC	2,595

#	Client Agency	2019 CSM ADJUSTMENT
220	220 Volunteer Firefighters	73
225	225 WSP	6,711
227	227 CrimJ Training	1,269
228	228 Traffic Safety	76
235	235 L&I	49,467
236	236 L&I (BCU See %)	424
240	240 Licensing	27,446
245	245 Military	1,067
275	275 Pub Employ Relations	138
300	300 DSHS	77,100
303	303 Health	43,802
305	305 VA	166
310	310 DOC	8,940
315	315 Serv-Blind	30
340	340 Student Achievement Council	604
341	341 Law Enforcement & Fire Fighters F	101
350	350 OSPI	5,872
351	351 School-Blind	8
353	353 School-Deaf	70
354	354 Workforce TECB	160
355	355 DHAP	247
357	357 DEL	3,558
359	359 Charter Schools Commission	1,302
360	360 UW	4,710
365	365 WSU	1,423
370	370 EWU	976
375	375 CWU	1,971
376	376 Evergreen	1,337
380	380 WWU	902
387	387 Arts	79
390	390 Historical Soc.	252
395	395 EWaHistorical	28
405	405 DOT	14,670
406	406 CRAB	18
407	407 TIB	8
410	410 Trans.Comm.	42
411	411 Freight Mobility Strategic Investm	6
460	460 Columbia River	4
461	461 Ecology	7,597
462	462 Pollution Liability	20
465	465 Parks	3,402

		<b>2019 CSM</b>
<b>#</b>	<b>Client Agency</b>	<b>ADJUSTMENT</b>
467	467 Outdoor Rec (IAC) (GOV See %)	69
468	468 EnviroHear	495
471	471 Conservation	14
477	477 Fish&Wildlife (FWP See %)	28,761
478	478 Puget Sound Partnership	8
490	490 Nat. Resources	47,447
495	495 Agriculture	1,624
540	540 ESD	13,390
699	699 SBCTC	13,265
		<b>471,000</b>



**TAB C**

**SUMMARIZED  
REVENUE REPORT**







## Summarized Revenue by Account and Source

**Agency: 100 Office of Attorney General**  
**Session: 2019 Supp**  
**Version: 2019 - 2019 Supplemental Budget**  
**All Programs at the Program Level**

*Supporting Text Excluded*

*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals		Biennial Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	
<b>001 - General Fund</b>							
N1 - MFC Elder and Program Protection				1,302			
Total - 0393 - Health & Human Svc - F				1,302		1,302	1,302
<b>001 - General Fund - Federal</b>				<b>1,302</b>		<b>1,302</b>	<b>1,302</b>
<b>Total - 001 - General Fund</b>						<b>1,302</b>	<b>1,302</b>
<b>405 - Legal Serv Rev Acct</b>							
N2 - Lighthouse Resources v. Gov Inslee		1,137					
N4 - Family Leave Legal Services		228					
N5 - Facility Safety and Security		471					
Total - 0420 - Charges for Services - S		1,836				1,836	1,836
<b>405 - Legal Serv Rev Acct - State</b>		<b>1,836</b>				<b>1,836</b>	<b>1,836</b>
<b>Total - 405 - Legal Serv Rev Acct</b>		<b>1,836</b>				<b>1,836</b>	<b>1,836</b>
<b>Agency: 100 ATG - State</b>		<b>1,836</b>				<b>1,836</b>	<b>1,836</b>
<b>Agency: 100 ATG - Federal</b>				<b>1,302</b>		<b>1,302</b>	<b>1,302</b>
<b>Total - Agency: 100 ATG</b>		<b>1,836</b>		<b>1,302</b>			



**OFFICE OF THE ATTORNEY GENERAL**  
**2019 Supplemental Budget Proposal**  
**Central Service Changes**

Agency: AGO - Legal Services Service: 100 - Attorney General Account: 405-1 - Legal Services Revolving Account								
Dollars: Submit in 1000s			in whole #s		in 1000s		in whole #s →	
Agency	Allocation Spread	2017-19 General Allocation (Base)	Maint Adj	Policy Adj	2019 Supplemental Budget	N5 - Facility Safety and Security	N4 - Family Leave Legal Services	N2 - Lighthouse Resources v. Governor Inslee
Totals	100.000%	242,562,711	1,836,000	-	244,000	471,000	228,000	1,137,000
						M	M	M
						One time	Ongoing	One time
011	House of Representatives	0.00%	127,281	6	0	127	6	
012	Senate	0.00%	129,735	10	0	130	10	
013	Joint Transportation Committee	0.00%	0	0	0	0	0	
014	Joint Leg Audit & Rev Comm	0.01%	31,359	208	0	32	208	
020	Leg Eval and Accy Prg Com	0.00%	0	0	0	0	0	
035	Office of State Actuary	0.00%	21,582	38	0	22	38	
037	Office of Legislative Support Services	0.00%	0	0	0	0	0	
038	Joint Legislative Systems Committee	0.00%	2,627	6	0	3	6	
040	Statute Law Committee	0.00%	6,202	40	0	6	40	
045	Supreme Court	0.01%	61,394	237	0	62	237	
046	State Law Library	0.00%	0	0	0	0	0	
048	Court of Appeals	0.01%	39,335	93	0	39	93	
050	Judicial Conduct Commission	0.00%	7,761	47	0	8	47	
055	Administrative Office of the Courts	0.08%	251,620	1,512	0	253	1,512	
056	Office of Public Defense	0.00%	0	0	0	0	0	
057	Office of Civil Legal Aid	0.00%	0	0	0	0	0	
075	Office of the Governor	0.01%	44,886	137	0	45	137	
080	Office of Lieutenant Governor	0.00%	1,009	1	0	1	1	
082	Public Disclosure Commission	0.24%	675,604	4,350	0	680	4,350	
085	Secretary of State	0.26%	774,498	4,850	0	779	4,850	
086	Office of Indian Affairs	0.00%	0	0	0	0	0	
087	Commission on Asian-American Affairs	0.00%	0	0	0	0	0	
090	Office of State Treasurer	0.06%	566,977	1,033	0	568	1,033	
091	Redistricting Commission	0.00%	0	0	0	0	0	
095	Office of State Auditor	0.16%	442,014	2,920	0	445	2,920	
099	Citizen's Comm on Salaries for Elect Off	0.00%	1,939	12	0	2	12	
100	Office of Attorney General	0.00%	0	0	0	0	0	
101	Caseload Forecast Council	0.00%	4,157	8	0	4	8	
102	Department of Financial Institutions	0.53%	1,475,635	9,783	0	1,485	9,783	
103	Department of Commerce	0.08%	710,031	1,451	0	711	1,451	
104	Forecast Council	0.00%	0	0	0	0	0	
105	Office of Financial Management	0.06%	532,736	1,165	0	534	1,165	
107	Health Care Authority	0.43%	3,923,874	7,839	0	3,932	7,839	
110	Office of Administrative Hearings	0.02%	182,939	292	0	183	292	

**OFFICE OF THE ATTORNEY GENERAL**  
**2019 Supplemental Budget Proposal**  
**Central Service Changes**

Agency: AGO - Legal Services Service: 100 - Attorney General Account: 405-1 - Legal Services Revolving Account								
Dollars: Submit in 1000s			in whole #s		in 1000s		in whole #s →	
Agency	Allocation Spread	2017-19 General Allocation (Base)	Maint Adj	Policy Adj	2019 Supplemental Budget	N5 - Facility Safety and Security	N4 - Family Leave Legal Services	N2 - Lighthouse Resources v. Governor Inslee
116	State Lottery Commission	0.03%	100,698	576	0	101	576	
117	Gambling Commission	0.17%	487,436	3,186	0	491	3,186	
118	Commission on Hispanic Affairs	0.00%	1,966	10	0	2	10	
119	Commission on African-Amer Affairs	0.00%	0	0	0	0	0	
120	Human Rights Commission	0.14%	391,735	2,539	0	394	2,539	
124	Department of Retirement Systems	0.24%	2,272,930	4,344	0	2,277	4,344	
126	State Investment Board	0.09%	906,687	1,643	0	908	1,643	
135	Innovate Washington	0.00%	0	0	0	0	0	
140	Department of Revenue	0.54%	6,125,397	10,000	0	6,135	10,000	
142	Board of Tax Appeals	0.00%	5,822	11	0	6	11	
144	Municipal Research Council	0.00%	0	0	0	0	0	
147	Office of Min & Women's Bus Enter	0.12%	374,440	2,171	0	377	2,171	
160	Insurance Commissioner	0.22%	941,878	4,013	0	946	4,013	
163	Consolidated Technology Services	0.01%	83,952	164	0	84	164	
165	Board of Accountancy	0.04%	104,679	672	0	105	672	
167	Forensic Investigations Council	0.00%	0	0	0	0	0	
179	Department of Enterprise Services	0.13%	1,262,146	2,355	0	1,265	2,355	
185	Horse Racing Commission	0.03%	76,414	512	0	77	512	
190	Board of Industrial Insurance Appeals	0.03%	104,769	524	0	105	524	
195	Liquor Control Board	1.54%	5,162,985	28,259	0	5,191	28,259	
205	Board of Pilotage Commissioners	0.01%	134,113	239	0	134	239	
215	Utilities and Transportation Commission	0.14%	3,530,648	2,595	0	3,533	2,595	
220	Board for Volunteer Firefighters	0.00%	40,482	73	0	41	73	
225	Washington State Patrol	0.37%	1,720,502	6,711	0	1,727	6,711	
227	Criminal Justice Training Commission	0.07%	432,365	1,269	0	434	1,269	
228	Traffic Safety Commission	0.00%	42,355	76	0	42	76	
235	Department of Labor and Industries	2.72%	46,757,434	49,891	0	46,807	49,891	
240	Department of Licensing	1.49%	4,745,753	27,446	0	4,773	27,446	
245	Military Department	0.06%	589,501	1,067	0	591	1,067	
275	Public Employee Relations Commission	0.01%	76,742	138	0	77	138	
300	Dept of Social & Health Services	4.20%	82,654,970	77,100	0	82,732	77,100	
303	Department of Health	2.39%	10,622,480	43,802	0	10,666	43,802	
305	Department of Veterans Affairs	0.01%	115,775	166	0	116	166	
307	Department of Youth and Family Services	0.00%	0	0	0	0	0	
310	Department of Corrections	0.49%	10,430,156	8,940	0	10,439	8,940	
315	Department of Services for the Blind	0.00%	17,033	30	0	17	30	
340	Student Achievement Council	0.03%	120,676	604	0	121	604	
341	LEOFF Plan 2 Retirement Board	0.01%	44,571	101	0	45	101	

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Dollars: Submit in 1000s			in whole #s		in 1000s		in whole #s →	
Agency	Allocation Spread	2017-19 General Allocation (Base)	Maint Adj	Policy Adj	2019 Supplemental Budget	N5 - Facility Safety and Security	N4 - Family Leave Legal Services	N2 - Lighthouse Resources v. Governor Inslee
343	Higher Education Coordinating Board	0.00%	0	0	0	0	0	
350	Superintendent of Public Instruction	0.32%	1,277,170	5,872	0	1,283	5,872	
351	School for the Blind	0.00%	7,946	8	0	8	8	
353	Center for Child Deaf & Hearing Loss	0.00%	46,934	70	0	47	70	
354	Work Force Training & Educ Coord Brd	0.01%	36,351	160	0	37	160	
355	Dept of Arch and Historic Preservation	0.01%	123,355	247	0	124	247	
357	Department of Early Learning	0.19%	1,445,421	3,558	0	1,449	3,558	
359	Charter Schools Commission	0.07%	300,306	1,302	0	302	1,302	
360	University of Washington	0.26%	6,960,123	4,710	0	6,965	4,710	
365	Washington State University	0.08%	2,116,947	1,423	0	2,118	1,423	
370	Eastern Washington University	0.05%	1,167,235	976	0	1,168	976	
375	Central Washington University	0.11%	573,194	1,971	0	575	1,971	
376	The Evergreen State College	0.07%	317,561	1,337	0	319	1,337	
380	Western Washington University	0.05%	885,637	902	0	887	902	
387	Washington State Arts Commission	0.00%	12,003	79	0	12	79	
390	Washington State Historical Society	0.01%	59,310	252	0	60	252	
395	Eastern WA State Historical Society	0.00%	41,370	28	0	41	28	
405	Department of Transportation	0.80%	7,376,095	14,670	0	7,391	14,670	
406	County Road Administration Board	0.00%	10,218	18	0	10	18	
407	Transportation Improvement Board	0.00%	5,199	8	0	5	8	
410	Transportation Commission	0.00%	23,086	42	0	23	42	
411	Freight Mob Strategic Invest Brd	0.00%	2,888	6	0	3	6	
460	Columbia River Gorge Commission	0.00%	6,708	4	0	7	4	
461	Department of Ecology	62.34%	10,662,022	1,144,597	0	11,807	7,597	1,137,000
462	Pollution Liability Insurance Agency	0.00%	30,706	20	0	31	20	
465	State Parks & Rec Comm	0.19%	499,535	3,402	0	503	3,402	
467	Recreation & Cons Funding Board	0.00%	37,619	69	0	38	69	
468	Environmental Hearings Office	0.03%	77,702	495	0	78	495	
471	Conservation Commission	0.00%	20,323	14	0	20	14	
477	Department of Fish and Wildlife	1.57%	3,958,774	28,761	0	3,988	28,761	
478	Puget Sound Partnership	0.00%	10,722	8	0	11	8	
490	Department of Natural Resources	2.58%	6,091,282	47,447	0	6,139	47,447	
495	Department of Agriculture	0.09%	800,250	1,624	0	802	1,624	
540	Employment Security Department	13.15%	2,698,909	241,390	0	2,940	13,390	228,000
699	Community and Technical Colleges	0.72%	4,385,125	13,265	0	4,398	13,265	
		0.00%	0	0	0	0		



## Proposed Fee Changes

- Not Applicable -





## Federal Fund Estimates / State Match

- Not Applicable -



## Puget Sound Action Agenda

- Not Applicable -



**TAB D**

**NEW OR INCREASED  
FEES**





## New & Increased Fees

- Not Applicable -

