

**PROPOSED SENATE
2005-07
OPERATING BUDGET
AGENCY DETAIL &
STATEWIDE SUMMARY**

SENATE CHAIR

**SENATE WAYS & MEANS COMMITTEE
MARCH 28, 2005**

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Legislative	835.3	134,926	141,900	836.3	138,245	145,637	-1.0	-3,319	-3,737
Judicial	597.4	94,075	193,627	597.4	89,389	183,703	0.0	4,686	9,924
Governmental Operations	7,842.6	441,767	3,140,283	7,856.1	439,511	3,134,608	-13.5	2,256	5,675
Other Human Services	15,374.5	1,522,890	4,067,414	15,352.8	1,528,732	4,123,298	21.7	-5,842	-55,884
DSHS	17,909.4	7,781,458	17,079,180	18,098.9	7,749,299	17,000,246	-189.5	32,159	78,934
Natural Resources	5,888.2	358,181	1,255,721	5,886.5	352,085	1,253,157	1.7	6,096	2,564
Transportation	808.5	49,614	141,504	827.2	53,797	141,278	-18.7	-4,183	226
Public Schools	282.6	10,917,068	13,127,698	282.3	10,812,137	13,016,813	0.3	104,931	110,885
Higher Education	45,826.0	3,038,465	8,225,116	45,968.3	3,014,114	8,018,886	-142.4	24,351	206,230
Other Education	335.6	42,739	104,785	333.1	42,938	104,747	2.5	-199	38
Special Appropriations	0.0	1,657,469	2,031,416	0.0	1,603,778	1,879,152	0.0	53,691	152,264
Total Budget Bill	95,699.7	26,038,652	49,508,644	96,038.6	25,824,025	49,001,525	-338.9	214,627	507,119
Appropriations in Other Legislation	0.0	70	70	0.0	0	0	0.0	70	70
Statewide Total	95,699.7	26,038,722	49,508,714	96,038.6	25,824,025	49,001,525	-338.9	214,697	507,189

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			FTEs	Difference	
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B		GF-S	Tot-B
Legislative									
House of Representatives	393.3	58,522	58,522	393.3	60,143	60,143	0.0	-1,621	-1,621
Senate	297.1	46,774	46,774	297.1	47,807	47,852	0.0	-1,033	-1,078
Jt Leg Audit & Review Committee	17.5	3,744	3,744	17.5	3,728	3,728	0.0	16	16
LEAP Committee	15.0	3,506	3,506	15.0	3,617	3,617	0.0	-111	-111
Office of the State Actuary	11.5	0	2,902	12.5	0	3,209	-1.0	0	-307
Joint Legislative Systems Comm	50.0	14,196	15,992	50.0	14,444	16,266	0.0	-248	-274
Statute Law Committee	51.0	8,184	10,460	51.0	8,506	10,822	0.0	-322	-362
Total Legislative	835.3	134,926	141,900	836.3	138,245	145,637	-1.0	-3,319	-3,737
Judicial									
Supreme Court	63.4	11,827	11,827	62.4	12,409	12,409	1.0	-582	-582
State Law Library	13.8	3,943	3,943	13.8	4,045	4,045	0.0	-102	-102
Court of Appeals	144.6	26,922	26,922	143.6	27,990	27,990	1.0	-1,068	-1,068
Commission on Judicial Conduct	9.5	2,088	2,088	9.5	2,022	2,022	0.0	66	66
Office of Administrator for Courts	354.1	37,942	119,020	356.1	39,605	112,370	-2.0	-1,663	6,650
Office of Public Defense	12.0	11,353	29,827	12.0	3,318	24,867	0.0	8,035	4,960
Total Judicial	597.4	94,075	193,627	597.4	89,389	183,703	0.0	4,686	9,924
Total Legislative/Judicial	1,432.7	229,001	335,527	1,433.7	227,634	329,340	-1.0	1,367	6,187

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Governmental Operations									
Office of the Governor	71.9	10,402	16,372	69.2	10,050	15,512	2.7	352	860
Office of the Lieutenant Governor	9.0	1,441	1,441	8.0	1,374	1,374	1.0	67	67
Public Disclosure Commission	24.5	3,889	3,889	24.5	3,963	3,963	0.0	-74	-74
Office of the Secretary of State	286.0	35,556	114,909	287.0	35,026	115,083	-1.0	530	-174
Governor's Office of Indian Affairs	2.5	557	557	4.0	693	693	-1.5	-136	-136
Asian-Pacific-American Affrs	2.0	467	467	3.0	591	591	-1.0	-124	-124
Office of the State Treasurer	72.2	0	13,666	72.2	0	13,668	0.0	0	-2
Office of the State Auditor	280.3	1,458	46,109	280.3	1,458	46,574	0.0	0	-465
Comm Salaries for Elected Officials	1.4	335	335	1.4	335	335	0.0	0	0
Office of the Attorney General	1,106.0	10,224	201,966	1,098.5	8,658	200,236	7.5	1,566	1,730
Caseload Forecast Council	7.0	1,407	1,407	7.0	1,390	1,390	0.0	17	17
Dept of Financial Institutions	169.6	0	36,664	170.0	0	36,534	-0.4	0	130
Dept Community, Trade, Econ Dev	332.6	136,305	456,246	350.4	133,622	459,987	-17.8	2,683	-3,741
Economic & Revenue Forecast Council	5.2	1,071	1,071	5.2	1,071	1,071	0.0	0	0
Office of Financial Management	266.8	31,240	103,342	265.8	31,498	103,354	1.0	-258	-12
Office of Administrative Hearings	166.9	0	28,467	166.9	0	28,920	0.0	0	-453
Department of Personnel	207.4	0	52,327	218.6	0	54,001	-11.3	0	-1,674
State Lottery Commission	145.1	0	734,500	145.1	0	734,498	0.0	0	2
Washington State Gambling Comm	166.9	0	29,313	165.5	0	29,151	1.4	0	162
WA State Comm on Hispanic Affairs	2.0	479	479	3.0	604	604	-1.0	-125	-125
African-American Affairs Comm	2.0	471	471	3.0	596	596	-1.0	-125	-125
Personnel Appeals Board	5.5	0	1,006	5.5	0	1,006	0.0	0	0
Department of Retirement Systems	271.9	0	47,949	271.8	0	47,704	0.1	0	245
State Investment Board	63.0	0	13,495	72.0	0	15,719	-9.0	0	-2,224
Public Printer	137.8	0	65,385	137.8	0	66,043	0.0	0	-658
Department of Revenue	1,048.9	173,073	184,762	1,063.5	176,905	188,672	-14.7	-3,832	-3,910
Board of Tax Appeals	12.5	2,532	2,532	11.0	2,330	2,330	1.5	202	202
Municipal Research Council	0.0	0	4,921	0.0	0	4,921	0.0	0	0
Minority & Women's Business Enterp	17.0	0	3,094	17.0	0	3,092	0.0	0	2
Dept of General Administration	583.8	471	131,172	586.0	471	132,594	-2.2	0	-1,422
Department of Information Services	431.0	0	209,507	434.0	0	210,759	-3.0	0	-1,252
Office of Insurance Commissioner	204.1	0	39,678	204.1	0	39,684	0.0	0	-6
State Board of Accountancy	9.3	0	1,931	9.3	0	1,929	0.0	0	2
Forensic Investigations Council	0.0	0	282	0.0	0	282	0.0	0	0
Washington Horse Racing Commission	28.5	0	8,478	28.5	0	8,476	0.0	0	2
WA State Liquor Control Board	1,022.1	3,049	188,882	1,006.6	3,013	187,412	15.5	36	1,470
Utilities and Transportation Comm	154.0	0	32,090	154.0	0	32,022	0.0	0	68
Board for Volunteer Firefighters	3.8	0	825	3.8	0	829	0.0	0	-4
Military Department	284.4	17,987	268,400	281.4	17,597	253,652	3.0	390	14,748
Public Employment Relations Comm	42.7	5,146	7,850	42.7	5,144	7,848	0.0	2	2
LEOFF 2 Retirement Board	6.0	0	1,884	6.0	0	1,884	0.0	0	0
Growth Management Hearings Board	12.0	3,108	3,108	12.0	3,122	3,122	0.0	-14	-14

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
State Convention and Trade Center	161.0	0	76,495	161.0	0	76,493	0.0	0	2
Archaeology & Historic Preservation	16.6	1,099	2,559	0.0	0	0	16.6	1,099	2,559
Total Governmental Operations	7,842.6	441,767	3,140,283	7,856.1	439,511	3,134,608	-13.5	2,256	5,675

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Other Human Services									
WA State Health Care Authority	273.8	0	617,562	285.6	0	627,727	-11.8	0	-10,165
Human Rights Commission	47.7	4,941	6,813	47.7	5,129	6,801	0.0	-188	12
Bd of Industrial Insurance Appeals	170.2	0	34,289	158.4	0	31,439	11.8	0	2,850
Criminal Justice Training Comm	38.2	0	18,791	39.2	0	19,987	-1.0	0	-1,196
Department of Labor and Industries	2,657.0	17,696	521,109	2,640.3	14,201	506,752	16.7	3,495	14,357
Indeterminate Sentence Review Board	9.2	2,115	2,115	9.2	2,109	2,109	0.0	6	6
Home Care Quality Authority	4.0	2,984	4,018	4.0	2,988	4,029	0.0	-4	-11
Department of Health	1,296.0	125,883	865,030	1,308.4	126,879	917,151	-12.4	-996	-52,121
Department of Veterans' Affairs	614.0	22,805	83,329	614.2	22,626	83,309	-0.3	179	20
Department of Corrections	8,018.0	1,340,979	1,371,461	7,999.6	1,349,364	1,381,492	18.4	-8,385	-10,031
Dept of Services for the Blind	67.3	3,769	20,709	67.3	3,766	20,708	0.0	3	1
Sentencing Guidelines Commission	10.4	1,681	1,681	10.4	1,670	1,670	0.0	11	11
Department of Employment Security	2,168.9	37	520,507	2,168.7	0	520,124	0.3	37	383
Total Other Human Services	15,374.5	1,522,890	4,067,414	15,352.8	1,528,732	4,123,298	21.7	-5,842	-55,884

2005-07 Omnibus Operating Budget

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	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B		GF-S	Tot-B
DSHS									
Children and Family Services	2,421.2	489,384	926,281	2,483.6	503,588	935,197	-62.4	-14,204	-8,916
Juvenile Rehabilitation	1,136.5	156,771	207,972	1,144.6	153,835	204,638	-8.1	2,936	3,334
Mental Health	3,234.7	834,424	1,361,471	3,262.3	835,615	1,362,759	-27.7	-1,191	-1,288
Developmental Disabilities	3,316.3	760,747	1,441,566	3,342.3	768,551	1,460,558	-26.1	-7,804	-18,992
Long-Term Care	1,151.9	1,220,860	2,502,547	1,175.6	1,185,905	2,434,465	-23.8	34,955	68,082
Economic Services Administration	4,421.7	963,061	2,232,887	4,449.6	945,767	2,214,943	-27.9	17,294	17,944
Alcohol & Substance Abuse	98.1	123,660	304,739	97.1	100,937	273,934	1.0	22,723	30,805
Medical Assistance Payments	1,080.2	3,057,970	7,736,351	1,088.1	3,080,771	7,752,843	-8.0	-22,801	-16,492
Vocational Rehabilitation	346.9	22,542	111,819	346.9	22,334	111,825	0.0	208	-6
Administration/Support Svcs	551.8	59,278	115,683	558.5	60,069	112,430	-6.8	-791	3,253
Payments to Other Agencies	0.0	92,761	137,864	0.0	91,927	136,654	0.0	834	1,210
Information System Services	150.4	0	0	150.4	0	0	0.0	0	0
Total DSHS	17,909.4	7,781,458	17,079,180	18,098.9	7,749,299	17,000,246	-189.5	32,159	78,934
Total Human Services	33,283.8	9,304,348	21,146,594	33,451.6	9,278,031	21,123,544	-167.8	26,317	23,050

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			FTEs	Difference	
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B		GF-S	Tot-B
Natural Resources									
Columbia River Gorge Commission	10.8	935	1,780	10.8	940	1,790	0.0	-5	-10
Department of Ecology	1,484.2	78,720	382,190	1,500.1	79,039	385,526	-15.9	-319	-3,336
WA Pollution Liab Insurance Program	7.1	0	1,978	7.1	0	1,978	0.0	0	0
State Parks and Recreation Comm	715.2	63,601	111,056	718.2	64,694	112,200	-3.0	-1,093	-1,144
Interagency Comm for Outdoor Rec	28.1	2,810	25,694	28.1	2,770	25,654	0.0	40	40
Environmental Hearings Office	9.0	2,073	2,073	9.0	2,127	2,127	0.0	-54	-54
State Conservation Commission	12.3	4,766	8,785	12.3	4,474	8,629	0.0	292	156
Dept of Fish and Wildlife	1,518.2	88,042	296,238	1,501.9	87,749	294,822	16.3	293	1,416
Department of Natural Resources	1,435.0	97,778	326,613	1,431.0	90,870	321,121	4.0	6,908	5,492
Department of Agriculture	668.5	19,456	99,314	668.2	19,422	99,310	0.3	34	4
Total Natural Resources	5,888.2	358,181	1,255,721	5,886.5	352,085	1,253,157	1.7	6,096	2,564

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

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	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Transportation									
Washington State Patrol	568.0	46,108	101,863	568.0	42,604	101,849	0.0	3,504	14
Department of Licensing	240.5	3,506	39,641	259.2	11,193	39,429	-18.7	-7,687	212
Total Transportation	808.5	49,614	141,504	827.2	53,797	141,278	-18.7	-4,183	226

2005-07 Omnibus Operating Budget

(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Public Schools									
OSPI & Statewide Programs	239.2	42,650	121,854	240.2	43,007	122,197	-1.0	-357	-343
General Apportionment	0.0	8,416,029	8,416,029	0.0	8,302,296	8,302,296	0.0	113,733	113,733
Pupil Transportation	0.0	491,759	491,759	0.0	486,179	486,179	0.0	5,580	5,580
School Food Services	0.0	6,200	402,089	0.0	6,200	402,089	0.0	0	0
Special Education	1.5	920,892	1,356,345	1.5	938,945	1,374,260	0.0	-18,053	-17,915
Educational Service Districts	0.0	7,404	7,404	0.0	7,290	7,290	0.0	114	114
Levy Equalization	0.0	370,089	370,089	0.0	345,841	345,841	0.0	24,248	24,248
Elementary/Secondary School Improv	0.0	0	22,084	0.0	0	22,084	0.0	0	0
Institutional Education	0.0	38,735	38,735	0.0	38,193	38,193	0.0	542	542
Ed of Highly Capable Students	0.0	13,776	13,776	0.0	13,609	13,609	0.0	167	167
Student Achievement Program	0.0	0	629,356	0.0	0	629,356	0.0	0	0
Education Reform	41.9	68,720	192,944	40.6	79,702	203,926	1.3	-10,982	-10,982
Transitional Bilingual Instruction	0.0	123,084	168,645	0.0	121,175	166,736	0.0	1,909	1,909
Learning Assistance Program (LAP)	0.0	148,240	491,467	0.0	169,919	513,146	0.0	-21,679	-21,679
Compensation Adjustments	0.0	269,490	270,685	0.0	259,781	260,511	0.0	9,709	10,174
Common School Construction	0.0	0	134,437	0.0	0	129,100	0.0	0	5,337
Total Public Schools	282.6	10,917,068	13,127,698	282.3	10,812,137	13,016,813	0.3	104,931	110,885

2005-07 Omnibus Operating Budget

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	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B		GF-S	Tot-B
Higher Education									
Higher Education Coordinating Board	85.9	430,020	460,022	85.9	360,415	390,332	0.0	69,605	69,690
University of Washington	19,697.2	666,776	3,802,088	19,709.7	697,104	3,760,447	-12.5	-30,328	41,641
Washington State University	5,995.2	421,427	1,009,099	5,998.2	424,501	981,265	-3.0	-3,074	27,834
Eastern Washington University	1,144.4	95,330	183,770	1,162.4	96,939	174,991	-18.0	-1,609	8,779
Central Washington University	1,160.3	95,280	215,500	1,158.3	96,069	208,489	2.0	-789	7,011
The Evergreen State College	661.6	51,787	103,891	657.6	53,862	100,646	4.0	-2,075	3,245
Spokane Intercol Rsch & Tech Inst	23.9	3,122	4,517	23.9	3,126	4,521	0.0	-4	-4
Western Washington University	1,708.3	121,199	297,169	1,703.8	123,985	291,226	4.5	-2,786	5,943
Community/Technical College System	15,349.2	1,153,524	2,149,060	15,468.5	1,158,113	2,106,969	-119.4	-4,589	42,091
Total Higher Education	45,826.0	3,038,465	8,225,116	45,968.3	3,014,114	8,018,886	-142.4	24,351	206,230
Other Education									
State School for the Blind	82.5	10,054	11,389	82.5	10,051	11,386	0.0	3	3
State School for the Deaf	123.7	16,535	16,767	123.7	16,532	16,764	0.0	3	3
Work Force Trng & Educ Coord Board	22.8	2,449	56,831	22.8	3,366	57,711	0.0	-917	-880
Washington State Arts Commission	17.6	4,615	6,115	17.6	4,617	5,917	0.0	-2	198
Washington State Historical Society	51.9	5,985	7,828	49.4	5,271	7,114	2.5	714	714
East Wash State Historical Society	37.3	3,101	5,855	37.3	3,101	5,855	0.0	0	0
Total Other Education	335.6	42,739	104,785	333.1	42,938	104,747	2.5	-199	38
Total Education	46,444.1	13,998,272	21,457,599	46,583.7	13,869,189	21,140,446	-139.6	129,083	317,153

2005-07 Omnibus Operating Budget

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	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Special Appropriations									
Bond Retirement and Interest	0.0	1,416,608	1,601,604	0.0	1,414,608	1,599,604	0.0	2,000	2,000
Special Approps to the Governor	0.0	-7,113	44,957	0.0	11,213	15,213	0.0	-18,326	29,744
State Employee Compensation Adjust	0.0	166,574	303,455	0.0	96,557	182,935	0.0	70,017	120,520
Contributions to Retirement Systems	0.0	81,400	81,400	0.0	81,400	81,400	0.0	0	0
Total Special Appropriations	0.0	1,657,469	2,031,416	0.0	1,603,778	1,879,152	0.0	53,691	152,264

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2005-07 Omnibus Operating Budget
House of Representatives
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	388.3	57,146	57,191	388.3	57,146	57,191	0.0	0	0
2005-07 Maintenance Level	393.3	58,653	58,653	393.3	60,143	60,143	0.0	-1,490	-1,490
Policy Changes:									
1. General Inflation	0.0	-131	-131	0.0	0	0	0.0	-131	-131
Total Policy Changes	0.0	-131	-131	0.0	0	0	0.0	-131	-131
Total 2005-07 Biennium	393.3	58,522	58,522	393.3	60,143	60,143	0.0	-1,621	-1,621
Difference from 2003-05	5.0	1,376	1,331	5.0	2,997	2,952	0.0	-1,621	-1,621
% Change from 2003-05	1.3%	2.4%	2.3%	1.3%	5.2%	5.2%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Senate
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	297.1	45,820	45,865	297.1	45,820	45,865	0.0	0	0
2005-07 Maintenance Level	297.1	46,843	46,848	297.1	47,807	47,852	0.0	-964	-1,004
Policy Changes:									
1. General Inflation	0.0	-69	-74	0.0	0	0	0.0	-69	-74
Total Policy Changes	0.0	-69	-74	0.0	0	0	0.0	-69	-74
Total 2005-07 Biennium	297.1	46,774	46,774	297.1	47,807	47,852	0.0	-1,033	-1,078
Difference from 2003-05	0.0	954	909	0.0	1,987	1,987	0.0	-1,033	-1,078
% Change from 2003-05	0.0%	2.1%	2.0%	0.0%	4.3%	4.3%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Joint Legislative Audit & Review Committee
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	17.5	3,642	3,642	17.5	3,642	3,642	0.0	0	0
2005-07 Maintenance Level	17.5	3,651	3,651	17.5	3,728	3,728	0.0	-77	-77
Policy Changes:									
1. General Inflation	0.0	-7	-7	0.0	0	0	0.0	-7	-7
2. Assess Facilities for Treatment Use	0.0	100	100	0.0	0	0	0.0	100	100
Total Policy Changes	0.0	93	93	0.0	0	0	0.0	93	93
Total 2005-07 Biennium	17.5	3,744	3,744	17.5	3,728	3,728	0.0	16	16
Difference from 2003-05	0.0	102	102	0.0	86	86	0.0	16	16
% Change from 2003-05	0.0%	2.8%	2.8%	0.0%	2.4%	2.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Assess Facilities for Treatment Use - Senate Bill No. 5763 (treatment of mental disorders) directs the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of regional jail facilities. This item funds the contracted consultant costs of this study.

2005-07 Omnibus Operating Budget
Legislative Evaluation & Accountability Program
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	15.0	3,451	3,451	15.0	3,451	3,451	0.0	0	0
2005-07 Maintenance Level	15.0	3,515	3,515	15.0	3,617	3,617	0.0	-102	-102
Policy Changes:									
1. General Inflation	0.0	-9	-9	0.0	0	0	0.0	-9	-9
Total Policy Changes	0.0	-9	-9	0.0	0	0	0.0	-9	-9
Total 2005-07 Biennium	15.0	3,506	3,506	15.0	3,617	3,617	0.0	-111	-111
Difference from 2003-05	0.0	55	55	0.0	166	166	0.0	-111	-111
% Change from 2003-05	0.0%	1.6%	1.6%	0.0%	4.8%	4.8%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Office of the State Actuary
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	11.5	0	2,645	11.5	0	2,645	0.0	0	0
2005-07 Maintenance Level	11.5	0	2,711	11.5	0	2,820	0.0	0	-109
Policy Changes:									
1. General Inflation	0.0	0	-9	0.0	0	0	0.0	0	-9
2. Business Plan Consultant	0.0	0	0	0.0	0	8	0.0	0	-8
3. Actuarial Valuation System	0.0	0	200	0.0	0	200	0.0	0	0
4. Publications Specialist	0.0	0	0	1.0	0	181	-1.0	0	-181
Total Policy Changes	0.0	0	191	1.0	0	389	-1.0	0	-198
Total 2005-07 Biennium	11.5	0	2,902	12.5	0	3,209	-1.0	0	-307
Difference from 2003-05	0.0	0	257	1.0	0	564	-1.0	0	-307
% Change from 2003-05	0.0%	0.0%	9.7%	0.0%	0.0%	21.3%			

Comments:

1. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account-State)

3. Actuarial Valuation System - The Senate budget provides funding to lease a new software package for actuarial valuation. (Department of Retirement Systems Expense Account-State)

4. Publications Specialist - The Senate budget does not provide funding for the addition of a new position to the Office of the State Actuary. (Department of Retirement Systems Expense Account-State)

2005-07 Omnibus Operating Budget
Joint Legislative Systems Committee
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	48.0	13,629	15,442	48.0	13,629	15,442	0.0	0	0
2005-07 Maintenance Level	50.0	14,117	15,897	50.0	14,444	16,266	0.0	-327	-369
Policy Changes:									
1. General Inflation	0.0	-75	-80	0.0	0	0	0.0	-75	-80
2. Competitive Salary Adjustments	0.0	154	175	0.0	0	0	0.0	154	175
Total Policy Changes	0.0	79	95	0.0	0	0	0.0	79	95
Total 2005-07 Biennium	50.0	14,196	15,992	50.0	14,444	16,266	0.0	-248	-274
Difference from 2003-05	2.0	567	550	2.0	815	824	0.0	-248	-274
% Change from 2003-05	4.2%	4.2%	3.6%	4.2%	6.0%	5.3%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Competitive Salary Adjustments - Funding is requested to continue a three-year phased approach, started in FY 2005, to augment budgeted 2-1/2% merit increases with salary increases that will better align current salaries of permanent staff with market conditions. (General Fund-State and Legislative Systems Revolving Account-Nonappropriated)

2005-07 Omnibus Operating Budget
Statute Law Committee
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	51.0	7,914	10,161	51.0	7,914	10,161	0.0	0	0
2005-07 Maintenance Level	51.0	8,222	10,519	51.0	8,506	10,822	0.0	-284	-303
Policy Changes:									
1. General Inflation	0.0	-38	-59	0.0	0	0	0.0	-38	-59
Total Policy Changes	0.0	-38	-59	0.0	0	0	0.0	-38	-59
Total 2005-07 Biennium	51.0	8,184	10,460	51.0	8,506	10,822	0.0	-322	-362
Difference from 2003-05	0.0	270	299	0.0	592	661	0.0	-322	-362
% Change from 2003-05	0.0%	3.4%	2.9%	0.0%	7.5%	6.5%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Supreme Court
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	61.9	11,339	11,339	61.9	11,339	11,339	0.0	0	0
2005-07 Maintenance Level	61.9	11,632	11,632	61.9	12,162	12,162	0.0	-530	-530
Policy Changes:									
1. General Inflation	0.0	-5	-5	0.0	0	0	0.0	-5	-5
2. Supreme Court Reclassifications	0.0	0	0	0.0	200	200	0.0	-200	-200
3. Editorial Assistant	0.0	0	0	0.5	47	47	-0.5	-47	-47
4. Access to Justice	1.5	200	200	0.0	0	0	1.5	200	200
Total Policy Changes	1.5	195	195	0.5	247	247	1.0	-52	-52
Total 2005-07 Biennium	63.4	11,827	11,827	62.4	12,409	12,409	1.0	-582	-582
Difference from 2003-05	1.5	488	488	0.5	1,070	1,070	1.0	-582	-582
% Change from 2003-05	1.6%	4.3%	4.3%	0.0%	9.4%	9.4%			

Comments:

1. General Inflation - All state agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Supreme Court Reclassifications - No funding is provided for a salary reclassifications for Supreme court staff. Insufficient evidence has been presented that turnover is an issue for the Supreme Court. However, funding is provided in the Office of the Administrator for the Courts budget to contract with the Department of Personnel (DOP) for a comprehensive salary survey of all judicial agencies, so that judicial salary reclassifications can be reconsidered in future budget requests. The DOP has provided similar functions for other non-executive agencies in the past, such as the House of Representatives. In addition, 5 percent merit increments are funded at the maintenance level, and cost of living increases of 3.2 percent effective beginning Fiscal Year 2006 and 1.6 percent effective beginning Fiscal Year 2007 for judicial employees are funded in the special appropriations section of the Senate budget.

3. Editorial Assistant - Funding is not provided for another editorial assistant at this time; additional funding was provided in the 2004 supplemental enacted budget to partially cover this need.

4. Access to Justice - Funding is provided for one and a half staff for the Access to Justice Board (AJB). The AJB was created by court rule in 2000 and has operated since using volunteers; state funding is needed to continue services. Recently, the AJB has taken on a greater coordinating role, doing statewide planning to improve civil indigent legal services.

2005-07 Omnibus Operating Budget
State Law Library
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	13.8	4,127	4,127	13.8	4,127	4,127	0.0	0	0
2005-07 Maintenance Level	13.8	3,946	3,946	13.8	4,011	4,011	0.0	-65	-65
Policy Changes:									
1. General Inflation	0.0	-3	-3	0.0	0	0	0.0	-3	-3
2. Law Library Reclassification	0.0	0	0	0.0	34	34	0.0	-34	-34
Total Policy Changes	0.0	-3	-3	0.0	34	34	0.0	-37	-37
Total 2005-07 Biennium	13.8	3,943	3,943	13.8	4,045	4,045	0.0	-102	-102
Difference from 2003-05	0.0	-184	-184	0.0	-82	-82	0.0	-102	-102
% Change from 2003-05	0.0%	-4.5%	-4.5%	0.0%	-2.0%	-2.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Law Library Reclassification - No funding is provided for a salary increase for the state law librarian. No documentation of turnover issues has been presented by the agency, nor has any information been presented on the parity between this salary and other similar positions. However, funding is provided in the Office of the Administrator for the Courts budget to contract with the Department of Personnel (DOP) for a comprehensive salary survey of all judicial agencies, so that judicial salary reclassifications can be reconsidered in future budget requests. The DOP has provided similar functions for other non-executive agencies in the past, such as the House of Representatives. In addition, 5 percent merit increments are funded at the maintenance level, and cost of living increases of 3.2 percent effective beginning Fiscal Year 2006 and 1.6 percent effective beginning Fiscal Year 2007 for judicial employees are funded in the special appropriations section of the Senate budget.

2005-07 Omnibus Operating Budget
Court of Appeals
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	141.1	25,814	25,814	141.1	25,814	25,814	0.0	0	0
2005-07 Maintenance Level	141.6	26,549	26,549	141.6	27,313	27,313	0.0	-764	-764
Policy Changes:									
1. General Inflation	0.0	-84	-84	0.0	0	0	0.0	-84	-84
2. Salary Reclassification	0.0	120	120	0.0	400	400	0.0	-280	-280
3. Additional Staff	3.0	293	293	2.0	217	217	1.0	76	76
4. Division III Security	0.0	28	28	0.0	44	44	0.0	-16	-16
5. Division III Local Hearings	0.0	16	16	0.0	16	16	0.0	0	0
Total Policy Changes	3.0	373	373	2.0	677	677	1.0	-304	-304
Total 2005-07 Biennium	144.6	26,922	26,922	143.6	27,990	27,990	1.0	-1,068	-1,068
Difference from 2003-05	3.5	1,108	1,108	2.5	2,176	2,176	1.0	-1,068	-1,068
% Change from 2003-05	2.8%	4.3%	4.3%	2.1%	8.4%	8.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Salary Reclassification - Funding is provided for salary reclassifications for Judicial Administrative Assistants and Commissioner Administrative Assistants. The Court of Appeals provided evidence that these positions have turnover issues and that their salary is more than 25 percent lower than comparable positions at other agencies. The level of funding provided will bring these salaries up to 25 percent of comparable positions. This is consistent with the approach used in the collective bargaining agreement "salary survey" adjustments made by Governor for represented employees at executive agencies. Also, funding is provided in the Office of the Administrator for the Courts budget to contract with the Department of Personnel (DOP) for a more comprehensive salary survey of all judicial agencies, so that judicial salary reclassifications can be reconsidered in future budget requests. The DOP has provided similar functions for other non-executive agencies in the past, such as the House of Representatives. In addition, 5 percent merit increments are funded at the maintenance level, and cost of living increases of 3.2 percent effective beginning Fiscal Year 2006 and 1.6 percent effective beginning Fiscal Year 2007 for judicial employees are funded in the special appropriations section of the Senate budget.

3. Additional Staff - Funding is provided to partially restore across-the-board cuts made to staffing levels at the Court of Appeals (COA) during the 2003-05 biennium. Adding three staff will enable the COA to keep its current staff to workload ratio, preventing additional delays in turnaround. Unlike the Supreme Court, the COA does not have the discretion to turn down cases and mitigate its workload, which has continued to grow. Including this staffing addition, the COA would still have 4% fewer total FTEs in 2005-07 than in 1999-01.

2005-07 Omnibus Operating Budget Court of Appeals

4. Division III Security - Funding is provided to insure staffing of metal detectors and x-ray equipment at Division III, on days the court is in session. Security staffing will improve public safety during appellate proceedings, and make the level of security at Division III consistent with the other divisions. Although security equipment is now in place, staffing was cut by the Court of Appeals as a budget measure during the 2003-05 biennium.

5. Division III Local Hearings - Funding is provided to allow the COA Division III to resume hearing oral arguments in cities other than Spokane several times per year, in locations such as Yakima and the Tri-Cities. This service was cut back in response to across-the-board cuts during the 2003-05 biennium. Division III is the largest of the three geographic divisions, and includes most of eastern Washington. By traveling to these locations a few times per year, the COA can save higher combined travel costs for local prosecutors, attorneys general, and appellate defense attorneys.

2005-07 Omnibus Operating Budget
Commission on Judicial Conduct
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	9.5	1,848	1,848	9.5	1,848	1,848	0.0	0	0
2005-07 Maintenance Level	9.5	2,058	2,060	9.5	1,974	1,974	0.0	84	86
Policy Changes:									
1. General Inflation	0.0	-8	-10	0.0	0	0	0.0	-8	-10
2. Microfiche-Microfilm Conversion	0.0	0	0	0.0	10	10	0.0	-10	-10
3. Computer Replacement	0.0	38	38	0.0	38	38	0.0	0	0
Total Policy Changes	0.0	30	28	0.0	48	48	0.0	-18	-20
Total 2005-07 Biennium	9.5	2,088	2,088	9.5	2,022	2,022	0.0	66	66
Difference from 2003-05	0.0	240	240	0.0	174	174	0.0	66	66
% Change from 2003-05	0.0%	13.0%	13.0%	0.0%	9.4%	9.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Microfiche-Microfilm Conversion - The agency has requested one-time funding to convert archive files from a microfiche/microfilm format to a digital image format. The Senate recommends that this one-time, minimal cost can be absorbed by the agency.

3. Computer Replacement - Funding is provided to replace and upgrade the Commission's computers, servers, firewall, and related software, which are all over five years old. The agency cannot absorb this cost without holding vacancies.

2005-07 Omnibus Operating Budget
Office of the Administrator for the Courts
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	347.8	36,043	111,799	347.8	36,043	111,799	0.0	0	0
2005-07 Maintenance Level	352.8	37,702	97,947	352.8	38,834	99,901	0.0	-1,132	-1,954
Policy Changes:									
1. General Inflation	0.0	-60	-295	0.0	0	0	0.0	-60	-295
2. Office Consolidation	0.0	0	0	0.0	0	780	0.0	0	-780
3. JIS Migration Phase III Development	0.0	0	9,700	0.0	0	9,700	0.0	0	0
4. Equipment Replacement	0.0	0	3,890	0.0	0	1,000	0.0	0	2,890
5. Court Interpreter Enhancements	1.0	0	143	1.0	0	143	0.0	0	0
6. CASA/GAL Program Support	0.0	300	300	0.0	300	300	0.0	0	0
7. Performance Audits	0.0	0	0	2.3	471	471	-2.3	-471	-471
8. Trial Court Coordination Project	0.0	0	0	0.0	0	75	0.0	0	-75
9. Assist Locals with Judges' Salaries	0.3	0	7,335	0.0	0	0	0.3	0	7,335
Total Policy Changes	1.3	240	21,073	3.3	771	12,469	-2.0	-531	8,604
Total 2005-07 Biennium	354.1	37,942	119,020	356.1	39,605	112,370	-2.0	-1,663	6,650
Difference from 2003-05	6.3	1,899	7,221	8.3	3,562	571	-2.0	-1,663	6,650
% Change from 2003-05	1.7%	5.3%	6.5%	2.3%	9.9%	0.5%			

Comments:

1. General Inflation - All state agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Various other funds)

2. Office Consolidation - The Senate budget provides \$220,000 in funding at the maintenance level for unavoidable and non-discretionary increased lease costs. However, no funding is provided for discretionary move costs, which the agency will need to absorb.

3. JIS Migration Phase III Development - Dedicated funding is provided for the OAC to continue Phase III of the Judicial Information System (JIS) Migration. JIS serves all court levels in the state. Phase III is necessary for OAC to replace its legacy mainframe court case management systems which no longer meet the business needs of the courts. (Judicial Information Systems Account-State)

4. Equipment Replacement - Funding is provided for OAC to purchase replacement computer equipment for local courts which use the Judicial Information System. Using a five-year cycle for replacement, most counties need replacement of personal computers and printers. By funding this item, county clerks will not have to pursue local funding or risk hardware failures. (Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget Office of the Administrator for the Courts

5. Court Interpreter Enhancements - Funding is provided for grants to local courts for additional court interpreter training. The trainings are necessary in order to produce a greater number of qualified court language interpreters, particularly in less-commonly known languages.

6. CASA/GAL Program Support - Funding is provided to expand training and support for the Dependency Court Appointed Special Advocate (CASA)/Guardian ad Litem (GAL) programs serving abused and neglected children throughout the state. Funds will be distributed to local CASA programs in accordance with a formula established by the State's Juvenile Court Administrators.

7. Performance Audits - The Senate budget does not provide funding for this item at this time.

8. Trial Court Coordination Project - The Senate budget does not provide funding for this item at this time.

9. Assist Locals with Judges' Salaries - The Senate budget provides funding to begin paying half of district court judges' salaries and half of elected municipal court judges' salaries beginning in fiscal year 2007, assuming enactment of SB 5454 (court operations). Payment of salaries will be partially funded in the long term by increased court fees under SB 5454. The bill will make treatment of judicial salaries for courts of limited jurisdiction consistent with the state's current payment of one-half the salaries of superior court judges. (Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget
Office of Public Defense
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	5.5	1,550	14,349	5.5	1,550	14,349	0.0	0	0
2005-07 Maintenance Level	5.5	1,792	14,832	5.5	1,768	14,599	0.0	24	233
Policy Changes:									
1. Public Defender Training Grants #	0.0	600	600	0.0	0	600	0.0	600	0
2. General Inflation	0.0	-24	-261	0.0	0	0	0.0	-24	-261
3. Trial Level Indigent Defense	2.5	0	5,260	2.5	0	1,260	0.0	0	4,000
4. Equalization of Attorney Pay	0.0	0	158	0.0	0	322	0.0	0	-164
5. Attorney Vendor Rate Increase	0.0	0	192	0.0	0	298	0.0	0	-106
6. Dependency and Termination Program#	4.0	8,985	8,985	4.0	1,550	7,550	0.0	7,435	1,435
7. Rate Change for Court Reporter	0.0	0	61	0.0	0	238	0.0	0	-177
Total Policy Changes	6.5	9,561	14,995	6.5	1,550	10,268	0.0	8,011	4,727
Total 2005-07 Biennium	12.0	11,353	29,827	12.0	3,318	24,867	0.0	8,035	4,960
Difference from 2003-05	6.5	9,803	15,478	6.5	1,768	10,518	0.0	8,035	4,960
% Change from 2003-05	100.0%	632.5%	107.9%	100.0%	114.1%	73.3%			

Comments:

1. Public Defender Training Grants # - Funding is provided to maintain public defender training previously funded with the discontinued federal Byrne Grant in the Department of Community, Trade, and Economic Development.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Public Safety and Education Account-State)

3. Trial Level Indigent Defense - Funding of \$540,000 is provided for two resource staff for counties at the state Office of Public Defense (OPD). An additional \$4.74 million is provided contingent upon passage of SB 5287 (social card games), which would provide increased state revenue. \$4 million of these funds would be used to fund and evaluate an improved criminal indigent defense pilot project, and the rest would be used for additional technical assistance or resource staff at OPD. (Public Safety and Education Account-State)

4. Equalization of Attorney Pay - Funding is provided to equalize pay rates for all attorneys performing indigent appellate services. (Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget Office of Public Defense

5. Attorney Vendor Rate Increase - Funding is budgeted for an inflationary adjustment to attorneys who provide appellate defense for indigent defendants, in an amount similar to that provided in other vendor rate increases. (Public Safety and Education Account-State)

6. Dependency and Termination Program# - The Senate budget expands the current parents' representation program in Pierce and Benton-Franklin courts to two-thirds of the rest of the state by the end of the biennium. The program insures adequate representation of indigent parents who are in danger of losing permanent custody of their children, and connects parents with services they need to keep or regain custody. Results in the existing counties have shown improved reunifications and reduced foster care time pending trial. The new funding also helps relieve the burden on the counties, as counties currently pay 100 hundred percent of defense costs (the State Attorney General already pays for prosecution costs). Unlike the Governor Gregoire budget, none of the funding in the Senate budget is contingent upon passage of separate legislation generating new revenue. However, the Senate budget assumes that the Office of Public Defense will return with a policy level request in future budget cycles to finish expanding the program to the rest of the state, to minimize the bow wave into the 2007-09 budget.

7. Rate Change for Court Reporter - Funding is provided for an inflationary adjustment to contracted court reporters, in an amount similar to that provided in other vendor rate increases. Court reporters prepare the verbatim reports of proceedings for indigent appellate cases and are compensated on a per page rate set by the Washington Supreme Court. The last rate increase for these services was granted on July 1, 1995. (Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget
Office of the Governor
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	57.2	7,846	12,882	57.2	7,846	12,882	0.0	0	0
2005-07 Maintenance Level	68.7	9,537	14,718	68.7	9,615	14,796	0.0	-78	-78
Policy Changes:									
1. Ombudsman System Specialist	0.5	68	68	0.5	68	68	0.0	0	0
2. Public Involvement and Education	0.0	0	100	0.0	0	100	0.0	0	0
3. Hood Canal Corrective Action	0.0	400	600	0.0	400	600	0.0	0	0
4. Middle Management Reduction	-0.3	0	-32	-0.3	0	-32	0.0	0	0
5. PSWQ Expenditures	0.0	0	26	0.3	0	26	-0.3	0	0
6. General Inflation	0.0	-33	-46	0.0	-33	-46	0.0	0	0
7. Oil Spill Advisory Council	2.0	0	508	0.0	0	0	2.0	0	508
8. Invasive Species Council	1.0	200	200	0.0	0	0	1.0	200	200
9. Ocean Policy Review Commission	0.0	230	230	0.0	0	0	0.0	230	230
Total Policy Changes	3.2	865	1,654	0.5	435	716	2.7	430	938
Total 2005-07 Biennium	71.9	10,402	16,372	69.2	10,050	15,512	2.7	352	860
Difference from 2003-05	14.7	2,556	3,490	12.0	2,204	2,630	2.7	352	860
% Change from 2003-05	26.3%	32.6%	27.1%	21.1%	28.1%	20.4%			

Comments:

1. Ombudsman System Specialist - The Office of the Family and Children's Ombudsman (OFCO) is given funding for a half-time position that will provide technical assistance, data entry, and information management regarding complaint investigations as well as systemic investigations initiated by the ombudsman.

2. Public Involvement and Education - The Puget Sound Water Quality (PSWQ) Action Team's public involvement and education funding has not kept pace with public interest. Citizens want to get more involved in their communities and find solutions to serious water quality and habitat protection issues that are harming Puget Sound: stormwater runoff, toxic contamination, diminishing nearshore habitat, and decreased populations of salmon, orcas, and other aquatic life. During the 2003-05 Biennium, only 14 percent of projects were funded. Additional grants will be awarded to organizations pursuing these efforts. (Water Quality Account-State)

3. Hood Canal Corrective Action - The Puget Sound Water Quality Action Team will take corrective action for Hood Canal, including salmon carcasses out of the area and implementing alternative septic technology. (General Fund-State, General Fund-Federal)

4. Middle Management Reduction - Middle management positions are reduced.

2005-07 Omnibus Operating Budget Office of the Governor

5. PSWQ Expenditures - Staffing of the Ballast Water Work Group is transferred from the Department of Fish and Wildlife to the PSWQ Action Team. The work group is directed to prepare a report on all issues related to the implementation of the state ballast water program for the Legislature by December 15, 2006. (Water Quality Account-State)

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

7. Oil Spill Advisory Council - Funding is provided for implementation of Senate Bill 5432, creating the Oil Spill Advisory Council (Oil Spill Prevention Account).

8. Invasive Species Council - Funding is provided to implement the provisions of Substitute Senate Bill 5385, establishing the Invasive Species Council.

9. Ocean Policy Review Commission - One-time funding is provided for the Ocean Policy Review Commission to review and recommend policies to more effectively manage and protect the state's coastal and ocean resources. The commission is created in Substitute Senate Bill 5278.

* **Salmon Recovery Office** - Funding for the Office of Salmon Recovery is shifted from the second year of the biennium to the first year to reflect the sunset of the office.

2005-07 Omnibus Operating Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	8.0	1,106	1,106	8.0	1,106	1,106	0.0	0	0
2005-07 Maintenance Level	8.0	1,198	1,198	8.0	1,200	1,200	0.0	-2	-2
Policy Changes:									
1. Legislative and Community Liaison	1.0	226	226	0.0	176	176	1.0	50	50
2. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
3. Exempt Staff Pay Parity	0.0	19	19	0.0	0	0	0.0	19	19
Total Policy Changes	1.0	243	243	0.0	174	174	1.0	69	69
Total 2005-07 Biennium	9.0	1,441	1,441	8.0	1,374	1,374	1.0	67	67
Difference from 2003-05	1.0	335	335	0.0	268	268	1.0	67	67
% Change from 2003-05	12.5%	30.3%	30.3%	0.0%	24.2%	24.2%			

Comments:

1. Legislative and Community Liaison - Additional funding is provided for a Legislative and Community Liaison position, as well as administrative support.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Exempt Staff Pay Parity - The Lieutenant Governor's Office staff serve in exempt positions; therefore, salary adjustments are not addressed through a normal compensation budgeting process or the collective bargaining process. The staff support the Lieutenant Governor in a number of important and high visibility areas such as economic development and international trade, and substance abuse education, prevention and treatment. A two-percent compensation increase is provided to achieve pay parity for the staff.

2005-07 Omnibus Operating Budget
Public Disclosure Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	24.5	3,597	3,597	24.5	3,597	3,597	0.0	0	0
2005-07 Maintenance Level	24.5	3,898	3,898	24.5	3,837	3,837	0.0	61	61
Policy Changes:									
1. Election Reform Legislation #	0.0	0	0	0.0	135	135	0.0	-135	-135
2. General Inflation	0.0	-9	-9	0.0	-9	-9	0.0	0	0
Total Policy Changes	0.0	-9	-9	0.0	126	126	0.0	-135	-135
Total 2005-07 Biennium	24.5	3,889	3,889	24.5	3,963	3,963	0.0	-74	-74
Difference from 2003-05	0.0	292	292	0.0	366	366	0.0	-74	-74
% Change from 2003-05	0.0%	8.1%	8.1%	0.0%	10.2%	10.2%			

Comments:

1. Election Reform Legislation # - The Senate budget does not fund this item.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Office of the Secretary of State
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	272.3	41,693	108,813	272.3	41,693	108,813	0.0	0	0
2005-07 Maintenance Level	271.3	35,610	85,517	271.3	35,610	85,519	0.0	0	-2
Policy Changes:									
1. Middle Management Reduction	-4.4	-244	-479	-4.4	-244	-479	0.0	0	0
2. General Inflation	0.0	-340	-441	0.0	-340	-441	0.0	0	0
3. Digital Archive Technology	0.0	0	1,343	0.0	0	1,343	0.0	0	0
4. Grants to Local Government Agencies	0.0	0	300	0.0	0	300	0.0	0	0
5. Security Microfilm Project - Local	6.5	0	740	6.5	0	740	0.0	0	0
6. Help America Vote Act-HAVA Funding	6.6	0	27,000	6.6	0	27,000	0.0	0	0
7. Records Management Training	1.0	0	89	1.0	0	89	0.0	0	0
8. Archives Processing & Operations	6.0	0	1,012	6.0	0	1,012	0.0	0	0
9. Pass Through Adjustment for TVW	0.0	161	161	0.0	0	0	0.0	161	161
10. Eliminate Productivity Board	-4.0	0	-702	0.0	0	0	-4.0	0	-702
11. County Election Reviews	3.0	369	369	0.0	0	0	3.0	369	369
Total Policy Changes	14.7	-54	29,392	15.7	-584	29,564	-1.0	530	-172
Total 2005-07 Biennium	286.0	35,556	114,909	287.0	35,026	115,083	-1.0	530	-174
Difference from 2003-05	13.7	-6,137	6,096	14.7	-6,667	6,270	-1.0	530	-174
% Change from 2003-05	5.1%	-14.7%	5.6%	5.5%	-16.0%	5.8%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Digital Archive Technology - The Digital Archives was designed with scalable enterprise architecture, capable of being expanded based upon the number of local governments and state agencies connected to its infrastructure. In the 2005-07 Biennium, additional hardware, software, maintenance agreements, and content management purchased services will be procured so that more local government and state agency digital documents may be stored by the Digital Archives. (Archives and Records Management Account-Appropriated, Local Government Archives Account-Appropriated)

2005-07 Omnibus Operating Budget Office of the Secretary of State

4. Grants to Local Government Agencies - The State Archivist, in partnership with the Archives Oversight Committee, administers the Local Government Grant program that provides \$200,000 dollars in funding for local government records management programs and projects. In 2005-07, this funding will be increased to \$500,000. The added \$300,000 in funding will allow an additional 25 local grant projects, for a total of 47 projects. Enhancing the grants program will allow additional local agencies to implement effective records management programs, records inventory and retention scheduling projects, essential records protection plans, disaster preparedness plans, records technology upgrade plans, and to replace or recover damaged records, making public records readily available. (Local Government Archives Account-Appropriated)

5. Security Microfilm Project - Local - During the 2005-07 Biennium, the next phase of the local government security microfilm project will occur. This phase includes inspection, data entry of inspection results, reparation of silver duplicate microfilm, and ongoing funding for copying and brown-toning of incoming film. (Local Government Archives Account-Appropriated)

6. Help America Vote Act-HAVA Funding - The Secretary of State has received \$47 million in federal Help America Vote Act (HAVA) funds to spend in the 2005-07 Biennium (\$20 million dollars carried forward from the 2003-05 Biennium and \$27 million dollars in new federal funds). The \$27 million dollars in new Title II HAVA federal funds are added to assist the state and counties in complying with HAVA requirements. The state has already received \$13 million in Title I funds to replace punchcard voting machines and the development of a statewide voter registration database. The spending plan includes the following activities: developing a local government grant program, completing the development of a statewide voter registration database, implementing and maintaining this new database, and certifying electronic voting equipment. (Elections Account-Federal)

7. Records Management Training - The State Archivist is statutorily required to provide assistance and training to state and local government agencies on a variety of records management topics. These include basic records management, disaster preparedness and recovery, essential records protection, conservation and preservation, microfilming and imaging standards, electronic records management, and state archives' services. A local government records management trainer will be hired to identify and prioritize needed training; develop new curricula, training plans, and web based training modules; conduct training; and monitor progress toward meeting local government and Archives/Records Management Division goals. (Local Government Archives Account)

8. Archives Processing & Operations - Beginning in the 2005-07 Biennium and continuing for the next several biennia, the State Archives and the five regional archives will undertake a project to repackage and reorganize a significant portion of their current archival collections to ensure the collections' long-term preservation. The collections will also be reorganized for enhanced use by citizens and researchers. Six staff will be added - one at the State Archives and one at each of the five regional archives to conduct the reorganization and description of 13,500 cubic feet of collections in order to make them available for researchers. Temporary project staff will process collections that require repackaging. (Archives and Records Management Account, Local Government Archives Account).

9. Pass Through Adjustment for TVW - The funding level for Public Affairs Broadcasting is adjusted to reflect changes in the implicit price deflator.

10. Eliminate Productivity Board - The Productivity Board is eliminated. The board coordinates agency suggestion and improvement programs, functions that increasingly are performed by individual agencies. Brainstorm and employee award programs will be integrated with statewide quality improvement and regulatory reform efforts. (Department of Personnel Service Account - State)

11. County Election Reviews - Funding is provided for the Secretary of State to increase the frequency of review of county election reviews, as provided in Senate Bill 5499 and House Bill 1749.

**2005-07 Omnibus Operating Budget
Office of the Secretary of State**

* **Realignment of Funding Splits** - The funding sources for the five regional archive branches and security microfilm are realigned to more accurately reflect the proportion of local and state activities in these programs. (Archives and Records Management Account, Local Government Archives Account)

2005-07 Omnibus Operating Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	2.3	475	475	2.3	475	475	0.0	0	0
2005-07 Maintenance Level	2.3	483	483	2.3	483	483	0.0	0	0
Policy Changes:									
1. Office Relocation	0.0	54	54	0.0	54	54	0.0	0	0
2. Address Disparity Issues	0.0	0	0	1.7	158	158	-1.7	-158	-158
3. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
4. Workload Adjustment	0.2	22	22	0.0	0	0	0.2	22	22
Total Policy Changes	0.2	74	74	1.7	210	210	-1.5	-136	-136
Total 2005-07 Biennium	2.5	557	557	4.0	693	693	-1.5	-136	-136
Difference from 2003-05	0.2	82	82	1.7	218	218	-1.5	-136	-136
% Change from 2003-05	0.0%	17.3%	17.3%	100.0%	45.9%	45.9%			

Comments:

1. Office Relocation - The Senate budget provides funding for the Governor's Office of Indian Affairs to relocate to the Department of General Administration (GA) building. The relocation includes access to GA support services, including the motor pool, conference room facilities, and information technology support.

2. Address Disparity Issues - The Senate budget does not provided any additional funding for the Governor's Office of Indian Affairs, beyond the amount provided for the workload adjustment described below.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Workload Adjustment - The Governor's Office of Indian Affairs is experiencing increased demand from the public to serve as a liaison between tribal communities and agencies within state government. The Senate budget increases their deputy director position to full-time and provides additional travel funding for GOIA to meet these needs.

2005-07 Omnibus Operating Budget
Comm on Asian-Pacific-American Affairs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.8	393	393	1.8	393	393	0.0	0	0
2005-07 Maintenance Level	1.8	452	452	1.8	452	452	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
2. Address Disparity Issues	0.0	0	0	1.2	141	141	-1.2	-141	-141
3. Workload Adjustment	0.2	17	17	0.0	0	0	0.2	17	17
Total Policy Changes	0.2	15	15	1.2	139	139	-1.0	-124	-124
Total 2005-07 Biennium	2.0	467	467	3.0	591	591	-1.0	-124	-124
Difference from 2003-05	0.2	74	74	1.2	198	198	-1.0	-124	-124
% Change from 2003-05	0.0%	18.8%	18.8%	50.0%	50.4%	50.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Address Disparity Issues - The Senate budget does not provided any additional funding for the commission, beyond the amount provided for the workload adjustment described below.

3. Workload Adjustment - The Commission on Asian-Pacific-American Affairs is experiencing increased demand from the public to serve as a liaison between Asian-Pacific-Americans in Washington State and agencies within state government. The Senate budget increases the executive assistant position to full-time and provides additional funding for the Commission to meet these needs.

2005-07 Omnibus Operating Budget
Office of the State Treasurer
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	72.9	0	13,564	72.9	0	13,564	0.0	0	0
2005-07 Maintenance Level	73.2	0	13,809	73.2	0	13,811	0.0	0	-2
Policy Changes:									
1. Middle Management Reduction	-1.0	0	-112	-1.0	0	-112	0.0	0	0
2. General Inflation	0.0	0	-31	0.0	0	-31	0.0	0	0
Total Policy Changes	-1.0	0	-143	-1.0	0	-143	0.0	0	0
Total 2005-07 Biennium	72.2	0	13,666	72.2	0	13,668	0.0	0	-2
Difference from 2003-05	-0.8	0	102	-0.8	0	104	0.0	0	-2
% Change from 2003-05	-1.4%	0.0%	0.8%	-1.4%	0.0%	0.8%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Office of the State Auditor
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	283.4	1,522	45,572	283.4	1,522	45,572	0.0	0	0
2005-07 Maintenance Level	283.4	1,472	46,530	283.4	1,472	46,995	0.0	0	-465
Policy Changes:									
1. Middle Management Reduction	-3.1	-12	-335	-3.1	-12	-335	0.0	0	0
2. General Inflation	0.0	-2	-86	0.0	-2	-86	0.0	0	0
Total Policy Changes	-3.1	-14	-421	-3.1	-14	-421	0.0	0	0
Total 2005-07 Biennium	280.3	1,458	46,109	280.3	1,458	46,574	0.0	0	-465
Difference from 2003-05	-3.1	-64	537	-3.1	-64	1,002	0.0	0	-465
% Change from 2003-05	-1.1%	-4.2%	1.2%	-1.1%	-4.2%	2.2%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Commission on Salaries for Elected Officials
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.3	307	307	1.3	307	307	0.0	0	0
2005-07 Maintenance Level	1.4	335	335	1.4	335	335	0.0	0	0
Total 2005-07 Biennium	1.4	335	335	1.4	335	335	0.0	0	0
Difference from 2003-05	0.1	28	28	0.1	28	28	0.0	0	0
% Change from 2003-05	0.0%	9.1%	9.1%	0.0%	9.1%	9.1%			

Comments:

2005-07 Omnibus Operating Budget
Office of the Attorney General
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,088.5	8,589	185,761	1,088.5	8,589	185,761	0.0	0	0
2005-07 Maintenance Level	1,085.9	8,599	194,123	1,085.9	8,599	194,139	0.0	0	-16
Policy Changes:									
1. Palermo Well Field	3.0	0	500	3.0	0	500	0.0	0	0
2. Fulfill Forest and Fish Commitments	1.0	0	204	1.0	0	204	0.0	0	0
3. Livestock Nutrient Program	0.5	0	100	0.5	0	100	0.0	0	0
4. Modernize Water Resource Management	0.5	0	180	0.0	0	0	0.5	0	180
5. Implementation of Initiative 297	3.5	0	1,008	3.5	0	1,008	0.0	0	0
6. Middle Management Reduction	-4.9	-39	-524	-4.9	-39	-524	0.0	0	0
7. Office Relocation in Seattle	0.0	126	842	0.0	126	842	0.0	0	0
8. Estate Recoveries	2.0	0	600	2.0	0	600	0.0	0	0
9. General Inflation	0.0	-28	-675	0.0	-28	-675	0.0	0	0
10. SHS Litigation Costs	4.0	0	1,950	4.0	0	1,950	0.0	0	0
11. Property and Estate Taxes	2.0	0	391	2.0	0	391	0.0	0	0
12. Public Counsel Legal Services	0.0	0	80	0.0	0	80	0.0	0	0
13. Office Consolidation in Tumwater	0.0	0	1,418	0.0	0	1,418	0.0	0	0
14. Executive Ethics Board	1.5	0	203	1.5	0	203	0.0	0	0
15. Consumer Protection Expansion	7.0	1,566	1,566	0.0	0	0	7.0	1,566	1,566
Total Policy Changes	20.2	1,625	7,843	12.7	59	6,097	7.5	1,566	1,746
Total 2005-07 Biennium	1,106.0	10,224	201,966	1,098.5	8,658	200,236	7.5	1,566	1,730
Difference from 2003-05	17.5	1,635	16,205	10.0	69	14,475	7.5	1,566	1,730
% Change from 2003-05	1.7%	19.0%	8.7%	0.9%	0.8%	7.8%			

Comments:

1. Palermo Well Field - Funding is provided for legal and technical services in preparation of legal actions by the Environmental Protection Agency involving the Department of Transportation's share of costs to mitigate and clean up solvents that leached into the city of Tumwater water supply at the Palermo well field. (Legal Services Revolving Account)

2005-07 Omnibus Operating Budget Office of the Attorney General

2. Fulfill Forest and Fish Commitments - In 1999, the Legislature adopted the Forests and Fish Report, a science-based plan for protecting water quality and fish habitat in non-federal forestland in Washington State. Since that time, the Department of Natural Resources (DNR) has been developing a habitat conservation plan (HCP) in order to obtain federal assurances under the Endangered Species Act (ESA) that the state's regulatory approach to forest practices meets all ESA and Clean Water Act requirements. Without such assurances, individual landowners would need to work with federal agencies on a case-by-case basis to ensure compliance. In addition to other DNR activities, legal resources will be dedicated to overseeing implementation of the HCP and defending it against anticipated legal challenges. (Legal Services Revolving Account)

3. Livestock Nutrient Program - Legislation enacted in 2003 transferred the state's livestock nutrient management program from the Department of Ecology to the Department of Agriculture. Attorney General costs have been higher than anticipated at the time of the transfer. Funding is provided to cover these additional legal costs. (Legal Services Revolving Account)

4. Modernize Water Resource Management - Effective water resources management requires compliance with laws and efficient use of water to stretch existing water supplies. The Department of Ecology lacks sufficient capacity in these areas to effectively implement emerging local watershed planning recommendations and requests. Four water masters will work towards compliance in high priority watersheds as requested by planning units, and two metering staff will work towards compliance with a recent court decision that requires the agency to enforce existing water metering laws. (Legal Services Revolving Account)

5. Implementation of Initiative 297 - The Cleanup Priority Act (Initiative 297) was passed by the voters in November 2004. This act impacts waste disposal and cleanup efforts at the Hanford Nuclear Reservation. It requires the Department of Ecology to order cessation of radioactive waste disposal in unlined trenches; implement additional permitting requirements; establish enhanced public participation; and adopt additional cleanup standards for radioactive waste. Legal counsel is necessary to perform these actions and prepare for potential litigation. (Legal Services Revolving Account)

6. Middle Management Reduction - Middle management positions are reduced.

7. Office Relocation in Seattle - One-time relocation costs are funded for the April 2006 relocation of the Seattle office of the Attorney General's Office. These one-time costs will be offset by lease savings of \$3.9 million in the 2007-'09 biennium and additional savings in subsequent biennia.

8. Estate Recoveries - The Department of Social and Health Services will increase efforts to recover the cost of publicly-funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. Additional legal services are provided to support these efforts. (Legal Services Revolving Fund)

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. SHS Litigation Costs - The Department of Social and Health Services (DSHS) is experiencing increased costs of litigation support for complex, protracted program litigation, including expert witnesses, document management services, and special assistant attorneys general contracts. (Legal Services Revolving Account)

2005-07 Omnibus Operating Budget Office of the Attorney General

11. Property and Estate Taxes - Two utility companies have filed lawsuits challenging the state's property tax valuation procedures. Also, the decoupling of the state's estate tax from the federal estate tax is resulting in numerous disputes regarding state estate tax liability and valuations. These major legal challenges to the Department of Revenue's collections require the provision of additional legal services to protect state revenues. (Legal Services Revolving Account)

12. Public Counsel Legal Services - Involvement by the Public Counsel in regulated utility matters before the Washington State Utilities and Transportation Commission will be enhanced by an additional capability for analysis and the testimony of expert witnesses. (Legal Services Revolving Account)

13. Office Consolidation in Tumwater - Offices in four different locations in Olympia and Lacey will consolidate into one location in Tumwater. Two of the old buildings currently used would require major repairs, and lease costs in the new building are estimated to be less than in the old buildings. The offices will move in two phases, in December 2005 and December 2006. Tenant improvements and moving expenses are one-time costs. (Legal Services Revolving Account)

14. Executive Ethics Board - Additional staff are added to the Executive Ethics Board to eliminate the current backlog and to respond to the increasing numbers of complaints and investigations. (Legal Services Revolving Account)

15. Consumer Protection Expansion - Additional funding is provided to the Consumer Protection Division for consumer education and outreach, complaint resolution and mediation, and litigation. This appropriation includes funding to implement Senate Bill No. 5327, establishing the Office of Privacy Protection.

2005-07 Omnibus Operating Budget
Caseload Forecast Council
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	7.0	1,350	1,350	7.0	1,350	1,350	0.0	0	0
2005-07 Maintenance Level	7.0	1,392	1,392	7.0	1,392	1,392	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
2. IT Upgrade	0.0	17	17	0.0	0	0	0.0	17	17
Total Policy Changes	0.0	15	15	0.0	-2	-2	0.0	17	17
Total 2005-07 Biennium	7.0	1,407	1,407	7.0	1,390	1,390	0.0	17	17
Difference from 2003-05	0.0	57	57	0.0	40	40	0.0	17	17
% Change from 2003-05	0.0%	4.2%	4.2%	0.0%	3.0%	3.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. IT Upgrade - The Senate budget provides funding for the council to purchase six replacement computers in order to provide the council with current, reliable technology and ensure warranty coverage. Desktop computers purchased in January 2002 will no longer be covered by warranty after January 2005.

2005-07 Omnibus Operating Budget
Department of Financial Institutions
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	147.3	0	28,422	147.3	0	28,422	0.0	0	0
2005-07 Maintenance Level	148.4	0	30,760	148.4	0	30,192	0.0	0	568
Policy Changes:									
1. Middle Management Reduction	-1.6	0	-167	-1.6	0	-167	0.0	0	0
2. General Inflation	0.0	0	-84	0.0	0	-84	0.0	0	0
3. Financial & Acct. Fraud, Securities	3.4	0	677	3.5	0	808	-0.1	0	-131
4. Exam Enhancement, Banks	3.4	0	417	3.5	0	547	-0.1	0	-130
5. Exam Enhancement, Credit Unions	1.0	0	217	1.2	0	248	-0.2	0	-31
6. Exam Enhancement, Consumer Services	4.6	0	1,861	4.6	0	1,898	0.0	0	-37
7. Information Technology Package	2.0	0	1,661	2.0	0	1,661	0.0	0	0
8. Communication, Outreach & Education	2.0	0	360	2.0	0	360	0.0	0	0
9. Licensing, Consumer Services	2.3	0	259	2.3	0	298	0.0	0	-39
10. Enforcement, Consumer Services	4.0	0	703	4.0	0	773	0.0	0	-70
Total Policy Changes	21.2	0	5,904	21.6	0	6,342	-0.4	0	-438
Total 2005-07 Biennium	169.6	0	36,664	170.0	0	36,534	-0.4	0	130
Difference from 2003-05	22.3	0	8,242	22.7	0	8,112	-0.4	0	130
% Change from 2003-05	15.6%	0.0%	29.0%	15.6%	0.0%	28.5%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 3. Financial & Acct. Fraud, Securities** - The Senate budget includes funding for the department to hire a financial legal examiner and two financial examiners, at midrange on their respective salary steps, to investigate companies using fraudulent corporate and financial accounting techniques in connection with an offering of securities or in communications with investors or financial markets.
- 4. Exam Enhancement, Banks** - The Senate budget includes funding for the Division of Banks to hire three financial examiner assistants, at midrange on the salary step, to examine state chartered financial institutions for safety and soundness purposes and supervise and examine state chartered institutions identified by federal regulators as having less than satisfactory Community Reinvestment Act or consumer compliance ratings, or having other identified issues.

2005-07 Omnibus Operating Budget Department of Financial Institutions

5. Exam Enhancement, Credit Unions - The Senate budget includes funding for an additional financial examiner, at midrange on the salary step, in the Credit Union Division to meet increased workload demands in the area of credit union compliance with federally-mandated consumer protection laws, including anti-terrorism laws.

6. Exam Enhancement, Consumer Services - The Senate budget includes funding for the Division of Consumer Services to enter into personal service contracts in the 2005-2007 Biennium. These personal service contracts will provide examinations of the following: consumer loan companies, mortgage brokers, check cashiers and sellers (payday lenders), and money transmitters and currency exchangers. The contracts will also include external auditors of predatory practices and emerging issues such as stored value electronic payment systems and Internet-based financial transactions.

7. Information Technology Package - The Senate budget includes funding for the Department of Financial Institutions (DFI) to develop an integrated regulatory database system. DFI will expand imaging to new areas of the agency, support document retention, and workflow management. Examination and enforcement activities will be improved by developing or purchasing tools that will scan, read, and store information from bank statements, manage investigative cases, collect and manipulate financial information, and improve the capacity to perform computer forensics on confiscated computers.

8. Communication, Outreach & Education - The Senate budget includes funding for the Department of Financial Institutions to hire a communications director and public information officer, at midrange on their respective salary steps, to improve the department's consumer outreach, education, and communications functions.

9. Licensing, Consumer Services - The Senate budget includes funding for the Division of Consumer Services to hire a customer service representative and a financial examiner, at midrange on their respective salary steps, to reduce license application review turn-around times and improve the quality of license application reviews.

10. Enforcement, Consumer Services - The Senate budget includes funding for the Division of Consumer Services to hire a financial examiner and 2.5 financial legal examiners, at midrange on their respective salary steps, to enforce state financial regulation and consumer protection laws regarding sub-prime lending by consumer loan companies, mortgage brokers, and payday lenders, and money laundering and criminal activity by money transmitters and currency exchangers.

2005-07 Omnibus Operating Budget
Dept of Community, Trade, & Economic Development
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	315.6	128,594	434,210	315.6	128,594	434,210	0.0	0	0
2005-07 Maintenance Level	350.1	127,836	435,373	351.3	127,830	454,673	-1.2	6	-19,300
Policy Changes:									
1. 7E7 Project Coordination Office	-2.0	-396	-396	-1.0	-198	-198	-1.0	-198	-198
2. 2010 Olympics	0.0	0	0	0.0	0	300	0.0	0	-300
3. Byrne Grant Reduction	-2.0	0	-8,614	-2.0	0	-8,614	0.0	0	0
4. Close Film and Video Office	0.0	0	0	-3.6	-822	-822	3.6	822	822
5. Middle Management Reduction	-5.5	-399	-605	-5.5	-399	-605	0.0	0	0
6. Early Childhood Education	0.0	0	0	0.0	7,188	7,188	0.0	-7,188	-7,188
7. Housing Program Administration	0.0	0	0	5.0	0	900	-5.0	0	-900
8. Expand Civil Legal Indigent Service	0.0	0	3,000	0.0	0	3,000	0.0	0	0
9. Cost Allocation Fund Adjustment	0.0	0	-58	0.0	0	-58	0.0	0	0
10. General Inflation	0.0	-127	-275	0.0	-127	-275	0.0	0	0
11. Transfers	1.2	0	14,642	0.0	0	0	1.2	0	14,642
12. Housing Assist Admin Cap Increase #	2.4	0	1,288	2.4	0	1,288	0.0	0	0
13. Homeless Data Management	2.3	0	1,270	2.3	0	1,270	0.0	0	0
14. Emergency Food Assistance Program	0.0	1,250	1,250	0.0	0	0	0.0	1,250	1,250
15. Community Mobilization	0.0	0	1,154	0.0	0	1,154	0.0	0	0
16. Small Communities Initiative	1.2	0	236	1.2	0	236	0.0	0	0
17. Infrastructure Data System	0.0	0	300	0.0	0	400	0.0	0	-100
18. EFSEC CO2 Rulemaking	0.0	0	0	0.3	150	150	-0.3	-150	-150
19. Increase ECEAP Placements	0.0	5,232	5,232	0.0	0	0	0.0	5,232	5,232
20. Targeted Vendor Rate Increase	0.0	955	955	0.0	0	0	0.0	955	955
21. Create Archaeology Dept # SB 5056	-16.6	-1,099	-2,559	0.0	0	0	-16.6	-1,099	-2,559
22. Center for Advanced Manufacturing	0.0	250	250	0.0	0	0	0.0	250	250
23. Archaeology Transfer Costs # SB5056	0.0	13	13	0.0	0	0	0.0	13	13
24. Community Services Block Grant	0.0	2,000	2,000	0.0	0	0	0.0	2,000	2,000
25. Domestic Violence	0.0	340	340	0.0	0	0	0.0	340	340
26. Economic Development Grant Prog #	1.5	250	250	0.0	0	0	1.5	250	250
27. History Link	0.0	150	150	0.0	0	0	0.0	150	150
28. Pierce County Alliance	0.0	0	1,000	0.0	0	0	0.0	0	1,000
29. Women's Hearth	0.0	50	50	0.0	0	0	0.0	50	50
Total Policy Changes	-17.5	8,469	20,873	-0.9	5,792	5,314	-16.6	2,677	15,559

2005-07 Omnibus Operating Budget
Dept of Community, Trade, & Economic Development
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Total 2005-07 Biennium	332.6	136,305	456,246	350.4	133,622	459,987	-17.8	2,683	-3,741
Difference from 2003-05	17.0	7,711	22,036	34.8	5,028	25,777	-17.8	2,683	-3,741
% Change from 2003-05	5.4%	6.0%	5.1%	10.8%	3.9%	5.9%			

Comments:

- 1. 7E7 Project Coordination Office** - The Senate budget eliminates funding for the 7E7 Project Coordination Office. It is anticipated that all coordination issues will be resolved, and this office will close by June 30, 2005.
- 2. 2010 Olympics** - The Senate budget does not fund this enhancement request.
- 3. Byrne Grant Reduction** - The Senate budget reduces appropriation authority to reflect that Congress has combined two federal grants focused on the prevention of violence and substance abuse, the Local Law Enforcement Block Grant and the Byrne Grant. Byrne Grant funding is estimated to be reduced 40 percent from \$10.2 million per fiscal year to \$4.3 million per fiscal year. The remaining amount of \$5.9 million will be used for the highest priority programs that achieve the best results. (General Fund-Federal)
- 5. Middle Management Reduction** - Middle management positions are reduced.
- 8. Expand Civil Legal Indigent Service** - The Senate budget provides funding to increase grant funding for civil legal representation of indigent persons under RCW 43.08.260. If Senate Bill 5287 (problem gambling) is not enacted, the amount provided will lapse. (Public Benefit Account-State)
- 9. Cost Allocation Fund Adjustment** - The Senate budget recognizes the department's new cost allocation model, to be implemented on July 1, 2005, resulting from a comprehensive review performed by Sterling and Associates. The model distributes administrative overhead of the department in a fair and equitable manner. Nonappropriated, non-budgeted funds are also impacted by the change. (General Fund-Federal, General Fund-Private/Local, and various other funds)
- 10. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 11. Transfers** - The Senate budget transfers the federal Victims of Crimes Act grant award from the Department of Social and Health Services to the Department of Community, Trade and Economic Development. The purpose of the transfer is to provide a more integrated and effective approach to delivering services to crime victims through local governments and community-based programs. (General Fund-Federal)

2005-07 Omnibus Operating Budget Dept of Community, Trade, & Economic Development

12. Housing Assist Admin Cap Increase # - Substitute House Bill 1074 increases the administrative cap percentage currently allowed for administering the Housing Assistance Program and Affordable Housing Program from 4 percent to 5 percent. The Senate budget provides increased funding to support additional staff to monitor housing projects and provide technical assistance to housing providers. The Housing Trust Fund (HTF) portfolio contains 930 housing projects statewide representing more than 25,000 units of affordable housing and a statewide investment of over \$390 million. The HTF portfolio is increasing at a rate of 130 projects per biennium. Should Substitute House Bill 1074 fail to pass, funding provided will lapse. (Washington Housing Trust Account)

13. Homeless Data Management - The Senate budget provides funding to allow the Department of Community Trade and Economic Development to administer a statewide homeless management information system (HMIS). The HMIS will satisfy two requirements: first, the federal HUD McKinney-Vento requirement that recipients of McKinney funds create and maintain a HMIS system; and second, the Homeless Families Services Fund (HFSF) that was created in the 2004 Supplemental budget, which requires data tracking and analysis of the impact of HFSF services on homeless families. (General Fund-Private/Local)

14. Emergency Food Assistance Program - The Senate budget provides a combination of ongoing and one-time funding for food banks to obtain and distribute additional nutritious food; purchase equipment to transport and store perishable products; provide training and written information on obesity to tribal and food bank workers and food bank clients; and collaborate with other agencies and experts on nutrition and obesity for services at food banks and tribal voucher programs.

15. Community Mobilization - The Community Mobilization (CM) program provides grants to community organizations that develop and implement comprehensive strategies to prevent and reduce alcohol, tobacco, and other drug abuse and violence. The Senate budget provides funding to increase the number of programs that deliver the most effective strategies. Funding is also provided to allow CM to conduct four state-wide training sessions on community organizing and offer follow-up technical assistance to increase community capacity to reduce crime through community activities such as block-by-block organizing and enforcement of code ordinances. (Violence Reduction and Drug Enforcement Account-State)

16. Small Communities Initiative - The Small Communities Initiative (SCI) is a collaboration between the departments of Health, Ecology, and Community, Trade, and Economic Development. SCI provides technical assistance to very small, rural communities struggling with economic viability and compliance with health and environmental regulations due to failing water or wastewater systems. Over 50 rural communities have chronic water regulation compliance issues. The Senate budget provides funding for one additional staff person to work with communities in need of technical assistance. (Public Works Assistance Account)

17. Infrastructure Data System - The Public Works program maintains data management systems that support infrastructure projects throughout the state. The Senate budget provides one-time funding to update the contracts management system and implement the local government infrastructure data system in partnership with the Transportation Improvement Board. (Public Works Assistance Account)

18. EFSEC CO2 Rulemaking - The Senate budget does not fund this enhancement request.

19. Increase ECEAP Placements - The Early Childhood Education and Assistance Program (ECEAP) provides a comprehensive, family-focused pre-school program to low-income families in areas where the federal Head Start program is not available. The Senate budget increases ECEAP funding to provide for 500 additional placements. (General Fund-State)

**2005-07 Omnibus Operating Budget
Dept of Community, Trade, & Economic Development**

- 20. Targeted Vendor Rate Increase** - The Senate budget provides funding for an inflationary increase of 1.2 percent in September 2005 and an additional 1.7 percent in September 2006 to vendors that contract with the state to provide health and human services.
- 21. Create Archaeology Dept # SB 5056** - Effective July 1, 2005, the Office of Archaeology and Historic Preservation (OAHP) is established as a separate agency of state government, pursuant to Second Substitute Senate Bill 5056 (Create Archaeology Department). (General Fund-State, General Fund-Federal, General Fund-Local)
- 22. Center for Advanced Manufacturing** - The Senate budget provides one-time funding to the Center for Advanced Manufacturing in Kent to conduct a feasibility study.
- 23. Archaeology Transfer Costs # SB5056** - The Senate budget provides one-time funding to the Department of Community, Trade and Economic Development for costs associated with the transfer of the Department of Archaeology and Historic Preservation, pursuant to Second Substitute Senate Bill 5056.
- 24. Community Services Block Grant** - The President of the United States proposes eliminating the federal Community Services Block Grant in October 2006. The Senate budget provides funding to assist community action agencies, in recognition of reduced federal grant funding. Should federal grant funds not be eliminated, this funding will lapse.
- 25. Domestic Violence** - The Senate budget provides funding to continue domestic violence legal advocacy services, in recognition of reduced federal grant funding.
- 26. Economic Development Grant Prog #** - Senate Bill 5330 (Economic Development Grant Program) creates the economic development grant program in the Department of Community Trade & Economic Development to seek grants to support economic development. The Senate budget provides funding to implement this program. If Senate Bill 5330 fails to pass, the amount provided will lapse.
- 27. History Link** - The Senate budget provides one-time funding for HistoryLink to expand its free, non-commercial online encyclopedia service on state and local history.
- 28. Pierce County Alliance** - The Senate budget provides funding to Pierce County Alliance's Methamphetamine Family Services Treatment Program and the Safe Streets of Tacoma's methamphetamine prevention services. If Senate Bill 5287 (problem gambling) is not enacted, the amount provided will lapse. (Public Benefit Account-State)
- 29. Women's Hearth** - The Senate budget provides one-time funding to Women's Hearth, a nonprofit program serving the Spokane area's homeless and low-income women.

2005-07 Omnibus Operating Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	5.2	1,044	1,044	5.2	1,044	1,044	0.0	0	0
2005-07 Maintenance Level	5.2	1,073	1,073	5.2	1,073	1,073	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
Total Policy Changes	0.0	-2	-2	0.0	-2	-2	0.0	0	0
Total 2005-07 Biennium	5.2	1,071	1,071	5.2	1,071	1,071	0.0	0	0
Difference from 2003-05	0.0	27	27	0.0	27	27	0.0	0	0
% Change from 2003-05	0.0%	2.6%	2.6%	0.0%	2.6%	2.6%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Office of Financial Management
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	251.9	25,728	110,800	251.9	25,728	110,800	0.0	0	0
2005-07 Maintenance Level	260.8	28,633	96,866	260.8	28,649	96,866	0.0	-16	0
Policy Changes:									
1. Long Term Care Financing Task Frc#	0.0	290	290	0.0	290	290	0.0	0	0
2. Hi Ed Facilities Preservation Study	0.0	166	166	0.0	0	0	0.0	166	166
3. ORM Risk Management	1.0	0	140	1.0	0	160	0.0	0	-20
4. ORM Enterprise Risk Management	3.0	0	500	0.0	0	0	3.0	0	500
5. ORM Content Management System	1.0	0	1,200	1.0	0	1,450	0.0	0	-250
6. Statewide Financial System	0.0	0	2,045	0.0	0	2,045	0.0	0	0
7. Home Care Worker Contract	0.0	66	66	0.0	66	66	0.0	0	0
8. Middle Management Reduction	-2.3	-76	-253	-2.3	-76	-253	0.0	0	0
9. Education Finance Study #	0.0	1,741	1,741	2.0	1,747	1,747	-2.0	-6	-6
10. Infrastructure Review	0.0	0	200	0.0	0	200	0.0	0	0
11. GMAP	0.0	0	0	2.0	558	558	-2.0	-558	-558
12. Residential Srvs - Develop Disabled	0.3	182	182	0.3	182	182	0.0	0	0
13. General Inflation	0.0	-84	-123	0.0	-84	-123	0.0	0	0
14. Operating Costs/Exist Capital Proj	0.0	0	0	1.0	166	166	-1.0	-166	-166
15. Medical Assistance Forecast	3.0	322	322	0.0	0	0	3.0	322	322
Total Policy Changes	6.0	2,607	6,476	5.0	2,849	6,488	1.0	-242	-12
Total 2005-07 Biennium	266.8	31,240	103,342	265.8	31,498	103,354	1.0	-258	-12
Difference from 2003-05	14.9	5,512	-7,458	13.9	5,770	-7,446	1.0	-258	-12
% Change from 2003-05	6.0%	21.4%	-6.7%	5.6%	22.4%	-6.7%			

Comments:

1. Long Term Care Financing Task Frc# - Funding is provided for a Joint Long-Term Care Financing Task Force as established by SB 5442 or HB 1220. Members of the task force will represent the legislative and executive branch. Recommendations will be developed outlining efficient payment models that will effectively sustain public funding of long-term care, the feasibility of private options for realistically enabling individuals to pay for care, and options that will support the long-term care needs of rural communities. The Joint Task Force shall contract for professional services consistent with funds appropriated for this purpose.

2. Hi Ed Facilities Preservation Study - The 2004 Supplemental Capital budget provided funding for a capital budget analyst in the Office of Financial Management (Section 207, Chapter 277, laws of 2004). Funding is provided to continue this position.

2005-07 Omnibus Operating Budget Office of Financial Management

- 3. ORM Risk Management** - The Office of Risk Management (ORM) will hire one paraprofessional to support the loss prevention review team program. This will increase completed reviews to twelve each year and provide more detailed benchmarking and loss prevention analysis to agencies, based on agency-reported incident data. (Risk Management Administration Account)
- 4. ORM Enterprise Risk Management** - ORM will enhance loss prevention to implement enterprise risk management where it functions as a partner with agencies by providing information, analysis resources, and education. (Risk Management Administration Account)
- 5. ORM Content Management System** - The Office of Risk Management will implement a system to improve the efficiency of claims-related processes so that less time is spent capturing, creating, aggregating, locating, and disseminating needed information. (Risk Management Administration Account)
- 6. Statewide Financial System** - The Statewide Financial Systems office plans to design and release enhancements in the following systems: Budget and Allotment Support System, FastTrack Report System, Travel Voucher System, and the Disbursement Reporting System. These enhancements are necessary to ensure alignment with other systems, like the new Human Resource Management System, to enable capacity for new methods such as the Priorities of Government view of the budget and to provide tools that customers want, such as the capacity in the travel system for travel advances. (Data Processing Revolving Account)
- 7. Home Care Worker Contract** - Pursuant to RCW 74.39A.270, a statewide unit of individual providers of home care services may bargain collectively over wages and benefits with the Governor or Governor's designee acting as the public employer of individual providers solely for the purpose of collective bargaining. According to RCW 74.39A.300, a request for funds necessary to implement the compensation and fringe benefits provisions of a collective bargaining agreement must be submitted to the director of the Office of Financial Management by October 1 prior to the legislative session at which the request is to be considered. The Governor must include the costs to meet the agreement terms and the cost of implementation of the agreement in the Governor's budget. This year, an impasse in negotiations led to an interest arbitration proceeding. Funding is needed based on the interest arbitration award. This includes funding for the Office of Financial Management, the Home Care Quality Authority, and the Department of Social and Health Services (DSHS). OFM funds will be matched through an interagency agreement with DSHS.
- 8. Middle Management Reduction** - Middle management positions are reduced.
- 9. Education Finance Study #** - Funding is provided for SSB 5441 (education finance study) which provides for comprehensive finance studies on early learning, K-12, and higher education. The legislation establishes a steering committee that will direct and coordinate the studies and develop recommendations. The steering committee is required to provide interim reports to the appropriate policy and fiscal committees of the Legislature by November 15, 2005 and June 16, 2006. The final report and recommendations of the steering committee shall be submitted by November 15, 2006.
- 10. Infrastructure Review** - One-time funding is provided to review statewide programs that support infrastructure in local jurisdictions and seek potential collaboration, efficiencies, and long-term funding solutions to meet the goals of job creation, public health, environmental protection, and community development. The study shall also inventory all state revolving loan funds for local jurisdictions, other than the Housing Trust Fund. The inventory shall describe each program's administrating agency, objectives, annual loan amounts, outstanding loans, repayments, and interest rates. (Public Works Assistance Account)
- 11. GMAP** - The Senate budget does not fund this item.

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12. Residential Svcs - Develop Disabled - Funding is provided to study residential services for developmentally disabled persons. A commission of 13 members will oversee the study. The commission will provide a report of its study to the Legislature by January 2006. The Office of Financial Management will enter into an interagency agreement with the Department of Social and Health Services to access matching federal funds for the study.

13. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

15. Medical Assistance Forecast - Funding is provided to increase the quality, accuracy, and timeliness of Medical Assistance budget forecasting and monitoring. The forecast, which involves approximately \$3.8 billion of state and federal expenditures per year, will be produced by the DSHS Medical Assistance Administration with assistance and guidance from a technical workgroup chaired by the Office of Financial Management with participation from legislative fiscal committee and DSHS staff. Federal matching funds for this expenditure is provided in the DSHS Medical Assistance Administration budget.

2005-07 Omnibus Operating Budget
Office of Administrative Hearings
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	165.3	0	27,242	165.3	0	27,242	0.0	0	0
2005-07 Maintenance Level	167.3	0	28,457	167.3	0	28,457	0.0	0	0
Policy Changes:									
1. Middle Management Reduction	-0.4	0	-34	-0.4	0	-34	0.0	0	0
2. General Inflation	0.0	0	-110	0.0	0	-110	0.0	0	0
3. Maintain ALJ/IAJ Salary Alignment	0.0	0	0	0.0	0	350	0.0	0	-350
4. Convert To Digital Recording	0.0	0	0	0.0	0	103	0.0	0	-103
5. Replace Computers	0.0	0	154	0.0	0	154	0.0	0	0
Total Policy Changes	-0.4	0	10	-0.4	0	463	0.0	0	-453
Total 2005-07 Biennium	166.9	0	28,467	166.9	0	28,920	0.0	0	-453
Difference from 2003-05	1.7	0	1,225	1.7	0	1,678	0.0	0	-453
% Change from 2003-05	1.2%	0.0%	4.5%	1.2%	0.0%	6.2%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Maintain ALJ/IAJ Salary Alignment - The Governor's budget proposed to fund Administrative Law Judges' (ALJ) salaries 2.5 percent to maintain alignment with those of Industrial Appeals Judges. This funding is not included in the Senate budget as the department could potentially implement the change in salary and fund with the resources that would be freed up from reduced recruitment costs. The department is underspent and should have adequate expenditure authority to cover these increases. (Administrative Hearings Revolving Account-State)

4. Convert To Digital Recording - The Governor's budget proposed that funding be provided to convert hearing recordings from cassette tape to digital recording. The Senate budget does not fund this item as the Department has sufficient expenditure authority to purchase the equipment. (Administrative Hearings Revolving Account-State)

5. Replace Computers - Funding is provided to replace aging computers used for the Employment Security Department (ESD) caseload with Active Directory ready computers and the required infrastructure components. The new computers will enable the Office of Administrative Hearings (OAH) to participate in the Department of Information Services' (DIS) managed Enterprise Active Directory (EAD) and to utilize the new Human Resource Management System. (Administrative Hearings Revolving Account-State)

2005-07 Omnibus Operating Budget
Department of Personnel
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	200.8	0	42,771	200.8	0	42,771	0.0	0	0
2005-07 Maintenance Level	202.5	0	51,711	216.8	0	53,796	-14.3	0	-2,085
Policy Changes:									
1. Middle Management Reduction	-3.5	0	-386	-3.5	0	-386	0.0	0	0
2. General Inflation	0.0	0	-313	0.0	0	-313	0.0	0	0
3. Simplified Classification System	1.5	0	197	0.0	0	0	1.5	0	197
4. Personnel System Reform Act of 2002	6.0	0	952	0.0	0	0	6.0	0	952
5. Boards and Commissions Recruitment	0.0	0	0	4.0	0	624	-4.0	0	-624
6. Boards and Commissions Development	0.8	0	166	0.8	0	166	0.0	0	0
7. New Agency Director Orientation	0.0	0	0	0.5	0	114	-0.5	0	-114
Total Policy Changes	4.9	0	616	1.9	0	205	3.0	0	411
Total 2005-07 Biennium	207.4	0	52,327	218.6	0	54,001	-11.3	0	-1,674
Difference from 2003-05	6.6	0	9,556	17.9	0	11,230	-11.3	0	-1,674
% Change from 2003-05	3.0%	0.0%	22.3%	9.0%	0.0%	26.3%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced in the Senate budget. (Department of Personnel Service Account - State, Data Processing Revolving Account - Nonappropriated)

2. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account - State, Data Processing Revolving Account - Nonappropriated, Higher Education Personnel Services Account-State)

3. Simplified Classification System - The Senate budget provides funding to complete implementation of a simplified classification system for non-managerial classified employees as called for under sections 205 and 206 of the Personnel System Reform Act of 2002. This item was included in Governor Gregoire's proposed 2005-07 budget in the maintenance level. (Department of Personnel Service Account-State)

4. Personnel System Reform Act of 2002 - Development of the human resource management system is behind schedule by several months. The Senate budget provides a portion of the additional funding requested by the Department of Personnel in the hope that civil service reform and the human resource management system can be kept on schedule with the revised timeline. (Department of Personnel Service Account -State)

**2005-07 Omnibus Operating Budget
Department of Personnel**

5. Boards and Commissions Recruitment - The Senate budget does not provide funding to enhance the recruitment and selection process for members of boards and commissions. (Department of Personnel Service Account-State)

6. Boards and Commissions Development - The Senate budget provides funding for a program to improve the training and development process for members of boards and commissions. This will enhance current training and development functions in the Governor's Office and ensure that new appointees have the tools and information needed to carry out their responsibilities. (Department of Personnel Service Account-State)

7. New Agency Director Orientation - The Senate budget does not provide funding to establish an orientation program for new agency directors. (Department of Personnel Service Account-State)

2005-07 Omnibus Operating Budget
State Lottery Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	145.3	0	706,027	145.3	0	706,027	0.0	0	0
2005-07 Maintenance Level	145.3	0	736,447	145.3	0	736,445	0.0	0	2
Policy Changes:									
1. Middle Management Reduction	-0.2	0	-23	-0.2	0	-23	0.0	0	0
2. General Inflation	0.0	0	-1,924	0.0	0	-1,924	0.0	0	0
Total Policy Changes	-0.2	0	-1,947	-0.2	0	-1,947	0.0	0	0
Total 2005-07 Biennium	145.1	0	734,500	145.1	0	734,498	0.0	0	2
Difference from 2003-05	-0.2	0	28,473	-0.2	0	28,471	0.0	0	2
% Change from 2003-05	0.0%	0.0%	4.0%	0.0%	0.0%	4.0%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Washington State Gambling Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	178.0	0	27,256	178.0	0	27,256	0.0	0	0
2005-07 Maintenance Level	166.9	0	28,904	166.9	0	28,898	0.0	0	6
Policy Changes:									
1. Middle Management Reduction	0.0	0	0	-1.4	0	-156	1.4	0	156
2. General Inflation	0.0	0	-91	0.0	0	-91	0.0	0	0
3. Gambling Information Management Sys	0.0	0	500	0.0	0	500	0.0	0	0
Total Policy Changes	0.0	0	409	-1.4	0	253	1.4	0	156
Total 2005-07 Biennium	166.9	0	29,313	165.5	0	29,151	1.4	0	162
Difference from 2003-05	-11.1	0	2,057	-12.5	0	1,895	1.4	0	162
% Change from 2003-05	-6.2%	0.0%	7.5%	-6.7%	0.0%	7.0%			

Comments:

- 1. Middle Management Reduction** - The Senate budget exempts the Gambling Commission from the middle management reduction.

- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

- 3. Gambling Information Management Sys** - The Senate budget includes funding for the Gambling Commission to replace its current licensing system with a gambling information management system that integrates its stand-alone databases into one comprehensive database with a web-based interface. (Gambling Revolving Account-Non-Appropriated).

2005-07 Omnibus Operating Budget
WA State Commission on Hispanic Affairs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.8	413	413	1.8	413	413	0.0	0	0
2005-07 Maintenance Level	1.8	449	449	1.8	449	449	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
2. Address Disparity Issues	0.0	0	0	1.2	157	157	-1.2	-157	-157
3. Workload Adjustment	0.2	32	32	0.0	0	0	0.2	32	32
Total Policy Changes	0.2	30	30	1.2	155	155	-1.0	-125	-125
Total 2005-07 Biennium	2.0	479	479	3.0	604	604	-1.0	-125	-125
Difference from 2003-05	0.2	66	66	1.2	191	191	-1.0	-125	-125
% Change from 2003-05	0.0%	16.0%	16.0%	50.0%	46.2%	46.2%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State)

2. Address Disparity Issues - The Senate budget does not provided any additional funding for the commission, beyond the amount provided for the workload adjustment described below.

3. Workload Adjustment - The Commission on Hispanic Affairs is experiencing increased demand from the public to serve as a liaison between the Hispanic community in Washington State and agencies within state government. The Senate budget increases the executive assistant position to full-time and provides funding for the Commission to meet these needs. (General Fund-State)

2005-07 Omnibus Operating Budget
WA State Comm on African-American Affairs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.8	402	402	1.8	402	402	0.0	0	0
2005-07 Maintenance Level	1.8	452	452	1.8	452	452	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-2	0.0	-2	-2	0.0	0	0
2. Address Disparity Issues	0.0	0	0	1.2	146	146	-1.2	-146	-146
3. Workload Adjustment	0.2	21	21	0.0	0	0	0.2	21	21
Total Policy Changes	0.2	19	19	1.2	144	144	-1.0	-125	-125
Total 2005-07 Biennium	2.0	471	471	3.0	596	596	-1.0	-125	-125
Difference from 2003-05	0.2	69	69	1.2	194	194	-1.0	-125	-125
% Change from 2003-05	0.0%	17.2%	17.2%	50.0%	48.3%	48.3%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Address Disparity Issues - The Senate budget does not provided any additional funding for the commission, beyond the amount provided for the workload adjustment described below.

3. Workload Adjustment - The Commission on African-American Affairs is experiencing increased demand from the public to serve as a liaison between African-Americans in Washington State and agencies within state government. The Senate budget increases the executive assistant position to full time and provides additional funding for the Commission to meet these needs.

2005-07 Omnibus Operating Budget
Personnel Appeals Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	11.0	0	1,740	11.0	0	1,740	0.0	0	0
2005-07 Maintenance Level	5.5	0	1,011	5.5	0	1,011	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	0	-5	0.0	0	-5	0.0	0	0
Total Policy Changes	0.0	0	-5	0.0	0	-5	0.0	0	0
Total 2005-07 Biennium	5.5	0	1,006	5.5	0	1,006	0.0	0	0
Difference from 2003-05	-5.5	0	-734	-5.5	0	-734	0.0	0	0
% Change from 2003-05	-45.5%	0.0%	-42.2%	-45.5%	0.0%	-42.2%			

Comments:

1. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account-State)

2005-07 Omnibus Operating Budget
Department of Retirement Systems
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	272.2	0	49,671	272.2	0	49,671	0.0	0	0
2005-07 Maintenance Level	274.8	0	48,180	274.8	0	48,156	0.0	0	24
Policy Changes:									
1. Middle Management Reduction	-3.0	0	-324	-3.0	0	-324	0.0	0	0
2. General Inflation	0.0	0	-188	0.0	0	-188	0.0	0	0
3. Disaster Recovery	0.0	0	205	0.0	0	0	0.0	0	205
4. Supplemental Plan Study	0.0	0	60	0.0	0	60	0.0	0	0
5. Disability Service Credit Purchase	0.1	0	16	0.0	0	0	0.1	0	16
Total Policy Changes	-2.9	0	-231	-3.0	0	-452	0.1	0	221
Total 2005-07 Biennium	271.9	0	47,949	271.8	0	47,704	0.1	0	245
Difference from 2003-05	-0.3	0	-1,722	-0.4	0	-1,967	0.1	0	245
% Change from 2003-05	0.0%	0.0%	-3.5%	0.0%	0.0%	-4.0%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced in the Senate budget. (Department of Retirement Systems Expense Account-State, Dependent Care Administrative Account-State, and Deferred Compensation Administrative Account-Nonappropriated)

2. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account-State, Dependent Care Administrative Account-State, and Deferred Compensation Administrative Account-Nonappropriated)

3. Disaster Recovery - The Senate budget provides funding to purchase additional equipment to support continuing business operations and to minimize the risk of data loss at the agency's facility in Tumwater. Current pension disbursements average approximately \$169 million a month to more than 100,000 retirees and beneficiaries. It is critical to have systems in place that will enable continuation of those disbursements. (Department of Retirement Systems Expense Account-State, Dependent Care Administrative Account-State, and Deferred Compensation Administrative Account-Nonappropriated)

4. Supplemental Plan Study - The Senate budget provides funding to obtain the assistance of outside tax counsel to help study options for a supplemental retirement plan. The outside expertise will help assure that the plan could qualify under the federal Internal Revenue Code and not be in conflict with the state's existing retirement and deferred compensation plans. (Department of Retirement Systems Expense Account-State)

**2005-07 Omnibus Operating Budget
Department of Retirement Systems**

5. Disability Service Credit Purchase - Funding is provided in the Senate budget for administrative costs associated with allowing members of the Public Employees' Retirement System to purchase up to two years of service credit for time spent separated from employment due to injuries incurred in the line of duty, pursuant to Senate Bill 5522 (Purchasing Service Credit). This appropriation is contingent upon the enactment of Senate Bill 5522. (Department of Retirement Systems Expense Account-State)

2005-07 Omnibus Operating Budget
State Investment Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	60.6	100	13,448	60.6	100	13,448	0.0	0	0
2005-07 Maintenance Level	60.6	0	14,184	60.6	0	14,178	0.0	0	6
Policy Changes:									
1. Recruitment and Retention	0.0	0	0	0.0	0	340	0.0	0	-340
2. Middle Management Reduction	-0.6	0	-67	-0.6	0	-67	0.0	0	0
3. General Inflation	0.0	0	-35	0.0	0	-35	0.0	0	0
4. Invest. Perform. & Accountability	3.0	0	696	12.0	0	2,586	-9.0	0	-1,890
5. Investment Personnel Svc Contracts	0.0	0	-1,283	0.0	0	-1,283	0.0	0	0
Total Policy Changes	2.4	0	-689	11.4	0	1,541	-9.0	0	-2,230
Total 2005-07 Biennium	63.0	0	13,495	72.0	0	15,719	-9.0	0	-2,224
Difference from 2003-05	2.4	-100	47	11.4	-100	2,271	-9.0	0	-2,224
% Change from 2003-05	3.3%	-100.0%	0.3%	18.0%	-100.0%	16.9%			

Comments:

- 1. Recruitment and Retention** - The Senate budget does not provide funding for this compensation enhancement item. (State Investment Board Expense Account-State)
- 2. Middle Management Reduction** - Middle management positions are reduced in the Senate budget. (State Investment Board Expense Account-State)
- 3. General Inflation** - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account-State)
- 4. Invest. Perform. & Accountability** - The Senate budget provides funding for three additional portfolio manager positions in order to increase the capacity for investment manager selection and oversight, policy analysis, portfolio construction, research, and participation in corporate governance. Governor Gregoire's proposed budget included funding for twelve additional positions. (State Investment Board Expense Account-State)
- 5. Investment Personnel Svc Contracts** - This is a technical adjustment that moves appropriated expenditures to non-appropriated as a result of the State Investment Board's reviews of its appropriated and non-appropriated fund obligations to ensure that expenditures are within the guidelines set forth in the agency's current policies and meet legislative intent. . (State Investment Board Expense Account-State)

2005-07 Omnibus Operating Budget
Public Printer
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	133.0	0	65,990	133.0	0	65,990	0.0	0	0
2005-07 Maintenance Level	133.0	0	66,419	133.0	0	67,077	0.0	0	-658
Policy Changes:									
1. Press-Printing and Copying	1.8	0	165	1.8	0	165	0.0	0	0
2. On Demand Printing	3.0	0	128	3.0	0	128	0.0	0	0
3. Tech Efficiencies/Savings & Redist	0.0	0	-1,327	0.0	0	-1,327	0.0	0	0
Total Policy Changes	4.8	0	-1,034	4.8	0	-1,034	0.0	0	0
Total 2005-07 Biennium	137.8	0	65,385	137.8	0	66,043	0.0	0	-658
Difference from 2003-05	4.8	0	-605	4.8	0	53	0.0	0	-658
% Change from 2003-05	3.8%	0.0%	-0.9%	3.8%	0.0%	0.1%			

Comments:

1. Press-Printing and Copying - The Senate budget includes funding for additional costs and 1.8 FTEs associated with operating the printing press to meet increased customer demand for printing and copying. (Printing Plant Revolving Account-Non-appropriated)

2. On Demand Printing - The Senate budget includes funding for additional costs and 3.0 FTEs associated with increased customer orders for printing services. (Printing Plant Revolving Account-Non-appropriated)

3. Tech Efficiencies/Savings & Redist - The Senate budget recognizes a net reduction in costs due to the department's redistribution of current staff to higher demand activities of bindery and shipping, printing and copying, and the department's use of more sophisticated equipment. (Printing Plant Revolving Account-Non-appropriated)

2005-07 Omnibus Operating Budget
Department of Revenue
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,067.2	166,137	177,434	1,067.2	166,137	177,434	0.0	0	0
2005-07 Maintenance Level	1,062.8	175,195	187,483	1,062.8	176,339	188,677	0.0	-1,144	-1,194
Policy Changes:									
1. Revenue Enforcement Enhancement	0.0	0	0	14.0	2,630	2,630	-14.0	-2,630	-2,630
2. Middle Management Reduction	-13.9	-1,480	-1,530	-13.9	-1,480	-1,530	0.0	0	0
3. General Inflation	0.0	-642	-671	0.0	-642	-671	0.0	0	0
4. Legislation-Tax Incent Pgm Consis #	0.0	0	0	0.4	58	58	-0.4	-58	-58
5. Unclaimed Property Rev - HB 1845	0.0	0	0	0.3	0	-492	-0.3	0	492
6. Unclaimed Property - SB 5948	0.0	0	-520	0.0	0	0	0.0	0	-520
Total Policy Changes	-13.9	-2,122	-2,721	0.8	566	-5	-14.7	-2,688	-2,716
Total 2005-07 Biennium	1,048.9	173,073	184,762	1,063.5	176,905	188,672	-14.7	-3,832	-3,910
Difference from 2003-05	-18.3	6,936	7,328	-3.7	10,768	11,238	-14.7	-3,832	-3,910
% Change from 2003-05	-1.7%	4.2%	4.1%	-0.3%	6.5%	6.3%			

Comments:

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Legislation-Tax Incent Pgm Consis # - The Senate budget does not provide funding to implement SB 5863. The bill has not passed.

6. Unclaimed Property - SB 5948 - SB 5948 is department request legislation which improves the quality and efficiency of the Unclaimed Property program's administration. Changes include eliminating requirements regarding advertising and record retention and allows the sale of dividend re-investment plans and mutual funds similar to the current sale of other securities. (Unclaimed Personal Property Account-Nonappropriated)

2005-07 Omnibus Operating Budget
Board of Tax Appeals
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	11.0	2,234	2,234	11.0	2,234	2,234	0.0	0	0
2005-07 Maintenance Level	11.0	2,291	2,291	11.0	2,293	2,293	0.0	-2	-2
Policy Changes:									
1. General Inflation	0.0	-7	-7	0.0	-7	-7	0.0	0	0
2. Tax Referee and Law Clerk	1.5	248	248	0.0	0	0	1.5	248	248
3. Salary Increases	0.0	0	0	0.0	44	44	0.0	-44	-44
Total Policy Changes	1.5	241	241	0.0	37	37	1.5	204	204
Total 2005-07 Biennium	12.5	2,532	2,532	11.0	2,330	2,330	1.5	202	202
Difference from 2003-05	1.5	298	298	0.0	96	96	1.5	202	202
% Change from 2003-05	9.1%	13.3%	13.3%	0.0%	4.3%	4.3%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Tax Referee and Law Clerk - The Senate provides funding to hire an additional tax referee and an additional half-FTE law clerk. The additional staff is added due to the board's increased workload and will reduce the amount of time that taxpayers wait for hearing and resolution of their tax appeals and will allow the agency to issue decisions in a more timely manner.

3. Salary Increases - The Senate budget does not provide funding to increase the salary of the board members and executive director. The board should go through the State Committee on agency officials' salaries as described in 43.03.028.

2005-07 Omnibus Operating Budget
Municipal Research Council
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	0	4,621	0.0	0	4,621	0.0	0	0
2005-07 Maintenance Level	0.0	0	4,621	0.0	0	4,621	0.0	0	0
Policy Changes:									
1. Contractor Increase	0.0	0	300	0.0	0	300	0.0	0	0
Total Policy Changes	0.0	0	300	0.0	0	300	0.0	0	0
Total 2005-07 Biennium	0.0	0	4,921	0.0	0	4,921	0.0	0	0
Difference from 2003-05	0.0	0	300	0.0	0	300	0.0	0	0
% Change from 2003-05	0.0%	0.0%	6.5%	0.0%	0.0%	6.5%			

Comments:

1. Contractor Increase - In order to continue to provide good governance consultation to local jurisdictions, the Municipal Research Council will increase its contract with the Municipal Research and Services Center to cover the following items: a 4 percent salary increase for employees in the first year of the biennium; an increase in the existing lease agreement; and an increase in the costs of travel, goods, and services. (County Research Services Account, City and Town Research Services)

2005-07 Omnibus Operating Budget
Office of Minority & Women's Business Enterprises
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	16.0	0	2,018	16.0	0	2,018	0.0	0	0
2005-07 Maintenance Level	16.0	0	2,401	16.0	0	2,399	0.0	0	2
Policy Changes:									
1. Interagency Agreements	0.0	0	525	0.0	0	525	0.0	0	0
2. General Inflation	0.0	0	-12	0.0	0	-12	0.0	0	0
3. Small Business and Grant Support	1.0	0	180	1.0	0	180	0.0	0	0
Total Policy Changes	1.0	0	693	1.0	0	693	0.0	0	0
Total 2005-07 Biennium	17.0	0	3,094	17.0	0	3,092	0.0	0	2
Difference from 2003-05	1.0	0	1,076	1.0	0	1,074	0.0	0	2
% Change from 2003-05	6.2%	0.0%	53.3%	6.2%	0.0%	53.2%			

Comments:

1. Interagency Agreements - The Senate budget makes a technical adjustment to an interagency agreement to match expenditures with available revenue. (OMWBE Account-State)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (OMWBE Account-State)

3. Small Business and Grant Support - The Office of Minority and Women's Business Enterprises (OMWBE) applies for and administers private sector grants as one of its revenue sources. The Senate budget appropriates for 1.0 FTE to manage these grants and coordinate additional support services to small businesses in Washington State. Grant monies shall be used to fund this position. (OMWBE Account-State)

2005-07 Omnibus Operating Budget
Department of General Administration
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	564.3	478	132,130	564.3	478	132,130	0.0	0	0
2005-07 Maintenance Level	571.8	495	127,739	574.0	495	128,927	-2.2	0	-1,188
Policy Changes:									
1. Transfer Capital Costs	6.7	0	2,336	6.7	0	2,414	0.0	0	-78
2. Middle Management Reduction	-8.8	-24	-970	-8.8	-24	-970	0.0	0	0
3. General Inflation	0.0	0	-931	0.0	0	-931	0.0	0	0
4. State Enterprise Procurement System	0.0	0	251	0.0	0	251	0.0	0	0
5. Engineer and Architect Services	14.1	0	2,747	14.1	0	2,747	0.0	0	0
6. Improve Parking Enforcement	0.0	0	0	0.0	0	56	0.0	0	-56
7. Implement a Business Support System	0.0	0	0	0.0	0	100	0.0	0	-100
Total Policy Changes	12.0	-24	3,433	12.0	-24	3,667	0.0	0	-234
Total 2005-07 Biennium	583.8	471	131,172	586.0	471	132,594	-2.2	0	-1,422
Difference from 2003-05	19.5	-7	-958	21.7	-7	464	-2.2	0	-1,422
% Change from 2003-05	3.5%	-1.5%	-0.7%	3.9%	-1.5%	0.4%			

Comments:

1. Transfer Capital Costs - Transfer the ongoing costs of functions that provide general support to the capital program from the capital budget to the operating budget where these functions are more appropriately funded.

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. State Enterprise Procurement System - In the 2003-05 Biennium, the Procurement Contract Administration Office rolled out the new Washington Electronic Business Solutions enterprise procurement support system that provides vendors and state agencies with a new procurement on-line portal for vendor registration, bid notification, bid quotes, and contract usage reporting. In the 2005-07 Biennium, a new system module will be added that will allow the vendor community and state agencies to conduct the following procurement activities on-line: pre-bids, bid evaluation, contract award and contract management. This new statewide procurement system will allow the state to more effectively aggregate purchases of goods and services, resulting in state agency savings from cheaper goods and services. (General Administration Services Account-Nonappropriated)

2005-07 Omnibus Operating Budget Department of General Administration

5. Engineer and Architect Services - The Engineering and Architectural Services Division's reimbursable project management activities will be transferred from the capital budget to the Department of General Administration's (GA) internal service fund in the operating budget to more appropriately reflect its fee for service nature and to improve accountability, financial visibility, and managerial control. (General Administration Services Account-Nonappropriated)

6. Improve Parking Enforcement - The Department of General Administration will contract with the Washington State Patrol (WSP) for a trooper to conduct full-time parking enforcement on the capitol campus. Increased enforcement is required to reduce unauthorized parking in capitol campus parking spaces. In previous biennia, WSP troopers' time on the campus was split between providing a security presence, responding to reports of criminal activity, and enforcing laws and regulations. (State Vehicle Parking Account-Nonappropriated)

7. Implement a Business Support System - The Senate proposed budget does not fund this item.

* **Motor Pool to Non-Appropriated #** - GA's motor pool was established to provide a central fleet of vehicles for use by other state agencies, through a fee-for-service cost recovery funding model. Expenses related to staff and vehicle purchase were appropriated, and expenses related to vehicle maintenance and fuel were nonappropriated. In the 2005-07 Biennium, all expenses will be nonappropriated to enable the motor pool to better respond to vehicle requirements of state agencies. (General Administration Services Account-Nonappropriated)

* **Custodial Standards in Office Areas** - During the 2005-07 Biennium, GA will conduct a pilot to test a new office building cleaning approach called Operating System 1 (OS1,) that has been successfully used by Boeing. The OS1 process prescribes cleaning for health first, then appearance. It is used throughout the country at thousands of schools, universities, and offices, and is credited with improving safety, reducing costs, and positively impacting the health of custodial workers and building tenants. A standard, high level of cleaning will be performed on the one million square feet of state-owned office space, instead of reimbursable service contracts where state agencies decide the cleanliness level of office space. Agencies will be billed for this service through a revolving fund, appropriated charge in lieu of a reimbursable, nonappropriated charge. (General Administration Services Account)

2005-07 Omnibus Operating Budget
Department of Information Services
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	429.5	2,650	208,538	429.5	2,650	208,538	0.0	0	0
2005-07 Maintenance Level	429.5	39	207,330	429.5	39	207,338	0.0	0	-8
Policy Changes:									
1. Digital Learning Commons	0.0	0	2,650	0.0	0	3,000	0.0	0	-350
2. Business Continuity	2.0	0	500	2.0	0	500	0.0	0	0
3. Middle Management Reduction	-6.6	0	-714	-6.6	0	-714	0.0	0	0
4. General Inflation	0.0	-39	-2,014	0.0	-39	-2,014	0.0	0	0
5. Justice Information Network	0.0	0	0	3.0	0	684	-3.0	0	-684
6. Small Agency Client Services	0.0	0	764	0.0	0	974	0.0	0	-210
7. Enterprise Business Support	4.0	0	610	4.0	0	610	0.0	0	0
8. Enhanced Radio Communications	2.0	0	381	2.0	0	381	0.0	0	0
Total Policy Changes	1.5	-39	2,177	4.5	-39	3,421	-3.0	0	-1,244
Total 2005-07 Biennium	431.0	0	209,507	434.0	0	210,759	-3.0	0	-1,252
Difference from 2003-05	1.5	-2,650	969	4.5	-2,650	2,221	-3.0	0	-1,252
% Change from 2003-05	0.2%	-100.0%	0.5%	0.9%	-100.0%	1.1%			

Comments:

1. Digital Learning Commons - The Senate budget provides funding to continue providing online courses, career and college planning resources, research, curriculum development, library content, digital tools, and training for students, parents, and teachers throughout Washington. By September 1, 2006, the Digital Learning Commons will report to the Governor and the Legislature on plans to make the services available to all middle and high schools in Washington and will propose sustainable funding sources through participation fees. (Education Technology Revolving Account-Nonappropriated)

2. Business Continuity - The Senate budget provides funding for the Digital Academy, in partnership with state agencies, to develop a statewide business continuity governance structure, and develop a statewide business continuity plan and budget that identifies the state's vital systems and services that must remain operational in a disaster. (Data Processing Revolving Account-Nonappropriated)

3. Middle Management Reduction - Middle management positions are reduced in the Senate budget. (Data Processing Revolving Account-State, Data Processing Revolving Account-Nonappropriated, Education Technology Revolving Account-Nonappropriated)

2005-07 Omnibus Operating Budget Department of Information Services

4. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Data Processing Revolving Account-State, Data Processing Revolving Account-Nonappropriated, Education Technology Revolving Account-Nonappropriated)

5. Justice Information Network - The Senate budget does not provide funding to establish a Justice Information Network office within the Department of Information Services. (Public Safety and Education Account-State)

6. Small Agency Client Services - The Senate budget provides funding to establish the Small Agency Client Services team as an ongoing program within the department. SACS was created as a pilot project during the 2003-05 biennium to provides information technology consulting services to 200 small state agencies, boards, and commissions. (Data Processing Revolving Account-Nonappropriated)

7. Enterprise Business Support - The Senate budget provides funding to support workload increases resulting from development of the Department of Personnel's Human Resource Management system and the Department of Labor and Industries' Online Reporting and Customer Access system. (Data Processing Revolving Account-Nonappropriated)

8. Enhanced Radio Communications - The Senate budget provides funding to create a State Interoperability Executive Committee (SIEC) project office within the Department of Information Services. The office will serve as a link between public safety and public service communications systems and to manage state-designated and state-owned radio frequencies across the state. Project office staff will also assist state agencies with migration to the Federal Communications Commission's mandated narrow band technology. (Data Processing Revolving Account-Nonappropriated)

2005-07 Omnibus Operating Budget
Office of Insurance Commissioner
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	199.2	0	34,118	199.2	0	34,118	0.0	0	0
2005-07 Maintenance Level	199.7	0	35,055	199.7	0	35,061	0.0	0	-6
Policy Changes:									
1. Middle Management Reduction	-2.9	0	-312	-2.9	0	-312	0.0	0	0
2. General Inflation	0.0	0	-89	0.0	0	-89	0.0	0	0
3. Financial Analysis Improvement	1.0	0	194	1.0	0	194	0.0	0	0
4. HP 3000 Computer Replacement	3.8	0	3,514	3.8	0	3,514	0.0	0	0
5. Illegal Insurer Investigations	1.0	0	162	1.0	0	162	0.0	0	0
6. IT Asset Replacement	0.0	0	594	0.0	0	594	0.0	0	0
7. Market Analysis Development Project	0.5	0	108	0.5	0	108	0.0	0	0
8. SHIBA HelpLine	1.0	0	452	1.0	0	452	0.0	0	0
Total Policy Changes	4.4	0	4,623	4.4	0	4,623	0.0	0	0
Total 2005-07 Biennium	204.1	0	39,678	204.1	0	39,684	0.0	0	-6
Difference from 2003-05	4.9	0	5,560	4.9	0	5,566	0.0	0	-6
% Change from 2003-05	2.5%	0.0%	16.3%	2.5%	0.0%	16.3%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 3. Financial Analysis Improvement** - Funding is provided to hire an additional insurance examiner that will enable the Office of Insurance Commissioner (OIC) to identify financially troubled insurers earlier, allowing the agency to take corrective action sooner, thus reducing the risk to consumers. OIC performs a basic analysis of domestic insurers' financial statements which identifies companies with the potential of becoming financially distressed. Through early detection and intervention, the agency can assist companies before they face serious financial problems or insolvency. Currently, OIC is only able to perform an analysis of the most troubled companies. (Insurance Commissioner's Regulatory Account-State)
- 4. HP 3000 Computer Replacement** - The Office of Insurance Commissioner's HP 3000 mainframe computer will no longer be supported by the manufacturer as of December 2006. All mission critical agency insurance data reside on this system. Funding is provided to replace the mainframe and to redesign all mission critical applications. Funding for the requirements definition phase of this project was approved in the 2004 Supplemental Budget. (Insurance Commissioner's Regulatory Account-State)
- 5. Illegal Insurer Investigations** - Washington consumers are being victimized by criminal enterprises selling fraudulent insurance products. This funding will enable the Office of Insurance Commissioner to evaluate and investigate all referrals of suspected criminal activity involving insurance transactions. Funding for one investigator position is needed to supplement the work of the current investigator. (Insurance Commissioner's Regulatory Account-State)

2005-07 Omnibus Operating Budget Office of Insurance Commissioner

6. IT Asset Replacement - The Office of Insurance Commissioner's current personal computer and network infrastructure has reached the end of its life cycle. Funding is provided for an information technology (IT) asset replacement cycle for all IT equipment and standard desktop software. (Insurance Commissioner's Regulatory Account-State)

7. Market Analysis Development Project - Funding is needed for a one-year project position to determine the feasibility, design, structure, and organizational impact of establishing a market analysis program as a tool for regulating insurance products sold in the state of Washington. This development project is being driven at the national level to better focus limited resources on consumer protection. (Insurance Commissioner's Regulatory-State)

8. SHIBA HelpLine - The Office of Insurance Commissioner's Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a statewide network of trained volunteers who provide one-on-one counseling and community education to consumers on health care and health insurance. SHIBA volunteers are supported by a county sponsor, usually a single community organization working with consumers in that county. The increasingly diverse population of Washington, including many non-English speaking residents, has strained sponsor capability, particularly in King, Pierce and Snohomish counties. Funding is provided for sponsor reimbursements and a health insurance advisor to improve service to the diverse populations of this three-county area. (Insurance Commissioner's Regulatory Account-State)

2005-07 Omnibus Operating Budget
State Board of Accountancy
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	9.3	0	1,994	9.3	0	1,994	0.0	0	0
2005-07 Maintenance Level	9.3	0	1,940	9.3	0	1,938	0.0	0	2
Policy Changes:									
1. General Inflation	0.0	0	-9	0.0	0	-9	0.0	0	0
Total Policy Changes	0.0	0	-9	0.0	0	-9	0.0	0	0
Total 2005-07 Biennium	9.3	0	1,931	9.3	0	1,929	0.0	0	2
Difference from 2003-05	0.0	0	-63	0.0	0	-65	0.0	0	2
% Change from 2003-05	0.0%	0.0%	-3.2%	0.0%	0.0%	-3.3%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Forensic Investigations Council
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	0	274	0.0	0	274	0.0	0	0
2005-07 Maintenance Level	0.0	0	282	0.0	0	282	0.0	0	0
Total 2005-07 Biennium	0.0	0	282	0.0	0	282	0.0	0	0
Difference from 2003-05	0.0	0	8	0.0	0	8	0.0	0	0
% Change from 2003-05	0.0%	0.0%	2.9%	0.0%	0.0%	2.9%			

Comments:

2005-07 Omnibus Operating Budget
Washington Horse Racing Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	28.5	0	4,647	28.5	0	4,647	0.0	0	0
2005-07 Maintenance Level	28.5	0	8,498	28.5	0	8,496	0.0	0	2
Policy Changes:									
1. General Inflation	0.0	0	-20	0.0	0	-20	0.0	0	0
Total Policy Changes	0.0	0	-20	0.0	0	-20	0.0	0	0
Total 2005-07 Biennium	28.5	0	8,478	28.5	0	8,476	0.0	0	2
Difference from 2003-05	0.0	0	3,831	0.0	0	3,829	0.0	0	2
% Change from 2003-05	0.0%	0.0%	82.4%	0.0%	0.0%	82.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Washington State Liquor Control Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	961.0	2,935	162,281	961.0	2,935	162,281	0.0	0	0
2005-07 Maintenance Level	965.0	3,039	170,730	966.0	3,035	171,129	-1.0	4	-399
Policy Changes:									
1. Change Expense to Nonappropriated	0.0	0	58	0.0	0	58	0.0	0	0
2. Middle Management Reduction	-5.0	-15	-547	-5.0	-15	-547	0.0	0	0
3. General Inflation	0.0	-7	-1,123	0.0	-7	-1,123	0.0	0	0
4. Staff Training	1.0	0	402	0.0	0	0	1.0	0	402
5. Criminal Justice Training	0.0	32	158	0.0	0	126	0.0	32	32
6. Enhance Stores Network Connection	1.0	0	2,228	1.0	0	2,228	0.0	0	0
7. Alcohol Education Initiative #	1.0	0	186	1.0	0	186	0.0	0	0
8. Optional Redemption of COPs	0.0	0	4,315	0.0	0	4,315	0.0	0	0
9. Improve Core Technology Operations	4.0	0	2,261	4.0	0	2,261	0.0	0	0
10. Financing Warehouse Expansion	0.0	0	2,800	0.0	0	2,800	0.0	0	0
11. Increase Shipping Capacity	11.6	0	3,233	11.6	0	3,233	0.0	0	0
12. More Store FTEs for Revenue Growth	28.0	0	2,746	28.0	0	2,746	0.0	0	0
13. Liquor Retail Business Plan	15.5	0	1,435	0.0	0	0	15.5	0	1,435
Total Policy Changes	57.1	10	18,152	40.6	-22	16,283	16.5	32	1,869
Total 2005-07 Biennium	1,022.1	3,049	188,882	1,006.6	3,013	187,412	15.5	36	1,470
Difference from 2003-05	61.1	114	26,601	45.6	78	25,131	15.5	36	1,470
% Change from 2003-05	6.3%	3.9%	16.4%	4.8%	2.7%	15.5%			

Comments:

1. Change Expense to Nonappropriated - State and contract liquor stores' customers are provided bags to carry purchased liquor. In previous biennia bags have been an appropriated expense. In the 2005-07 Biennium, bags will be a nonappropriated/budgeted expense. This change allows the Liquor Control Board to continue to provide bags to customers without having to seek additional appropriation authority when liquor sales increase. (Liquor Revolving Account-Nonappropriated)

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget Washington State Liquor Control Board

- 4. Staff Training** - The Senate Budget provides funding for an FTE and training courses for the LCB to become in compliance with state mandated training courses, to reduce risk, and to improve staff knowledge/ skills/service delivery. (Liquor Revolving Account)
- 5. Criminal Justice Training** - The Senate budget provides funding to train 5 liquor enforcement officers (LEO) per year over the next eight years. All newly hired liquor enforcement officers (LEO) are required to receive 720 hours of basic law enforcement academy (BLEA) training. The Legislature instituted this training requirement in the 2001-03 Biennium. Currently, forty LEOs, employed prior to this period, have not received this training. (Liquor Revolving Account)
- 6. Enhance Stores Network Connection** - The Senate provides funding to install a high-speed Wide Area Network (WAN) in all of the 161 state liquor stores, which will allow credit card transaction times of five seconds or less, access to on-line Lottery games, and better customer service by enabling product searches. Currently the Liquor Control Board (LCB) employs "dial-up" connections between the 161 state liquor stores and the Olympia headquarters to process credit and debit card transactions for liquor purchases. (Liquor Revolving Account)
- 7. Alcohol Education Initiative #** - The Senate budget provides funding for an alcohol education program directed towards reducing alcohol abuse amongst adults and youth. By statute, the LCB is required to conduct a statewide alcohol awareness program in cooperation with federal and state agencies to interested organizations. (Liquor Revolving Account)
- 8. Optional Redemption of COPs** - The Senate budget provides funding for the Liquor Control Board to make an accelerated final payment on the Certificate of Participation (COP) used to finance the new Seattle Liquor Distribution Center, saving the state \$390,000 in interest expenses. Once the debt is eliminated, the agency will retain the \$0.20/liter surcharge to finance the expansion of the Seattle Distribution Center. (Liquor Control Board Construction and Maintenance Account)
- 9. Improve Core Technology Operations** - The Senate budget provides funding for the Liquor Control Board to improve their core technology operations with the following activities: replacement of essential computer equipment; improvement of security measures; and improvement of the technical support for core infrastructure. The improvement of security measures involves hiring an IT security coordinator to bring the Liquor Control Board into full compliance with all Information Services Board security standards. The improvement of technical support for the core infrastructure includes additional staff to address network and management concerns related to management and maintenance of firewalls, routers, Exchange and other operating systems, database management systems, servers, and Tivoli backup. (Liquor Revolving Account)
- 10. Financing Warehouse Expansion** - The Senate budget provides funding for the debt service on a new certificate of participation (COP) to expand the Seattle distribution center. In 2006, the Liquor Control Board will begin construction to expand the existing warehouse by 59,520 square feet to meet the 2018 forecasted case requirement (32,400 cases in an eight-hour period). The additional space will support expanded receiving docks, floor and rack storage, and staging areas. The LCB expects construction to be completed by December 2007, and estimates the project to cost \$17.5 million. The Board will fund the expansion through a certificate of participation and continuation of the 20 cents per liter surcharge that funded the existing Distribution Center. (Liquor Control Board Construction & Maintenance Account)

2005-07 Omnibus Operating Budget Washington State Liquor Control Board

11. Increase Shipping Capacity - The Senate budget provides funding for the Liquor Control Board to acquire additional material handling equipment and staff to meet projected sales growth demands of the 2005 and 2006 holiday seasons. This new material handling equipment will be procured and installed before October 2005. (Liquor Revolving Account)

12. More Store FTEs for Revenue Growth - The Senate provides funding for additional state liquor store staff and retail business analysis in order to continue to provide effective customer service, product training, inventory management, loss prevention, and merchandising. New staff will be deployed to those stores with the greatest potential for additional customer satisfaction and revenue growth. The Liquor Control Board, with the assistance of two new retail business analysts and an independent consultant, will analyze the impact of additional staff on customer satisfaction and revenue growth and make recommendations concerning the need for additional state liquor store staff, store relocations, new state and contract liquor stores, and other retail organizational structure changes. (Liquor Revolving Account)

13. Liquor Retail Business Plan - The Senate provides funding to implement SSB 5487 which requires the liquor control board to implement a liquor retail business plan. The business plan includes opening at least 20 stores on Sundays. The plan also includes in-store merchandising and point of sale advertising. (Liquor Revolving Account)

2005-07 Omnibus Operating Budget
Utilities and Transportation Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	155.1	0	30,485	155.1	0	30,485	0.0	0	0
2005-07 Maintenance Level	155.4	0	32,030	153.4	0	31,326	2.0	0	704
Policy Changes:									
1. FCC Workload/QPAP	0.0	0	0	2.0	0	626	-2.0	0	-626
2. National Energy Policy Devt	0.0	0	120	0.0	0	120	0.0	0	0
3. Middle Management Reduction	-2.4	0	-253	-2.4	0	-253	0.0	0	0
4. General Inflation	0.0	0	-68	0.0	0	-68	0.0	0	0
5. Information Services Support	1.0	0	145	1.0	0	145	0.0	0	0
6. Statewide Systems Increase	0.0	0	46	0.0	0	46	0.0	0	0
7. Public Counsel Legal Services	0.0	0	70	0.0	0	80	0.0	0	-10
Total Policy Changes	-1.4	0	60	0.6	0	696	-2.0	0	-636
Total 2005-07 Biennium	154.0	0	32,090	154.0	0	32,022	0.0	0	68
Difference from 2003-05	-1.2	0	1,605	-1.2	0	1,537	0.0	0	68
% Change from 2003-05	-0.6%	0.0%	5.3%	-0.6%	0.0%	5.0%			

Comments:

- 1. FCC Workload/QPAP** - The Senate budget does not fund this enhancement request.
- 2. National Energy Policy Devt** - The Senate budget provides funding to further the state's interest in national policy development being considered in Congress and at the Federal Energy Regulatory Commission. (Public Service Revolving Account-State)
- 3. Middle Management Reduction** - Middle management positions are reduced.
- 4. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 5. Information Services Support** - The Senate budget provides funding for one additional staff position for the Information Services section of the Washington Utilities and Transportation Commission (WUTC) to enhance public access to the web, shorten response time to the public, improve case tracking, and provide program efficiencies. (Public Service Revolving Account-State)

2005-07 Omnibus Operating Budget Utilities and Transportation Commission

6. Statewide Systems Increase - The agency cost allocation and revenue systems were developed in the 1960s and are in need of significant enhancement. The Senate budget provides funding to allow the agency to utilize the state accounting system (AFRS) to a much greater degree and implement the state time-keeping system in Fiscal Year 2005. (Public Service Revolving Account-State)

7. Public Counsel Legal Services - The Senate budget provides funding for additional expert witnesses to testify in regulated utility matters before the Utility and Transportation Commission. (Public Service Revolving Account-State)

2005-07 Omnibus Operating Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	3.0	0	738	3.0	0	738	0.0	0	0
2005-07 Maintenance Level	3.0	0	763	3.0	0	767	0.0	0	-4
Policy Changes:									
1. General Inflation	0.0	0	-2	0.0	0	-2	0.0	0	0
2. Contract for IT Support Services	0.0	0	18	0.0	0	18	0.0	0	0
3. Hire an Office Assistant	0.8	0	45	0.8	0	45	0.0	0	0
4. Civil Service Reform Training	0.0	0	1	0.0	0	1	0.0	0	0
Total Policy Changes	0.8	0	62	0.8	0	62	0.0	0	0
Total 2005-07 Biennium	3.8	0	825	3.8	0	829	0.0	0	-4
Difference from 2003-05	0.8	0	87	0.8	0	91	0.0	0	-4
% Change from 2003-05	33.3%	0.0%	11.8%	33.3%	0.0%	12.3%			

Comments:

1. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Volunteer Firefighters/Reserve Officers Administrative Account-Nonappropriated)

2. Contract for IT Support Services - The Senate budget provides funding for the procurement of additional information technology support services from the Department of Information Services. (Volunteer Firefighters/Reserve Officers Administrative Account-Nonappropriated)

3. Hire an Office Assistant - The Senate budget provides funding to hire an additional Office Assistant to help the agency meet the State Auditor's staffing recommendations. This will specifically address Auditor's concerns regarding the separation of duties requirement and will help meet increased workload demands. (Volunteer Firefighters/Reserve Officers Administrative Account-Nonappropriated)

4. Civil Service Reform Training - The Senate budget provides funding for costs associated with required civil service reform training, which will educate the manager and staff on how to be compliant with the Personnel System Reform Act of 2002. (Volunteer Firefighters/Reserve Officers Administrative Account-Non-Appropriated)

2005-07 Omnibus Operating Budget
Military Department
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	280.8	17,165	286,446	280.8	17,165	286,446	0.0	0	0
2005-07 Maintenance Level	283.8	17,804	264,796	283.8	17,800	251,301	0.0	4	13,495
Policy Changes:									
1. E-911 Database Upgrade	0.0	0	2,900	0.0	0	2,900	0.0	0	0
2. Middle Management Reduction	-2.4	-122	-257	-2.4	-122	-257	0.0	0	0
3. General Inflation	0.0	-81	-292	0.0	-81	-292	0.0	0	0
4. Alert & Warning Ctr Staffing	3.0	386	386	0.0	0	0	3.0	386	386
5. Mt. St. Helens Emerg Communications	0.0	0	867	0.0	0	0	0.0	0	867
Total Policy Changes	0.7	183	3,604	-2.4	-203	2,351	3.0	386	1,253
Total 2005-07 Biennium	284.4	17,987	268,400	281.4	17,597	253,652	3.0	390	14,748
Difference from 2003-05	3.7	822	-18,046	0.7	432	-32,794	3.0	390	14,748
% Change from 2003-05	1.1%	4.8%	-6.3%	0.0%	2.5%	-11.4%			

Comments:

1. E-911 Database Upgrade - The Senate budget appropriates funding to upgrade the enhanced 911 database to meet the National Emergency Number Association's Extensible Markup Language (XML) standards. This upgrade will permit data sharing between multiple systems, including wireline, wireless, and voice-over-Internet Protocol technology. These applications have been endorsed by the Federal Communications Commission. (Enhanced 911 Account)

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Alert & Warning Ctr Staffing - The Senate budget appropriates funding to add three FTEs for the Emergency Operations' Alert and Warning Center to provide the center with two employees per shift. This will reduce overtime costs and eliminate periods where only one employee covers the shift.

5. Mt. St. Helens Emerg Communications - The Senate budget appropriates one-time funding for to the Cowlitz County 911 Communications Center for the purposes of purchasing or reimbursing the cost of purchasing interoperable radio communication technology to improve disaster response in the Mt. St. Helens area (Disaster Response Account-State).

2005-07 Omnibus Operating Budget
Public Employment Relations Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	41.4	4,856	7,403	41.4	4,856	7,403	0.0	0	0
2005-07 Maintenance Level	42.7	5,162	7,873	42.7	5,160	7,871	0.0	2	2
Policy Changes:									
1. General Inflation	0.0	-16	-23	0.0	-16	-23	0.0	0	0
Total Policy Changes	0.0	-16	-23	0.0	-16	-23	0.0	0	0
Total 2005-07 Biennium	42.7	5,146	7,850	42.7	5,144	7,848	0.0	2	2
Difference from 2003-05	1.3	290	447	1.3	288	445	0.0	2	2
% Change from 2003-05	4.9%	6.0%	6.0%	4.9%	5.9%	6.0%			

Comments:

1. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service-State)

2005-07 Omnibus Operating Budget
LEOFF 2 Retirement Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.8	0	889	1.8	0	889	0.0	0	0
2005-07 Maintenance Level	6.0	0	1,889	6.0	0	1,889	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	0	-5	0.0	0	-5	0.0	0	0
Total Policy Changes	0.0	0	-5	0.0	0	-5	0.0	0	0
Total 2005-07 Biennium	6.0	0	1,884	6.0	0	1,884	0.0	0	0
Difference from 2003-05	4.3	0	995	4.3	0	995	0.0	0	0
% Change from 2003-05	200.0%	0.0%	111.9%	200.0%	0.0%	111.9%			

Comments:

1. General Inflation - In the Senate budget, agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Expense Account).

2005-07 Omnibus Operating Budget
Growth Management Hearings Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	12.0	3,020	3,020	12.0	3,020	3,020	0.0	0	0
2005-07 Maintenance Level	12.0	3,053	3,053	12.0	3,049	3,049	0.0	4	4
Policy Changes:									
1. Connecting to the State Network	0.0	0	0	0.0	18	18	0.0	-18	-18
2. General Inflation	0.0	-7	-7	0.0	-7	-7	0.0	0	0
3. Caseload Increases	0.0	62	62	0.0	62	62	0.0	0	0
Total Policy Changes	0.0	55	55	0.0	73	73	0.0	-18	-18
Total 2005-07 Biennium	12.0	3,108	3,108	12.0	3,122	3,122	0.0	-14	-14
Difference from 2003-05	0.0	88	88	0.0	102	102	0.0	-14	-14
% Change from 2003-05	0.0%	2.9%	2.9%	0.0%	3.4%	3.4%			

Comments:

1. Connecting to the State Network - The Western Washington Growth Management Hearings Board has relocated to the General Administration Building on the Capitol Campus. In addition to office space, the Department of General Administration will provide all information technology (IT) support, such as connection to the state governmental network, local area network, desktop support, and IT portfolio support.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Caseload Increases - RCW 36.70A.130 (1) requires that all cities and counties review, evaluate, and revise, if necessary, their natural resource lands designations and critical areas ordinances on a staggered schedule beginning in 2004. Additionally, counties and cities planning under the Growth Management Act must review, evaluate, and revise, if necessary, their comprehensive plans and development regulations. In the 2005-07 Biennium, the Central Growth Management Hearings Board anticipates a 158 percent increase in cases filed for review. An additional law clerk and other support services are funded to ensure that the Board is able to complete reviews in a timely fashion.

2005-07 Omnibus Operating Budget
State Convention and Trade Center
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	155.0	0	71,735	155.0	0	71,735	0.0	0	0
2005-07 Maintenance Level	161.0	0	76,649	161.0	0	76,647	0.0	0	2
Policy Changes:									
1. General Inflation	0.0	0	-154	0.0	0	-154	0.0	0	0
Total Policy Changes	0.0	0	-154	0.0	0	-154	0.0	0	0
Total 2005-07 Biennium	161.0	0	76,495	161.0	0	76,493	0.0	0	2
Difference from 2003-05	6.0	0	4,760	6.0	0	4,758	0.0	0	2
% Change from 2003-05	3.9%	0.0%	6.6%	3.9%	0.0%	6.6%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Department of Archaeology & Historic Preservation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	0	0	0.0	0	0	0.0	0	0
2005-07 Maintenance Level	0.0	0	0	0.0	0	0	0.0	0	0
Policy Changes:									
1. Establishment of Agency	16.6	1,099	2,559	0.0	0	0	16.6	1,099	2,559
Total Policy Changes	16.6	1,099	2,559	0.0	0	0	16.6	1,099	2,559
Total 2005-07 Biennium	16.6	1,099	2,559	0.0	0	0	16.6	1,099	2,559
Difference from 2003-05	16.6	1,099	2,559	0.0	0	0	16.6	1,099	2,559
% Change from 2003-05	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Establishment of Agency - The Department of Archaeology and Historic Preservation (DAHP) is established as a separate agency of state government. The creation of this new agency will allow for institutional efficiencies, creating a greater funding base to distribute to local governments for preservation-related activities. This program was established in the Department of Community Trade and Economic Development with a total biennium funding level of \$2,696,000. (General Fund-State, General Fund-Federal, General Fund-Local)

2005-07 Omnibus Operating Budget
Washington State Health Care Authority
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	274.0	0	553,420	274.0	0	553,420	0.0	0	0
2005-07 Maintenance Level	272.7	0	616,562	272.8	0	616,558	-0.1	0	4
Policy Changes:									
1. Flexible Spending Accounts #	1.5	0	346	1.5	0	346	0.0	0	0
2. Public Employees Program Support	0.0	0	500	0.0	0	500	0.0	0	0
3. Middle Management Reduction	-3.7	0	-412	-3.7	0	-412	0.0	0	0
4. Review Evidence-Based Purchasing	0.0	0	0	0.0	0	221	0.0	0	-221
5. Prescription Purchasing Consortium#	0.0	0	391	5.0	0	989	-5.0	0	-598
6. Small Business Assist Program #	0.0	0	0	3.3	0	724	-3.3	0	-724
7. General Inflation	0.0	0	-170	0.0	0	-170	0.0	0	0
8. Ins Eligibility/Acctg Syst Upgrade	0.0	0	0	1.5	0	7,922	-1.5	0	-7,922
9. Medicare Modernization Act Impacts#	2.3	0	479	2.3	0	479	0.0	0	0
10. Enhance UMP Clinical & Provider Mgm	0.0	0	285	3.0	0	570	-3.0	0	-285
11. Discontinue "Pharmacy Connections"	0.0	0	-750	0.0	0	0	0.0	0	-750
12. Electronic Medical Records	1.1	0	331	0.0	0	0	1.1	0	331
Total Policy Changes	1.1	0	1,000	12.8	0	11,169	-11.7	0	-10,169
Total 2005-07 Biennium	273.8	0	617,562	285.6	0	627,727	-11.8	0	-10,165
Difference from 2003-05	-0.2	0	64,142	11.6	0	74,307	-11.8	0	-10,165
% Change from 2003-05	0.0%	0.0%	11.6%	4.4%	0.0%	13.4%			

Comments:

1. Flexible Spending Accounts # - Funding is provided to expand the state's flexible spending account program from a limited pilot project in higher education to general government employees, as called for in the 2005-07 collective bargaining agreements. FSAs are plans that allow employees to defer pre-tax income, and subsequently spend those tax-free dollars on qualified health expenditures. The administrative cost of the program will be paid by state agencies according to the degree of participation of their employees. It is assumed for the 2005-07 Biennium that agencies' savings on Federal Insurance Contributions Act (FICA) payments will cover the costs charged to them, as the agencies' tax liability will be lower for employees who are deferring pre-tax income. The Health Care Authority will administer the program and bill agencies directly for their participation. (Health Care Authority Administration Account-State)

2. Public Employees Program Support - Funding is provided to make information system changes needed in fiscal year 2006 in order to accommodate the proposed two-tiered funding rate for represented and non-represented state employees in fiscal year 2007. (Health Care Authority Administration Account-State)

2005-07 Omnibus Operating Budget Washington State Health Care Authority

3. Middle Management Reduction - Middle management positions are reduced.

4. Review Evidence-Based Purchasing - As directed in Senate Bill 5924, the Agency Medical Directors' Group will implement a pilot project to coordinate and strengthen state agency efforts to obtain and evaluate scientific evidence regarding new health care procedures, services, and technology. The pilot will allow agencies to coordinate their evaluations, and support additional progress in the area of evidence-based health purchasing. Participating agencies are the Health Care Authority, the Department of Social and Health Services Medical Assistance Administration, the Department of Labor and Industries, the Department of Corrections, and the Department of Veterans' Affairs. The Senate budget anticipates that the agencies will implement this improvement by re-deploying funds they are already spending on their individual, uncoordinated efforts.

5. Prescription Purchasing Consortium# - As provided in Senate Bill 5471, the Health Care Authority will organize a drug purchasing consortium that will include state agencies, and any private organization or uninsured state resident that chooses to join. Building upon state government's current evidence-based preferred drug list, the consortium will utilize the combined purchasing power of consortium members to leverage discounted prices from drug manufacturers. State funds are provided to cover the initial costs of designing and organizing the consortium. Ongoing operating costs are to be covered by enrollment fees charged to consortium participants, currently estimated at about \$30 per enrollee per year. (Health Services Account-State, Drug Purchasing Consortium Account - Non-Appropriated)

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund - Federal, Health Care Authority Administrative Account - State, Uniform Medical Plan Account - Non-appropriated, Health Services Account - State)

9. Medicare Modernization Act Impacts# - Funding is provided to cover the administrative costs of coordinating the supplemental health benefits available to retired state and school employees with the new Medicare Part D prescription drug benefit. Beginning in January 2006, Medicare will offer incentives for employers, such as the state, to continue to offer retiree prescription drug benefits. Administrative efforts are needed to ensure that the state's retiree drug benefits are at least actuarially equivalent to those available through Medicare, and that the state receives the Medicare subsidy for which it is eligible. (Health Care Authority Administrative Account-State)

10. Enhance UMP Clinical & Provider Mgm - Funds are provided for the Health Care Authority to improve clinical and provider management activities within the Uniform Medical Plan (UMP) in the following ways: 1) establish an integrated database to coordinate, track, and document complaints and coverage issues such as appeals, prior authorizations and other clinical decisions; 2) expand collaborative pilot projects to reward health care providers who deliver cost-effective care; and 3) enhance provider reimbursement systems to control costs and ensure appropriate payment levels for additional types of medical services. (Health Care Authority Administrative Account-State)

11. Discontinue "Pharmacy Connections" - Drug manufacturers, in coordination with a number of local patient assistance groups, have undertaken "Rx Help for Washington" to assist low-income people learn about and apply for manufacturer drug discount programs for which they may be eligible. Consequently, state funding for the Pharmacy Connections program, which provides similar information and assistance, can be discontinued. (Health Services Account-State)

12. Electronic Medical Records - Funds are appropriated to pay for the costs associated with conducting a study of electronic medical record systems and other health information technologies, as called for in Substitute Senate Bill 5064 (Electronic Medical Records). (General Fund-Federal, Health Services Account-State)

2005-07 Omnibus Operating Budget
Human Rights Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	47.7	4,795	6,455	47.7	4,795	6,455	0.0	0	0
2005-07 Maintenance Level	47.7	5,109	6,786	47.7	5,097	6,774	0.0	12	12
Policy Changes:									
1. General Inflation	0.0	-14	-19	0.0	-14	-19	0.0	0	0
2. Federal Funding Adjustment	0.0	-200	0	0.0	0	0	0.0	-200	0
3. Staff Training	0.0	46	46	0.0	46	46	0.0	0	0
Total Policy Changes	0.0	-168	27	0.0	32	27	0.0	-200	0
Total 2005-07 Biennium	47.7	4,941	6,813	47.7	5,129	6,801	0.0	-188	12
Difference from 2003-05	0.0	146	358	0.0	334	346	0.0	-188	12
% Change from 2003-05	0.0%	3.0%	5.5%	0.0%	7.0%	5.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Federal Funding Adjustment - For the past three fiscal years, the agency has earned federal revenues in excess of what was budgeted. The Senate budget adjusts funding to those actuals. This adjustment reflects 76% of the excess federal revenues over the past three fiscal years. (General Fund-Federal)

3. Staff Training - The Senate budget provides funding for staff training to prepare the Commission for potential cases related to civil service reform.

2005-07 Omnibus Operating Budget
Board of Industrial Insurance Appeals
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	159.1	0	30,385	159.1	0	30,385	0.0	0	0
2005-07 Maintenance Level	159.1	0	32,017	159.1	0	31,647	0.0	0	370
Policy Changes:									
1. Middle Management Reduction	-0.7	0	-78	-0.7	0	-78	0.0	0	0
2. General Inflation	0.0	0	-130	0.0	0	-130	0.0	0	0
3. Expanding Self-Insurers	11.8	0	2,480	0.0	0	0	11.8	0	2,480
Total Policy Changes	11.1	0	2,272	-0.7	0	-208	11.8	0	2,480
Total 2005-07 Biennium	170.2	0	34,289	158.4	0	31,439	11.8	0	2,850
Difference from 2003-05	11.1	0	3,904	-0.7	0	1,054	11.8	0	2,850
% Change from 2003-05	6.9%	0.0%	12.8%	-0.6%	0.0%	3.5%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Expanding Self-Insurers - The Senate appropriates funding for the Board of Industrial Insurance Appeals to implement Substitute Senate Bill No. 5789, expanding the role of self-insurers in the workers' compensation system. (Accident Account-State, Medical Aid Account-State)

2005-07 Omnibus Operating Budget
WA State Criminal Justice Training Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	36.8	0	18,814	36.8	0	18,814	0.0	0	0
2005-07 Maintenance Level	38.2	0	19,081	38.2	0	19,167	0.0	0	-86
Policy Changes:									
1. Vendor Rate Increase	0.0	0	43	0.0	0	366	0.0	0	-323
2. General Inflation	0.0	0	-156	0.0	0	-156	0.0	0	0
3. Certification/Decertification	0.0	0	0	1.0	0	310	-1.0	0	-310
4. Course Reimbursement	0.0	0	0	0.0	0	300	0.0	0	-300
5. Firearms Certificate Program	0.0	0	88	0.0	0	0	0.0	0	88
6. Incident-Based Reporting Software	0.0	0	205	0.0	0	0	0.0	0	205
7. Adjust Corrections Class Size	0.0	0	-500	0.0	0	0	0.0	0	-500
8. Sex Offender Website Equipment	0.0	0	30	0.0	0	0	0.0	0	30
Total Policy Changes	0.0	0	-290	1.0	0	820	-1.0	0	-1,110
Total 2005-07 Biennium	38.2	0	18,791	39.2	0	19,987	-1.0	0	-1,196
Difference from 2003-05	1.4	0	-23	2.4	0	1,173	-1.0	0	-1,196
% Change from 2003-05	2.7%	0.0%	-0.1%	5.4%	0.0%	6.2%			

Comments:

1. Vendor Rate Increase - Funding is provided for a vendor rate increase for the Washington Association of Sheriffs and Police Chiefs (WASPC) and vendor-provided food services at the Criminal Justice Training Center in Burien. The funding level shown assumes a 1.2% increase in September 2005 and a 1.7% increase in FY 2006, consistent with increases provided to most state vendors. (Public Safety and Education Account-State)

Note: The overall Senate funding level differs from the Governor's as three items that are not vendor rate increases that were included in the Governor's line item are instead reflected below in items 5, 6, and 8.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account-State, Death Investigations Account-State)

3. Certification/Decertification - The Senate budget does not provide funding for this item, as the bill that requires this expenditure (Senate Bill 5320) did not pass the Senate prior to cutoff, and the bill is not necessary to implement the budget.

2005-07 Omnibus Operating Budget WA State Criminal Justice Training Commission

4. Course Reimbursement - The Senate budget does not provide a separate appropriation for non-mandated courses, and assumes that revenues for these programs will continue to be recorded as recovery of expenditures. The agency has not demonstrated that it can raise sufficient fee revenues to cover these courses. The Senate suggests that the agency propose fee increases and/or requests for funding for these non-mandated courses to the Legislature in the supplemental budget. In the meantime, the agency will need to offer the non-mandated courses only to the extent that it is currently funded for them, that it can charge for them, and/or absorb the costs. (Public Safety and Education Account-State)

5. Firearms Certificate Program - Funding is provided to cover one staff and materials for the firearms certification program for security guards, to be fully offset by equivalent revenue from fees. Currently, this certification program does not cover its own costs, as is required by RCW 43.101.260, and revenues are credited as a recovery of expenditures. The Criminal Justice Training Commission is given permission to raise its fees in excess of the Initiative 601 limit to recover actual expenditures and eliminate subsidization of this program by other programs. The cost of a firearms certification for security guards will likely increase from a one-time fee of \$31 to a one-time fee of \$100. In the Governor's budget, this item was funded in item 1 above. (Public Safety and Education Account-State)

6. Incident-Based Reporting Software - One-time funding is provided for the Washington Association of Sheriffs and Police Chiefs (WASPC) to purchase a program to allow better crime data sharing between law enforcement agencies. WASPC intends to purchase an off-the-shelf National Incident Based Reporting System (NIBRS) program and data converter to support its current system. The converter allows agencies with incompatible records management to transfer information. NIBRS includes complex and specific crime information allowing the identification of common crimes, similar suspects, and victim information across jurisdictions, to prevent and solve crimes. In the Governor's budget, this item was funded in item 1 above. (Public Safety and Education Account-State)

7. Adjust Corrections Class Size - Funding is reduced to reflect a 20 percent reduction in the number of total corrections academies. Between FY 2002 and FY 2005, the number of corrections students declined by nearly 20 percent, although the number of academies provided has increased. With this change, the Commission will still be able to provide 38 rather than 47 basic corrections academies per year, which is still a greater number of academies than was provided in FY 2002. Class size will be about 22 students per academy, rather than the current 15. (Public Safety and Education Account-State)

8. Sex Offender Website Equipment - One-time funding is provided for the Washington Association of Sheriffs and Police Chiefs (WASPC) to purchase two new servers and associated licenses to maintain the stability of the the Sex Offender Information Center (SOIC) on its website. The SOIC was authorized and funded by the Legislature in 2003, and provides web-based information to the public on registered sex offenders living in their area. WASPC will absorb \$60,000 in other costs associated with the website, but cannot purchase the new servers without additional funding. The existing equipment was donated several years ago and is out-of-date. In the Governor's budget, this item was funded in item 1 above. (Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget
Department of Labor and Industries
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	2,607.6	12,146	477,501	2,607.6	12,146	477,501	0.0	0	0
2005-07 Maintenance Level	2,615.9	13,146	479,695	2,615.9	14,271	483,970	0.0	-1,125	-4,275
Policy Changes:									
1. Middle Management Reduction	-16.6	-39	-1,809	-16.6	-39	-1,809	0.0	0	0
2. Mandatory Caseload Adjustments	0.0	3,329	4,867	0.0	0	0	0.0	3,329	4,867
3. General Inflation	0.0	-31	-1,332	0.0	-31	-1,332	0.0	0	0
4. Other Fund Adjustments	0.0	1,105	0	0.0	0	0	0.0	1,105	0
5. Online Reporting & Customer Access	18.5	0	12,954	18.5	0	12,954	0.0	0	0
6. Self Insur Electronic Reporting *	2.0	0	1,399	2.0	0	1,399	0.0	0	0
7. Critical Safety and Health Data	1.0	0	1,727	1.0	0	1,727	0.0	0	0
8. Minor Work Permit Compliance *	0.0	0	0	2.0	0	472	-2.0	0	-472
9. COHE: Center of Occupational Health	0.0	0	441	0.0	0	441	0.0	0	0
10. Medical Provider Fraud and Abuse	4.5	0	2,531	4.5	0	2,531	0.0	0	0
11. Employer Fraud Targeting Technology	2.0	0	3,602	2.0	0	3,602	0.0	0	0
12. Fraud Detection and Targeted Action	11.0	0	2,231	11.0	0	2,797	0.0	0	-566
13. Workload Adjustment	-13.0	0	-878	0.0	0	0	-13.0	0	-878
14. Family Leave Insurance	31.7	0	15,107	0.0	0	0	31.7	0	15,107
15. Homeowner Protection	0.0	202	202	0.0	0	0	0.0	202	202
16. Amusement Rides	0.0	-16	32	0.0	0	0	0.0	-16	32
17. Annual Audits-- Indust. Insur. Fund	0.0	0	316	0.0	0	0	0.0	0	316
18. Modifying Self-Insur Assessments	0.0	0	24	0.0	0	0	0.0	0	24
Total Policy Changes	41.1	4,550	41,414	24.5	-70	22,782	16.7	4,620	18,632
Total 2005-07 Biennium	2,657.0	17,696	521,109	2,640.3	14,201	506,752	16.7	3,495	14,357
Difference from 2003-05	49.4	5,550	43,608	32.8	2,055	29,251	16.7	3,495	14,357
% Change from 2003-05	1.9%	45.7%	9.1%	1.2%	16.9%	6.1%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.

2005-07 Omnibus Operating Budget Department of Labor and Industries

- 2. Mandatory Caseload Adjustments** - The Senate budget appropriates funding for increased Crime Victims Compensation (CVC) medical expenses. Sexual assault forensic exams are funded at worker's compensation rates; in-patient hospitalization at general assistance-unemployable (GAU); and all other medical at DSHS/Medicaid rates. (General Fund-State, PSEA-Federal)
- 3. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 4. Other Fund Adjustments** - The Senate budget recognizes the agency's phase II cost allocation model and revised distribution of indirect costs. (General Fund-State, multiple funds)
- 5. Online Reporting & Customer Access** - The Senate budget appropriates funding for L&I to complete phase II of the online reporting and customer access project (ORCA), to increase online services and information on workers' compensation claims for customers and use document imaging to replace paper-based systems. (Accident Account-State, Medical Aid Account-State)
- 6. Self Insur Electronic Reporting *** - The Senate budget appropriates funding for the department and the Washington Self-Insurers Association to implement SB 5237, which authorizes the department to develop a computer system to collect data from self-insured employers and create performance reports. The department will be reimbursed by self-insured employers for this project. (Accident Fund-State, Medical Aid Account-State)
- 7. Critical Safety and Health Data** - The Senate budget appropriates funding for L&I to improve WIN, the workplace safety data system used by Washington Industrial Safety and Health Act (WISHA) consultants. The improvement includes consolidating several computer systems, providing additional protection from system failure, and reducing ongoing system maintenance costs. (Accident Account-State, Medical Aid Account-State)
- 8. Minor Work Permit Compliance *** - The Senate budget does not appropriate funding to implement SSB 5235. The bill has not passed.
- 9. COHE: Center of Occupational Health** - The Senate budget appropriates funding to contract with the University of Washington's Centers of Occupational Health and Education (COHEs). COHEs provide medical treatment for employees injured on-the-job and offers employers training for developing return-to-work options for injured employees. The funding covers COHEs in Spokane, Renton, and two additional locations. One hundred additional doctors will be trained in current medical treatments for injured workers and return-to-work options for 2,100 injured workers. Fifty additional partner employers and 10 additional unions will be included in training. (Medical Aid Account-State)
- 10. Medical Provider Fraud and Abuse** - The Senate budget appropriates funding for investigating medical provider fraud by increasing the number of medical bill audits and physician peer reviews. Five additional audit staff will be hired to do audits of medical provider bills each year, prepare the peer reviews, and contract with outside firms to do peer review and medical provider bill audits. Four additional physician peer reviews will be performed annually. (Medical Aid Account-State)

2005-07 Omnibus Operating Budget Department of Labor and Industries

11. Employer Fraud Targeting Technology - The Senate budget appropriates funding for L&I to streamline the current field audit enhancement (FAE) system and develop an employer data warehouse to better support audit processes for improved investigation of employer fraud. (Accident Account-State, Medical Aid Account-State)

12. Fraud Detection and Targeted Action - The Senate budget appropriates funding for six FTEs, at mid-salary step, to investigate the underground electrical and construction industry and five FTEs to investigate worker fraud and abuse. Attorney General services will be contracted for anticipated increases in legal assistance. (Electrical License Account-State, Accident Account-State, Medical Aid Account-State)

13. Workload Adjustment - The Senate budget recognizes efficiencies gained from the Online Reporting and Customer Access package by reducing agency FTEs, salary, and benefits. (Accident Account-State, Medical Aid-State)

14. Family Leave Insurance - The Senate budget appropriates funding for the department to implement Engrossed Second Substitute Senate Bill No., family leave insurance. (Family Leave-State)

15. Homeowner Protection - The Senate budget appropriates funding for the department to implement Engrossed Second Substitute Senate Bill No. 5773, homeowner protections.

16. Amusement Rides - The Senate budget adjusts and appropriates funding necessary for the department to implement SB 5307, amusement rides. (General Fund-State, Electrical License Account--State)

17. Annual Audits-- Indust. Insur. Fund - The Senate budget appropriates funding necessary for the department to implement Substitute SB 5614, annual audits of the state industrial insurance fund. (Accident Account--State, Medical Aid Account-State)

18. Modifying Self-Insur Assessments - The Senate budget appropriates funding necessary for the department to implement Substitute SB 5992, modifying self-insurer assessments under the second injury fund. (Accident Account--State, Medical Aid Account-State)

* **Protect Wrkrs from Chemical Hazards** - The Worker and Community Right-To-Know (RTK) Account will deplete its fund balance within the first quarter of the 2005-2007 biennium. The Senate budget maintains current service and appropriation levels for six FTES currently funded out of the RTK account by appropriating them out of the Accident and Medical Aid Accounts. These FTEs work on activities related to recognizing, evaluating, and controlling hazardous chemicals in the workplace. (Worker and Community Right-to-Know Account-State, Accident Account-State, Medical Aid Account-State)

2005-07 Omnibus Operating Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	8.2	1,974	1,974	8.2	1,974	1,974	0.0	0	0
2005-07 Maintenance Level	9.2	2,122	2,122	9.2	2,116	2,116	0.0	6	6
Policy Changes:									
1. General Inflation	0.0	-7	-7	0.0	-7	-7	0.0	0	0
Total Policy Changes	0.0	-7	-7	0.0	-7	-7	0.0	0	0
Total 2005-07 Biennium	9.2	2,115	2,115	9.2	2,109	2,109	0.0	6	6
Difference from 2003-05	1.0	141	141	1.0	135	135	0.0	6	6
% Change from 2003-05	12.5%	7.1%	7.1%	12.5%	6.8%	6.8%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Home Care Quality Authority
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	4.4	2,207	2,207	4.4	2,207	2,207	0.0	0	0
2005-07 Maintenance Level	4.0	2,749	2,749	4.0	2,807	2,807	0.0	-58	-58
Policy Changes:									
1. General Inflation	0.0	-3	-3	0.0	-3	-3	0.0	0	0
2. Referral Registry Pilot (Phase 1)	0.0	180	1,214	0.0	184	1,225	0.0	-4	-11
3. New Agreement - HCQA Costs	0.0	58	58	0.0	0	0	0.0	58	58
Total Policy Changes	0.0	235	1,269	0.0	181	1,222	0.0	54	47
Total 2005-07 Biennium	4.0	2,984	4,018	4.0	2,988	4,029	0.0	-4	-11
Difference from 2003-05	-0.4	777	1,811	-0.4	781	1,822	0.0	-4	-11
% Change from 2003-05	0.0%	35.2%	82.1%	0.0%	35.4%	82.6%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Referral Registry Pilot (Phase 1) - Initiative 775, which established the Homecare Quality Authority and directed the state to collectively bargain with individual providers of homecare service, also directed the Authority to establish a registry of qualified homecare workers, and a system for linking workers with people in need of their services. A total of \$700,000 was expended during the 2003-05 biennium to design and develop a computer information system for the registry. The Authority proposes to phase in actual operations by contracting with local organizations in fourteen service delivery areas statewide. The organizations will be responsible for recruiting potential homecare providers, enrolling them on the database, processing consumer requests for workers, and sending the consumer a list of providers who match the consumer's needs and preferences. The Authority has obtained a federal grant to pay for the local referral registry function in four service delivery areas during the first 18 months of the 2005-07 biennium (Ferry, Mason, Pend Oreille, Snohomish, Spokane, Stevens, and Thurston counties). This item provides state funds to continue operations in those four areas during the last six months of the biennium. (General Fund-State, General Fund-Federal)

3. New Agreement - HCQA Costs - Under the proposed 2005-07 collective bargaining agreement between the state and individual providers of state-funded homecare services, the Authority will incur additional costs for safety program translation and mailings; for re-programming the referral registry to prioritize referrals for workers with more seniority; and for paying individual providers for hours spent participating in the joint labor/management training committee established by the agreement.

2005-07 Omnibus Operating Budget
Department of Health
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,265.7	118,917	780,897	1,265.7	118,917	780,897	0.0	0	0
2005-07 Maintenance Level	1,306.0	125,408	863,528	1,307.3	126,115	864,876	-1.3	-707	-1,348
Policy Changes:									
1. Middle Management Reduction	-18.5	-682	-2,036	-18.5	-682	-2,036	0.0	0	0
2. Prescription Importation #	0.0	0	0	0.2	0	60	-0.2	0	-60
3. Marine Water Quality	2.9	700	1,300	2.9	700	1,300	0.0	0	0
4. County Public Health Assistance	0.0	0	0	0.0	0	49,000	0.0	0	-49,000
5. General Inflation	0.0	-206	-1,224	0.0	-206	-1,224	0.0	0	0
6. Lead Surveillance	0.0	0	0	0.9	195	195	-0.9	-195	-195
7. Fircrest Infrastructure Reconf	0.0	177	177	0.0	177	177	0.0	0	0
8. Hospital Survey Capability-18 Month	1.3	0	256	0.0	0	0	1.3	0	256
9. Integrated Licensing and Reg System	0.0	0	0	10.9	0	3,332	-10.9	0	-3,332
10. Public Disclosure Request Increases	0.0	0	523	0.0	0	523	0.0	0	0
11. Children's Health Collaborative	0.0	25	25	0.0	0	0	0.0	25	25
12. Autism Task Force	0.2	38	38	0.0	0	0	0.2	38	38
13. Nursing Resource Center	0.0	0	652	0.0	0	0	0.0	0	652
14. Hepatitis C Surveillance	1.0	158	158	0.0	0	0	1.0	158	158
15. Breast and Cervical Cancer	0.0	0	1,000	0.0	0	0	0.0	0	1,000
16. TB Testing - MTD	0.8	265	265	2.4	580	580	-1.6	-315	-315
17. WIC Caseload & Local Agency Support	2.3	0	368	2.3	0	368	0.0	0	0
Total Policy Changes	-10.0	475	1,502	1.1	764	52,275	-11.1	-289	-50,773
Total 2005-07 Biennium	1,296.0	125,883	865,030	1,308.4	126,879	917,151	-12.4	-996	-52,121
Difference from 2003-05	30.3	6,966	84,133	42.7	7,962	136,254	-12.4	-996	-52,121
% Change from 2003-05	2.4%	5.9%	10.8%	3.3%	6.7%	17.4%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.

2005-07 Omnibus Operating Budget Department of Health

3. Marine Water Quality - Failing septic systems are a significant threat to water quality and public health, particularly in shellfish areas. Twenty-two of Washington's ninety-six commercial shellfish growing areas are threatened with closure, and harvesting is prohibited at seven areas because of bacteriological contamination. Funding is provided to assist the fourteen local health jurisdictions with marine shorelines develop and implement management plans and data systems to assure that septic systems are properly inventoried, monitored, and maintained. (General Fund-State, Aquatic Lands Account-State)

4. County Public Health Assistance - Since the repeal of the motor vehicle excise tax (MVET), the state has distributed \$24 million annually directly to local health departments to replace approximately 90% of the funding they were receiving from the tax before its repeal. The Department of Health has proposed that it be assigned responsibility for administering those funds, so that they may be provided to local public health departments through performance-based contracts focused upon the standards for public health established in the department's public health improvement plan. The Senate budget does not concur with this proposal, as it would require expenditure of an additional \$1 million per biennium on Department of Health administrative activities. The funds will instead continue to be distributed directly to the local health departments. (Health Services Account-State)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Lead Surveillance - Between July 1994 and June 2004, lead surveillance activities were funded through a federal grant which is no longer available. Program activities include maintaining a surveillance system containing reports of all blood lead tests done on Washington state children, sending reports of lead-poisoned children to local health jurisdictions, sending reports of adults with high blood lead levels to the Department of Labor and Industries, and assuring that lead-poisoned children receive appropriate follow-up. Since expiration of federal funding in June 2005, the Departments of Health, Ecology, and Labor and Industries have continued this activity, at a scaled-down level, within existing appropriations. The Senate budget recommends continuation of the function through that collaborative inter-agency effort.

7. Fircrest Infrastructure Reconf - The state Public Health Laboratory (PHL) is located on state property in Shoreline that also houses the Fircrest School. Funding is provided to complete a master-planning document for the portion of the property upon which the PHL is located, so that planned facility upgrades may be completed without the time and expense required by special permitting processes. Additionally, \$75,000 is needed for an engineering study of how best to assure PHL access to the utility and other services currently provided by the School. (General Fund-State)

8. Hospital Survey Capability-18 Month - The Department of Health is unable to accomplish the current statutory requirement that all hospitals be inspected every 12 months, despite using limited surveys for hospitals with a good history of compliance with federal, state, and private accreditation standards. Meeting the twelve-month standard would require a roughly 60% increase in staffing and hospital licensing fees. The department is instead proposing a statutory change to require surveys every 18 months. Meeting the 18-month standard requires an approximately 20% increase in staffing and fees. (General Fund-local)

10. Public Disclosure Request Increases - Increased public awareness, and implementation in April 2003 of an internet-based system for searching for information related to a health care provider's license, has resulted in increased public disclosure requests for information on medical provider disciplinary cases. The department is authorized to expend funds from the Health Professions Account to respond more quickly to these disclosure requests. This will be accomplished by completing the conversion of case files to electronic formats to permit more rapid searches, and by adding temporary staff to eliminate the backlog in requests awaiting responses. (Health Professions Account-State)

2005-07 Omnibus Operating Budget Department of Health

- 11. Children's Health Collaborative** - Funding is provided for the Department of Health (DOH) and the Kids Get Care program of Public Health - Seattle and King County to continue to work in collaboration with local health care agencies to disseminate strategic interventions that are focused on evidence-based best practices for improving health outcomes in children and saving health care expenditures. This funding will be matched by at least \$50,000 of local funding.
- 12. Autism Task Force** - Senate Bill 5311 establishes a 14-member task force to study and to make recommendations to the Governor and Legislature regarding the incidence and treatment of autism. Funding is provided for the Department of Health to staff the task force.
- 13. Nursing Resource Center** - As provided in Senate Bill 5599 (nursing resource center), funding is provided to establish a non-profit center that will develop and implement strategies aimed at maintaining and increasing the supply of qualified nurses in the state. The center will be funded by a \$5.00 surcharge on the nursing home licensure fee. (Health Professions Account-State, Nursing Resource Center Account)
- 14. Hepatitis C Surveillance** - Funding is provided to track the incidence, causes, and costs of Hepatitis C infection in the state.
- 15. Breast and Cervical Cancer** - Funding is provided to expand current breast and cervical cancer screening efforts. (Public Benefit Account - State)
- 16. TB Testing - MTD** - Funding is provided to increase the state Public Health Laboratory's capacity to quickly identify suspected tuberculosis (TB) outbreaks, in two ways. First, funding is provided to more routinely conduct the new, faster Mycobacterium Tuberculosis Direct (MTD) test, which can be completed in six hours rather than two to four weeks, improving early intervention. Second, funding is provided to conduct federally-required genotyping of TB strains, which allows more accurate tracking, surveillance, and nationwide disease control. (General Fund-State)
- 17. WIC Caseload & Local Agency Support** - Federal funds are provided to fulfill state-level responsibilities associated with caseload increases in the Women, Infant and Children (WIC) nutrition program. (General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Veterans' Affairs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	609.8	21,793	79,684	609.8	21,793	79,684	0.0	0	0
2005-07 Maintenance Level	616.9	22,877	83,510	617.1	23,118	83,910	-0.3	-241	-400
Policy Changes:									
1. Targeted Vendor Rate	0.0	19	19	0.0	77	77	0.0	-58	-58
2. Medical Inflation Reduction	0.0	0	0	0.0	-338	-338	0.0	338	338
3. Middle Management Reduction	-2.9	-214	-323	-2.9	-214	-323	0.0	0	0
4. Eastern Washington Cemetery Study	0.0	25	25	0.0	25	25	0.0	0	0
5. Outreach for Returning Veterans	0.0	25	25	0.0	25	25	0.0	0	0
6. Post Traumatic Stress Syndrome	0.0	170	170	0.0	170	170	0.0	0	0
7. General Inflation	0.0	-237	-237	0.0	-237	-237	0.0	0	0
8. Veterans Conservation Corps	0.0	140	140	0.0	0	0	0.0	140	140
Total Policy Changes	-2.9	-72	-181	-2.9	-492	-601	0.0	420	420
Total 2005-07 Biennium	614.0	22,805	83,329	614.2	22,626	83,309	-0.3	179	20
Difference from 2003-05	4.2	1,012	3,645	4.4	833	3,625	-0.3	179	20
% Change from 2003-05	0.7%	4.6%	4.6%	0.7%	3.8%	4.5%			

Comments:

1. Targeted Vendor Rate - Organizations that contract with the state to provide veterans post-traumatic stress disorder counseling will receive inflationary cost-of-living increases of 1.2 percent in September 2005, and an additional 1.7 percent in September 2006.

3. Middle Management Reduction - Middle management positions are reduced.

4. Eastern Washington Cemetery Study - In conjunction with veterans' associations and local government officials, the Department of Veterans Affairs will conduct a feasibility study of a veterans' cemetery in eastern Washington. The study shall include location, acquisition costs, projection of continued operations costs, and revenue sources for acquisition and operations. A final report of the findings shall be submitted no later than December 15, 2005.

5. Outreach for Returning Veterans - Funding is provided for the development of a public service announcement outreach campaign directed at returning veterans from Operation Iraqi Freedom and Operation Enduring Freedom.

6. Post Traumatic Stress Syndrome - The post-traumatic stress counseling program is expanded to address the needs of veterans returning from Iraq and Afghanistan.

**2005-07 Omnibus Operating Budget
Department of Veterans' Affairs**

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

8. Veterans Conservation Corps - Funding is provided for the Department of Veterans Affairs to assist with organization and development of the Veterans Conservation Corps established by Senate Bill 5539.

2005-07 Omnibus Operating Budget
Department of Corrections
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	8,071.2	1,249,457	1,280,106	8,071.2	1,249,457	1,280,106	0.0	0	0
2005-07 Maintenance Level	8,122.5	1,361,098	1,391,744	8,236.1	1,375,597	1,405,919	-113.6	-14,499	-14,175
Policy Changes:									
1. Offender Management Network (OMNI)	0.0	0	0	0.0	22,500	22,500	0.0	-22,500	-22,500
2. Interstate Comp Misd Supervision #	9.6	822	822	9.6	822	822	0.0	0	0
3. Leases, Med Inflation and Equip Red	0.0	-3,000	-3,000	0.0	-3,946	-3,946	0.0	946	946
4. Targeted Vendor Rate Increase	0.0	1,174	1,174	0.0	0	0	0.0	1,174	1,174
5. 12-Month Partial Confine Low Risk #	0.0	0	0	-154.5	-30,748	-30,748	154.5	30,748	30,748
6. Sent. Reduction - DNR Crew Partic #	0.0	0	0	0.0	-494	-494	0.0	494	494
7. Elim Supervision of Low Risk Misd #	-22.4	-3,005	-3,005	-38.0	-5,081	-5,081	15.6	2,076	2,076
8. Electronic Monitoring for Violators	1.3	-2,212	-2,212	0.0	0	0	1.3	-2,212	-2,212
9. Middle Management Reduction	-22.5	-2,867	-2,926	-54.1	-5,867	-5,926	31.7	3,000	3,000
10. Review Evidence-Based Purchasing	0.0	0	0	0.0	41	41	0.0	-41	-41
11. General Inflation	0.0	-3,986	-4,091	0.0	-3,986	-4,091	0.0	0	0
12. Federal Funding Adjustment	0.0	0	0	0.5	526	2,496	-0.5	-526	-2,496
13. Inmate Property Shipping	0.0	-660	-660	0.0	0	0	0.0	-660	-660
14. Expand Correctional Industries	0.0	724	724	0.0	0	0	0.0	724	724
15. Delay Opening of New Units	-70.5	-7,385	-7,385	0.0	0	0	-70.5	-7,385	-7,385
16. Expand Girl Scouts/Moms Program	0.0	276	276	0.0	0	0	0.0	276	276
Total Policy Changes	-104.5	-20,119	-20,283	-236.5	-26,233	-24,427	132.0	6,114	4,144
Total 2005-07 Biennium	8,018.0	1,340,979	1,371,461	7,999.6	1,349,364	1,381,492	18.4	-8,385	-10,031
Difference from 2003-05	-53.2	91,522	91,355	-71.6	99,907	101,386	18.4	-8,385	-10,031
% Change from 2003-05	-0.7%	7.3%	7.1%	-0.9%	8.0%	7.9%			

Comments:

2. Interstate Comp Misd Supervision # - The Senate budget assumes enactment of HB 1402, which would bring the state into compliance with the Interstate Compact on Adult Offender Supervision (ICAOS). By participating in the ICAOS, offenders who are released from a Washington facility and move to another state would still be subject to community supervision. In exchange, Washington State receives notification of out-of-state offenders who need supervision who move to Washington. The state is then required to supervise these offenders under the terms of the compact. The funding level in the Senate budget assumes about 200 out-of-state misdemeanor offenders will need to be supervised during the 2005-07 biennium.

2005-07 Omnibus Operating Budget Department of Corrections

4. Targeted Vendor Rate Increase - The Senate budget provides basic inflationary increases to all vendors. In the Department of Corrections this includes contracted work-release facilities, drug treatment providers, and educational contractors. The funding level shown assumes a 1.2% increase in September 2005 and a 1.7% increase in FY 2006.

7. Elim Supervision of Low Risk Misd # - The Senate budget assumes enactment of SB 5256 (misdemeanants), which eliminates supervision for 3,000 certain low-risk gross misdemeanants sentenced in superior court annually. Unlike the Governor's proposal, supervision requirements are *maintained* for misdemeanor offenders with violent or sex offense histories, or those with domestic violence, residential burglary, or methamphetamine manufacture/dealing convictions. This would conform misdemeanor supervision to felony supervision law under Senate Bill 5990 enacted by the 2003 Legislature.

8. Electronic Monitoring for Violators - The Senate budget assumes enactment of SB 5166 (electronic monitoring system), which creates a one-year pilot project using electronic monitoring in lieu of jail or prison sanction time when a low-risk offender violates the terms of their community supervision. The one-time savings assumes that 100 low-risk offenders per day will be on electronic monitoring rather than incarcerated.

9. Middle Management Reduction - Middle management positions are reduced.

11. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

13. Inmate Property Shipping - Funding is reduced in accordance with HB 2282 (transporting offender property), which authorizes the DOC to determine the types and amounts of offender property that the Department will transport between institutions or to other jurisdictions at the agency's expense. In January 2005, the state Supreme Court, in *Burton et al. v. Lehman*, held that the Department's policy of transporting only two boxes of inmate property free of charge when an offender transfers from one location to another violated a state statute. HB 2282 provides the necessary statutory authority for the DOC to resume its former policy.

15. Delay Opening of New Units - The Senate budget assumes a one-time savings by delaying by four months the move of 892 offenders into units currently under construction at the State Penitentiary. Offenders would occupy the units beginning in August of 2007, rather than in April of 2007, and would either remain in current Penitentiary housing or in out-of-state rental beds. Savings are realized as a result of delaying the significant start-up costs of opening the 892 new units. Construction delays have already occurred at this site.

16. Expand Girl Scouts/Moms Program - The Senate budget adds funding to insure that the current Girl Scouts Beyond Bars program continues to serve female offenders and their daughters. The recent conversion of Pine Lodge Pre-Release facility in Spokane to a female facility has increased the travel costs for the program, which has operated until now in western Washington with donations and some funding from offender contributions. The Girl Scouts Beyond Bars program provides girls with healthy interactions with their incarcerated mothers, providing an incentive for female offenders to prepare for reentry to society. The program has also been shown to reduce the risk of girls becoming criminally-involved as they age.

2005-07 Omnibus Operating Budget
Department of Services for the Blind
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	67.6	3,554	19,790	67.6	3,554	19,790	0.0	0	0
2005-07 Maintenance Level	67.6	3,719	20,489	67.6	3,719	20,491	0.0	0	-2
Policy Changes:									
1. Caseworker Ratio & Service Costs	0.0	0	0	0.5	76	360	-0.5	-76	-360
2. Middle Management Reduction	-0.8	-20	-88	-0.8	-20	-88	0.0	0	0
3. General Inflation	0.0	-9	-55	0.0	-9	-55	0.0	0	0
4. Caseworker Ratio & Service Costs	0.5	76	360	0.0	0	0	0.5	76	360
5. Vendor Rate Increase	0.0	3	3	0.0	0	0	0.0	3	3
Total Policy Changes	-0.3	50	220	-0.3	47	217	0.0	3	3
Total 2005-07 Biennium	67.3	3,769	20,709	67.3	3,766	20,708	0.0	3	1
Difference from 2003-05	-0.3	215	919	-0.3	212	918	0.0	3	1
% Change from 2003-05	-1.5%	6.0%	4.6%	-1.5%	6.0%	4.6%			

Comments:

- 1. Caseworker Ratio & Service Costs** - See equivalent Senate funding for this item under item number 4 below.
- 2. Middle Management Reduction** - Middle management positions are reduced, consistent with Governor Gregoire's recommendations. (General Fund-State, General Fund-Federal)
- 3. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- 4. Caseworker Ratio & Service Costs** - Funding is provided to reduce caseworker ratios and increase direct service delivery by adding one vocational rehabilitation counselor in FY 07. Funding is also provided to increase case service expenditures to support this workload growth and avoid an order of selection status. (General Fund-State, General Fund-Federal)
- 5. Vendor Rate Increase** - The Senate budget provides increases to all vendors of 1.2 percent effective September, 2005 and 1.7 percent effective September, 2006. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	10.5	1,491	1,491	10.5	1,491	1,491	0.0	0	0
2005-07 Maintenance Level	10.4	1,676	1,676	10.4	1,678	1,678	0.0	-2	-2
Policy Changes:									
1. General Inflation	0.0	-8	-8	0.0	-8	-8	0.0	0	0
2. Fiscal Note Simulation Software	0.0	13	13	0.0	0	0	0.0	13	13
Total Policy Changes	0.0	5	5	0.0	-8	-8	0.0	13	13
Total 2005-07 Biennium	10.4	1,681	1,681	10.4	1,670	1,670	0.0	11	11
Difference from 2003-05	-0.1	190	190	-0.1	179	179	0.0	11	11
% Change from 2003-05	0.0%	12.7%	12.7%	0.0%	12.0%	12.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Fiscal Note Simulation Software - One-time funding is provided for an agency request item to improve the existing fiscal note software. The Sentencing Guidelines Commission prepares fiscal impact statements for county jails and state prisons of sentencing legislation. The existing simulation software was customized to meet fiscal note requests in the mid-1990s, and needs upgrading to assist in turn-around time for fiscal notes.

2005-07 Omnibus Operating Budget
Department of Employment Security
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	2,181.5	0	538,687	2,181.5	0	538,687	0.0	0	0
2005-07 Maintenance Level	2,186.0	0	521,648	2,186.0	0	521,302	0.0	0	346
Policy Changes:									
1. Middle Management Reduction	-17.3	0	-1,898	-17.3	0	-1,898	0.0	0	0
2. General Inflation	0.0	0	-1,367	0.0	0	-1,367	0.0	0	0
3. Readiness for Active Directory	0.0	0	2,087	0.0	0	2,087	0.0	0	0
4. Minimum Wage Study	0.3	37	37	0.0	0	0	0.3	37	37
Total Policy Changes	-17.1	37	-1,141	-17.3	0	-1,178	0.3	37	37
Total 2005-07 Biennium	2,168.9	37	520,507	2,168.7	0	520,124	0.3	37	383
Difference from 2003-05	-12.6	37	-18,180	-12.8	0	-18,563	0.3	37	383
% Change from 2003-05	-0.6%	0.0%	-3.4%	-0.6%	0.0%	-3.4%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Readiness for Active Directory - The Senate budget provides appropriation authority for one-time use of Reed Act funds to purchase information technology infrastructure components necessary to allow the department to participate in the state's Department of Information Services' managed Enterprise Active Directory network. This includes replacing and upgrading desktop personal computers and laptops to meet the minimum standards for Active Directory software. (Unemployment Compensation Administration Account--Federal)

4. Minimum Wage Study - SB 5551 directs the Washington State Institute for Public Policy, in consultation with the Employment Security Department, to conduct a study on the minimum wage. The Senate budget provides the Department with one-time funding for the department to support the institute with the following activities: generate unemployment insurance employment and wage data files, perform data manipulations and extracts, and conduct research and analysis.

**2005-07 Omnibus Operating Budget
Department of Employment Security**

* **State Choice - UI Functions** - The Senate budget provides appropriation authority for use of \$12.7 Million in Reed Act funds for a one-time appropriation to pay for state driven unemployment insurance functions previously funded by the federal unemployment insurance grant, limited to the 05-07 biennium. (Unemployment Compensation Administration Account--Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	2,379.2	452,516	899,560	2,379.2	452,516	899,560	0.0	0	0
2005-07 Maintenance Level	2,390.4	484,469	933,509	2,390.4	484,469	918,867	0.0	0	14,642
Policy Changes:									
1. Homecare Worker Wages	0.0	419	827	0.0	248	487	0.0	171	340
2. Eliminate Secure Crisis Residential	0.0	0	0	-0.8	0	-9,344	0.8	0	9,344
3. Lease, Med. Inflation and Equip Red	0.0	-632	-922	0.0	-632	-922	0.0	0	0
4. Targeted Vendor Rate Increase	0.0	6,785	10,242	0.0	7,534	9,563	0.0	-749	679
5. Middle Management Reduction	-9.4	-697	-1,037	-9.4	-697	-1,037	0.0	0	0
6. General Inflation	0.0	-460	-1,056	0.0	-460	-1,056	0.0	0	0
7. FTE Staff Adjustment	-3.0	0	0	-3.0	0	0	0.0	0	0
8. VOCA Transfer to CTED	0.0	0	-14,642	0.0	0	0	0.0	0	-14,642
9. Kids Come First, Phase II	0.0	0	0	106.4	13,126	18,639	-106.4	-13,126	-18,639
10. Adoption Grant Enhancement	0.0	0	357	0.0	0	0	0.0	0	357
11. Children's Advocacy Centers	0.0	650	650	0.0	0	0	0.0	650	650
12. Chemical Dependency Specialists	0.0	1,144	2,288	0.0	0	0	0.0	1,144	2,288
13. Improve Foster Care Outcomes	20.9	1,733	2,476	0.0	0	0	20.9	1,733	2,476
14. Reduce Repeat Neglect	17.1	1,661	2,373	0.0	0	0	17.1	1,661	2,373
15. Out-of-Home CPS Investigations	5.3	490	699	0.0	0	0	5.3	490	699
16. Foster and Adoption Cost Management	0.0	-6,178	-9,483	0.0	0	0	0.0	-6,178	-9,483
Total Policy Changes	30.8	4,915	-7,228	93.2	19,119	16,330	-62.4	-14,204	-23,558
Total 2005-07 Biennium	2,421.2	489,384	926,281	2,483.6	503,588	935,197	-62.4	-14,204	-8,916
Difference from 2003-05	42.1	36,868	26,721	104.5	51,072	35,637	-62.4	-14,204	-8,916
% Change from 2003-05	1.8%	8.1%	3.0%	4.4%	11.3%	4.0%			

Comments:

1. Homecare Worker Wages - Funding is provided to implement the compensation components of the 2005-07 collective bargaining agreement between the state and the approximately 22,000 individuals who contract to provide homecare services to children and adults with disabilities. Specific elements of the 2005-07 compensation agreement include hourly wage increases averaging 26 cents each year of the biennium; monthly payments for medical benefits averaging \$475 per covered individual per month; monthly payments for dental and vision benefits averaging \$31 per covered individual per month; and one hour of paid vacation leave for every 50 worked. This item shows the cost of compensation increases that will be incurred in the long-term care program. An additional \$60.8 million is appropriated in the Children's Administration, Long-Term Care, and Administration and Supporting Services programs of the Department of Social and Health Services. (General Fund State, General Fund Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Children and Family Services

2. Eliminate Secure Crisis Residential - The Governor's budget proposed eliminating all funding for secure crisis residential centers (SCRCs). This item provides funding for secure CRCs at the 2005-07. (PSEA State)

3. Lease, Med. Inflation and Equip Red - This item eliminates funding for actual and anticipated increases associated with lease renewals, medical inflation, and equipment replacement. (General Fund-State, General Fund-Federal)

4. Targeted Vendor Rate Increase - Funding is provided for an inflationary increase of 1.2 percent in September 2005 and an additional 1.7 percent in September 2006 to vendors. This increase applies to family support services, transition services, adoption support, family foster care and group care services and pediatric interim care. The funding level is based on annual inflation estimates. (General Fund-State, General Fund-Federal, PSEA, VRDE)

5. Middle Management Reduction - Middle management positions are reduced.

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

7. FTE Staff Adjustment - Staff positions responsible for conducting background checks will be centralized within a single DSHS administration.

8. VOCA Transfer to CTED - The Governor reassigned administration of the Victims of Crime Act (VOCA) grant from the Department of Social and Health Services (DSHS) to the Department of Community, Trade and Economic Development (CTED) on April 1, 2004. This item transfers the grant authority from DSHS to CTED to comply with this reassignment.

9. Kids Come First, Phase II - The Governor's budget proposed funding a comprehensive reform as a response to a federal program review and the Braams lawsuit settlement. The original proposal included restructuring child welfare services and child protective services. In addition, the proposal including funding of parent aides and headquarter infrastructure. Critical elements of the proposal were isolated and are provided in separate decision packages to improve system performance. The individual packages assume a realistic phase-in and which achieve the overall goal of quicker investigations, visits to children in out-of-home care every 30 days, and expedited investigations of child abuse and neglect. (General Fund-State, General Fund-Federal)

10. Adoption Grant Enhancement - Funding was awarded to the Children's Administration for meeting adoption goals. This one-time adoption incentive award must be expended for allowable costs for the federal Adoption Incentive Payments program. (General Fund-Federal)

11. Children's Advocacy Centers - Children's Advocacy Centers facilitate a multi-disciplinary approach toward the investigation and prosecution of child abuse allegations. Funding in the amount of \$325,000 per year is provided for seven existing and four new Children's Advocacy centers. This item is not funded in the Governor's budget.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Children and Family Services

12. Chemical Dependency Specialists - Funding is provided to implement the requirement of SB 5763 that chemical dependency specialist services be offered in each Children's Administration field office. The CA will contract for services and funding is provided for the equivalent of 22 full-time equivalents. This item is not funded in Governor Gregoire's budget. (General Fund-State, General Fund-Federal)

13. Improve Foster Care Outcomes - Child welfare workers will be required to have 30 day face-to-face contact with children, parents and caregivers. Funding for this is provided to add 20.7 social workers, 2.6 supervisors and 3.9 support staff. Expected outcomes include improved placement stability and more timely achievement of permanence. The addition of these staff will also allow child protective services social workers to transfer cases earlier. This item is part of the comprehensive reform of the CPS/CWS system and will support the goals of the Federal Program Improvement Plan and the Braam Lawsuit settlement. The total number of staff are added in the Senate as were proposed in the Governor's budget. The Senate budget assumes that staff will be hired more quickly. (General Fund-State, General Fund-Federal)

14. Reduce Repeat Neglect - Funding is provided for reforms to the child protective services system. Social workers will transfer cases to child welfare services (CWS) social workers within 75 days. CWS workers will then enter into voluntary agreements with families and will visit families at least once every 30 days. Early and more intensive engagement of families in voluntary services is expected to assist in preventing the removal of children from their homes and to reduce the recidivism of families in the child welfare system. A total of 28.7 new FTEs will be added, using a ratio of 30 cases per social worker for in-home voluntary cases, rather than the 24:1 assumed in the Governor's budget. In addition, the Governor's budget assumed twice as many voluntary agreements would be entered into than the Senate. These two changes reduced the number of social workers needed from 55.6 to 22.2. The same ratio of support and supervisory staff was used in both budgets. This item is part of the comprehensive reform of the CPS/CWS system and will support the goals of the Federal Program Improvement Plan and the Braam Lawsuit settlement, as well as address issues raised in recent fatality reviews. (General Fund-State, General Fund-Federal)

15. Out-of-Home CPS Investigations - Funding is provided for additional child protective services investigators for out-of-home care to reduce investigation time to 75 days, as part of the CPS/CWS reform. Improved response time in out-of-home investigations will support the goals of the Federal Program Improvement Plan, the Braam Lawsuit settlement, and improve the safety of children in out-of-home care. The Governor's budget includes four more investigators than the Senate budget. (General Fund-State, General Fund-Federal)

16. Foster and Adoption Cost Management - The Senate budget provides for a vendor rate increase for foster care and adoption support of 1.2% in FY 2006 and 1.7% in FY 2007. This step removes the additional increase in the cost per foster care and adoption support placement that was included in the mandatory caseload adjustment for estimated growth in the costs of services. The Children's Administration will take the necessary steps to ensure that the average cost per case increases no higher than the vendor rate. This item is not included in the Governor's budget, however, the Governor's vendor rate increase did not include adoption support. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,124.2	146,812	199,174	1,124.2	146,812	199,174	0.0	0	0
2005-07 Maintenance Level	1,132.0	154,482	205,025	1,149.6	156,298	207,171	-17.6	-1,816	-2,146
Policy Changes:									
1. Lease, Med. Inflation and Equip Red	0.0	0	0	0.0	-1,675	-1,675	0.0	1,675	1,675
2. Targeted Vendor Rate Increase	0.0	760	1,264	0.0	0	0	0.0	760	1,264
3. Middle Management Reduction	-4.9	-470	-540	-4.9	-470	-540	0.0	0	0
4. General Inflation	0.0	-318	-318	0.0	-318	-318	0.0	0	0
5. FTE Staff Adjustment	-0.1	0	0	-0.1	0	0	0.0	0	0
6. Expanding Evidence Based Svcs	9.5	897	1,121	0.0	0	0	9.5	897	1,121
7. Maintain Co-Occurring Disorders Pgm	0.0	1,428	1,428	0.0	0	0	0.0	1,428	1,428
8. Bed Savings-Juv. Disp. Alternatives	0.0	-744	-744	0.0	0	0	0.0	-744	-744
9. Payments to Counties-Juv. Disp. Alt	0.0	736	736	0.0	0	0	0.0	736	736
Total Policy Changes	4.6	2,289	2,947	-5.0	-2,463	-2,533	9.5	4,752	5,480
Total 2005-07 Biennium	1,136.5	156,771	207,972	1,144.6	153,835	204,638	-8.1	2,936	3,334
Difference from 2003-05	12.3	9,959	8,798	20.4	7,023	5,464	-8.1	2,936	3,334
% Change from 2003-05	1.1%	6.8%	4.4%	1.9%	4.8%	2.7%			

Comments:

1. Lease, Med. Inflation and Equip Red - The Senate budget does not concur with the proposal to eliminate funding for projected inflation in the cost of leases, drugs, medical supplies, and contracted medical services.

2. Targeted Vendor Rate Increase - The Senate budget provides basic inflationary increases to all vendors. In the Juvenile Rehabilitation Administration this includes contracted group homes, the Basic Training camp, and contracted mental health and other providers. The funding level shown assumes a 1.2% increase in September 2005 and a 1.7% increase in FY 2006. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account-State)

3. Middle Management Reduction - Middle management positions are reduced.

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Juvenile Rehabilitation

- 5. FTE Staff Adjustment** - Per the Governor's request, DSHS will centralize background check staff in the Background Checks Central Unit in central administration.
- 6. Expanding Evidence Based Svcs** - The Senate budget assumes that enhanced parole services will be made available to all offenders, including some youth who currently receive a minimal 30-day post-release supervision period without benefit of research-based therapies. Enhanced parole services use an approach known as "functional family therapy", shown by the Washington State Institute for Public Policy to reduce recidivism. (General Fund-State, General Fund-Federal)
- 7. Maintain Co-Occurring Disorders Pgm** - The Senate budget backfills federal funding cut in federal fiscal year 2005 used to run a program for juvenile offenders with co-occurring substance abuse and mental health disorders in King, Snohomish, Pierce, and Kitsap counties. The program begins treatment in the juvenile rehabilitation institution and continues for up to six months after release, involving the family and a therapeutic team. The pilot program was evaluated by the Washington State Institute for Public Policy and was shown to have a 13 percent lower rate of recidivism, and \$3.15 in benefits to taxpayers and victims per each dollar of cost.
- 8. Bed Savings-Juv. Disp. Alternatives** - The Senate budget assumes a reduction in the average daily population of offenders of nine in FY 2006 and twelve in Fiscal year 2007. These youth will be kept on local disposition alternatives under Senate Bill 5719 (community commitment) and Senate Bill 5502 (juvenile sentencing). Savings are assumed at the marginal bed rate, with assumptions that a certain number of youth will be revoked by the local court and committed to JRA. Over time, population and dollar savings may increase.
- 9. Payments to Counties-Juv. Disp. Alt** - The Senate budget assumes passage of two local disposition alternatives: Senate Bill 5719 (community commitment) and Senate Bill 5502 (juvenile sentencing). Total funding reflects projected payments to counties for parole, research-based therapies, and detention time.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Mental Health
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	3,051.1	663,067	1,254,828	3,051.1	663,067	1,254,828	0.0	0	0
2005-07 Maintenance Level	3,182.6	731,154	1,324,826	3,209.2	737,873	1,333,230	-26.7	-6,719	-8,404
Policy Changes:									
1. Limit COPES Enrollment Growth	0.0	-158	-320	0.0	0	0	0.0	-158	-320
2. Lease, Med. Inflation and Equip Red	0.0	-367	-564	0.0	-4,512	-6,053	0.0	4,145	5,489
3. Targeted Vendor Rate Increase	0.0	8,864	14,378	0.0	11,646	19,749	0.0	-2,782	-5,371
4. Middle Management Reduction	-12.7	-1,120	-1,488	-12.7	-1,120	-1,488	0.0	0	0
5. Children's Medical Premiums	0.0	358	716	0.0	463	926	0.0	-105	-210
6. Eligibility Reviews	0.0	2,001	4,002	0.0	2,584	5,168	0.0	-583	-1,166
7. General Inflation	0.0	-970	-1,270	0.0	-970	-1,270	0.0	0	0
8. FTE Staff Adjustment	-0.2	0	0	-0.2	0	0	0.0	0	0
9. CLIP Rate Adjustment	0.0	1,350	2,698	0.0	1,350	2,698	0.0	0	0
10. Community Psych Hospital Rate Adj	0.0	6,497	6,625	0.0	6,290	6,290	0.0	207	335
11. Transition Treatment for Children	1.0	1,075	1,816	1.0	1,407	1,877	0.0	-332	-61
12. Non-Medicaid Services-Community	0.0	77,600	0	0.0	75,400	-2,200	0.0	2,200	2,200
13. State Hospital Forensic Services	63.5	7,885	9,339	59.0	6,951	8,869	4.5	934	470
14. Pharmacy Staffing	2.0	377	493	4.0	753	984	-2.0	-376	-491
15. Evaluation and Treatment	0.0	539	539	2.0	1,653	2,285	-2.0	-1,114	-1,746
16. Chemical Dependency Trtmt Expansion	0.0	0	0	0.0	-4,153	-8,306	0.0	4,153	8,306
17. Integrated Crisis Response Pilots	0.5	43	80	0.0	0	0	0.5	43	80
18. Integrated Assessment	1.0	356	661	0.0	0	0	1.0	356	661
19. Efficiencies in Ancillary Costs	-3.0	-550	-550	0.0	0	0	-3.0	-550	-550
20. Adjust Mitigation Funding-SCTF	0.0	-510	-510	0.0	0	0	0.0	-510	-510
Total Policy Changes	52.1	103,270	36,645	53.1	97,742	29,529	-1.0	5,528	7,116
Total 2005-07 Biennium	3,234.7	834,424	1,361,471	3,262.3	835,615	1,362,759	-27.7	-1,191	-1,288
Difference from 2003-05	183.6	171,357	106,643	211.2	172,548	107,931	-27.7	-1,191	-1,288
% Change from 2003-05	6.0%	25.8%	8.5%	6.9%	26.0%	8.6%			

Comments:

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Mental Health

1. Limit COPES Enrollment Growth - The Aging and Adult Services Administration is to limit growth in the Community Options Program Entry (COPES) program to 1.0 percent per year. As a result, an average of about 500 fewer persons per year will qualify for Medicaid-funded community mental health services. (General Fund-State, General Fund-Federal)

2. Lease, Med. Inflation and Equip Red - The Senate budget does not concur with the proposal to not provide funding for projected inflation in the cost of drugs, medical supplies, and contracted medical services at the state psychiatric hospitals and the special commitment center.

3. Targeted Vendor Rate Increase - Funding is provided for an inflationary increase in payments to contracted providers of community mental health services and the special commitment center. Payments will increase by an average of 1.2 percent in September 2005, and by an additional 1.7 percent in September 2006. As provided in Senate Bill 5763 (mental disorders treatment), vendor rate increases for community mental health services are to be prioritized to programs that utilize evidence-based practices. (General Fund-State, General Fund-Federal)

4. Middle Management Reduction - Middle management positions are reduced.

5. Children's Medical Premiums - Governor Gregoire has directed the Department of Social and Health Services to continue to provide premium-free medical and dental coverage for children with family incomes between 150 and 200 percent of the federal poverty level, which is approximately \$1,900 - \$2,600 per month for a family of three. As provided in the 2004 Supplemental budget, the base level budget anticipated that families within that income range would pay monthly premiums of \$10 per child, up to a maximum of \$30 per family, beginning in July 2005. (General Fund-State, General Fund-Federal)

6. Eligibility Reviews - Governor Gregoire has directed that, beginning in May 2005, children's continued Medicaid eligibility will be reviewed every 12 months rather than every six months; and that, once eligible, children will remain eligible until the next review, rather than losing eligibility if family income or circumstances change. These changes are expected to result in an average of approximately 25,000 more children per month remaining on state medical assistance caseloads in Fiscal Year 2007. (General Fund-State, General Fund-Federal)

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

8. FTE Staff Adjustment - Per the Governor's request, DSHS will centralize background check staff in the Background Checks Central Unit in central administration.

9. CLIP Rate Adjustment - Payment rates for the Children's Long-Term Inpatient Program (CLIP) residential treatment facilities are increased by 25 percent. The CLIP facilities provide inpatient treatment for children with severe psychiatric impairments that cannot be adequately served in less restrictive settings. Due to the intensity of the children's treatment needs, costs average \$154,000 per treatment bed per year, approximately \$30,000 (25%) more than current state payment rates. One CLIP facility closed in summer 2004 due to financial difficulties, and the three remaining facilities are operating with substantial deficits, and are at risk of closure if state payment rates are not increased. (General Fund-State, General Fund-Federal).

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Mental Health

10. Community Psych Hospital Rate Adj - The number of community hospital beds available for short-term, emergency treatment of persons committed under the Involuntary Treatment Act (ITA) decreased 12 percent between 2000 and 2004. To prevent further erosion of essential treatment capacity, the Senate budget provides funding to increase the non-Medicaid payment rate to \$400 per day for treatment of medically indigent patients in hospitals that accept ITA patients. This is an approximately 40 percent increase in the non-Medicaid payment rate for such hospitals. No increase is provided for hospitals that do not accept ITA patients, or whose base non-Medicaid payment rate exceeds \$400 per day. In addition, the Medicaid payment rate is to be increased to a minimum of \$550 per day for free-standing psychiatric hospitals that accept ITA patients. (General Fund-State, General Fund-Federal)

11. Transition Treatment for Children - Funding is provided to implement an evidence-based model under which children with intensive therapeutic needs will be served in foster homes that receive special funding, training, and support. The model will serve 18 children per month, with foster homes clustered in three geographic areas that presently have few or no other children's long-term treatment options. Every attempt is to be made to keep children in or close to their home community, as support and reintegration into their natural or adoptive family is a central goal of model implementation. Availability of this model is expected to provide opportunities for diversions and transitions from more expensive and intensive placements, such as community hospitals and children's long-term inpatient facilities. (General Fund State, General Fund-Federal)

12. Non-Medicaid Services-Community - Under new federal rules and policies, the state's community mental health system is no longer able to use savings achieved through Medicaid managed care for people who, and services that, are not otherwise eligible for Medicaid. The Senate budget provides state revenues to replace all of the lost federal funding. Continuation of at least the current level of community mental health services is essential to public safety, and to the basic quality of life in our communities. Two-thirds of "non-Medicaid" community mental health funding is expended on crisis and commitment, community hospitalization, and residential care for people with acute or chronic mental illness. The rest is spent on limited outpatient care, medications, and medication monitoring for over 25,000 children and adults, most of whom have very low incomes and serious mental impairments, but who cannot, or have not yet, qualified for Medicaid. The Senate budget directs that current allocation formulas be revised to the extent necessary to assure that these replacement funds are distributed back to the areas in which the non-Medicaid costs are being incurred. (General Fund-State, General Fund-Federal)

13. State Hospital Forensic Services - Funding is provided for eight additional psychiatrists and psychologists to conduct outpatient evaluations of competency to stand trial; and to open an additional legal offender ("forensic") ward at Western State Hospital. The state psychiatric hospitals are legally responsible for evaluating competency to stand trial, for providing treatment to restore competency for defendants judged incompetent for trial, and for providing supervision and ongoing treatment for defendants found not guilty by reason of insanity. Steady increases in the demand for these services has substantially exceeded the hospitals' capacity to complete required evaluations within acceptable timeframes. The additional state hospital ward is needed to comply with federal court rulings that competency restoration must begin within a week of judicial order. The additional outpatient evaluators will reduce the time defendants are in jail awaiting evaluation and treatment, and will reduce the need for inpatient evaluations at the state hospitals, allowing that resource to be used for the more severely impaired citizens in need of treatment. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

14. Pharmacy Staffing - Funding is provided so that pharmacy services can be available at Eastern and Western State Hospitals during evening and weekend hours. This is necessary to prevent delays in filling medication orders, and to assure compliance with hospital accreditation standards. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

15. Evaluation and Treatment - Funding is provided for one-time start-up costs of two evaluation and treatment facilities, which will provide community-based alternatives for persons experiencing a psychiatric emergency that would otherwise require inpatient treatment in a community or state hospital bed. The start-up funding will cover staff recruitment, training, and organizational costs prior to initiation of direct client services. Funding for ongoing program operations will come from existing funds that would otherwise be expended upon short-term treatment in state or community hospitals.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Mental Health

16. Chemical Dependency Trtmt Expansion - The Senate budget provides funding for the number of medical assistance recipients receiving alcohol and drug treatment to double by Fiscal Year 2007. This expansion is expected to include people who have both a chemical dependency and a mental illness, but the Senate budget does not anticipate that such treatment will result in an immediate reduction in the cost of their mental health care, as no such reduction was discovered in the research evidence upon which the planned expansion is based.

17. Integrated Crisis Response Pilots - Funding is provided for the mental health system's implementation of the integrated crisis response provisions of Senate Bill 5763 (substance abuse and mental disorders). The mental health program will train county-designated chemical dependency specialists in mental health involuntary treatment act protocols so that they may function as crisis responders in the two integrated crisis response pilot sites established in the bill. (General Fund-State, General Fund-Federal)

18. Integrated Assessment - Funding is provided for implementation within the community mental health system of the integrated assessment provisions of Substitute Senate Bill 5763 (mental and substance abuse disorders treatment). Specific activities will include development of a single, integrated tool and protocol that will be used by all state-funded mental health and substance abuse treatment providers to screen and assess for co-occurring mental and substance abuse disorders; and training for community mental health system staff on use of that tool and protocol. (General Fund-State, General Fund-Federal)

19. Efficiencies in Ancillary Costs - Funding is reduced to reflect amounts for utility increases and some minor repairs related to Special Commitment Center facility costs on McNeil Island. Funding is also eliminated for three new FTEs that provide non-medical, non-clinical services, such as resident store management and custodial services. The agency added these FTEs in FY 2005 prior to receiving sufficient legislative appropriation. The agency will need to cover these positions and facility expenses by finding efficiencies that do not affect services for residents.

20. Adjust Mitigation Funding-SCTF - Funding is adjusted for Pierce County and some Pierce County cities. Funding for law enforcement training has been provided since FY 2001 as mitigation for the siting of a Secure Community Transition Facility on McNeil Island. This funding was not intended to be ongoing mitigation, and training has already been provided for several years. Further, in the last two years DSHS has not been able to expend all of the funds due to an insufficient number of contracts with local governments. (\$45,000 per year in funding for the City of Lakewood for police services to Western State Hospital is maintained in the Mental Health Division, as this is an ongoing expense.)

* **Transfer Mitigation Funding** - Funding to compensate the City of Lakewood for the additional police work associated with the presence of Western State Hospital is transferred from the Special Commitment Center to the Western State Hospital budget.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	3,362.8	680,987	1,323,530	3,362.8	680,987	1,323,530	0.0	0	0
2005-07 Maintenance Level	3,310.1	733,020	1,394,358	3,329.3	738,215	1,403,386	-19.2	-5,195	-9,028
Policy Changes:									
1. Homecare Worker Wages	0.0	10,055	19,847	0.0	10,055	19,801	0.0	0	46
2. Homecare Agency Rate Increase	0.0	635	1,235	0.0	561	1,119	0.0	74	116
3. Raise Level of Care Standard	-0.9	-458	-1,105	0.0	-458	-1,105	-0.9	0	0
4. Lease, Med. Inflation and Equip Red	0.0	-1,556	-3,011	0.0	-1,556	-3,011	0.0	0	0
5. Targeted Vendor Rate Increase	0.0	7,472	13,550	0.0	7,455	14,394	0.0	17	-844
6. Boyle/Arc Lawsuit Settlement	15.3	1,841	3,381	15.3	1,841	3,381	0.0	0	0
7. Middle Management Reduction	-8.0	-552	-881	-8.0	-552	-881	0.0	0	0
8. Institutional Clients to Community	0.0	0	0	0.0	2,070	3,892	0.0	-2,070	-3,892
9. General Inflation	0.0	-564	-1,237	0.0	-564	-1,237	0.0	0	0
10. FTE Staff Adjustment	-1.0	0	0	-1.0	0	0	0.0	0	0
11. State Hospitals Diversion/Discharge	0.0	0	0	0.0	4,020	7,772	0.0	-4,020	-7,772
12. Response to DOJ Investigation	0.0	0	0	1.0	109	216	-1.0	-109	-216
13. HS Transition Waiver Clients	0.0	0	0	0.0	1,363	2,727	0.0	-1,363	-2,727
14. Community Protection	0.0	1,368	2,736	1.0	1,835	3,323	-1.0	-467	-587
15. Basic/Basic Plus Waiver Growth	0.0	0	0	4.8	2,417	4,681	-4.8	-2,417	-4,681
16. Family Support Waiting List	0.0	0	0	0.0	300	300	0.0	-300	-300
17. Children at Serious Risk	0.0	0	0	0.0	1,440	1,800	0.0	-1,440	-1,800
18. RHC Efficiencies	0.0	-1,680	-3,360	0.0	0	0	0.0	-1,680	-3,360
19. Administrative Rate Standardization	0.0	2,000	4,000	0.0	0	0	0.0	2,000	4,000
20. Expand Community Services	0.8	2,142	4,284	0.0	0	0	0.8	2,142	4,284
21. Expand Employment and Day Services	0.0	2,235	2,980	0.0	0	0	0.0	2,235	2,980
22. Increase Family Support	0.0	1,680	1,680	0.0	0	0	0.0	1,680	1,680
23. Social Services Payment Transfer	0.0	3,109	3,109	0.0	0	0	0.0	3,109	3,109
Total Policy Changes	6.2	27,727	47,208	13.0	30,336	57,172	-6.9	-2,609	-9,964
Total 2005-07 Biennium	3,316.3	760,747	1,441,566	3,342.3	768,551	1,460,558	-26.1	-7,804	-18,992
Difference from 2003-05	-46.6	79,760	118,036	-20.5	87,564	137,028	-26.1	-7,804	-18,992

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
% Change from 2003-05	-1.4%	11.7%	8.9%	-0.6%	12.9%	10.4%			

Comments:

1. Homecare Worker Wages - Funding is provided to implement the compensation components of the 2005-07 collective bargaining agreement between the state and the approximately 22,000 individuals who contract to provide homecare services to children and adults with disabilities. Specific elements of the 2005-07 compensation agreement include hourly wage increases averaging 26 cents each year of the biennium; monthly payments for medical benefits averaging \$475 per covered individual per month; monthly payments for dental and vision benefits averaging \$31 per covered individual per month; and one hour of paid vacation leave for every 50 worked. This item shows the cost of compensation increases that will be incurred in the long-term care program. An additional \$41.8 million is appropriated in the Children's Administration, Long-Term Care, and Administration and Supporting Services programs of the Department of Social and Health Services. (General Fund State, General Fund Federal)

2. Homecare Agency Rate Increase - Funding is provided for a wage and related benefit increase to workers that provide personal care services in Aging and Disability Services Administration programs and are employed by private agencies. The increase corresponds to the salary and wage component of the Home Worker Contract for individual providers based on the interest arbitration award. This impacts several activities in the Aging and Disability Services Administration including the Division of Developmental Disabilities. (General Fund-State, General Fund-Federal)

3. Raise Level of Care Standard - Eligibility for Medicaid Personal Care is increased for limited assistance from three to four activities of daily living for children and adults, except for clients who require limited assistance with medication assistance. Current residential clients are grandfathered in this proposal. This eligibility change was also included in the Governor's budget. (General Fund-State, General Fund-Federal)

4. Lease, Med. Inflation and Equip Red - This item eliminates funding for actual and anticipated increases associated with lease renewals, medical inflation, and equipment replacement. (General Fund-State, General Fund-Federal)

5. Targeted Vendor Rate Increase - Funding is provided for an inflationary increase of 1.2 percent in September 2005 and an additional 1.7 percent in September 2006 to vendors. This increase applies to residential care, family support, professional services, employment and day programs, voluntary foster care placement and other community programs. Agency providers who are above the median in the costs of administration will not receive an inflationary increase; increases will be provided to those below the median in accordance with the rate standardization study. (General Fund-State, General Fund-Federal)

**2005-07 Omnibus Operating Budget
Department of Social and Health Services
Developmental Disabilities**

6. Boyle/Arc Lawsuit Settlement - Funding is provided to the Division of Developmental Disabilities (DDD) to provide additional waiver compliance and tracking for the four Washington State Medicaid Home and Community-Based Services waivers for people with developmental disabilities. The funded activities meet the terms of the settlement agreement in the consolidated lawsuits, Boyle v. Braddock and Arc v. Quasim, covering waiver services. The activities include implementing a computerized case management system by July 1, 2008, funding a compliance monitor, and for waiver quality assurance resources for each region. In addition, funding includes attorney fees. This funding was included in the Governor's budget. (General Fund-State, General Fund-Federal)

7. Middle Management Reduction - Middle management positions are reduced.

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. FTE Staff Adjustment - Staff positions responsible for conducting background checks will be centralized within a single DSHS administration.

11. State Hospitals Diversion/Discharge - The Governor's budget proposed funding 97 individuals who were estimated to be discharged or diverted from state psychiatric hospitals. The Senate budget provides funding for a smaller number of these clients in the community protection item.

12. Response to DOJ Investigation - The Governor's budget funded a lead psychologist at Rainier School in response to a 1999 Department of Justice (DOJ) citation and to ensure procedures relating to restrictive practices are implemented to meet DOJ requirements. Fircrest currently has a lead psychologist. Given the decrease in ICF/MR clients at Fircrest, resources for the lead psychologist should be able to cover both institutions and fulfill the requirements of the DOJ.

13. HS Transition Waiver Clients - The Governor's budget included funding for waiver clients who are high school graduates and in need of employment and day services. The Senate budget does not fund this item but provides additional employment and day services for non-waiver clients. Funding for waiver services are managed by the department within the resources provided in the existing budget and through savings in the additional community protection and general community placements.

14. Community Protection - Funding is provided for expanded community services for 24 clients who are: (1) being diverted or discharged from the state psychiatric hospitals; (2) participants in the Dangerous Mentally Ill Offender program; (3) participants in the Community Protection program; or (4) mental health crisis diversion outplacements. In order to increase the number of clients served and ensure the cost-effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds provided the total projected carryforward expenditures do not exceed those currently projected. These resources are phased in over the biennium. The Governor's budget also included 24 slots for this client population. (General Fund-State, General Fund-Federal)

17. Children at Serious Risk - The Governor's budget proposed funding out-of-home placements for 24 children who are in danger of institutionalization. The Senate budget combines other community placements in the item to expand community services.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Developmental Disabilities

18. RHC Efficiencies - During the last two biennia, occupancy in the residential habilitation centers (RHCs) has decreased, while staffing levels have remained relatively constant. This item assumes that staff and other expenditures will be reduced at the institutions to be more reflective of the reduced number of clients, comparing staffing levels compared to minimum national standards and/or federal requirements. (General Fund-State, General Fund-Federal)

19. Administrative Rate Standardization - A 2003 Joint Legislative Audit Review Committee identified the lack of uniformity in rates paid to supported living agency providers for administrative costs. A rate study group was convened by DSHS to develop a standardized rate methodology. \$1 million per year is provided to increase payments for administrative expenses for providers who are paid the least. This funding is in addition to any vendor rate increase. Funding for this item is not included in the Governor's budget. (General Fund-State, General Fund-Federal)

20. Expand Community Services - Funding is provided for community residential and support services for a minimum of 39 clients, which is one percent growth. Priority consideration for these placements shall be as follows: (1) children who are aging out of other state services; (2) clients without residential services who are in crisis or immediate risk of needing an institutional placement, including aging parents who are no longer able to care for their children; and (3) current waiver clients who have been assessed as having an immediate need for residential services or increase support services. In order to increase the number of clients served and ensure the cost effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. Money not spent on new clients may be used to cover service costs of existing waiver clients, including the costs of employment and day services. In addition, if excess funds are available, additional clients may be served as long as the total projected carryforward expenditures do not exceed those currently projected. The Governor's budget included specifically designated slots for: Olmstead clients (30), state hospital diversion or discharge (67), and children at risk of institutional placements (24). (General Fund-State, General Fund-Federal)

21. Expand Employment and Day Services - This item funds day/employment services for individuals not on the waiver who are either 21 years of age and leaving school in June 2007 and 2008 or who are assessed as being in need of employment and day services. Approximately 200 new non-waiver students will be served by the end of the biennium. Funding is also provided for an additional 200 students who are on the waiver. The Governor's budget included funding for employment and day for 341 waiver clients and no additional funding for non-waiver clients. (General Fund-State, General Fund-Federal)

22. Increase Family Support - This item provides increased funding for family support for individuals not on the Washington State Medicaid Home and Community-Based Services waivers. By the end of the biennium, at least 750 additional families are expected to receive this assistance. The Governor's budget included \$300,000 in funding for 150 families to receive family support.

23. Social Services Payment Transfer - DDD began using additional funds for SSI eligible clients for child day care that will qualify towards Social Security Payments maintenance of effort (MOE). This item transfers the SSP funding from Economic Services to DDD to maintain the minimum MOE requirement. (General Fund-State)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,123.5	1,117,673	2,343,212	1,123.5	1,117,673	2,343,212	0.0	0	0
2005-07 Maintenance Level	1,161.9	1,203,170	2,468,994	1,193.2	1,205,294	2,473,269	-31.3	-2,124	-4,275
Policy Changes:									
1. Homecare Worker Wages	0.0	16,719	33,006	0.0	18,104	35,650	0.0	-1,385	-2,644
2. Homecare Worker Tax Withholding	2.0	152	294	0.0	0	0	2.0	152	294
3. Nursing Home Rate Changes	0.0	10,268	20,462	0.0	-26,683	-53,365	0.0	36,951	73,827
4. Nursing Home Tax Phase-Out	0.0	-7,701	-15,346	0.0	0	0	0.0	-7,701	-15,346
5. Homecare Agency Rate Increase	0.0	4,300	8,605	0.0	4,300	8,605	0.0	0	0
6. Raise Level of Care Standard	0.0	-2,728	-6,098	0.0	-11,034	-21,730	0.0	8,306	15,632
7. Limit COPEs Enrollment Growth	0.0	-2,882	-5,764	0.0	0	0	0.0	-2,882	-5,764
8. Lease, Med. Inflation and Equip Red	0.0	-111	-217	0.0	-111	-217	0.0	0	0
9. Targeted Vendor Rate Increase	0.0	7,005	13,417	0.0	5,686	11,251	0.0	1,319	2,166
10. Long Term Care Financing Task Frc #	0.0	0	291	0.0	0	291	0.0	0	0
11. Middle Management Reduction	-12.1	-866	-1,329	-12.1	-866	-1,329	0.0	0	0
12. Estate Recovery	0.0	-4,600	-9,200	0.0	-4,600	-9,200	0.0	0	0
13. General Inflation	0.0	-180	-398	0.0	-180	-398	0.0	0	0
14. FTE Staff Adjustment	0.0	0	0	-5.5	0	0	5.5	0	0
15. Respite Compensation Increase	0.0	0	352	0.0	352	352	0.0	-352	0
16. Chemical Dependency Trtmt Expansion	0.0	-2,959	-5,918	0.0	-4,357	-8,714	0.0	1,398	2,796
17. Supplemental Nursing Care	0.0	698	821	0.0	0	0	0.0	698	821
18. Senior Drug Information	0.0	75	75	0.0	0	0	0.0	75	75
19. Farmers Market Nutrition	0.0	500	500	0.0	0	0	0.0	500	500
Total Policy Changes	-10.1	17,690	33,553	-17.6	-19,389	-38,804	7.5	37,079	72,357
Total 2005-07 Biennium	1,151.9	1,220,860	2,502,547	1,175.6	1,185,905	2,434,465	-23.8	34,955	68,082
Difference from 2003-05	28.4	103,187	159,335	52.2	68,232	91,253	-23.8	34,955	68,082
% Change from 2003-05	2.6%	9.2%	6.8%	4.7%	6.1%	3.9%			

Comments:

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Long-Term Care

1. Homecare Worker Wages - Funding is provided to implement the compensation components of the 2005-07 collective bargaining agreement between the state and the approximately 22,000 individuals who contract with it to provide homecare services to children and adults with disabilities. Specific elements of the 2005-07 compensation agreement include hourly wage increases averaging 26 cents each year of the biennium; monthly payments for medical benefits averaging \$475 per covered individual per month; monthly payments for dental and vision benefits averaging \$31 per covered individual per month; and one hour of paid vacation leave for every 50 worked. This item shows the cost of the compensation increases that will be incurred in the long-term care program. The Senate budget shows a lower expenditure in this item than proposed by the Governor because it appropriates to a different branch of DSHS the \$1.6 million payment the state has been ordered to make to the Service Employees International Union to compensate for a delay in the completion of computer programming necessary to deduct union dues. In addition to the funds appropriated here, \$28.3 million is appropriated in the Children's Services, the Developmental Disabilities, and the central Administration branches of the department for implementation of the 2005-07 agreement. (General Fund State, General Fund Federal)

2. Homecare Worker Tax Withholding - Under the collective bargaining agreement between the state and the Service Employees International Union, the Department of Social and Health Services will be responsible for withholding federal income taxes from payments to individuals who contract with it to provide homecare services. Staffing is provided for the Aging and Disability Services Administration to coordinate accurate and timely submission of federal tax withholding forms by the 22,000 individuals affected by this change. (General Fund-State, General Fund-Federal)

3. Nursing Home Rate Changes - The Senate budget provides the same inflationary cost-of-living adjustment for nursing homes as for other community residential programs. Rates will be increased by 1.2 percent in September 2005, and by an additional 1.7 percent in September 2006. With this adjustment, the average nursing home payment rate will be \$150.84 per patient day in Fiscal Year 2006, and \$155.63 per patient day in Fiscal Year 2007. (General Fund-State, General Fund-Federal)

4. Nursing Home Tax Phase-Out - The Senate budget provides for a phased elimination of the nursing home quality maintenance fee that was levied in 2003. Effective July 2005, the tax will be reduced by 30 percent (\$2.00 per patient day). This will result in a similar reduction in the portion of the nursing home payment rate that covers the cost of the fee on behalf of state-funded patients. (General Fund-State, General Fund-Federal)

5. Homecare Agency Rate Increase - Funding is provided so that workers employed by private agencies that contract with the state to provide homecare services can receive the same wage increase as awarded to individual providers. (General Fund-State, General Fund-Federal)

6. Raise Level of Care Standard - In order to qualify for publicly-funded long-term care in home and community-based settings, elderly and disabled persons will need to require at least limited assistance with at least 4 of 7 basic activities of daily living. Currently, they must need limited assistance in at least three such areas. Persons currently receiving care in community residential settings who do not meet the higher eligibility standard will continue to be served, without the benefit of federal matching funds, but no new applicants with such lower levels of care will be admitted to residential care. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Long-Term Care

7. Limit COPES Enrollment Growth - DSHS is directed to limit growth in the number of persons receiving community-based care through the Community Options Program Entry System (COPES) waiver program to 1.0 percent per year, which is a bit more than the projected growth in the total state population aged 75 and older. This will allow an average of about 23,450 people per month to receive such services during the 2005-07 biennium, approximately 500 fewer than would be served if the program continued to grow without limits. To manage within these enrollment limits, the Department may need to establish waiting lists for services, as is done in most other states. If waiting lists are established, the Department is directed to prioritize access to service for persons with the greatest care needs, and who are at greatest risk of requiring nursing home or other out-of-home placement, rather than prioritizing by the date of application.

In addition to the avoided expenditure growth shown here, this change is expected to result in approximately \$2.9 million (\$1.7 million state) of avoided expenditure increases in the Medical Assistance Program. (General Fund-State, General Fund-Federal)

8. Lease, Med. Inflation and Equip Red - This item eliminates funding for actual and anticipated increases associated with lease renewals, medical inflation, and equipment replacement. (General Fund-State, General Fund-Federal)

9. Targeted Vendor Rate Increase - Organizations that contract with the state to provide long-term care services will receive inflationary cost-of-living adjustments of 1.2 percent in September 2005, and an additional 1.7 percent in September 2006. This increase applies to adult family homes, assisted living facilities, and other community residential facilities; to Area Agency on Aging case management services; to adult day health and private duty nursing providers; and to the homecare agency administrative rate. (General Fund-State, General Fund-Federal)

10. Long Term Care Financing Task Frc # - Federal funds are available to match the state funds appropriated to the Office of Financial Management to support the work of the the Long Term Care Task Force established pursuant to Senate Bill 5442. (General Fund-Federal)

11. Middle Management Reduction - Middle management positions are reduced.

12. Estate Recovery - The Department of Social and Health Services will increase efforts to recover the cost of publicly-funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. (General Fund-State, General Fund-Federal)

13. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

15. Respite Compensation Increase - Additional federal Family Caregiver Support funding is expected to be available to cover the impact on the respite care services program of the 2004 and 2005 increases in homecare worker wage rates. (General Fund-Federal)

16. Chemical Dependency Trtmt Expansion - The number of medical assistance recipients receiving alcohol and drug treatment will double by Fiscal Year 2007. Based upon research by the Department of Social and Health Services, this is expected to result in reduced medical assistance and long-term care expenditures sufficient to offset at least 60 percent of the short-term cost of the treatment expansion. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Long-Term Care

17. Supplemental Nursing Care - Funding is provided for a demonstration project under which the department will partner with a mental health Regional Support Network, and with a nursing home-licensed facility specializing in mental health treatment, to provide integrated care for people who need both skilled nursing and mental health care. The Regional Support Network will provide funding for the residents' basic residential care and mental health treatment. Demonstration project funds will assist with their additional skilled nursing needs. (General Fund-State, General Fund-Federal)

18. Senior Drug Information - Funding for Area Agencies on Aging to conduct seminars on Medicare drug benefits, and on the safe and effective use of prescription drugs, is increased by approximately 25 percent. Additional funding is needed to assist seniors understand their options, benefits, and requirements under the new Medicare Part D program.

19. Farmers Market Nutrition - Over the past two years, funds available from a one-time lawsuit settlement have enabled significantly more seniors with incomes below 185 percent of the federal poverty level to shop at farmers markets. State funds are provided to replace the one-time settlement funds that have now been depleted.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	4,500.4	888,399	2,133,588	4,500.4	888,399	2,133,588	0.0	0	0
2005-07 Maintenance Level	4,497.1	953,006	2,233,113	4,497.1	953,006	2,233,113	0.0	0	0
Policy Changes:									
1. School Readiness Assistance	1.0	527	527	0.0	0	0	1.0	527	527
2. Lease, Med. Inflation and Equip Red	0.0	-1,203	-1,848	0.0	-1,203	-1,848	0.0	0	0
3. Targeted Vendor Rate Increase	0.0	25,766	26,236	0.0	0	0	0.0	25,766	26,236
4. Limit GAU Eligibility	0.0	-18,010	-18,010	0.0	-18,010	-18,010	0.0	0	0
5. Middle Management Reduction	-14.2	-1,014	-1,559	-14.2	-1,014	-1,559	0.0	0	0
6. Children's Medical Premiums	-20.4	-1,902	-3,396	-20.4	-1,902	-3,396	0.0	0	0
7. Eligibility Reviews	-36.2	-2,127	-4,075	-36.2	-2,127	-4,255	0.0	0	180
8. Children's Health Program	0.0	0	0	28.9	4,130	4,130	-28.9	-4,130	-4,130
9. Technical Corrections	0.0	-1,760	-1,760	0.0	0	0	0.0	-1,760	-1,760
10. General Inflation	0.0	-2,008	-8,100	0.0	-2,008	-8,100	0.0	0	0
11. FTE Staff Adjustment	-5.6	0	0	-5.6	0	0	0.0	0	0
12. Replace TANF MOE Funds	0.0	15,000	15,000	0.0	15,000	15,000	0.0	0	0
13. Predictive Dialer Project	0.0	-105	-132	0.0	-105	-132	0.0	0	0
14. Social Services Payment Transfer	0.0	-3,109	-3,109	0.0	0	0	0.0	-3,109	-3,109
Total Policy Changes	-75.4	10,055	-226	-47.6	-7,239	-18,170	-27.9	17,294	17,944
Total 2005-07 Biennium	4,421.7	963,061	2,232,887	4,449.6	945,767	2,214,943	-27.9	17,294	17,944
Difference from 2003-05	-78.7	74,662	99,299	-50.9	57,368	81,355	-27.9	17,294	17,944
% Change from 2003-05	-1.7%	8.4%	4.7%	-1.1%	6.5%	3.8%			

Comments:

1. School Readiness Assistance - The early learning and K-12 communities developed a set of benchmarks for what children should know and be able to do at kindergarten entry. This item provides funding for printing and distributing the Washington State Early Learning and Development Benchmarks to child care providers, preschool teachers, and parents. Funds are also included to developing a training program on the implementation and utilization of the benchmarks. This item was not funded in the Governor's budget.

2. Lease, Med. Inflation and Equip Red - This item eliminates funding for actual and anticipated increases associated with lease renewals, medical inflation, and equipment replacement. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Economic Services Administration

3. Targeted Vendor Rate Increase - Funding is provided for an inflationary increase of 1.2 percent in July 2005 and an additional 1.7 percent in July 2006 to vendors. This increase applies to family child care and child care centers, other client services and services provided for child support enforcement by local government not addressed in the maintenance level budget. The funding level is based on annual inflation estimates. An additional \$5 million is added in FY 2006 and \$9.5 million in FY 2007 for child care provider rates, including \$500,000 per year for the Spokane MSA. The Governor's budget did not include any funding for vendor increases for child care. (General Fund-State, General Fund-Federal)

4. Limit GAU Eligibility - The Senate budget anticipates savings in the General Assistance Unemployable (GAU) cash grant program through proactive strategies to improve the outcomes for GA-U clients. These strategies include increased: (1) naturalization efforts, (2) coordination with other systems (social security and veteran's), (3) managed care for GAU medical services, and (4) mental health, vocational rehabilitation and employment support. The Governor's budget included this reduction by restricting eligibility based on vocational factors.

5. Middle Management Reduction - Middle management positions are reduced.

6. Children's Medical Premiums - Governor Gregoire has directed the Department of Social and Health Services to continue to provide premium-free medical and dental coverage for children with family income between 150 and 200 percent of the federal poverty level, which is approximately \$1,900 to \$2,600 per month for a family of three. This reduction reflects the decrease in caseload and the number of workers who will no longer be needed to collect premiums from these families. (Health Services Account-State, General Fund-Federal)

7. Eligibility Reviews - Governor Gregoire has directed that , beginning in May 2005, children's continued Medicaid eligibility will be reviewed every 12 months rather than every six months; and that, once eligible, children will remain eligible until the next review, rather than losing eligibility if family income or circumstances change. These changes are expected to result in an average of approximately 25,000 more children per month remaining on state medical assistance caseloads in Fiscal Year 2007. This item reduces the number of staff that will be needed due to the increased time between reviews. (General Fund-State, General Fund-Federal)

9. Technical Corrections - This technical correction transfers funding from the Economic Services to the Medial Assistance program to provide ongoing funding for the "Safe Babies/Safe Moms" program. This program provides substance abuse treatment and family support services for Medicaid-eligible pregnant and parenting women who are currently abusing alcohol or drugs, or judged at serious risk of doing so.

10. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

11. FTE Staff Adjustment - Staff responsible for conducting background checks are transferred to a central unit.

12. Replace TANF MOE Funds - \$7.5 million of general state funding is provided in FY 06 and FY 07 to meet federally required Temporary Assistance to Needy Families (TANF) maintenance of effort (MOE) requirements. This funding assumes that the federal program that will be reauthorized maintains the existing MOE requirement. This item was included in Governor Gregoire's budget.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Economic Services Administration

13. Predictive Dialer Project - Funding is provided to the Division of Child Support to purchase a predictive dialer system, which will interface with the telephone and the Support Enforcement Management System mainframe. Total ongoing costs will be approximately \$60,000 per year. The net savings reflects the estimated growth in collections that would result from the automated system. (General Fund-State, General Fund-Federal)

14. Social Services Payment Transfer - DDD began using additional funds for SSI eligible clients for child day care that will qualify towards Social Security Payments maintenance of effort (MOE). This item transfers the SSP funding from Economic Services to DDD to maintain the minimum MOE requirement. (General Fund-State)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Alcohol and Substance Abuse
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	97.3	81,332	236,227	97.3	81,332	236,227	0.0	0	0
2005-07 Maintenance Level	98.4	83,086	244,284	98.4	83,086	244,284	0.0	0	0
Policy Changes:									
1. Problem Gambling	0.0	0	1,500	0.0	0	1,500	0.0	0	0
2. Lease, Med. Inflation and Equip Red	0.0	0	0	0.0	-20	-24	0.0	20	24
3. Targeted Vendor Rate Increase	0.0	1,689	4,145	0.0	917	1,681	0.0	772	2,464
4. Middle Management Reduction	-4.3	-366	-469	-4.3	-366	-469	0.0	0	0
5. General Inflation	0.0	-112	-262	0.0	-112	-262	0.0	0	0
6. Chemical Dependency Trtmt Expansion	3.0	25,337	39,673	3.0	17,432	27,224	0.0	7,905	12,449
7. Expand Alcohol/Drug Trtmt for Youth	0.0	5,045	6,726	0.0	0	0	0.0	5,045	6,726
8. Rate Increase for Residential	0.0	2,000	2,000	0.0	0	0	0.0	2,000	2,000
9. Integrated Crisis Response Pilots	0.0	6,194	6,194	0.0	0	0	0.0	6,194	6,194
10. Intensive Case Management Pilots	0.0	488	488	0.0	0	0	0.0	488	488
11. Integrated Assessment	1.0	299	460	0.0	0	0	1.0	299	460
Total Policy Changes	-0.3	40,574	60,455	-1.3	17,851	29,650	1.0	22,723	30,805
Total 2005-07 Biennium	98.1	123,660	304,739	97.1	100,937	273,934	1.0	22,723	30,805
Difference from 2003-05	0.9	42,328	68,512	-0.2	19,605	37,707	1.0	22,723	30,805
% Change from 2003-05	1.0%	52.0%	29.0%	0.0%	24.1%	16.0%			

Comments:

1. Problem Gambling - Funding is provided to resume and expand the agency's program to prevent and treat problem and pathological gambling. Executive request legislation creates this account and funds it from taxes on private-sector gambling revenue and a set-aside of Lottery proceeds, under HB 1031 (problem gambling). If the bill is not enacted by June 30, 2005, then this amount shall lapse.

2. Lease, Med. Inflation and Equip Red - The Senate budget does not concur with the proposal to eliminate funding for projected inflation in the cost of leases, supplies, and contracted services.

3. Targeted Vendor Rate Increase - The Senate budget provides basic inflationary increases to most vendors. In the Division of Alcohol and Substance Abuse vendor rate increases are to be prioritized for residential providers, although if sufficient funds are available, increases may be provided to other vendors. The funding level shown assumes a 1.2% increase in September 2005 and a 1.7% increase in FY 2006. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account-State)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Alcohol and Substance Abuse

4. Middle Management Reduction - Middle management positions are reduced. (General Fund-State, General Fund-Federal, General Fund-Local)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local)

6. Chemical Dependency Trtmt Expansion - The Senate budget provides funding for a significant chemical dependency treatment expansion, under the Omnibus Mental and Substance Abuse Disorders Act (SB 5763). The expansion doubles the amount of treatment over the fiscal year 2004 level by the second year of the 2005-07 biennium, for Medicaid-eligible adults. This funding will cover aged, blind, disabled, and other Medicaid-eligible persons. In contrast to the Governor's budget, the expansion will also cover clients of the General Assistance or Temporary Assistance to Needy Families programs. If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse.

Also, based on the results of a 2002 cost offset study by the DSHS Research and Data Analysis Division, and with additional input from the Joint Legislative Audit and Review Committee, the Senate budget assumes that the substance abuse treatment expansion will result in a cost offset in medical assistance and long-term care of \$14.4 Million in General Fund-State and \$12.6 Million in General Fund-Federal during the 2005-07 biennium. (General Fund-State, General Fund-Federal)

7. Expand Alcohol/Drug Trtmt for Youth - In addition to the expansion in services to adults above, the Senate budget adds funding to provide substance abuse treatment to an additional 1000 youth per year who are under 200 percent of the federal poverty level, consistent with the requirements of SB 5763 (mental disorders treatment). If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse. (General Fund-State, General Fund-Federal)

8. Rate Increase for Residential - The Senate budget provides supplemental vendor rate increases to residential treatment providers to facilitate the substance abuse treatment expansions under SB 5763 above. Without this funding, sufficient residential or youth capacity may not be available to meet the intent of the bill. If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse.

9. Integrated Crisis Response Pilots - Funding is provided pursuant to SB 5763, to implement two cross-systems crisis responder pilots that utilize an integrated involuntary treatment act approach. If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse.

10. Intensive Case Management Pilots - Funding is provided pursuant to SB 5763, to implement two intensive chemical dependency case management pilots. If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse.

11. Integrated Assessment - Funding is provided to develop an integrated mental health/substance abuse screening and assessment tool to be used by the Mental Health Division and Division of Alcohol and Substance Abuse in DSHS. Funding also covers training and quality assurance. If SB 5763 is not enacted by June 30, 2005, then this amount shall lapse. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,028.6	2,368,690	7,262,631	1,028.6	2,368,690	7,262,631	0.0	0	0
2005-07 Maintenance Level	1,088.2	3,040,046	8,029,814	1,090.9	3,041,981	8,034,817	-2.8	-1,935	-5,003
Policy Changes:									
1. Limit COPES Enrollment Growth	0.0	-1,537	-2,616	0.0	0	0	0.0	-1,537	-2,616
2. Targeted Vendor Rate Increase	0.0	27,383	60,321	0.0	0	0	0.0	27,383	60,321
3. Middle Management Reduction	-17.9	-745	-1,970	-17.9	-745	-1,970	0.0	0	0
4. Estate Recovery	0.0	-1,150	-2,300	0.0	-1,150	-2,300	0.0	0	0
5. Children's Medical Premiums	0.0	0	22,702	0.0	0	22,702	0.0	0	0
6. Eligibility Reviews	0.0	0	66,241	0.0	0	66,243	0.0	0	-2
7. Children's Health Program	0.0	0	0	3.2	13,388	14,327	-3.2	-13,388	-14,327
8. Hospital Vendor Rate Increase	0.0	0	0	0.0	27,996	46,733	0.0	-27,996	-46,733
9. Increase Trauma Payments	0.0	0	0	0.0	0	1,000	0.0	0	-1,000
10. Hospital Payment Study	0.0	225	450	0.0	225	450	0.0	0	0
11. Review Evidence-Based Purchases	0.0	0	0	0.0	206	413	0.0	-206	-413
12. Expand Drug Cost Management	1.0	-6,507	-12,571	0.0	-6,507	-12,571	1.0	0	0
13. Patients Requiring Review	8.0	-5,334	-10,668	8.0	-5,334	-10,668	0.0	0	0
14. MAA Forecast	0.0	0	323	3.0	323	646	-3.0	-323	-323
15. General Inflation	0.0	-612	-4,064	0.0	-612	-4,064	0.0	0	0
16. FTE Staff Adjustment	-0.1	0	0	-0.1	0	0	0.0	0	0
17. Non-Medicaid Services-Community	0.0	4,600	0	0.0	4,600	0	0.0	0	0
18. Chemical Dependency Trtmt Expansion	0.0	-11,478	-21,119	0.0	-23,950	-46,879	0.0	12,472	25,760
19. Graduate Medical Education	0.0	0	0	0.0	-4,000	-8,000	0.0	4,000	8,000
20. IGT Design	0.0	31,137	-335,144	0.0	33,015	-332,389	0.0	-1,878	-2,755
21. Medical Nutrition Scope of Coverage	3.0	-2,584	-5,167	3.0	-2,584	-5,167	0.0	0	0
22. School Ad-Match	-2.0	-123	-18,244	-2.0	-123	-18,244	0.0	0	0
23. MAA Relocation	0.0	594	1,188	0.0	2,282	4,564	0.0	-1,688	-3,376
24. Safe Mother/Babies Sustainable Fund	0.0	1,760	3,200	0.0	1,760	3,200	0.0	0	0
25. Medical Equipment Cost Management	0.0	-4,179	-8,354	0.0	0	0	0.0	-4,179	-8,354
26. Drug Co-Pay	0.0	-8,159	-14,937	0.0	0	0	0.0	-8,159	-14,937
27. Transportation Co-Pay	0.0	-5,367	-10,734	0.0	0	0	0.0	-5,367	-10,734
Total Policy Changes	-8.0	17,924	-293,463	-2.8	38,790	-281,974	-5.2	-20,866	-11,489
Total 2005-07 Biennium	1,080.2	3,057,970	7,736,351	1,088.1	3,080,771	7,752,843	-8.0	-22,801	-16,492

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Difference from 2003-05	51.6	689,280	473,720	59.6	712,081	490,212	-8.0	-22,801	-16,492
% Change from 2003-05	5.0%	29.1%	6.5%	5.7%	30.1%	6.7%			

Comments:

1. Limit COPES Enrollment Growth - The Aging and Adult Services Administration is to limit growth in the Community Options Program Entry (COPES) program to 1.0 percent per year. As a result, an average of about 500 fewer persons per year will qualify for state-funded medical assistance coverage. (General Fund-State, General Fund-Federal)

2. Targeted Vendor Rate Increase - Funding is provided for an inflationary cost-of-living increase for organizations and individuals that contract with the state to provide medical assistance services. The increases will average 1.2 percent in September 2005, and an additional 1.7 percent in September 2006, and will apply to hospitals, physicians, dentists, pharmacies, laboratories, home health agencies, and other contracted providers of medical assistance services. Managed care payment rates are also increased sufficiently for carriers to pass on at least the same level of increase to their network providers. Hospital rate increases shall be distributed on a non-standard basis, so that hospitals whose current rates are farthest below the statewide average will receive more than the average increase, while those with rates higher than the average receive less. (General Fund-State, Health Services Account-State, General Fund-Federal)

3. Middle Management Reduction - Middle management positions are reduced.

4. Estate Recovery - The Department of Social and Health Services will increase efforts to recover the cost of publicly-funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. (General Fund-State, General Fund-Federal)

5. Children's Medical Premiums - Governor Gregoire has directed the Department of Social and Health Services to continue to provide premium-free medical and dental coverage for children with family incomes between 150 and 200 percent of the federal poverty level, which is approximately \$1,900 - \$2,600 per month for a family of three. As provided in the 2004 Supplemental budget, the base level budget anticipated that families within that income range would pay monthly premiums of \$10 per child, up to a maximum of \$30 per family, beginning in July 2005. (Health Services Account-State, General Fund-Federal)

6. Eligibility Reviews - Governor Gregoire has directed that, beginning in May 2005, children's continued Medicaid eligibility will be reviewed every 12 months rather than every six months; and that, once eligible, children will remain eligible until the next review, rather than losing eligibility if family income or circumstances change. These changes are expected to result in an average of approximately 25,000 more children per month remaining on state medical assistance caseloads in Fiscal Year 2007. (General Fund-Federal; Health Services Account-State)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Medical Assistance Payments

8. Hospital Vendor Rate Increase - The Senate budget includes \$34.4 million (\$19.9 million state funds) for hospital rate increases in the "vendor rate increase" item, above. Hospital inpatient and outpatient services will receive the same average increase as other contracted providers. However, as proposed by the state hospital association, hospital rate increases are to be distributed on a non-standard basis, so that hospitals whose current rates are farthest below the statewide average will receive more than the average increase, while those with rates higher than the average receive less.

10. Hospital Payment Study - Funding is provided for an independent evaluation of the state's current system for setting Medicaid inpatient payment rates, and its strengths and weaknesses in comparison to systems used by other state, federal, and private payers. The department is directed to report the results of the study to the Governor and Legislature by November 2006, together with recommendations for a new or updated system that will promote equity among hospitals; access to quality care for patients; and cost control and efficiency for taxpayers. (General Fund-State, General Fund-Federal)

11. Review Evidence-Based Purchases - As directed in Senate Bill 5924, the Agency Medical Directors' Group will implement a pilot project to coordinate and strengthen state agency efforts to obtain and evaluate scientific evidence on new health care procedures, services, and technology. The pilot will allow agencies to coordinate their evaluations and will support additional progress in the area of evidence-based health purchasing. Participating agencies are the Health Care Authority, the Department of Social and Health Services Medical Assistance Administration, the Department of Labor and Industries, the Department of Corrections, and the Department of Veterans' Affairs. The Senate budget anticipates that the agencies will implement this improvement by re-deploying funds they are already spending on their individual, uncoordinated efforts.

12. Expand Drug Cost Management - The Medical Assistance Administration will achieve savings by establishing a preferred drug in approximately 30 additional therapeutic classes. The preferred drug will be the least costly, equally effective drug identified through clinical evidence reviews conducted by a contracted pharmacy benefits management firm. The contracted firm will also negotiate discounts with manufacturers of more costly drugs for their inclusion on the preferred drug list. (General Fund-State, General Fund-Federal, Health Services Account-State)

13. Patients Requiring Review - The Patients Requiring Review program (PRR) controls over-utilization and inappropriate use of medical services by assigning clients to a single primary care physician, and identifying specific pharmacies and other medical providers from whom they may obtain services. Clients who have been on the PRR program have shown a 48 percent decrease in emergency room use, a 41 percent decrease in office visits, and a 29 percent decrease in the number of prescriptions purchased. The department anticipates that, by approximately tripling the number of staff assigned to the program, it can reduce unnecessary utilization by an additional 1,500 clients per month, avoiding \$5,000 of expenditures per client per year. (General Fund-State, General Fund-Federal)

14. MAA Forecast - Federal funds are provided to match increased state funds that are appropriated to the Office of Financial Management to increase the quality, accuracy, and timeliness of Medical Assistance budget forecasting and monitoring. The forecast, which involves approximately \$3.8 billion of state and federal expenditures per year, will be produced by the DSHS Medical Assistance Administration, with assistance and guidance from a technical work group. The work group will be chaired by the Office of Financial Management, with participation from legislative fiscal committee and DSHS staff. (General Fund-Federal)

15. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Medical Assistance Payments

17. Non-Medicaid Services-Community - An estimated 475 adults with serious and persistent mental illness do not qualify for federal financial participation in the cost of their medical care because they live in facilities that specialize in mental health treatment, and that have more than 16 residents. State funds are provided to assure these adults continue to have access to essential medical care. (General Fund-State, General Fund-Federal)

18. Chemical Dependency Trtmt Expansion - The number of medical assistance recipients receiving alcohol and drug treatment will double by Fiscal Year 2007. Based upon research by the Department of Social and Health Services, this is expected to result in reduced medical assistance and long-term care expenditures sufficient to offset at least 60 percent of the short-term cost of the treatment expansion. (General Fund-State, General Fund-Federal)

20. IGT Design - Under new federal policies, the state will no longer be able to use inter-governmental transfers (IGT) to collect federal Medicaid funds to cover part of the cost of care to medically indigent and other low-income populations. The administration has proposed a new methodology, subject to approval by the federal government, under which seventeen larger public hospitals will use their own revenues, supplemented by approximately \$41 million per year of state grants, to cover the cost of care to Medicaid and charity care patients. As proposed by the department, the seventeen hospitals will be "held harmless" from the effect of the change, retaining the same amount of public funds as if the previous payment system had continued. The net cost to the state from the change is approximately \$30 million. (General Fund-State, General Fund-Federal, General Fund-Local, Health Services Account-State)

21. Medical Nutrition Scope of Coverage - The Medical Assistance Administration anticipates that expenditures on nutritional supplements can be reduced by approximately 17 percent by adopting clear and uniform standards regarding when and for how long such supplements are medically necessary; promoting use of the least costly equally effective formulation; and prohibiting vendors from shipping and billing for annual supplies when supplements are likely to be required for only a few weeks or months. (General Fund-State, General Fund-Federal)

22. School Ad-Match - Federal spending for the Medicaid administrative activities conducted by school districts has declined as a result of new federal guidelines. This item adjusts the state and federal appropriations to reflect this program change. (General Fund-State, General Fund-Federal)

23. MAA Relocation - The Medical Assistance Administration is located in six separate buildings that are 18-25 years old, that do not have appropriate wiring and data connections to reliably and securely accommodate the new Medicaid Management Information System, and that would require significant remodeling and improvements, with the costs borne by the state, if leases were renewed. Funding is therefore provided for the increased cost of leasing space in a single, co-located, more modern facility beginning January 2006. The agency is directed to cover one-time moving costs and tenant improvements from funds accumulated in the department's savings incentives account, and through efficiencies in agency operations. (General Fund-State, General Fund-Federal)

24. Safe Mother/Babies Sustainable Fund - Funding is transferred from the Economic Services to the Medical Assistance program to provide ongoing funding for the "Safe Babies/Safe Moms" program. This program provides substance abuse treatment and family support services for pregnant and parenting women who are currently abusing alcohol or drugs, or judged at serious risk of doing so. A woman may be enrolled during pregnancy, or anytime before her youngest child turns three years old. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Medical Assistance Payments

25. Medical Equipment Cost Management - The growth in expenditures on incontinence supplies, wheelchairs, special bedroom and bathroom equipment, and other medical supplies is to be reduced by 2 percent in Fiscal Year 2006, and by an additional 7.8 percent in Fiscal Year 2007. This is to be accomplished through strategies such as selective contracting, reducing rates to better reflect market prices, and more stringent reviews of the medical necessity of proposed purchases. This reduction is in addition to a 5 percent reduction that is being achieved in Fiscal Year 2005 through a reduction in payment rates for incontinence supplies, and the 3 percent reduction associated with the changes in medical nutrition coverage discussed above. (General Fund-State, Health Services Account-State, General Fund-Federal)

26. Drug Co-Pay - Beginning in January 2006, medical assistance recipients will pay \$3.00 per prescription filled. Washington is one of only 14 states that do not currently require a nominal co-pay for prescription drugs, and \$3.00 is the co-pay most typically charged by the states that require them. In accordance with federal law, the co-pay will not apply to children, pregnant women, or persons enrolled in managed care. (General Fund-State, General Fund-Federal)

27. Transportation Co-Pay - Beginning July 2005, medical assistance recipients will pay \$1.00 per trip for transportation to doctors offices, dental appointments, adult day care and adult day health programs, mental health counseling, and all other non-emergency medical services. The medical assistance program pays for approximately 3.1 million such trips per year, at an average cost of about \$16.00 per trip. Since transportation is an administrative function, the co-pay can be applied to all recipients under federal Medicaid rules. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	346.4	20,905	108,040	346.4	20,905	108,040	0.0	0	0
2005-07 Maintenance Level	348.8	21,768	111,379	348.8	22,622	112,447	0.0	-854	-1,068
Policy Changes:									
1. Lease, Med. Inflation and Equip Red	0.0	0	0	0.0	-208	-208	0.0	208	208
2. Middle Management Reduction	-1.8	-42	-201	-1.8	-42	-201	0.0	0	0
3. General Inflation	0.0	-38	-213	0.0	-38	-213	0.0	0	0
4. FTE Staff Adjustment	-0.1	0	0	-0.1	0	0	0.0	0	0
5. Adjust Grant Levels	0.0	854	854	0.0	0	0	0.0	854	854
Total Policy Changes	-1.9	774	440	-1.9	-288	-622	0.0	1,062	1,062
Total 2005-07 Biennium	346.9	22,542	111,819	346.9	22,334	111,825	0.0	208	-6
Difference from 2003-05	0.5	1,637	3,779	0.5	1,429	3,785	0.0	208	-6
% Change from 2003-05	0.3%	7.8%	3.5%	0.3%	6.8%	3.5%			

Comments:

1. Lease, Med. Inflation and Equip Red - The Senate budget does not concur with the proposal to not provide funding for projected inflation in costs of equipment and lease costs.

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

4. FTE Staff Adjustment - The Department of Social and Health Services (DSHS) will centralize its background check FTE staff in the Background Checks Central Unit.

5. Adjust Grant Levels - Sufficient state funding is provided to collect the full amount of federal vocational rehabilitation funding expected to be available to Washington state in 2005-07. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Administration and Supporting Services
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	641.1	67,778	127,972	641.1	67,778	127,972	0.0	0	0
2005-07 Maintenance Level	669.6	63,851	127,013	672.6	64,071	127,291	-3.0	-220	-278
Policy Changes:									
1. Home Care Workers Administration	16.8	3,834	7,667	23.0	3,916	7,830	-6.3	-82	-163
2. Reduce Regional Staff Support	-124.0	-5,614	-12,445	-124.0	-5,614	-12,445	0.0	0	0
3. Eliminate Family Policy Council	0.0	0	0	-7.5	-12	-6,596	7.5	12	6,596
4. Reduce Family Policy Council	-2.0	0	-1,800	0.0	0	0	-2.0	0	-1,800
5. Lease, Med. Inflation and Equip Red	0.0	-84	-123	0.0	-84	-123	0.0	0	0
6. Middle Management Reduction	-21.7	-1,781	-2,386	-21.7	-1,781	-2,386	0.0	0	0
7. Estate Recovery	8.0	651	1,303	8.0	651	1,303	0.0	0	0
8. Children's Medical Premiums	-7.5	-1,054	-2,108	-7.5	-1,053	-2,106	0.0	-1	-2
9. General Inflation	0.0	-25	-338	0.0	-25	-338	0.0	0	0
10. FTE Staff Adjustment	15.6	0	0	15.6	0	0	0.0	0	0
11. Fircrest Transition Team	-3.0	-600	-1,200	0.0	0	0	-3.0	-600	-1,200
12. TeamChild	0.0	100	100	0.0	0	0	0.0	100	100
Total Policy Changes	-117.9	-4,573	-11,330	-114.1	-4,002	-14,861	-3.8	-571	3,531
Total 2005-07 Biennium	551.8	59,278	115,683	558.5	60,069	112,430	-6.8	-791	3,253
Difference from 2003-05	-89.4	-8,500	-12,289	-82.6	-7,709	-15,542	-6.8	-791	3,253
% Change from 2003-05	-13.9%	-12.5%	-9.6%	-12.9%	-11.4%	-12.1%			

Comments:

1. Home Care Workers Administration - Funding is provided to implement the compensation components of the 2005-07 collective bargaining agreement between the state and the approximately 22,000 individuals who contract to provide homecare services to children and adults with disabilities. Funding is provided to pay for an arbitration award of \$1.6 million for delays in implementing dues collection and to implement the costs of making programming changes to the Social Services Payment System to implement the Home Care Workers agreement. In addition, 20 customer services FTEs will be phased-in to handle payroll inputs and questions of the 25,000 home care workers covered under the arbitration agreement. An additional \$54 million is appropriated in the Children's Administration, Developmental Disabilities Division and the Long-Term Care Administration of the Department of Social and Health Services. (General Fund State, General Fund Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Administration and Supporting Services

- 2. Reduce Regional Staff Support** - The Governor's proposed budget reduced support staff resources for non-case carrying staff by five percent, which were to be taken from the Children's Administration, Developmental Disabilities, Long Term Care, and Economic Services Administration. The proposed Senate budget makes these reductions. (General Fund State, General Fund Federal)

- 3. Eliminate Family Policy Council** - The Governor's budget eliminates the Family Policy Council (FPC). The Senate budget maintains the Family Policy Council at current levels. (General Fund-State, PSEA-State, VRDE-State)

- 4. Reduce Family Policy Council** - The Family Policy Council is reduced by \$900,000 per year. Savings will be achieved through the reduction of both staff and grants to local communities. The Governor's budget eliminated the Family Policy Council. (PSEA, VRDE)

- 5. Lease, Med. Inflation and Equip Red** - This item eliminates funding for actual and anticipated increases associated with lease renewals, medical inflation, and equipment replacement. (General Fund-State, General Fund-Federal)

- 6. Middle Management Reduction** - Middle management positions are reduced.

- 7. Estate Recovery** - The Department of Social and Health Services will increase efforts to recover the cost of publicly-funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. (General Fund-State, General Fund-Federal)

- 8. Children's Medical Premiums** - Governor Gregoire has directed the Department of Social and Health Services to continue to provide premium-free medical and dental coverage for children with family income between 150 and 200 percent of the federal poverty level, which is approximately \$1,900 to \$2,600 per month for a family of three. This reduction reflects the decrease in caseload and the number of workers who will no longer be needed to collect premiums from these families. (Health Services Account-State, General Fund-Federal)

- 9. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

- 10. FTE Staff Adjustment** - Staff responsible for conducting background checks are transferred to a central unit.

- 11. Fircrest Transition Team** - This item reduces staff and other resources that were funded in the 2003-05 biennium and which were used for the downsizing of Fircrest, a residential habilitation center. Funding is provided to the Office of Financial Management for a study of options for a preferred continuum of transition for state residential habilitation centers.

- 12. TeamChild** - This item provides \$50,000 per year in addition state general fund dollars to expand the TeamChild program, which provides civil legal advocacy to troubled youth. This funding is in addition to \$500,000 in the base for the 05-07 biennium.

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	83,037	123,485	0.0	83,037	123,485	0.0	0	0
2005-07 Maintenance Level	0.0	91,080	135,386	0.0	90,246	134,176	0.0	834	1,210
Policy Changes:									
1. Estate Recovery	0.0	300	600	0.0	300	600	0.0	0	0
2. General Inflation	0.0	-63	-72	0.0	-63	-72	0.0	0	0
3. Office of the Attorney General	0.0	1,444	1,950	0.0	1,444	1,950	0.0	0	0
Total Policy Changes	0.0	1,681	2,478	0.0	1,681	2,478	0.0	0	0
Total 2005-07 Biennium	0.0	92,761	137,864	0.0	91,927	136,654	0.0	834	1,210
Difference from 2003-05	0.0	9,724	14,379	0.0	8,890	13,169	0.0	834	1,210
% Change from 2003-05	0.0%	11.7%	11.6%	0.0%	10.7%	10.7%			

Comments:

1. Estate Recovery - The Department of Social and Health Services will increase efforts to recover the cost of publicly-funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Office of the Attorney General - Funding is provided for the increased costs of litigation support in the Attorney General's Office for complex, protracted program litigation for the Department of Social and Health Services, including expert witnesses, document management services, and Special Assistant Attorneys General contracts. (General Fund-State, General Fund-Federal)

2005-07 Omnibus Operating Budget
Department of Social and Health Services
Information System Services
 (Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	150.4	0	0	150.4	0	0	0.0	0	0
2005-07 Maintenance Level	150.4	79	79	150.4	79	79	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-79	-79	0.0	-79	-79	0.0	0	0
Total Policy Changes	0.0	-79	-79	0.0	-79	-79	0.0	0	0
Total 2005-07 Biennium	150.4	0	0	150.4	0	0	0.0	0	0
Difference from 2003-05	0.0	0	0	0.0	0	0	0.0	0	0
% Change from 2003-05	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Columbia River Gorge Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	8.5	691	1,362	8.5	691	1,362	0.0	0	0
2005-07 Maintenance Level	8.5	790	1,490	8.5	790	1,490	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-2	-4	0.0	-2	-4	0.0	0	0
2. Citizen Services - Mediation	0.0	9	18	0.0	9	18	0.0	0	0
3. Mandatory Planning Services	2.3	138	276	2.3	143	286	0.0	-5	-10
Total Policy Changes	2.3	145	290	2.3	150	300	0.0	-5	-10
Total 2005-07 Biennium	10.8	935	1,780	10.8	940	1,790	0.0	-5	-10
Difference from 2003-05	2.3	244	418	2.3	249	428	0.0	-5	-10
% Change from 2003-05	37.5%	35.3%	30.7%	37.5%	36.0%	31.4%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Citizen Services - Mediation - The Senate budget provides funding for six alternative dispute resolution contracts at a cost of \$3,000 each, resulting in an estimated savings of \$15,000 in legal costs and an increased quality of service to citizens. (General Fund-State, General Fund-Private/Local)

3. Mandatory Planning Services - The Senate budget provides funding for 2.3 FTE to process, at a minimum, two additional plan amendment review applications per year, update the economic development and other sections of the management plan, and complete other mandated planning requirements of the National Scenic Area Act (ACT). These planning activities directly support the economic vitality of the Columbia River Gorge by facilitating growth in a manner that is consistent with the ACT and the Columbia River Compact. (General Fund-State, General Fund-Private/Local)

2005-07 Omnibus Operating Budget
Department of Ecology
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,395.6	72,261	325,068	1,395.6	72,261	325,068	0.0	0	0
2005-07 Maintenance Level	1,463.2	75,610	360,845	1,465.2	78,450	363,593	-2.0	-2,840	-2,748
Policy Changes:									
1. Columbia River Initiative	1.0	200	200	3.0	1,000	1,000	-2.0	-800	-800
2. Oil Spill Early Action & Prevention	0.0	0	2,000	6.0	0	2,000	-6.0	0	0
3. Initiative 297 Implementation	0.0	0	0	7.5	0	4,879	-7.5	0	-4,879
4. US vs Washington (Culverts) Lawsuit	0.0	47	47	0.0	47	47	0.0	0	0
5. Roadless Areas Environmental Review	0.0	0	0	1.0	400	400	-1.0	-400	-400
6. Reduce Flood Control Grants	0.0	0	-1,000	0.0	0	-2,000	0.0	0	1,000
7. 2005 Emergency Drought Declaration	6.5	0	1,800	6.5	0	1,800	0.0	0	0
8. Middle Management Reduction	-22.5	-696	-2,473	-22.5	-696	-2,473	0.0	0	0
9. General Inflation	0.0	-471	-913	0.0	-471	-913	0.0	0	0
10. Statewide Streamflow Gauging	2.0	0	740	2.0	0	740	0.0	0	0
11. Enhance Well Construction Program *	2.0	-300	361	2.0	-300	361	0.0	0	0
12. Municipal Stormwater Permit	7.5	0	1,460	7.5	0	1,460	0.0	0	0
13. Water Quality Certifications	3.0	609	609	3.0	609	609	0.0	0	0
14. Beyond Waste & Business Assistance	11.0	0	3,350	11.0	0	3,350	0.0	0	0
15. Reduce PBTs in the Environment	5.0	0	1,403	5.0	0	1,403	0.0	0	0
16. Cleanup Toxic Sites	0.0	0	9,000	0.0	0	9,000	0.0	0	0
17. Enhance Voluntary Cleanups	3.0	0	270	3.0	0	270	0.0	0	0
18. On-Site Sewage Disposal (2SSB 5431)	0.0	924	924	0.0	0	0	0.0	924	924
19. SB 5699 Aquatic Invasive Species	0.0	0	509	0.0	0	0	0.0	0	509
20. SSB 5278 Ocean Policy Review Comm	1.6	297	297	0.0	0	0	1.6	297	297
21. Implement SSB 5515	1.0	0	261	0.0	0	0	1.0	0	261
22. Shoreline Planning Grants	0.0	2,500	2,500	0.0	0	0	0.0	2,500	2,500
Total Policy Changes	21.1	3,110	21,345	35.0	589	21,933	-13.9	2,521	-588
Total 2005-07 Biennium	1,484.2	78,720	382,190	1,500.1	79,039	385,526	-15.9	-319	-3,336
Difference from 2003-05	88.7	6,459	57,122	104.6	6,778	60,458	-15.9	-319	-3,336
% Change from 2003-05	6.3%	8.9%	17.6%	7.4%	9.4%	18.6%			

2005-07 Omnibus Operating Budget Department of Ecology

Comments:

- 1. Columbia River Initiative** - The objectives of the Columbia River Initiative are to meet the water needs of growing communities and their rural economies along the main stem of the Columbia River, and to do so in a manner that reduces the risk to fish resulting from water withdrawals. The Senate proposed budget does not fund the portions of the initiative related to acquisition of water rights. Funding is shifted to the drought response instead.

- 2. Oil Spill Early Action & Prevention** - In response to the October 14, 2004, Dalco Passage Puget Sound oil spill, Governor Locke created the Oil Spill Early Action Task Force to explore possible improvements to prepare and respond to oil spills. The Governor's Citizen Volunteer Program and Oil Spill Task Force recommendations will be finalized in December 2004. Funding is provided to implement these recommendations. (Oil Spill Prevention Account)

- 3. Initiative 297 Implementation** - The proposed Senate budget does not fund this item. It is anticipated that the court challenge of the legality of the initiative will not be resolved during the 2005-07 biennium.

- 4. US vs Washington (Culverts) Lawsuit** - One-time funding is provided for Assistant Attorney General staff support for the U.S. vs Washington State (Culverts Case). The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." Agencies involved in the case include the departments of Transportation, Natural Resources, Fish and Wildlife, Ecology, and the Washington State Parks and Recreation Commission.

- 5. Roadless Areas Environmental Review** - The U.S. Forest Service is proposing rules that require environmental reviews to support requests by the Governor to establish management requirements for National Forest lands roadless areas. The Department of Ecology will continue coordinating the completion of these environmental reviews, along with the Department of Fish and Wildlife and the Department of Natural Resources, for over two million acres of roadless areas in the state across nine National Forests. No action by the state would mean these roadless areas would lose their current protected status and potentially revert to some other kind of active management, which could impair water quality in the state. The proposed Senate budget assumes that current activities are underway in response to the new USFS rule and that current funding levels in 2005-07 can support this ongoing effort.

- 6. Reduce Flood Control Grants** - Due to the General Fund-State revenue shortfall, the Flood Control Assistance Account Program is reduced by 25 percent for the 2005-07 Biennium. A total of \$2.3 million will continue to be provided for local government flood damage reduction projects, comprehensive hazard management plans, and flood mapping. Another \$700,000 is available to provide technical assistance for the National Flood Insurance Program, flood control projects, and other program activities. (Flood Control Assistance Account)

- 7. 2005 Emergency Drought Declaration** - On March 10, 2005, the Governor authorized an emergency drought declaration. The Department of Ecology will continue processing emergency drought requests, coordinate water purchases and mitigation agreements, and monitor water use. (State Emergency Water Projects Revolving Account)

- 8. Middle Management Reduction** - Middle management positions are reduced.

2005-07 Omnibus Operating Budget Department of Ecology

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. Statewide Streamflow Gauging - Streamflow monitoring is critically important to support programs designed to achieve, restore, and protect water supplies for people, fish, and farms. In addition, this activity also is important for supporting local watershed planning efforts. The Department of Ecology's stream gauging network is funded primarily by federal grants which expire in the 2003-05 Biennium, and from the State Drought Preparedness Account which was a one-time fund source. To continue to support the existing stream gauging network, \$1.5 million of Water Quality Account funding will be utilized in the 2005-07 Biennium. In addition, to begin to meet new streamflow gauging requests from watershed planning groups, 10 new gauges per year will be installed in high-priority watersheds. Watershed planning groups have requested the installation of 55 new gauges. (General-Fund State, Water Quality Account)

11. Enhance Well Construction Program * - Ecology and local health departments regulate well construction and decommissioning to ensure proper construction and to protect and manage groundwater resources. The current fee system does not completely cover costs, has not been adjusted since its authorization in 1993, and allows only 30 percent of new wells to be inspected. The Department of Ecology (DOE) is pursuing the statutory and rule changes necessary to increase fees and provide improved customer service. The additional revenue will be used to assist local governments that accept delegation of well inspections, increase inspection rates on new wells, and improve well construction data systems. (Reclamation Revolving Account)

12. Municipal Stormwater Permit - The federal Clean Water Act requires certain industries and municipalities to have water quality discharge permits to discharge stormwater. Municipal stormwater permits require the implementation of a Stormwater Management program to reduce the discharge of pollutants, reduce impacts to receiving waters, eliminate illicit discharges, and make progress toward compliance with surface water, ground water, and sediment standards. Regulations under the act establish a two-part system for implementing municipal stormwater permits: larger municipalities were covered and issued in Phase I; smaller jurisdictions were addressed under Phase II. Ecology is now required to issue Phase II permits for over 100 municipalities, and will charge fees to fully implement this program. (Water Quality Permit Fee Account)

13. Water Quality Certifications - Projects proposed to be built in wetlands or in water bodies of water must meet state water quality standards and other aquatic protection regulations. Projects that result in a discharge to these waters and need a federal permit, must also meet Section 401 requirements of the Clean Water Act which require that these permits first receive state certification ensuring that the proposed projects meet state standards. As part of Ecology's overall permit streamlining and regulatory reform efforts, a pilot program for processing 401 water quality certification projects using re-assigned staff was initiated in one regional office. This pilot improved permit processing accountability and timelines, and resulted in 90 percent of routine certifications occurring within 90 days of application, and acknowledgement of receipt of the application being sent within 10 days (known as the "90-90-10" pilot). Two additional regional permit processors and one program coordinator will expand the 90-90-10 pilot statewide and make these process and timeline improvements permanent.

14. Beyond Waste & Business Assistance - State law mandates that the Department of Ecology develop and update statewide plans for hazardous-waste and solid-waste management. Working closely with local governments and other stakeholders, the agency updated both of these plans into an integrated "Beyond Waste" plan. The new plan provides additional emphasis on waste and pollution prevention, rather than cleanup. Staff will work with businesses to reduce key wastes, increase organic composting, coordinate 'Green Building' practices, enhance effectiveness of existing data collecting methods and track performance indicators, implement a financial and regulatory incentives program, and improve pollution prevention plans. In addition, outside contractors will analyze the feasibility of funding less toxic business technologies and help determine which major indicators should be used to track the effectiveness of the Beyond Waste program. (Waste Reduction/Recycle/Litter Control Account, State Toxics Control Account, Hazardous Waste Assistance Account)

2005-07 Omnibus Operating Budget Department of Ecology

15. Reduce PBTs in the Environment - Persistent bioaccumulative toxins (PBTs) are particular toxic chemical elements and compounds that are persistent in the environment (resist chemical break-down), can move through the food chain, and accumulate in the tissue of humans and many animals. These toxins pose a serious health risk to humans and animals. As directed by the Legislature, in December 2000 the Department of Ecology completed and submitted a proposed strategy to reduce PBTs in Washington State. The department will implement a proposed Polybrominated Diphenyl Ethers (PBDE) chemical action plan, monitor for mercury in fish, and continue implementing the overall PBT strategy. (State Toxics Control Account)

16. Cleanup Toxic Sites - Cleaning up pollution is one of the principle charges of Ecology and one of its three primary goals. Demand for the cleanup of recalcitrant or orphan contaminated sites that present threats to human health and the environment continues to outpace available funding. Due to additional revenues to the State Toxic Account, additional cleanups will be completed for high priority toxic sites. (State Toxics Control Account)

17. Enhance Voluntary Cleanups - The Department of Ecology conducts the cleanup of toxic waste sites through the Voluntary Cleanup program and formal administrative oversight of responsible parties, via administrative and enforcement mechanisms. By sheer number, most of the cleanups in the state are conducted through the Voluntary Cleanup program, and the agency recovers approximately 40 percent of its costs for these voluntary cleanups from the entity initiating the cleanup. Ecology will coordinate the clean-up of 25 additional toxics sites with voluntary contaminated site owners. (State Toxics Control Account)

18. On-Site Sewage Disposal (2SSB 5431) - Funding is provide to implement provisions of Second Substitute Senate Bill 5431, related to on-site sewage system near marine waters.

19. SB 5699 Aquatic Invasive Species - Funding is provide to implement the provisions of Senate Bill 5699, related to aquatic invasive species.

20. SSB 5278 Ocean Policy Review Comm - Funding is provide for the Ocean Policy Review Committee established in Substitute Senate Bill 5278.

21. Implement SSB 5515 - Funding is provided to implement the provisions of SSB 5515. The bill directs the department to develop a plan for a ban on the use of products using polybrominated diphenyl ethers (PBDEs). (State Toxic Account)

22. Shoreline Planning Grants - SHORELINE MASTER PROGRAM GRANTS: In order to meet a legislatively directed schedule for updating local Shoreline Master Programs an additional \$2 million GF-S grant funding to cities and counties is provided. In addition, \$0.5 million will allow grants that were encumbered in the 2003-05 Biennium but not fully expended to be completed. Providing adequate funding for this difficult local government process is important to ensure all communities are able to comply with the new rule. The Governor funded this item in maintenance level. Then Senate proposed budget move this item to the policy level.

* **Community Right to Know Fund Shift** - During the 1999-01 Biennium, historical volatility and a revenue shortage in the State Toxics Control Account (STCA) resulted in some Department of Ecology (Ecology) hazardous waste community education, information, and data management work being shifted to the Worker and Community Right To Know Account (WCRTKA). The WCRTKA fund balance has been completely utilized and a shortfall is projected in this account for the 2005-07 Biennium. Ecology will maintain its current service level of providing hazardous chemical information to communities, citizens, and emergency responders, resulting in less human health exposures and environmental contamination. (State Toxics Control Account, Worker and Community Right To Know Account)

**2005-07 Omnibus Operating Budget
Department of Ecology**

* **Continue Marine Sediment Monitoring** - The Department of Ecology conducts environmental monitoring on air, water, and soil resources. This data informs a wide range of environmental, public health, and local land-use decisions. For the past several biennia, the agency has utilized federal funding sources to maintain a network for monitoring marine sediments. These resources have declined over time and will be eliminated at the end of the 2003-05 Biennium. This data is needed to: identify locations that exceed health standards; mitigate public health and environmental threats; determine changes over time; measure the effectiveness of cleanup and prevention work; and provide data for fish consumption and other public health advisories. (State Toxics Control Account)

2005-07 Omnibus Operating Budget
Washington Pollution Liability Insurance Program
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	7.1	0	1,902	7.1	0	1,902	0.0	0	0
2005-07 Maintenance Level	7.1	0	1,929	7.1	0	1,929	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	0	-3	0.0	0	-3	0.0	0	0
2. Oil Heat Education and Outreach	0.0	0	52	0.0	0	52	0.0	0	0
Total Policy Changes	0.0	0	49	0.0	0	49	0.0	0	0
Total 2005-07 Biennium	7.1	0	1,978	7.1	0	1,978	0.0	0	0
Difference from 2003-05	0.0	0	76	0.0	0	76	0.0	0	0
% Change from 2003-05	0.0%	0.0%	4.0%	0.0%	0.0%	4.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Oil Heat Education and Outreach - An estimated 63,000 heating oil tanks will be registered in the agency's Heating Oil Tank Liability Insurance Program during the 2005-07 Biennium. The Senate budget provides one-time funding to produce, print, and mail to tank owners, preventative maintenance educational brochures. (Heating Oil Pollution Liability Trust-Non-Appropriated)

2005-07 Omnibus Operating Budget
State Parks and Recreation Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	694.6	60,420	104,756	694.6	60,420	104,756	0.0	0	0
2005-07 Maintenance Level	697.7	62,451	108,533	699.6	62,906	108,827	-1.9	-455	-294
Policy Changes:									
1. Middle Management Reduction	-6.1	-590	-659	-6.1	-590	-659	0.0	0	0
2. Parks License Plate *	0.0	0	10	0.0	0	0	0.0	0	10
3. Operating Costs - New Projects	7.0	525	845	7.0	525	845	0.0	0	0
4. Balance to Available Revenue	-0.7	0	-108	-0.7	0	-108	0.0	0	0
5. General Inflation	0.0	-81	-500	0.0	-81	-500	0.0	0	0
6. Build and Operate Cabins and Yurts	9.8	0	1,034	9.8	0	1,034	0.0	0	0
7. Ice Age Floods Plan	0.0	0	85	0.0	0	185	0.0	0	-100
8. Regional Human Resource Staff	0.0	0	0	1.1	0	153	-1.1	0	-153
9. Move Project Scoping to Operating	0.5	300	300	0.5	300	300	0.0	0	0
10. Public Safety and Risk Reduction	3.8	473	673	3.8	1,585	1,785	0.0	-1,112	-1,112
11. LCIC Fee Collection	3.3	0	268	3.3	0	268	0.0	0	0
12. Fort Worden Furnishing Replacement	0.0	476	575	0.0	0	0	0.0	476	575
13. Criminal Background Checks #	0.0	0	0	0.0	49	70	0.0	-49	-70
14. Substitute GF-S for PSEA	0.0	47	0	0.0	0	0	0.0	47	0
Total Policy Changes	17.6	1,150	2,523	18.7	1,788	3,373	-1.1	-638	-850
Total 2005-07 Biennium	715.2	63,601	111,056	718.2	64,694	112,200	-3.0	-1,093	-1,144
Difference from 2003-05	20.7	3,181	6,300	23.7	4,274	7,444	-3.0	-1,093	-1,144
% Change from 2003-05	2.9%	5.3%	6.0%	3.3%	7.1%	7.1%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. Parks License Plate * - Contingent upon passage of Senate Bill 5316 or House Bill 1339 (Parks License Plate), the Senate budget increases expenditure authority to reflect additional revenues from the sale of a new State Parks and Recreation Commission license plate. Revenues will be used to expand the availability of interpretive, recreational and historical materials for sale at state parks. If neither bill is enacted, funding shall lapse. (Parks Improvement Account-Nonappropriated)

2005-07 Omnibus Operating Budget State Parks and Recreation Commission

3. Operating Costs - New Projects - State Parks receives funding through the capital budget and other sources to upgrade state park facilities each biennium. Some of these projects are for major repairs to existing infrastructure, while other projects are for new facilities. Some or all of these projects, when complete, require resources in the operating budget to operate and maintain the facilities. The Senate budget provides a combination of one-time and ongoing funding is provided for operating and maintenance impacts for projects funded during the 2003-05 biennium. Affected projects completed during the 2003-05 biennium include water systems at Mt. Spokane and Deception Pass State Park, new acquisitions at Pearygin State Park and the Nisqually-Mashel area, and marina improvements at Sun Lakes State Park. (General Fund-State, Park Renewal and Stewardship Account-State)

4. Balance to Available Revenue - The Senate budget reduces expenditure authority and FTE staff to match forecasted revenues. As a result, services for off-road vehicle recreation will be reduced. (Off-Road Vehicle Account-State)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services and supplies needed for performance of their mission.

6. Build and Operate Cabins and Yurts - The Senate budget provides a combination of one-time and ongoing funding is provided for installing and operating cabins, yurts and other rentable structures in parks across the state. Pilot programs in three state parks have shown that these structures are successful with visitors, extend the camping season and generate new revenue. (Parks Renewal and Stewardship Account-State)

7. Ice Age Floods Plan - The Senate budget provides one-time funding and staffing to develop a plan for public education and tourist orientation and interpretation at selected state park sites along the route of the Ice Age Floods, from Spokane to the Pacific Ocean. (Parks Renewal and Stewardship Account-State)

8. Regional Human Resource Staff - The Senate budget is not funding this enhancement request.

9. Move Project Scoping to Operating - The Senate budget shifts staffing and funding from the agency's capital budget to the operating budget in response to a 2002 Joint Legislative Audit and Review Committee study regarding the use of capital dollars and FTE staff for non-project specific capital expenses. This funding will enable engineers and architects from the agency's regional capital program teams to scope prospective capital budget requests once a biennium.

10. Public Safety and Risk Reduction - The Senate budget provides a combination of one-time and ongoing funding and staffing to address safety problems and risks at state parks and ocean beaches. Ocean beaches, which are designated by law as state highways, are seeing increased conflicts among motorized and non-motorized users, as well as increased illegal activity. (General Fund-State, Parks Renewal and Stewardship Account-State)

11. LCIC Fee Collection - In February 2004, State Parks began collecting admission fees at the Lewis and Clark Interpretive Center (LCIC) at Cape Disappointment State Park. The Senate budget provides expenditure authority and staffing for fee collection, improved interpretation services, and display maintenance. (Parks Renewal and Stewardship Account-State)

2005-07 Omnibus Operating Budget State Parks and Recreation Commission

12. Fort Worden Furnishing Replacement - The Senate budget provides one-time funding to replace interiors, fixtures, appliances, and furnishings for twelve vacation houses at Fort Worden State Park. Furnishings in these units, accommodating up to 132 overnight guests, are currently 25 years old or older. Modernization will increase the value of these rentals, yield more revenue, and provide a higher level of customer satisfaction. (General Fund-State, Parks Renewal and Stewardship Account-State)

13. Criminal Background Checks # - The Senate budget does not fund this enhancement request.

14. Substitute GF-S for PSEA - The Senate budget transfers funding for sno-park enforcement from the Public Safety and Education account (PSEA) to the state general fund. Overall funding levels for the sno-park enforcement activity remain unchanged. Although statutory use of the PSEA allows for sno-park enforcement, current revenues to the PSEA are not sufficient to sustain expenditures, and natural resource expenditures are not representative of most of the public safety or crime prevention-associated activities funded by the account. (General Fund-State, Public Safety and Education Account-State)

2005-07 Omnibus Operating Budget
Interagency Committee for Outdoor Recreation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	26.6	2,628	24,540	26.6	2,628	24,540	0.0	0	0
2005-07 Maintenance Level	28.1	2,772	25,003	28.1	2,772	25,003	0.0	0	0
Policy Changes:									
1. Technical Adjustments	0.0	0	150	0.0	0	150	0.0	0	0
2. General Inflation	0.0	-2	-10	0.0	-2	-10	0.0	0	0
3. Outdoor Recreation Resource Plan	0.0	0	152	0.0	0	152	0.0	0	0
4. Pacific NW Aquatic Monitoring	0.0	40	40	0.0	0	0	0.0	40	40
5. Technology Enhancements	0.0	0	359	0.0	0	359	0.0	0	0
Total Policy Changes	0.0	38	691	0.0	-2	651	0.0	40	40
Total 2005-07 Biennium	28.1	2,810	25,694	28.1	2,770	25,654	0.0	40	40
Difference from 2003-05	1.5	182	1,154	1.5	142	1,114	0.0	40	40
% Change from 2003-05	3.7%	6.9%	4.7%	3.7%	5.4%	4.5%			

Comments:

1. Technical Adjustments - Funding is adjusted for operating expenses for various accounts to align available revenue and operating expenses with the statutory requirements and/or available fund balance for these accounts. (General Fund-Federal, Firearms Range Account-State, Recreation Resources Account-State)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Outdoor Recreation Resource Plan - The Interagency Committee for Outdoor Recreation (IAC) is required by statute to develop a statewide strategic plan for the acquisition, renovation, and development of recreational resources and the conservation of open space. The current plan referred to as the State Comprehensive Outdoor Recreation Plan (SCORP) expires during December 2007. The plan will be revised for the purpose of continuing to receive federal land and water conservation grants. (General Fund-Federal, Recreation Resources Account-State and Nonhighway and Off-Road Vehicles Activities Program Account-State)

4. Pacific NW Aquatic Monitoring - Federal, state, tribal, local, and private aquatic monitoring efforts often lack coordination. State, federal, and tribal participants from Washington, Oregon, California, and Idaho formed the Pacific Northwest Aquatic Monitoring Partnership (PNAMP) to coordinate and guide individual monitoring strategies across different interests. This investment will reduce redundancy, increase efficiency, and help meet the goals and objectives of the various entities involved in monitoring.

**2005-07 Omnibus Operating Budget
Interagency Committee for Outdoor Recreation**

5. Technology Enhancements - Technological investments are necessary to increase service delivery effectiveness and to explore opportunities for efficiency. This proposal will upgrade an existing single point of reference mapping system to a geographic area (polygon) system that will better identify the location, boundaries, and size of a project. This information will be used to manage projects by the Interagency Committee for Outdoor Recreation, local governments, private landowners, federal, and state agencies. (General Fund-Federal, Recreation Resources Account-State, and Nonhighway and Off-Road Vehicles Activities Program Account-State)

2005-07 Omnibus Operating Budget
Environmental Hearings Office
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	9.0	1,942	1,942	9.0	1,942	1,942	0.0	0	0
2005-07 Maintenance Level	9.0	2,000	2,000	9.0	1,998	1,998	0.0	2	2
Policy Changes:									
1. General Inflation	0.0	-5	-5	0.0	-5	-5	0.0	0	0
2. Reduce Appeal Resolution Timelines	0.0	38	38	0.0	54	54	0.0	-16	-16
3. Salary Increases	0.0	40	40	0.0	80	80	0.0	-40	-40
Total Policy Changes	0.0	73	73	0.0	129	129	0.0	-56	-56
Total 2005-07 Biennium	9.0	2,073	2,073	9.0	2,127	2,127	0.0	-54	-54
Difference from 2003-05	0.0	131	131	0.0	185	185	0.0	-54	-54
% Change from 2003-05	0.0%	6.7%	6.7%	0.0%	9.5%	9.5%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Reduce Appeal Resolution Timelines - The Senate budget provides funding to reduce the average time spent resolving appeals.

3. Salary Increases - The Senate budget provides funding to increase staff salaries to bring positions closer into line with similar positions in state government.

2005-07 Omnibus Operating Budget
State Conservation Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	12.8	4,487	6,909	12.8	4,487	6,909	0.0	0	0
2005-07 Maintenance Level	12.3	4,271	6,462	12.3	4,269	6,466	0.0	2	-4
Policy Changes:									
1. General Inflation	0.0	-5	-9	0.0	-5	-9	0.0	0	0
2. Sustaining Conservation Ops #	0.0	500	500	0.0	210	210	0.0	290	290
3. Supporting Local Accountability	0.0	0	62	0.0	0	62	0.0	0	0
4. Prof Engineering Grants Program	0.0	0	300	0.0	0	300	0.0	0	0
5. Livestock Nutrient Assistance	0.0	0	1,470	0.0	0	1,600	0.0	0	-130
Total Policy Changes	0.0	495	2,323	0.0	205	2,163	0.0	290	160
Total 2005-07 Biennium	12.3	4,766	8,785	12.3	4,474	8,629	0.0	292	156
Difference from 2003-05	-0.5	279	1,876	-0.5	-13	1,720	0.0	292	156
% Change from 2003-05	-7.7%	6.2%	27.2%	-7.7%	-0.3%	24.9%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Sustaining Conservation Ops # - Contingent on the passage of agency-request legislation (Senate Bill 5010) amending the state's conservation district statute, the Senate bill provides one-time funding for supplementary basic funding to conservation districts, as requested by the department. Most conservation districts receive the majority of their annual funding from externally-funded grants tied to specific conservation projects. Additional basic funding will be used for such items as general education and outreach, local salmon recovery and water quality planning processes, basic administrative costs, and grant-writing.

3. Supporting Local Accountability - The State Auditor conducts financial and legal compliance audits of the state's 48 local conservation districts, and state law requires each district to be audited at least every three years. The Senate budget provides funding to reimburse the State Auditor for the increased cost of audits scheduled to be conducted during the 2005-07 biennium. (Water Quality Account-State)

4. Prof Engineering Grants Program - Professional engineering grants enable conservation districts to make engineering services available and affordable to private landowners who wish to implement natural resource conservation plans, and water-quality or habitat-improvement projects. Typical work performed by district engineers includes permitting, designing, and construction oversight. The Senate budget provides one-time funding to address an estimated backlog of 50 to 60 projects in need of engineering review. (Water Quality Account-State)

**2005-07 Omnibus Operating Budget
State Conservation Commission**

5. Livestock Nutrient Assistance - The Senate budget provides one-time funding for conservation districts to assist over 800 owners and operators of medium- and large-sized animal feeding operations and concentrated animal feeding operations in developing nutrient management plans. These operators must meet and stay in compliance with new federal water-quality standards beginning December 2006. This funding will enable conservation districts to educate smaller-scale livestock producers about new standards. (Water Quality Account-State)

2005-07 Omnibus Operating Budget
Department of Fish and Wildlife
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,533.2	83,031	282,290	1,533.2	83,031	282,290	0.0	0	0
2005-07 Maintenance Level	1,535.0	86,454	294,865	1,535.0	87,235	295,554	0.0	-781	-689
Policy Changes:									
1. Technical Adjustments	0.0	0	-121	0.0	0	-121	0.0	0	0
2. Wildlife Fund-State Adjustment	-13.5	0	-2,100	-30.0	0	-3,397	16.5	0	1,297
3. WILD System Replacement	0.0	0	300	0.0	0	350	0.0	0	-50
4. Genetics Lab Resources	0.0	21	21	0.0	0	0	0.0	21	21
5. Warm Water Gamefish Activity	0.0	0	250	0.0	0	250	0.0	0	0
6. U.S. v. Washington Culvert Lawsuit	0.0	122	122	0.0	122	122	0.0	0	0
7. Naselle Hatchery Restoration	0.0	0	0	0.0	481	481	0.0	-481	-481
8. Middle Management Reduction	-17.0	-916	-1,863	-17.0	-916	-1,863	0.0	0	0
9. General Inflation	0.0	-300	-1,110	0.0	-300	-1,110	0.0	0	0
10. Equip Maintenance/Software Licenses	0.0	0	0	1.0	0	400	-1.0	0	-400
11. Infrastructure Replacement	0.0	0	175	0.0	0	375	0.0	0	-200
12. Hydraulic Permit Management System	0.0	0	300	0.0	0	300	0.0	0	0
13. Temporary Fishing Licenses *	0.0	0	4	0.0	0	4	0.0	0	0
14. Wild Salmon Monitoring	0.0	500	500	6.0	650	650	-6.0	-150	-150
15. DFW/DOE Water Team	2.0	367	367	2.5	477	477	-0.5	-110	-110
16. Aquatic Invasive Species *	4.5	0	750	0.0	0	0	4.5	0	750
17. Pacific Salmon Treaty	0.0	703	703	0.0	0	0	0.0	703	703
18. Crab Pot Buoy Tag *	0.0	0	274	0.0	0	0	0.0	0	274
19. Family Forest Fish Passage	1.0	175	175	0.0	0	0	1.0	175	175
20. Grizzly Bear Education	0.0	75	75	0.0	0	0	0.0	75	75
21. Reduce HSRG Funding	0.0	0	-550	0.0	0	0	0.0	0	-550
22. Invasive Species Council *	0.8	75	75	0.0	0	0	0.8	75	75
23. Naselle Hatchery Operations & Maint	0.0	0	481	0.0	0	0	0.0	0	481
24. Substitute GF-S for PSEA	0.0	566	0	0.0	0	0	0.0	566	0
25. Ocean Policy Review Commission *	1.0	200	200	0.0	0	0	1.0	200	200
26. Fish & Wildlife License Plates *	0.3	0	30	0.3	0	30	0.0	0	0
27. Wildlife Harvest Reports *	1.0	0	223	1.0	0	223	0.0	0	0
28. Hunter Access to Private Lands *	2.0	0	1,900	2.0	0	1,900	0.0	0	0
29. Primary Turkey Tag Isolation *	0.5	0	120	0.5	0	125	0.0	0	-5
30. Big Game Hunting License *	0.5	0	72	0.5	0	72	0.0	0	0
Total Policy Changes	-16.9	1,588	1,373	-33.2	514	-732	16.3	1,074	2,105

2005-07 Omnibus Operating Budget
Department of Fish and Wildlife
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
Total 2005-07 Biennium	1,518.2	88,042	296,238	1,501.9	87,749	294,822	16.3	293	1,416
Difference from 2003-05	-15.1	5,011	13,948	-31.4	4,718	12,532	16.3	293	1,416
% Change from 2003-05	-1.0%	6.0%	4.9%	-2.0%	5.7%	4.4%			

Comments:

1. Technical Adjustments - The Senate budget adjusts operating expenses for the Regional Fisheries Enhancement Salmonid Recovery Account, the Off-Road Vehicle Account, the Coastal Crab Account, and the Sea Urchin Dive Fisheries Account, to align available revenue and operating expenses with available fund balance for these accounts. (Regional Fisheries Enhancement Salmonid Recovery Account-Federal, Coastal Crab Account-Nonappropriated, Sea Urchin Dive Fisheries Account-Nonappropriated, Off-Road Vehicle Account-State)

2. Wildlife Fund-State Adjustment - The Senate budget reduces expenditures from the State Wildlife Account to keep the account solvent. The budget affects the following hatcheries: Bogachiel/Eels, Brinnon Shellfish, and Garrison. Activities to be reduced or eliminated include the Go Play Outside contract, Keeping Common Species Common and the Marine Resources programs; district office and habitat biologist field staff; low-use access sites; print shop, and administration/business services. (State Wildlife Account-State)

3. WILD System Replacement - The recreational license sales system known as the Washington Interactive Licensing Database (WILD) is necessary to carry out and support department activities. The contract with the current vendor expires on June 30, 2006. The Senate budget provides one-time funding to cover project management, training, and travel expenses with respect to reviewing and evaluating potential vendors. (State Wildlife Account-State)

4. Genetics Lab Resources - During the past biennium, there has been a substantial increase in the routine supplies and materials necessary to run the department's genetics lab. These proprietary products are purchased from a single vendor and are necessary components for two sequencer machines used to generate DNA data in the laboratory. The Senate budget provides funding to allow the department to continue genetic analysis of threatened and endangered species which support management and recovery actions. Neither the capillary array nor polymer is available from an alternative source. (General Fund-State, State Wildlife Account -State)

5. Warm Water Gamefish Activity - Warm water operating funding authority was shifted to the capital budget to accomplish a construction project at the Meseberg Hatchery during the 2003-05 biennium, postponing several operating activities. The construction project is complete and the Senate budget directs spending authority back to the operating budget to re-establish the prior level of warm water game fish management. (Warm Water Game Fish-State)

6. U.S. v. Washington Culvert Lawsuit - The Senate budget provides one-time funding for the United States v. Washington State (Culvert Case). The court has framed the issue as to whether the state is "affirmatively diminishing the number of fish available for harvest by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." A trial date has not been set as the state and tribes continue settlement discussions, as well as preparing for trial.

8. Middle Management Reduction - Middle management positions are reduced.

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- 9. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 10. Equip Maintenance/Software Licenses** - The Senate budget does not fund this enhancement request.
- 11. Infrastructure Replacement** - The Senate budget provides one-time funding for the replacement of Novell and Unix servers. (State Wildlife Account-State)
- 12. Hydraulic Permit Management System** - A new Hydraulic Permit Management System (HPMS) is under development to replace obsolete manual tools and to automate hydraulic permit approval business processes. Phase I of the new HPMS system will be implemented in the 2003-05 biennium and will provide a basic capability for habitat biologists to receive applications, issue permits, and track projects. The Senate budget provides funding for Phase II of the HPMS to allow increased site visit tracking, enforcement appeal tracking, and geographic information system (GIS) mapping capability by the Salmon Recovery Funding Board (SRFB). (State Wildlife Account-State)
- 13. Temporary Fishing Licenses *** - Senate Bill 5226 eliminates the current two-day temporary fishing license and replaces it with a variable one to five day temporary fishing license. One-time funding is provided for rule-making. (State Wildlife Account-State)
- 14. Wild Salmon Monitoring** - The Senate budget provides funding to continue smolt monitoring in the Green River, Cedar Creek, and the Wenatchee River.
- 15. DFW/DOE Water Team** - The stream flow science team provides the essential science to support statewide instream flow activities to meet the needs of fish life and salmon recovery. The team collaborates with the Department of Ecology to support that agency's actions in instream flow rule making, water rights administration, flow restoration, flow monitoring, and protection. These actions will improve conditions for instream flows under the federal Clean Water Act and development of recommendations for water management below dams and reservoirs. The Senate budget provides funding for two FTEs to continue activities through the 2005-07 biennium.
- 16. Aquatic Invasive Species *** - The Senate budget provides funding to implement Engrossed Substitute Senate Bill 5699 (Aquatic Invasive Species) with respect to inspecting and controlling aquatic invasive species. Should this bill not be enacted, funding will lapse. (Freshwater Aquatic Algae Control Account)
- 17. Pacific Salmon Treaty** - The Senate bill provides funding in FY 2006 to purchase six purse seine and three gill net licenses to meet the provisions of the United States/Canada salmon treaty.
- 18. Crab Pot Buoy Tag *** - Senate Bill 6033 (Crab Pot Buoy Tag) establishes a Washington coastal Dungeness crab pot buoy tag program. The bill authorizes the department to charge a fee to holders of a Dungeness crab - coastal or a Dungeness crab - coastal class B fishery license to pay for the production of Washington coastal crab pot buoy tags. Funding from revenues is provided to administer the Washington coastal Dungeness crab pot buoy tag program. In the event Senate Bill 6033 is not enacted, funding will lapse. (Washington Coastal Crab Pot Buoy Tag Account - Non Appropriated)
- 19. Family Forest Fish Passage** - The Family Forest Fish Passage Program provides financial and technical assistance to family forest landowners who have fish barriers on forestlands. The Senate budget provides additional funding for one staff to assist with project evaluation and ranking of data to improve fish passage on forestlands.

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20. Grizzly Bear Education - The Senate budget provides funds to the Grizzly Bear Outreach Project to disseminate accurate information about grizzly bears who reside in the North Cascades mountains, including the grizzly bear recovery process.

21. Reduce HSRG Funding - The Senate budget reduces funding for the implementation of hatchery reform recommendations activity as defined by the hatchery scientific review group. Funding in the amount of \$450,000 of General Fund-State remains available for this activity. (State Wildlife Account-State)

22. Invasive Species Council * - The Senate budget provides funding to allow the agency to support the Washington Invasive Species Council created in the Office of the Governor pursuant to Substitute Senate Bill 5385 (Invasive Species Council) to address issues for combating and preventing harmful invasive species in the state. If the bill is not enacted by June 30, 2005, the amount provided will lapse.

23. Naselle Hatchery Operations & Maint - The Senate budget provides additional funding to the department for the continued operation of the facility during the 2005-07 Biennium. This will increase production by 3 million Chinook, 1 million Coho, and 30,000 trout. (State Wildlife Account-State)

24. Substitute GF-S for PSEA - The Senate budget transfers funding for a portion of the wildlife enforcement activity from the Public Safety and Education account (PSEA) to the state general fund. Overall funding levels for the wildlife enforcement activity remain unchanged. Although statutory use of the PSEA allows for wildlife enforcement, current revenues to the PSEA are not sufficient to sustain expenditures, and natural resource expenditures are not representative of most of the public safety or crime prevention-associated activities funded by the account. (General Fund-State, Public Safety and Education Account-State)

25. Ocean Policy Review Commission * - The Senate budget provides one-time funding to allow the department director or designee to serve on the Ocean Policy Review Commission and provide information to the Commission regarding the condition of the state's coastal and ocean resources and the development of proposals for dealing with coastal and ocean issues, pursuant to Substitute Senate Bill 5278 (Ocean Policy Commission). In the event the bill is not enacted, this funding will lapse.

26. Fish & Wildlife License Plates * - Senate Bills 5228, 5229 and 5230 offer various "fish and wildlife" background license plates (i.e., bald eagle, killer whale and elk/deer/bear) in order to generate revenue to help support departmental activities. The Senate budget provides funding for minimal licensing staff to administer the funds received from the various background license plates. In the event legislation is not enacted, funding will lapse. (State Wildlife Account-State)

27. Wildlife Harvest Reports * - Failure to report hunting activity is currently a misdemeanor per RCW 77.15.280. Senate Bill 5227/House Bill 2112 (Wildlife Harvest Reports) would decriminalize non-compliance of hunter activity reporting and replace it with an administrative fine that is not to exceed \$10. The Senate budget provides funding for one staff to write rules and administer the program. In the event neither bill is enacted, this funding will lapse. (State Wildlife Account-State)

28. Hunter Access to Private Lands * - Senate Bill 5234 (Hunter Access) would create a hunter access program through a dedicated \$5 surcharge for residents and \$25 surcharge for non-residents on hunting licenses. The dedicated revenue would provide grants for opening private lands to hunters and for managing litter, illegal activity, vandalism, signage, and monitoring hunter behavior. In the event the bill is not enacted, funding will lapse. (State Wildlife Account-State)

29. Primary Turkey Tag Isolation * - The Senate budget provides funding to increase turkey management activities within the department to accommodate the increased hunter demand for this opportunity, pursuant to Senate Bill 5232 (Turkey Transport Tag). In the event the bill is not enacted, funding will lapse. (State Wildlife Account-State)

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Department of Fish and Wildlife**

30. Big Game Hunting License * - Upon the purchase of a Big Game Hunting License for deer and/or elk, the purchaser must decide which season (modern firearm, muzzleloader or archery) to participate in. Based upon that choice, the hunter is issued the appropriate transport tag. However, many hunters wish to participate in more than one season when not successful during the one season they initially chose. Senate Bill 5225 (Big Game Hunting License) establishes a Multiple Season Big Game Permit which allows hunters to participate in any or all of the seasons, with harvest limits to remain at one deer or one elk per year. The Senate budget provides funding for rule-making and for the increased licensing administration within the department. In the event the bill is not enacted, funding will lapse. (State Wildlife Account-State)

2005-07 Omnibus Operating Budget
Department of Natural Resources
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,444.5	91,225	314,445	1,444.5	91,225	314,445	0.0	0	0
2005-07 Maintenance Level	1,443.6	80,656	300,916	1,447.8	76,644	301,860	-4.2	4,012	-944
Policy Changes:									
1. Middle Management Reduction	-13.1	-380	-1,451	-13.1	-380	-1,451	0.0	0	0
2. Balance to Available Revenue	-30.5	0	-3,165	-30.5	0	-4,965	0.0	0	1,800
3. US v Washington (Culverts) Lawsuit	0.0	0	329	0.0	0	329	0.0	0	0
4. General Inflation	0.0	-548	-1,628	0.0	-548	-1,628	0.0	0	0
5. Contaminated Sediments	0.0	0	2,155	0.0	0	2,155	0.0	0	0
6. Aquatic Endangered Species Act	3.0	0	2,129	3.0	0	2,129	0.0	0	0
7. Seagrass Monitoring and Management	1.4	0	345	1.4	0	345	0.0	0	0
8. Aquatic Restoration Land Management	1.8	0	192	1.8	0	192	0.0	0	0
9. Shellfish Settlement	0.0	9,000	11,000	0.0	11,000	11,000	0.0	-2,000	0
10. Correctional Camps	2.4	1,616	374	2.4	1,616	374	0.0	0	0
11. Dispersed Recreation	7.2	1,386	1,386	3.0	500	500	4.2	886	886
12. Height Modernization Grant	1.6	0	5,000	1.6	0	5,000	0.0	0	0
13. Fulfill Forest & Fish Commitments	11.0	2,900	2,900	7.4	1,576	1,576	3.6	1,324	1,324
14. Risk Management - Fire Shelters	0.0	304	608	0.0	304	608	0.0	0	0
15. Off-Road Vehicle Safety	0.0	0	0	1.6	0	852	-1.6	0	-852
16. RTA Systems Replacement Project	4.6	158	2,245	4.6	158	2,245	0.0	0	0
17. Forest Review Council	0.0	500	1,000	0.0	0	0	0.0	500	1,000
18. SSB 5278 Ocean Policy Review Comm	0.5	0	92	0.0	0	0	0.5	0	92
19. Increase Fire Suppression Funding	0.0	2,000	2,000	0.0	0	0	0.0	2,000	2,000
20. WCC-WDFW & DNR Cooperative Program	1.5	186	186	0.0	0	0	1.5	186	186
Total Policy Changes	-8.6	17,122	25,697	-16.8	14,226	19,261	8.2	2,896	6,436
Total 2005-07 Biennium	1,435.0	97,778	326,613	1,431.0	90,870	321,121	4.0	6,908	5,492
Difference from 2003-05	-9.5	6,553	12,168	-13.5	-355	6,676	4.0	6,908	5,492
% Change from 2003-05	-0.6%	7.2%	3.9%	-0.9%	-0.4%	2.1%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.

2005-07 Omnibus Operating Budget Department of Natural Resources

2. Balance to Available Revenue - Expenditure authority and FTE staff are reduced to match expected revenues in selected dedicated accounts. The agency will reduce silviculture on state lands, services to off-road vehicle sites, mapping and survey activities, oversight of dredge spoils disposal sites on state-owned aquatic lands, and surface mining regulation. The Senate proposed budget takes a smaller reduction because the budget grant authority to the department to temporarily raise its management fee for state lands to 30 percent. (State Nursery Revolving Account-Nonappropriated, various other funds)

3. US v Washington (Culverts) Lawsuit - One-time funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts) case. The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." Agencies involved in the case include the departments of Transportation, Natural Resources, Fish and Wildlife, Ecology, and the Washington State Parks and Recreation Commission. (Forest Development Account-State, Resource Management Cost Account-State)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Contaminated Sediments - One-time funding will complete clean-up of contaminated sediments in Commencement Bay and fulfill the state's obligations at other contaminated sites. (State Toxics Account-State)

6. Aquatic Endangered Species Act - Funding and staffing are provided to continue the development of a plan to bring state-owned aquatic lands managed by the department into compliance with the federal Endangered Species Act. (Aquatic Land Enhancement Account-State)

7. Seagrass Monitoring and Management - Eelgrass is a plant that grows in intertidal and shallow marine waters and estuaries, occupying over 200,000 acres on 37 percent of the state's shoreline. It plays a vital role in supporting commercially important fish, slowing coastal erosion, and providing food and shelter for birds and marine invertebrates. Eelgrass is impacted by human activity and is a good indicator of shoreline health. A combination of one-time and ongoing funding and staffing will perform intensive, site-specific monitoring and documentation of the relationships between stressors and eelgrass health. Results will assist decision makers in better protection and restoration of eelgrass habitat in the future. (Aquatic Lands Enhancement Account-State)

8. Aquatic Restoration Land Management - A combination of one-time and ongoing funding and staffing is provided to fully staff the development and management of conservation and restoration projects on state-owned aquatic lands, an effort initiated during the 2003-05 Biennium. Conservation and restoration projects focus on such goals as improving public access to state-owned aquatic lands, restoring habitat, and improving water quality. (Aquatic Lands Enhancement Account-State)

9. Shellfish Settlement - One-time funding is provided for Washington State to fulfill the terms of a U.S. District Court consent decree addressing implementation of tribal harvest of shellfish from tidelands used by commercial shellfish growers. This settlement will provide affected growers the exclusive, productive use of the private and leased tidelands that they have improved and cultivated for shellfish culture over the years. This appropriation is contingent upon a matching federal appropriation of \$22 million.

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Department of Natural Resources

10. Correctional Camps - Expenditure authority is shifted from General Fund-Private/Local to General Fund-State in order to maintain six trained and equipped ten-person inmate crews used for emergency fire suppression, maintenance of state lands, and recreation facility improvement. During the 2003-05 Biennium, the department was not successful in obtaining ongoing funding for these low-cost crews from other state and local agencies, as envisioned in the enacted budget. In addition, funding and staffing are provided for two additional inmate crews needed to meet the firefighting preparedness level recommended in a 1997 consultant study. (General Fund-State, General Fund-Private/Local)

11. Dispersed Recreation - The Department of Natural Resources (DNR) operates a system of 140 recreation sites and 1,100 miles of trails statewide. Some sites and trails are not eligible for funding from other sources available to DNR due to statutory restrictions, and have been threatened with closure in recent years when state general funds were reduced. A combination of one-time and ongoing funding is provided to keep open these 25 recreation sites and 140 miles of trails, to improve maintenance levels statewide, and to expand DNR's recreation-volunteer coordination capacity.

12. Height Modernization Grant - Federal spending authority and staffing are provided to the department to manage a statewide project to re-measure elevations and install global positioning reference stations. This project is funded by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration. (General Fund-Federal)

13. Fulfill Forest & Fish Commitments - Additional resources are needed to fulfill compliance monitoring commitments expressed in the Forests & Fish Report (FFR) and to maintain the involvement of technical experts within the Department of Natural Resources (DNR) and other state agencies involved with FFR implementation. Compliance monitoring has been incorporated into the states' forest practices rules, and is part of the habitat conservation plan (HCP) the state is preparing to obtain federal Endangered Species Act and Clean Water Act assurances. DNR also needs additional resources to meet reporting requirements that are part of the implementation agreement governing the HCP, and to defend the HCP against anticipated legal challenges. The need for additional resources is new and will likely be further exacerbated by the eventual loss of \$4 million per year of federal funding that has been available for FFR implementation from FY 2001 through FY 2006.

14. Risk Management - Fire Shelters - A combination of one-time and ongoing funding is provided to acquire 1,830 new-generation emergency-protection shelters for firefighters. This will allow the department to complete an acquisition plan initiated in Fiscal Year 2004. New-generation shelters provide superior safety features, as compared to the shelters currently used. (General Fund-State, Forest Fire Protection Assessment Account-Nonappropriated)

15. Off-Road Vehicle Safety - A combination of one-time and ongoing funding is provided for increased recreation program staff to perform duties such as developing management plans for each of DNR's off-road vehicle (ORV) trail systems, developing statewide standards for signs, and providing maps and brochures to promote user safety. In addition, funding is provided to produce and install signs at fourteen DNR recreation sites with high ORV usage. (Nonhighway and Off-Road Vehicle Program Account-State)

16. RTA Systems Replacement Project - A combination of one-time and ongoing funding and staffing is provided to complete the implementation phase of a new revenue management system funded in the 2003-05 Biennium, and to replace two related systems for timber and asset management. The new suite of systems will replace mainframe-based, unreliable applications with stable, easily-supported Web-based technology. They will allow the department to more easily manage trust revenues. (General Fund-State, Forest Development Account-State, Resource Management Cost Account-State, various other funds)

17. Forest Review Council - Funding is provided for a review of the future of Washington's forest products industry, and expectations of future earnings from state granted lands. The review will be conducted by the University of Washington.

**2005-07 Omnibus Operating Budget
Department of Natural Resources**

18. SSB 5278 Ocean Policy Review Comm - Funding is provided for implementing SSB 5278 which establishes the Ocean Policy Review Committee.

19. Increase Fire Suppression Funding - In anticipation of a severe fire season, additional funding is provided.

20. WCC-WDFW & DNR Cooperative Program - The Department of Natural Resources and the Department of Fish and Wildlife (WDFW) jointly operate a Washington Conservation Corps (WCC) program that serves both agencies. Corps crews, made up of young adults gaining work experience and possible college financial assistance, provide a cost-effective, on-the-ground workforce available for a variety of tasks, including trail building and maintenance, fencing, weed control, and firefighting. Funding and staffing are provided to enable four crews to operate year-round, rather than seasonally.

2005-07 Omnibus Operating Budget
Department of Agriculture
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	659.1	18,700	95,935	659.1	18,700	95,935	0.0	0	0
2005-07 Maintenance Level	668.2	19,187	98,859	668.2	19,185	98,857	0.0	2	2
Policy Changes:									
1. Middle Management Reduction	-4.0	-128	-446	-4.0	-128	-446	0.0	0	0
2. Livestock Nutrient Management	1.0	0	240	1.0	0	270	0.0	0	-30
3. Sudden Oak Death	3.0	404	404	3.0	422	422	0.0	-18	-18
4. Pesticide Surface Water Monitoring	0.0	0	509	0.0	0	509	0.0	0	0
5. General Inflation	0.0	-57	-302	0.0	-57	-302	0.0	0	0
6. Invasive Species Council	0.3	50	50	0.0	0	0	0.3	50	50
Total Policy Changes	0.3	269	455	0.0	237	453	0.3	32	2
Total 2005-07 Biennium	668.5	19,456	99,314	668.2	19,422	99,310	0.3	34	4
Difference from 2003-05	9.4	756	3,379	9.1	722	3,375	0.3	34	4
% Change from 2003-05	1.4%	4.0%	3.5%	1.4%	3.9%	3.5%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. Livestock Nutrient Management - Legislation enacted in 2003 transferred the state's livestock nutrient management program from the Department of Ecology to the Department of Agriculture. Travel and attorney general costs, as well as the number of follow-up inspections needed, have been higher than anticipated at the time of the transfer. The Senate budget provides increased funding and staffing for additional legal, travel, and inspection costs. (Water Quality Account-State)

3. Sudden Oak Death - Sudden Oak Death (SOD) is a recently introduced plant disease that threatens the state's nursery industry and forest lands. SOD has been found in 26 western Washington nurseries since it was first detected in 2003, and is stopped only through the destruction of affected plant materials. The Senate budget provides ongoing funding to detect, contain, and eradicate SOD.

4. Pesticide Surface Water Monitoring - The Senate budget provides a combination of one-time and ongoing funding to monitor pesticide residues in the Skagit River basin, a western Washington watershed of agricultural significance, to provide additional Washington-specific data for federal assessments of the potential pesticide risk to salmon. Pesticide data collected by the state from the Cedar-Sammamish and Lower Yakima basins has been used, and has influenced outcomes in federal assessments of the effects of most pesticides named in the Washington Toxics Coalition v. Environmental Protection Agency lawsuit. (State Toxics Account-State)

**2005-07 Omnibus Operating Budget
Department of Agriculture**

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Invasive Species Council - The Senate budget provides funding to allow the agency to support the Washington Invasive Species Council, created in the Office of the Governor pursuant to Substitute Senate Bill 5385 (Invasive Species Council) to address issues for combating and preventing harmful invasive species in the state. If the bill is not enacted, the amount provided will lapse.

2005-07 Omnibus Operating Budget
Washington State Patrol
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	550.5	39,287	90,702	550.5	39,287	90,702	0.0	0	0
2005-07 Maintenance Level	551.6	41,430	95,912	551.6	42,049	95,906	0.0	-619	6
Policy Changes:									
1. Salary Equalization	0.0	252	252	0.0	242	242	0.0	10	10
2. Crime Lab Division Staffing	15.5	3,302	4,078	15.5	0	4,078	0.0	3,302	0
3. Convicted Offender DNA Analysis	2.0	1,296	1,327	2.0	485	1,328	0.0	811	-1
4. Toxicology Lab Staffing	2.5	0	504	2.5	0	505	0.0	0	-1
5. Electronic Fingerprint Checks	0.8	0	404	0.8	0	404	0.0	0	0
6. King Air Replacement	0.0	157	157	0.0	157	157	0.0	0	0
7. Middle Management Reduction	-4.4	-202	-478	-4.4	-202	-478	0.0	0	0
8. General Inflation	0.0	-127	-293	0.0	-127	-293	0.0	0	0
Total Policy Changes	16.4	4,678	5,951	16.4	555	5,943	0.0	4,123	8
Total 2005-07 Biennium	568.0	46,108	101,863	568.0	42,604	101,849	0.0	3,504	14
Difference from 2003-05	17.5	6,821	11,161	17.5	3,317	11,147	0.0	3,504	14
% Change from 2003-05	3.3%	17.4%	12.3%	3.3%	8.4%	12.3%			

Comments:

1. Salary Equalization - In addition to cost of living increases, funds are also provided for a supplemental 3.4 percent salary increase for State Patrol troopers in FY 2007 to address recruitment and retention issues. The bulk of the funding needed for this item appears in the transportation budget. (General Fund-State)

2. Crime Lab Division Staffing - Funding is provided for 18 additional forensic scientists and related staff and supplies to reduce turnaround times and avoid backlogs in crime scene analysis provided to local law enforcement. The new scientists and staff will be added to the existing crime labs in Marysville, Tacoma, and Seattle, to the newly expanded crime lab in Spokane, and the new crime lab in Vancouver. (General Fund-State, Death Investigations Account-State, DNA Database Account-State)

3. Convicted Offender DNA Analysis - Funding is provided for two forensic scientists at the state's Forensic Laboratory Services Bureau Headquarters in Seattle to analyze DNA samples of felony offenders and certain misdemeanants collected as a result of SB Bill 2468 in 2002. The new staff will prevent additional backlogs. (General Fund-State, Death Investigations Account-State)

2005-07 Omnibus Operating Budget Washington State Patrol

4. Toxicology Lab Staffing - Funding from a dedicated account is provided for three positions to address workload increases at the State Toxicology Laboratory. These additional positions will enable the lab to keep the case to analyst ratio at the ration of 860 cases per analyst. Adding these positions will relieve delays in the reporting of toxicology results to local criminal justice agencies where a crime victim or suspect is believed to have been affected by drugs or alcohol. The reduced caseload will still be higher than the nationally recommended 600 per analyst, but the Patrol will be able to pursue accreditation by the American Board of Forensic Toxicologists, improving the credibility of the lab. (Death Investigations Account-State)

5. Electronic Fingerprint Checks - Funding is provided for computer programming enhancements to accommodate the electronic processing of fingerprint-based background checks. The development of an interface to transfer data between the Automated Fingerprint Identification System (AFIS), the Washington State Identification System (WASIS) criminal history database, and the Paid Inquiry Document System (PIDS), will substantially improve the dissemination of fingerprint-based background check information between local governments, school districts, and the State Patrol. Of the total, \$289,000 is one time. All funds are provided by a dedicated account. (Fingerprint Identification Account-State)

6. King Air Replacement - Funding is provided for debt service payments to finance Certificates of Participation (COPs), to replace the Patrol's current 1975 King Air aircraft. The aircraft is deteriorating and it is more cost-effective to replace it than to repair it. Along with one other King Air owned by the State Patrol, this aircraft provides 24/7 coverage for SWAT team response, Crime Scene Response, other emergency response, while allowing for use by the Governor and occasionally by paying state agencies. (General Fund-State)

7. Middle Management Reduction - Middle management positions are reduced. (General Fund-State, Various other funds)

8. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Various other funds)

2005-07 Omnibus Operating Budget
Department of Licensing
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	233.5	10,481	35,882	233.5	10,481	35,882	0.0	0	0
2005-07 Maintenance Level	233.1	11,177	37,139	254.4	11,161	37,289	-21.3	16	-150
Policy Changes:									
1. Business License Simplification	3.8	0	1,653	3.8	0	1,653	0.0	0	0
2. Middle Management Reduction	-3.5	-160	-388	-3.5	-160	-388	0.0	0	0
3. General Inflation	0.0	-50	-92	0.0	-50	-92	0.0	0	0
4. Real Estate Appraisers	1.2	0	186	0.0	0	0	1.2	0	186
5. Business and Professions Account	0.0	-7,685	0	0.0	0	0	0.0	-7,685	0
6. Land Surveyors	0.0	0	14	0.0	0	0	0.0	0	14
7. Real Estate Appraiser Training	1.4	-18	162	0.0	0	0	1.4	-18	162
8. BPD License Query Systems	3.5	242	578	3.5	242	578	0.0	0	0
9. MLS Electronic Document Management	1.0	0	389	1.0	0	389	0.0	0	0
Total Policy Changes	7.4	-7,671	2,502	4.8	32	2,140	2.6	-7,703	362
Total 2005-07 Biennium	240.5	3,506	39,641	259.2	11,193	39,429	-18.7	-7,687	212
Difference from 2003-05	7.1	-6,975	3,759	25.8	712	3,547	-18.7	-7,687	212
% Change from 2003-05	3.0%	-66.5%	10.5%	11.2%	6.8%	9.9%			

Comments:

1. Business License Simplification - The Senate budget provides funding for the Business License Simplification (BLS) initiative. This initiative will provide local governments with financial and technical assistance for modifying their business licensing processes and licensing systems to enable them to partner with the Master License Service. (Master License Account-State)

2. Middle Management Reduction - Middle management positions are reduced.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Real Estate Appraisers - The Senate budget appropriates funding for the department to hire an additional real estate appraiser investigator for the 2005-2007 biennium so the agency can process complaints in a timely manner. (Real Estate Appraiser Commission Account-State)

2005-07 Omnibus Operating Budget Department of Licensing

5. Business and Professions Account - Substitute House Bill No. 1394 established a business and professions account. The fees from licensing and regulating thirteen business and professions that had been deposited into the General Fund will now be deposited in this account. The business and professions are: auctioneers; landscape architects; private investigators; bail bond agents; employment agencies; sellers of travel; timeshares; cosmetologists, barbers, and manicurists; court reporters; security guards; collection agencies; camping resorts; and notaries public. (General Fund-State, Business and Professions Account-State)

6. Land Surveyors - The Senate budget appropriates funding for the department to implement Senate Bill No. 5117, land surveyors. (Professional Engineers' Account-State)

7. Real Estate Appraiser Training - The Senate budget adjusts and appropriates funding for the department to implement Senate Bill 5274, real estate appraisers' training. (Real Estate Appraiser Commission Account-State)

8. BPD License Query Systems - The Senate budget appropriates funding to expand the Business and Professions Division's (BPD) license query systems to allow citizens, businesses, and government to check online if a service provider is licensed by DOL. (General Fund-State, multiple other funds)

9. MLS Electronic Document Management - The Senate budget appropriates funding to convert master license service business licensing documents from a paper and microfilm system to an electronically imaged system. (Master License Account-State)

2005-07 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	242.4	42,285	136,363	242.4	42,285	136,363	0.0	0	0
2005-07 Maintenance Level	243.4	44,011	123,646	243.4	44,437	124,072	0.0	-426	-426
Policy Changes:									
1. Responsibilities of K-12 Boards #	0.0	0	0	1.0	181	181	-1.0	-181	-181
2. Washington Achievers Scholars	0.0	1,000	1,000	0.0	0	0	0.0	1,000	1,000
3. Middle Management Reduction	-4.2	-185	-465	-4.2	-185	-465	0.0	0	0
4. General Inflation	0.0	-136	-287	0.0	-136	-301	0.0	0	14
5. Assessment System Improvements #	0.0	-1,290	-1,290	0.0	-1,290	-1,290	0.0	0	0
6. Apportionment and Financial Systems	0.0	400	400	0.0	0	0	0.0	400	400
7. Core Student Record System	0.0	1,559	1,559	0.0	0	0	0.0	1,559	1,559
8. Alternative Routes to Teaching	0.0	-1,096	-1,096	0.0	0	0	0.0	-1,096	-1,096
9. LASER Science Program	0.0	-1,080	-1,080	0.0	0	0	0.0	-1,080	-1,080
10. Environmental Ed Coordination	0.0	156	156	0.0	0	0	0.0	156	156
11. Dyslexia Pilot Program #	0.0	677	677	0.0	0	0	0.0	677	677
12. Women's Role in World War II	0.0	150	150	0.0	0	0	0.0	150	150
13. Pacific Science Center	0.0	-1,224	-1,224	0.0	0	0	0.0	-1,224	-1,224
14. Non-Violence Leadership Training	0.0	-292	-292	0.0	0	0	0.0	-292	-292
Total Policy Changes	-4.2	-1,361	-1,792	-3.2	-1,430	-1,875	-1.0	69	83
Total 2005-07 Biennium	239.2	42,650	121,854	240.2	43,007	122,197	-1.0	-357	-343
Difference from 2003-05	-3.2	365	-14,509	-2.2	722	-14,166	-1.0	-357	-343
% Change from 2003-05	-1.2%	0.9%	-10.6%	-0.8%	1.7%	-10.4%			

Comments:

1. Responsibilities of K-12 Boards # - Pursuant to ESSB 5732 (education boards), the K-12 governance structure is redesigned to provide clear and appropriate system responsibilities. The Academic Achievement and Accountability Commission and associated staff positions are eliminated. Various changes are also made to the responsibilities for the State Board of Education (SBE) and the Professional Educator Standards Board (PESB). Governor Gregoire's budget included funding for an additional staff position at the PESB to support the board in fulfilling its increased responsibilities. The Senate budget assumes that these duties will be accomplished with existing staffing levels.

2005-07 Omnibus Operating Budget

Public Schools

OSPI & Statewide Programs

2. Washington Achievers Scholars - The Washington Achievers Scholars program provides mentorship and college scholarship opportunities to students in 16 high poverty, ethnically diverse high schools. State and private funding sources support this program. State funding is provided to hire additional Community Involvement Officers, who recruit, train, support, and match Hometown Mentors with students in these schools. This brings the total level of state funding to \$2 million for the 2005-07 biennium.

3. Middle Management Reduction - Middle management positions are reduced.

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions. (General Fund-State, General Fund-Federal)

5. Assessment System Improvements # - School district participation in national norm-referenced tests (Iowa Test of Basic Skills/Iowa Test of Educational Development) will no longer be mandatory, which can provide districts with an opportunity for extra days of instruction. The nationally normed tests, which provide national comparisons but do not measure progress on state standards, will remain available to districts that choose to offer the tests at their own expense. Washington will continue to participate in the National Assessment of Educational Progress (NAEP), which will provide a comparison of Washington student achievement relative to the rest of the nation.

6. Apportionment and Financial Systems - Funding is provided for the maintenance and operation of a backup system to the current K-12 state funding system, which provides over \$5 billion in state funds to 296 school districts.

7. Core Student Record System - The Office of the Superintendent of Public Instruction is in the process of implementing a secure student identifier for each student in Washington. The secure student identifier is the basis for a core student record system, which can be utilized to inform individualized instruction for students and to evaluate program effectiveness. It also will be linked with core educational data elements (i.e., assessment results, state educational programs, and mobility). The project is expected to be completed during the 2005-07 Biennium.

8. Alternative Routes to Teaching - Alternative certification routes are teacher-training programs that serve as an alternative to the traditional teacher preparation programs. Approximately half of the state funding for the alternative route programs is eliminated. In implementing this reduction, the Professional Educator Standards Board will look for ways to achieve efficiency in program delivery and maintain the number interns involved in the programs.

9. LASER Science Program - Approximately half of the state funding is eliminated for the Leadership and Assistance for Science Education Reform (LASER) program, which assists school districts in implementing K-8 science education programs.

10. Environmental Ed Coordination - Funding is provided for coordination and direct services to support schools in instruction around conservation, natural resources, sustainability, and human adaptation to the environment. Integration between these subject matters and science, math, social sciences and career and technical education, particularly agricultural and natural sciences education, is to be a major element.

11. Dyslexia Pilot Program # - Funding is provided for implementation of SSB 5349 (dyslexia pilot program), which establishes a pilot program to implement research-based dyslexia instruction programs. The pilot is limited to 5 school districts geographically representative of the state. The pilot program expires June 30, 2010.

2005-07 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs

12. Women's Role in World War II - Funding is provided to develop and disseminate curriculum and other materials documenting women's role in World War II.

13. Pacific Science Center - The Pacific Science Center provides teacher in-service training and student educational programs such as the Science on Wheels traveling van for K-8 grade students, and exhibit visits, lessons, IMAX productions, and demonstrations at the Pacific Science Center. Approximately half of the state funding is eliminated for these activities.

14. Non-Violence Leadership Training - State funding is eliminated for a contract with the Institute for Community Leadership to provide for training of statewide nonviolence leadership coaches, student exchanges and training, speaking opportunities, and for matching funds to support nonviolence leadership workshops.

2005-07 Omnibus Operating Budget
Public Schools
General Apportionment
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	8,099,444	8,099,444	0.0	8,099,444	8,099,444	0.0	0	0
2005-07 Maintenance Level	0.0	8,621,481	8,621,481	0.0	8,621,481	8,621,481	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-106,114	-106,114	0.0	106,114	106,114
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-213,071	-213,071	0.0	213,071	213,071
3. Pension Method Change	0.0	-206,634	-206,634	0.0	0	0	0.0	-206,634	-206,634
4. Skills Center Incentive Grants #	0.0	1,182	1,182	0.0	0	0	0.0	1,182	1,182
Total Policy Changes	0.0	-205,452	-205,452	0.0	-319,185	-319,185	0.0	113,733	113,733
Total 2005-07 Biennium	0.0	8,416,029	8,416,029	0.0	8,302,296	8,302,296	0.0	113,733	113,733
Difference from 2003-05	0.0	316,585	316,585	0.0	202,852	202,852	0.0	113,733	113,733
% Change from 2003-05	0.0%	3.9%	3.9%	0.0%	2.5%	2.5%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

4. Skills Center Incentive Grants # - SSB 5717 (skills centers) establishes an incentive program to encourage school districts to provide students greater access to the ten Skills Centers. Funding is provided for school districts enrolling students beyond the 2004-05 levels.

2005-07 Omnibus Operating Budget
Public Schools
Pupil Transportation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	441,741	441,741	0.0	441,741	441,741	0.0	0	0
2005-07 Maintenance Level	0.0	503,981	503,981	0.0	503,981	503,981	0.0	0	0
Policy Changes:									
1. School Bus Depreciation	0.0	-6,482	-6,482	0.0	-6,482	-6,482	0.0	0	0
2. Pension Gain Sharing #	0.0	0	0	0.0	-4,159	-4,159	0.0	4,159	4,159
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-7,161	-7,161	0.0	7,161	7,161
4. Pension Method Change	0.0	-7,274	-7,274	0.0	0	0	0.0	-7,274	-7,274
5. One-Time Grant for Fuel Costs	0.0	1,534	1,534	0.0	0	0	0.0	1,534	1,534
Total Policy Changes	0.0	-12,222	-12,222	0.0	-17,802	-17,802	0.0	5,580	5,580
Total 2005-07 Biennium	0.0	491,759	491,759	0.0	486,179	486,179	0.0	5,580	5,580
Difference from 2003-05	0.0	50,018	50,018	0.0	44,438	44,438	0.0	5,580	5,580
% Change from 2003-05	0.0%	11.3%	11.3%	0.0%	10.1%	10.1%			

Comments:

1. School Bus Depreciation - The final report on K-12 School Bus Bidding and Purchasing, issued by the Joint Legislative Audit and Review Committee in February 2005, noted that the present method for reimbursing districts for school bus purchases results in wide annual fluctuations in state payments to districts. To address this issue, the school bus depreciation payments will be based on a five-year average of prices for each bus category. In the final year on the depreciation schedule, the payment for a bus will be adjusted so that the total depreciation payments and assumed investment returns will be sufficient to replace the bus according to the current low bid price for that bus category. These changes provide additional stability and predictability for state expenditures and school district revenues, and the current policy of providing the replacement value by the end of the depreciation payments is maintained.

4. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

5. One-Time Grant for Fuel Costs - Diesel fuel prices have increased significantly in the last two years. Some school districts have indicated that these increases have caused them to reduce transportation for extracurricular activities and make other reductions. For the 2005-06 and 2006-07 school years, one-time allocations are provided to school districts to compensate for recent increases in fuel prices.

2005-07 Omnibus Operating Budget
Public Schools
School Food Services
 (Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	6,200	363,121	0.0	6,200	363,121	0.0	0	0
2005-07 Maintenance Level	0.0	6,200	402,089	0.0	6,200	402,089	0.0	0	0
Total 2005-07 Biennium	0.0	6,200	402,089	0.0	6,200	402,089	0.0	0	0
Difference from 2003-05	0.0	0	38,968	0.0	0	38,968	0.0	0	0
% Change from 2003-05	0.0%	0.0%	10.7%	0.0%	0.0%	10.7%			

Comments:

2005-07 Omnibus Operating Budget
Public Schools
Special Education
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1.5	876,474	1,303,587	1.5	876,474	1,303,587	0.0	0	0
2005-07 Maintenance Level	1.5	925,238	1,357,996	1.5	925,238	1,357,996	0.0	0	0
Policy Changes:									
1. Special Education Safety Net	0.0	18,945	21,897	0.0	18,940	21,893	0.0	5	4
2. Pension Gain Sharing #	0.0	0	0	0.0	-11,972	-12,104	0.0	11,972	12,104
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-24,008	-24,272	0.0	24,008	24,272
4. Pension Method Change	0.0	-23,291	-23,548	0.0	0	0	0.0	-23,291	-23,548
5. Special Education Funding	0.0	0	0	0.0	30,747	30,747	0.0	-30,747	-30,747
Total Policy Changes	0.0	-4,346	-1,651	0.0	13,707	16,264	0.0	-18,053	-17,915
Total 2005-07 Biennium	1.5	920,892	1,356,345	1.5	938,945	1,374,260	0.0	-18,053	-17,915
Difference from 2003-05	0.0	44,418	52,758	0.0	62,471	70,673	0.0	-18,053	-17,915
% Change from 2003-05	0.0%	5.1%	4.0%	0.0%	7.1%	5.4%			

Comments:

1. Special Education Safety Net - Funding for the special education safety net is increased to reflect the net impact of two rule changes. The application threshold for individual high cost students, based on services provided in their individual education plan or IEP, is increased to match the new federal definition for high cost. In addition, the current maintenance of effort requirement is eliminated in the school district application form documenting financial need. This change will provide greater equity among districts and allow more districts to access the safety net grant process. (General Fund-State, General Fund-Federal)

4. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS. (General Fund-State, General Fund-Federal)

5. Special Education Funding - The 2005-07 budget proposal submitted by Governor Gregoire increased state special education funding by \$145 per student. The Senate budget does include this enhancement.

2005-07 Omnibus Operating Budget
Public Schools
Educational Service Districts
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	7,177	7,177	0.0	7,177	7,177	0.0	0	0
2005-07 Maintenance Level	0.0	7,608	7,608	0.0	7,608	7,608	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-110	-110	0.0	110	110
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-208	-208	0.0	208	208
3. Pension Method Change	0.0	-204	-204	0.0	0	0	0.0	-204	-204
Total Policy Changes	0.0	-204	-204	0.0	-318	-318	0.0	114	114
Total 2005-07 Biennium	0.0	7,404	7,404	0.0	7,290	7,290	0.0	114	114
Difference from 2003-05	0.0	227	227	0.0	113	113	0.0	114	114
% Change from 2003-05	0.0%	3.2%	3.2%	0.0%	1.6%	1.6%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

2005-07 Omnibus Operating Budget
Public Schools
Levy Equalization
 (Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	328,627	328,627	0.0	328,627	328,627	0.0	0	0
2005-07 Maintenance Level	0.0	370,089	370,089	0.0	370,089	370,089	0.0	0	0
Policy Changes:									
1. Levy Equalization #	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>-24,248</u>	<u>-24,248</u>	<u>0.0</u>	<u>24,248</u>	<u>24,248</u>
Total Policy Changes	0.0	0	0	0.0	-24,248	-24,248	0.0	24,248	24,248
Total 2005-07 Biennium	0.0	370,089	370,089	0.0	345,841	345,841	0.0	24,248	24,248
Difference from 2003-05	0.0	41,462	41,462	0.0	17,214	17,214	0.0	24,248	24,248
% Change from 2003-05	0.0%	12.6%	12.6%	0.0%	5.2%	5.2%			

Comments:

2005-07 Omnibus Operating Budget
Public Schools
Elementary & Secondary School Improvement
 (Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	0	42,817	0.0	0	42,817	0.0	0	0
2005-07 Maintenance Level	0.0	0	22,084	0.0	0	22,084	0.0	0	0
Total 2005-07 Biennium	0.0	0	22,084	0.0	0	22,084	0.0	0	0
Difference from 2003-05	0.0	0	-20,733	0.0	0	-20,733	0.0	0	0
% Change from 2003-05	0.0%	0.0%	-48.4%	0.0%	0.0%	-48.4%			

Comments:

2005-07 Omnibus Operating Budget
Public Schools
Institutional Education
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	36,902	36,902	0.0	36,902	36,902	0.0	0	0
2005-07 Maintenance Level	0.0	39,732	39,732	0.0	39,732	39,732	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-505	-505	0.0	505	505
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-1,034	-1,034	0.0	1,034	1,034
3. Pension Method Change	0.0	-997	-997	0.0	0	0	0.0	-997	-997
Total Policy Changes	0.0	-997	-997	0.0	-1,539	-1,539	0.0	542	542
Total 2005-07 Biennium	0.0	38,735	38,735	0.0	38,193	38,193	0.0	542	542
Difference from 2003-05	0.0	1,833	1,833	0.0	1,291	1,291	0.0	542	542
% Change from 2003-05	0.0%	5.0%	5.0%	0.0%	3.5%	3.5%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

2005-07 Omnibus Operating Budget
Public Schools
Education of Highly Capable Students
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	13,446	13,446	0.0	13,446	13,446	0.0	0	0
2005-07 Maintenance Level	0.0	14,083	14,083	0.0	14,083	14,083	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-155	-155	0.0	155	155
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-319	-319	0.0	319	319
3. Pension Method Change	0.0	-307	-307	0.0	0	0	0.0	-307	-307
Total Policy Changes	0.0	-307	-307	0.0	-474	-474	0.0	167	167
Total 2005-07 Biennium	0.0	13,776	13,776	0.0	13,609	13,609	0.0	167	167
Difference from 2003-05	0.0	330	330	0.0	163	163	0.0	167	167
% Change from 2003-05	0.0%	2.5%	2.5%	0.0%	1.2%	1.2%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

2005-07 Omnibus Operating Budget
Public Schools
Student Achievement Program
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	0	409,642	0.0	0	409,642	0.0	0	0
2005-07 Maintenance Level	0.0	0	629,356	0.0	0	629,356	0.0	0	0
Total 2005-07 Biennium	0.0	0	629,356	0.0	0	629,356	0.0	0	0
Difference from 2003-05	0.0	0	219,714	0.0	0	219,714	0.0	0	0
% Change from 2003-05	0.0%	0.0%	53.6%	0.0%	0.0%	53.6%			

Comments:

* **Initiative 728 Step Up** - The Student Achievement Fund was authorized by voter approval of Initiative 728 in 2000. Districts use funds to lower class sizes by hiring more teachers and making necessary capital improvements, create extended learning opportunities for students, provide professional development for educators, and provide early childhood programs.

Under current law, the property tax transfers into the Student Achievement Fund will change from \$254 per student to \$300 per student in the 2005-06 school year and \$375 per student in the 2006-07 school year. Legislation is proposed that maintains the property tax transfers into the Student Achievement at \$254 per student. However, the legislation also includes the restoration of the reconfigured estate tax and an increase in cigarette taxes to support the increased per student distributions. (Student Achievement Fund-State)

2005-07 Omnibus Operating Budget
Public Schools
Education Reform
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	41.4	76,122	203,248	41.4	76,122	203,248	0.0	0	0
2005-07 Maintenance Level	42.2	78,280	202,554	42.2	78,280	202,554	0.0	0	0
Policy Changes:									
1. Responsibilities of K-12 Boards #	0.0	-620	-620	-3.0	-620	-620	3.0	0	0
2. Mathematics Initiative	0.0	-1,030	-1,030	0.0	0	0	0.0	-1,030	-1,030
3. Science WASL	0.0	4,471	4,471	0.0	4,471	4,471	0.0	0	0
4. Middle Management Reduction	-0.3	-26	-30	-0.3	-26	-30	0.0	0	0
5. Eliminate Readiness to Learn Grants	0.0	0	0	-0.3	-7,188	-7,188	0.3	7,188	7,188
6. Reading Corps	0.0	-7,426	-7,426	0.0	0	0	0.0	-7,426	-7,426
7. General Inflation	0.0	-47	-93	0.0	-47	-93	0.0	0	0
8. Assessment System Improvements #	0.0	4,832	4,832	2.0	4,832	4,832	-2.0	0	0
9. National Board Certification Bonus	0.0	-5,044	-5,044	0.0	0	0	0.0	-5,044	-5,044
10. Summer Accountability Institutes	0.0	-500	-500	0.0	0	0	0.0	-500	-500
11. Web-Based Instructional Network	0.0	-252	-252	0.0	0	0	0.0	-252	-252
12. Transfer to Capital Budget	0.0	-3,918	-3,918	0.0	0	0	0.0	-3,918	-3,918
Total Policy Changes	-0.3	-9,560	-9,610	-1.6	1,422	1,372	1.3	-10,982	-10,982
Total 2005-07 Biennium	41.9	68,720	192,944	40.6	79,702	203,926	1.3	-10,982	-10,982
Difference from 2003-05	0.5	-7,402	-10,304	-0.8	3,580	678	1.3	-10,982	-10,982
% Change from 2003-05	2.4%	-9.7%	-5.1%	0.0%	4.7%	0.3%			

Comments:

1. Responsibilities of K-12 Boards # - Pursuant to ESSB 5732 (education boards), the K-12 governance structure is redesigned to provide clear and appropriate system responsibilities. The Academic Achievement and Accountability Commission and associated staff positions are eliminated. Various changes are also made to the responsibilities for the State Board of Education (SBE) and the Professional Educator Standards Board (PESB). Governor Gregoire's budget included funding for an additional staff position at the PESB to support the board in fulfilling its increased responsibilities. The Senate budget assumes that these duties will be accomplished with existing staffing levels.

2. Mathematics Initiative - In the 2004 supplemental budget, funding was provided for costs associated with Office of Superintendent of Public Instruction disseminating information on components of comprehensive, school-based mathematics programs and evaluating mathematics textbooks and other instructional materials. Funding for these activities is eliminated.

2005-07 Omnibus Operating Budget

Public Schools

Education Reform

3. Science WASL - In FY 2006, there are insufficient federal funds to cover the federally mandated reading and math assessments in grades 3, 5, 6, and 8 and the development and implementation of a new science assessment which will be required by the federal government in 2008. For this reason, the costs to administer and score the Washington Assessment of Student Learning (WASL) for science are supported with state funding.

4. Middle Management Reduction - Middle management positions are reduced.

6. Reading Corps - State funding for the Washington Reading Corps (WRC) is eliminated. The program provides state grants to assist in the coordination of reading tutors and volunteers.

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions. (General Fund-State, General Fund-Federal)

8. Assessment System Improvements # - The 2004 Legislature, while defining the graduation requirements for 2008 to include demonstrated mastery of state standards, also provided policy support for multiple re-take opportunities for students and the development of options for an objective alternative assessment. The three components of this request represent the next steps necessary to fully implement the 2008 graduation requirement: development of options for an objective alternative assessment to demonstrate student abilities that may not be reflected on a traditional assessment; funding for school districts to offer a late-August or fall re-take opportunity; and voluntary participation in national norm-referenced tests (Iowa Test of Basic Skills/Iowa Test of Educational Development) to provide opportunity for extra days of instruction. The nationally normed tests, which provide national comparisons but do not measure progress on state standards, will remain available to districts that choose to offer the tests at their own expense. Washington will continue to participate in the National Assessment of Educational Progress (NAEP), which will provide a comparison of Washington student achievement relative to the rest of the nation.

9. National Board Certification Bonus - The certification process by the National Board for Professional Teaching Standards (NBPTS) requires an educator to demonstrate teaching practices that meet high and rigorous standards. For several years, Washington State has supported this effort by providing annual bonuses of \$3,500 for national board certified teachers. For the 2005-07 biennium, the annual bonus is reconfigured to be a one-time bonus and it will only be funded for teachers achieving their national certification in the 2005-06 and 2006-07 school years.

10. Summer Accountability Institutes - State funding for Summer Institutes is eliminated. The program provides a series of three-day regional meetings focused on school improvement planning, tools, resources, and staff necessary to improve student achievement. It is assumed that the program will be more self-sustaining through program registration fees.

11. Web-Based Instructional Network - Funding for the web-based instructional network is eliminated. The Senate budget assumes that these activities can be supported by other information technology resources in the Office of Superintendent of Public Instruction.

12. Transfer to Capital Budget - Funding for the Education Technology Support Program is transferred to capital budget. This means that the program will continue but will be funded in the capital budget since much of the funding provides grants to school districts to purchase new computers and make other information technology investments.

2005-07 Omnibus Operating Budget
Public Schools
Transitional Bilingual Instruction
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	106,705	151,249	0.0	106,705	151,249	0.0	0	0
2005-07 Maintenance Level	0.0	126,603	172,164	0.0	126,603	172,164	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-1,768	-1,768	0.0	1,768	1,768
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-3,660	-3,660	0.0	3,660	3,660
3. Pension Method Change	0.0	-3,519	-3,519	0.0	0	0	0.0	-3,519	-3,519
Total Policy Changes	0.0	-3,519	-3,519	0.0	-5,428	-5,428	0.0	1,909	1,909
Total 2005-07 Biennium	0.0	123,084	168,645	0.0	121,175	166,736	0.0	1,909	1,909
Difference from 2003-05	0.0	16,379	17,396	0.0	14,470	15,487	0.0	1,909	1,909
% Change from 2003-05	0.0%	15.3%	11.5%	0.0%	13.6%	10.2%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

2005-07 Omnibus Operating Budget
Public Schools
Learning Assistance Program (LAP)
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	130,023	431,345	0.0	130,023	431,345	0.0	0	0
2005-07 Maintenance Level	0.0	134,530	477,757	0.0	134,530	477,757	0.0	0	0
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-1,623	-1,623	0.0	1,623	1,623
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-4,505	-4,505	0.0	4,505	4,505
3. Pension Method Change	0.0	-3,478	-3,478	0.0	0	0	0.0	-3,478	-3,478
4. Expand Learning Assistance Pgm #	0.0	17,188	17,188	0.0	41,517	41,517	0.0	-24,329	-24,329
Total Policy Changes	0.0	13,710	13,710	0.0	35,389	35,389	0.0	-21,679	-21,679
Total 2005-07 Biennium	0.0	148,240	491,467	0.0	169,919	513,146	0.0	-21,679	-21,679
Difference from 2003-05	0.0	18,217	60,122	0.0	39,896	81,801	0.0	-21,679	-21,679
% Change from 2003-05	0.0%	14.0%	13.9%	0.0%	30.7%	19.0%			

Comments:

3. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS.

2005-07 Omnibus Operating Budget
Public Schools
Learning Assistance Program (LAP)

4. Expand Learning Assistance Pgm # - The distribution formula for the Learning Assistance Program (LAP), which is the state's remediation assistance program, is currently based on approximately 90 percent of the funding being distributed based on the percentage of a district's enrollment scoring in the bottom-quartile of a nationally norm-referenced test (ITBS) and the remainder being distributed to districts with high concentrations of students eligible for free and reduced price lunch.

Chapter 20, Laws of 2004 (ESSB 5877) specifies that beginning in the 2005-06 school year, the LAP formula will be based 50 percent on test scores and 50 percent of one or more family income factors. The legislation left it to the appropriations act to determine the formula factors. The Senate budget provides increased LAP funding for the implementation of the required formula change. Funding is also provided so that districts that are projected to receive less funding under the new formula would still be allocated at least the same amount of LAP funding the district received in the 2004-05 school year.

The budget submitted by Governor Gregoire changed the LAP formula to one entirely based on poverty. In the formula proposed by Governor Gregoire, the net effect would be to increase LAP funding by approximately \$42 million. The Senate budget does not make this significant change in the LAP program pending completion of the comprehensive education finance study.

2005-07 Omnibus Operating Budget
Public Schools
Compensation Adjustments
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	0	0	0.0	0	0	0.0	0	0
2005-07 Maintenance Level	0.0	138,975	139,581	0.0	138,975	139,581	0.0	0	0
Policy Changes:									
1. Health Benefit Changes	0.0	135,082	135,679	0.0	127,098	127,230	0.0	7,984	8,449
2. Pension Gain Sharing #	0.0	0	0	0.0	-2,482	-2,486	0.0	2,482	2,486
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-4,997	-5,001	0.0	4,997	5,001
4. Pension Method Change	0.0	-4,827	-4,835	0.0	0	0	0.0	-4,827	-4,835
5. Special Education Funding	0.0	0	0	0.0	459	459	0.0	-459	-459
6. Expand Learning Assistance Pgm #	0.0	260	260	0.0	728	728	0.0	-468	-468
Total Policy Changes	0.0	130,515	131,104	0.0	120,806	120,930	0.0	9,709	10,174
Total 2005-07 Biennium	0.0	269,490	270,685	0.0	259,781	260,511	0.0	9,709	10,174
Difference from 2003-05	0.0	269,490	270,685	0.0	259,781	260,511	0.0	9,709	10,174
% Change from 2003-05	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Health Benefit Changes - Funding is provided to increase the K-12 monthly benefit rate from \$582.47 per employee in the 2004-05 school year to \$631.98 in the 2005-06 school year and \$685.70 in the 2006-07 school year. The increases in the K-12 funding rates correspond to similar increases in the state employer rates. The Senate intends to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. If actual costs increase more than expected, the Senate intends to make additional funds available in order to cover the additional cost of inflation up to a maximum of 11 percent. (General Fund-State, General Fund-Federal)

4. Pension Method Change - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS. (General Fund-State, General Fund-Federal)

6. Expand Learning Assistance Pgm # - Changes in the Learning Assistance Program (LAP) formula result in more state-funded staff salaries allocated to districts through the LAP program, which increases the cost of providing compensation changes.

2005-07 Omnibus Operating Budget
Public Schools
Common School Construction
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		Tot-B
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	
2003-05 Estimated Expenditures	0.0	0	0	0.0	0	0	0.0	0	0
2005-07 Maintenance Level	0.0	0	0	0.0	0	0	0.0	0	0
Policy Changes:									
1. Transfers to School Construction	<u>0.0</u>	<u>0</u>	<u>134,437</u>	<u>0.0</u>	<u>0</u>	<u>129,100</u>	<u>0.0</u>	<u>0</u>	<u>5,337</u>
Total Policy Changes	0.0	0	134,437	0.0	0	129,100	0.0	0	5,337
Total 2005-07 Biennium	0.0	0	134,437	0.0	0	129,100	0.0	0	5,337
Difference from 2003-05	0.0	0	134,437	0.0	0	129,100	0.0	0	5,337
% Change from 2003-05	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Transfers to School Construction - In the capital budget, a total of \$30 million from the Education Savings Account and \$104.4 million from the Education Construction Account will be deposited in the Common School Construction Account for the state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

2005-07 Omnibus Operating Budget
Higher Education Coordinating Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	78.7	325,131	342,486	78.7	325,131	342,486	0.0	0	0
2005-07 Maintenance Level	85.9	330,185	360,147	85.9	330,183	360,143	0.0	2	4
Policy Changes:									
1. Washington Scholars	0.0	623	623	0.0	489	489	0.0	134	134
2. High Demand Enrollments	0.0	0	0	0.0	3,370	3,370	0.0	-3,370	-3,370
3. Promise Scholarship	0.0	-12,617	-12,617	0.0	625	625	0.0	-13,242	-13,242
4. WAVE Program	0.0	-9	-9	0.0	-85	-85	0.0	76	76
5. State Work Study	0.0	2,916	2,916	0.0	2,761	2,761	0.0	155	155
6. Jefferson County Pilot Project	0.0	350	350	0.0	0	0	0.0	350	350
7. COLA-Nonrepresented	0.0	288	396	0.0	0	0	0.0	288	396
8. Nonrepresented Health Benefit Chnge	0.0	85	128	0.0	0	0	0.0	85	128
9. General Inflation	0.0	-14	-57	0.0	-14	-57	0.0	0	0
10. State Need Grant	0.0	108,404	108,404	0.0	23,086	23,086	0.0	85,318	85,318
11. Pension Policy Adjustment	0.0	-191	-259	0.0	0	0	0.0	-191	-259
Total Policy Changes	0.0	99,835	99,875	0.0	30,232	30,189	0.0	69,603	69,686
Total 2005-07 Biennium	85.9	430,020	460,022	85.9	360,415	390,332	0.0	69,605	69,690
Difference from 2003-05	7.3	104,889	117,536	7.3	35,284	47,846	0.0	69,605	69,690
% Change from 2003-05	8.9%	32.3%	34.3%	8.9%	10.9%	14.0%			

Comments:

1. Washington Scholars - Funding for the Washington Scholars program is increased to maintain grant awards at 100 percent of tuition.

3. Promise Scholarship - The proposed Senate budget eliminates the Promise Scholarship program and assumes all savings are directed to the State Need Grant. Because the Promise Scholarship is a 2-year award, funding is reduced by one-half in FY 2006 and eliminated in FY 2007. No Promise Scholarship awards will be offered to students beyond the graduating high school class of 2004.

The Governor proposes to increase the maximum annual Promise Scholarship award amount to \$1,200 per student.

4. WAVE Program - Funding for the Washington Award for Vocational Excellence (WAVE) is reduced, consistent with forecasted demand. Grants will still cover 100 percent of tuition and fees for eligible students. WAVE is the state's merit-based award for outstanding vocational student achievement. Other technical adjustments are made.

2005-07 Omnibus Operating Budget Higher Education Coordinating Board

- 5. State Work Study** - The proposed Senate budget provides funding to reflect tuition increases and new enrollments. No additional funding is provided to maintain 1:14 ratio.
- 6. Jefferson County Pilot Project** - Continued funding is provided for a demonstration project to increase opportunities and participation in post-secondary education in rural areas of Jefferson County.
- 7. COLA-Nonrepresented** - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.
- 8. Nonrepresented Health Benefit Chnge** - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.
- 9. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 10. State Need Grant** - The proposed Senate budget expands the State Need Grant (SNG) to 70% of the median family income, approximately \$46,600 for a family of four. The funding assumes tuition increases of 7%, 6% and 5% per year for the research institutions, comprehensive institutions and community and technical colleges, respectively, and 8,120 additional enrollments.
- The Governor proposes additional funding to increase grant award amounts sufficient to offset tuition increases of up to 5 percent in each year of the biennium for the baccalaureate institutions and 3 percent each year for the community and technical colleges.
- 11. Pension Policy Adjustment** - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

2005-07 Omnibus Operating Budget
University of Washington
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	19,684.1	636,750	3,630,263	19,684.1	636,750	3,630,263	0.0	0	0
2005-07 Maintenance Level	19,697.2	660,830	3,699,533	19,697.2	666,866	3,708,813	0.0	-6,036	-9,280
Policy Changes:									
1. General Enrollments	0.0	9,570	9,570	12.5	6,525	6,525	-12.5	3,045	3,045
2. Lower Division Planning Funds	0.0	500	500	0.0	500	500	0.0	0	0
3. Life Science Research	0.0	1,000	1,000	0.0	2,430	2,430	0.0	-1,430	-1,430
4. Pension Gain Sharing #	0.0	0	0	0.0	-866	-4,131	0.0	866	4,131
5. Projected Unit Credit - OSA #	0.0	0	0	0.0	-6,483	-25,940	0.0	6,483	25,940
6. Pension Savings in Salary Items #	0.0	0	0	0.0	-31	-328	0.0	31	328
7. Super Coalition Health Benefits	0.0	4,151	19,527	0.0	4,151	19,527	0.0	0	0
8. Classification Revisions	0.0	130	250	0.0	130	250	0.0	0	0
9. COLA-Nonrepresented	0.0	17,212	55,347	0.0	21,885	60,020	0.0	-4,673	-4,673
10. Nonrepresented Health Benefit Chnge	0.0	4,446	15,139	0.0	1,014	3,455	0.0	3,432	11,684
11. Salary Survey-Nonrep Staff	0.0	713	14,872	0.0	713	14,872	0.0	0	0
12. General Inflation	0.0	-7	-25,562	0.0	-7	-25,562	0.0	0	0
13. Other Fund Adjustments	0.0	0	-261	0.0	0	-261	0.0	0	0
14. Bargaining Agreement with SEIU 925	0.0	3,705	3,705	0.0	3,705	3,705	0.0	0	0
15. Bargaining Agreement with WFSE Mast	0.0	1,256	1,256	0.0	1,256	1,256	0.0	0	0
16. Bargaining Agreement: WFSE Skilled	0.0	831	831	0.0	831	831	0.0	0	0
17. Bargaining Agreement with UW POA	0.0	152	152	0.0	152	152	0.0	0	0
18. Bargaining Agreement: UW Police Mgt	0.0	50	50	0.0	50	50	0.0	0	0
19. UW-Tacoma Autism Center	0.0	700	700	0.0	0	0	0.0	700	700
20. Forest Systems and Bioenergy	0.0	40	40	0.0	0	0	0.0	40	40
21. Korean Studies Endowed Chair	0.0	500	500	0.0	0	0	0.0	500	500
22. Maintenance and Operations Shift	0.0	-5,717	-5,717	0.0	-5,717	-5,717	0.0	0	0
23. Pension Policy Adjustment	0.0	-1,426	-16,086	0.0	0	0	0.0	-1,426	-16,086
24. Non-Instruction Reduction	0.0	-2,559	-2,559	0.0	0	0	0.0	-2,559	-2,559
25. Tuition Rate Increase	0.0	-29,301	29,301	0.0	0	0	0.0	-29,301	29,301
Total Policy Changes	0.0	5,946	102,555	12.5	30,238	51,634	-12.5	-24,292	50,921
Total 2005-07 Biennium	19,697.2	666,776	3,802,088	19,709.7	697,104	3,760,447	-12.5	-30,328	41,641
Difference from 2003-05	13.1	30,026	171,825	25.6	60,354	130,184	-12.5	-30,328	41,641

2005-07 Omnibus Operating Budget
University of Washington
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
% Change from 2003-05	0.1%	4.7%	4.7%	0.1%	9.5%	3.6%			

Comments:

1. General Enrollments - The proposed Senate budget provides funding for 616 new enrollments at the Seattle campus, 400 at the Tacoma campus, and 144 upper division enrollments at the Bothell campus. The general fund subsidy at all campuses is the most recent appropriation for comprehensive institutions, \$5,500 per FTE enrollment per year. A proviso requires that 70 percent of these new enrollments, or the amount specified in a proportionality agreement with the State Board for Community and Technical Colleges, whichever is greater, be reserved for qualified transfers from Washington community and technical colleges.

The Governor proposes to expand general enrollments by a total of 350 FTEs. Of these, 200 FTEs in 2006 and 200 FTEs in 2007 must be divided equally between the University of Washington (UW) campuses in Bothell and Tacoma.

2. Lower Division Planning Funds - The University of Washington-Tacoma is provided \$500,000 to assist the transition from a branch campus serving upper-division students to a four-year campus serving freshmen, sophomores, and upper division students. These funds may be used to develop curricula, recruit new faculty, and expand student services. Consistent with the recommendations of the Higher Education Coordinating Board, the campus may begin enrolling lower-division students in Fall 2007.

3. Life Science Research - The Senate proposed budget provides funding for research in life- or bio-sciences. Such research helps Washington retain its place as one of the most important life-sciences research centers in the country, and may help the formation of new industries and companies in the Puget Sound region.

4. Pension Gain Sharing # - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

5. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

6. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

2005-07 Omnibus Operating Budget University of Washington

7. Super Coalition Health Benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

8. Classification Revisions - Funding is provided to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group 2 and Group 3 of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium.

9. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

10. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

11. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

12. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

13. Other Fund Adjustments - Funding from the Death Investigations Account is deleted, since this funding now resides in the Washington State Patrol's Crime Lab budget.

14. Bargaining Agreement with SEIU 925 - Under the provisions of the Personnel System Reform Act of 2002, the University of Washington has negotiated a collective bargaining agreement with employees represented by SEIU 925.

15. Bargaining Agreement with WFSE Mast - Under the provisions of the Personnel System Reform Act of 2002, the University of Washington has negotiated a master collective bargaining agreement with employees represented by the Washington Federation of State Employees.

16. Bargaining Agreement: WFSE Skilled - Under the provisions of the Personnel System Reform Act of 2002, the University of Washington has negotiated a collective bargaining agreement with skilled trade employees represented by the Washington Federation of State Employees.

17. Bargaining Agreement with UW POA - Under the provisions of the Personnel System Reform Act of 2002, the University of Washington has negotiated a collective bargaining agreement with police officers represented by the University of Washington Police Officers Association (POA).

2005-07 Omnibus Operating Budget University of Washington

- 18. Bargaining Agreement: UW Police Mgt** - Under the provisions of the Personnel System Reform Act of 2002, the University of Washington has negotiated a collective bargaining agreement with police lieutenants and sergeants represented by the Washington Federation of State Employees.
- 19. UW-Tacoma Autism Center** - The Senate proposed budget provides funding to maintain an Autism Center at the University of Washington (UW) Tacoma campus. The facility will continue to function as a satellite facility to the Autism Center at the UW Medical Center in Seattle and provide clinical service and professional training.
- 20. Forest Systems and Bioenergy** - The proposed Senate budget provides one-time funding for the University of Washington forest systems and bioenergy program. The program is developing technology tools that use small diameter timber as a cost-effective source of bioenergy for hydrogen fuel cells, biofuels for cars and engines and other chemical applications.
- 21. Korean Studies Endowed Chair** - One-time funding is provided to establish an endowed chair in Korean Studies at the University of Washington-Seattle.
- 22. Maintenance and Operations Shift** - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for the University of Washington is moved from the General Fund to the Education Construction Account.
- 23. Pension Policy Adjustment** - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.
- 24. Non-Instruction Reduction** - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.
- 25. Tuition Rate Increase** - The proposed Senate budget assumes tuition increases of 7% per year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

2005-07 Omnibus Operating Budget
Washington State University
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	5,593.8	375,588	864,949	5,593.8	375,588	864,949	0.0	0	0
2005-07 Maintenance Level	5,983.2	401,044	954,821	5,983.2	402,090	958,096	0.0	-1,046	-3,275
Policy Changes:									
1. General Enrollments	0.0	8,349	8,349	15.0	7,200	7,200	-15.0	1,149	1,149
2. Lower Division Planning Funds	0.0	500	500	0.0	500	500	0.0	0	0
3. Pension Gain Sharing	0.0	0	0	0.0	-611	-848	0.0	611	848
4. Projected Unit Credit - OSA #	0.0	0	0	0.0	-3,606	-5,011	0.0	3,606	5,011
5. Pension Savings in Salary Items #	0.0	0	0	0.0	-36	-51	0.0	36	51
6. Super Coalition Health Benefits	0.0	6,488	8,527	0.0	2,197	2,665	0.0	4,291	5,862
7. Classification Revisions	0.0	208	266	0.0	208	266	0.0	0	0
8. COLA-Nonrepresented	0.0	14,894	19,459	0.0	15,140	19,705	0.0	-246	-246
9. Nonrepresented Health Benefit Chnge	0.0	4,752	6,620	0.0	851	1,354	0.0	3,901	5,266
10. Salary Survey-Nonrep Staff	0.0	815	1,254	0.0	815	1,254	0.0	0	0
11. General Inflation	0.0	-682	-4,610	0.0	-682	-4,610	0.0	0	0
12. Collective Bargaining - WFSE	0.0	2,227	2,672	0.0	277	366	0.0	1,950	2,306
13. Collective Bargaining - Police	0.0	50	50	0.0	50	50	0.0	0	0
14. Ghost Shrimp Research	0.0	400	400	0.0	0	0	0.0	400	400
15. Maintenance and Operations Shift	0.0	-2,239	-2,239	0.0	-2,239	-2,239	0.0	0	0
16. Pension Policy Adjustment	0.0	-1,005	-2,061	0.0	0	0	0.0	-1,005	-2,061
17. Non-Instruction Reduction	0.0	-2,099	-2,099	0.0	0	0	0.0	-2,099	-2,099
18. Tuition Rate Increase	0.0	-14,622	14,622	0.0	0	0	0.0	-14,622	14,622
19. Veterinary Medicine	12.0	2,028	2,568	0.0	2,028	2,568	12.0	0	0
20. Lidded Grant Compensation Costs	0.0	319	0	0.0	319	0	0.0	0	0
Total Policy Changes	12.0	20,383	54,278	15.0	22,411	23,169	-3.0	-2,028	31,109
Total 2005-07 Biennium	5,995.2	421,427	1,009,099	5,998.2	424,501	981,265	-3.0	-3,074	27,834
Difference from 2003-05	401.5	45,839	144,150	404.5	48,913	116,316	-3.0	-3,074	27,834
% Change from 2003-05	7.2%	12.2%	16.7%	7.2%	13.0%	13.4%			

Comments:

2005-07 Omnibus Operating Budget Washington State University

1. General Enrollments - The proposed Senate budget provides funding for enrollment growth as follows: 522 general enrollments at the Pullman campus, 400 enrollments at the Vancouver campus (of which 200 are lower division beginning in FY 2007) and 90 upper division enrollments at the Tri-Cities campus. The general fund subsidy at all campuses is the average of the most recent appropriation for comprehensive institutions, \$5,500 per FTE enrollment per year.

The Governor proposes to expand general enrollments by 315 student FTEs in Fiscal Year 2006 and 515 in Fiscal Year 2007. Of these totals, 100 FTEs in 2006 shall be used to expand upper-division access at Washington State University's (WSU) branch campus in Vancouver, 20 FTEs in each year shall be used to expand upper-division access at WSU's Spokane campus, and 45 FTEs each year shall be used to expand upper-division access at WSU's branch campus in the Tri-Cities. In Fiscal Year 2007, 200 FTEs shall be used to introduce lower-division students to WSU-Vancouver.

2. Lower Division Planning Funds - WSU-Vancouver is provided \$500,000 to assist the transition from a branch campus serving upper-division students, to a four-year campus serving freshmen, sophomores, and upper-division students. Funds may be used to develop curricula, recruit new faculty, and expand student services. Consistent with the recommendations of the Higher Education Coordinating Board, WSU-Vancouver may begin enrolling lower-division students beginning in Fall 2006.

3. Pension Gain Sharing - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

4. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

5. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

6. Super Coalition Health Benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

7. Classification Revisions - Funding is provided to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group 2 and Group 3 of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium.

8. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

2005-07 Omnibus Operating Budget Washington State University

9. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

10. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

11. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

12. Collective Bargaining - WFSE - Washington State University bargained with the Washington Federation of State Employees (WFSE). The primary economic items negotiated were first and second year wages. All employees covered by the contract will receive a 3.2 percent wage increase effective July 1, 2005. The increase will be added to the employee's base rate of pay. All employees will also receive a 2 percent lump sum payment effective July 1, 2006. The 2 percent lump sum payment will not be added to the employee's base rate of pay. (General Fund-State, Institutions of Higher Education Grants and Contracts Account-Nonappropriated, Institutions of Higher Education Dedicated Local Account-Nonappropriated)

13. Collective Bargaining - Police - Washington State bargained with Bargaining Unit #4, representing police positions. The bargaining teams' agreement was ratified by the Washington State University Police Guild on September 28, 2004 and has been approved by the Washington State University Board of Regents.

14. Ghost Shrimp Research - The Senate proposed budget provides funding to research alternatives for controlling ghost shrimp in Willapa Bay.

15. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for Washington State University is moved from the General Fund to the Education Construction Account.

16. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

17. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

18. Tuition Rate Increase - The proposed Senate budget assumes a 7% tuition increase in each academic year. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

**2005-07 Omnibus Operating Budget
Washington State University**

19. Veterinary Medicine - The proposed Senate budget provides funding to restore maintain the WSU Doctor of Veterinary Medicine program in the face of Oregon State University's termination of its contract with WSU.

20. Lidded Grant Compensation Costs - Fund 143, the Higher Education Federal Appropriations Account, is lidded. For this reason, compensation cost increases are shifted to the General Fund.

2005-07 Omnibus Operating Budget
Eastern Washington University
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,143.4	83,277	160,432	1,143.4	83,277	160,432	0.0	0	0
2005-07 Maintenance Level	1,144.4	89,749	167,519	1,144.4	89,689	167,483	0.0	60	36
Policy Changes:									
1. General Enrollments	0.0	6,089	6,089	18.0	3,889	3,889	-18.0	2,200	2,200
2. Pension Gain Sharing	0.0	0	0	0.0	-162	-186	0.0	162	186
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-931	-1,049	0.0	931	1,049
4. Pension Savings in Salary Items #	0.0	0	0	0.0	-4	-6	0.0	4	6
5. Super Coalition Health Benefits	0.0	887	974	0.0	887	974	0.0	0	0
6. Classification Revisions	0.0	15	24	0.0	15	24	0.0	0	0
7. COLA-Nonrepresented	0.0	2,773	3,436	0.0	2,773	3,436	0.0	0	0
8. Nonrepresented Health Benefit Chnge	0.0	773	950	0.0	177	217	0.0	596	733
9. Salary Survey-Nonrep Staff	0.0	136	136	0.0	136	136	0.0	0	0
10. General Inflation	0.0	-17	-516	0.0	-17	-516	0.0	0	0
11. Collective Bargaining Unit #1	0.0	817	905	0.0	817	905	0.0	0	0
12. Collective Bargaining Unit #2	0.0	161	175	0.0	161	175	0.0	0	0
13. Maintenance and Operations Shift	0.0	-491	-491	0.0	-491	-491	0.0	0	0
14. Pension Policy Adjustment	0.0	-256	-343	0.0	0	0	0.0	-256	-343
15. Non-Instruction Reduction	0.0	-197	-197	0.0	0	0	0.0	-197	-197
16. Tuition Rate Increase	0.0	-5,109	5,109	0.0	0	0	0.0	-5,109	5,109
Total Policy Changes	0.0	5,581	16,251	18.0	7,250	7,508	-18.0	-1,669	8,743
Total 2005-07 Biennium	1,144.4	95,330	183,770	1,162.4	96,939	174,991	-18.0	-1,609	8,779
Difference from 2003-05	1.0	12,053	23,338	19.0	13,662	14,559	-18.0	-1,609	8,779
% Change from 2003-05	0.1%	14.5%	14.5%	1.7%	16.4%	9.1%			

Comments:

1. General Enrollments - Funding is provided to expand state-supported general enrollment slots by 738 student full-time equivalents, 369 each in FY 2006 and 2007. The general fund subsidy is \$5,500 per FTE enrollment per year.

The Governor proposes to increase general enrollments by 242 student FTEs in Fiscal Year 2006 and 204 FTEs in Fiscal Year 2007 for a total of 446 new FTEs.

2. Pension Gain Sharing - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

2005-07 Omnibus Operating Budget Eastern Washington University

3. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

4. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

5. Super Coalition Health Benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

6. Classification Revisions - Funding is provided to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group 2 and Group 3 of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium.

7. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

8. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

9. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

10. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

11. Collective Bargaining Unit #1 - Funding is provided for the collective bargaining agreement with the Washington Federation of State Employees Bargaining Unit #1. The agreement covers all non-supervisory classified persons employed at Eastern Washington University.

12. Collective Bargaining Unit #2 - Funding is provided for the collective bargaining agreement with the Washington Federation of State Employees Bargaining Unit #2. The agreement covers all supervisory classified persons employed at Eastern Washington University.

2005-07 Omnibus Operating Budget Eastern Washington University

13. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for Eastern Washington University is moved from the General Fund to the Education Construction Account.

14. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

15. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

16. Tuition Rate Increase - The proposed Senate budget assumes a 6% tuition increase each year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

2005-07 Omnibus Operating Budget
Central Washington University
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,120.3	81,861	181,742	1,120.3	81,861	181,742	0.0	0	0
2005-07 Maintenance Level	1,140.3	87,838	200,243	1,140.3	88,094	200,522	0.0	-256	-279
Policy Changes:									
1. General Enrollments	20.0	5,185	5,185	18.0	3,776	3,776	2.0	1,409	1,409
2. Pension Gain Sharing	0.0	0	0	0.0	-207	-230	0.0	207	230
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-1,135	-1,258	0.0	1,135	1,258
4. Pension Savings in Salary Items #	0.0	0	0	0.0	-8	-8	0.0	8	8
5. Super Coalition Health benefits	0.0	665	753	0.0	665	753	0.0	0	0
6. COLA-Nonrepresented	0.0	3,294	3,613	0.0	3,294	3,613	0.0	0	0
7. Nonrepresented Health Benefit Chnge	0.0	1,260	1,421	0.0	215	242	0.0	1,045	1,179
8. General Inflation	0.0	-50	-451	0.0	-50	-451	0.0	0	0
9. Maintenance and Operations Shift	0.0	-536	-536	0.0	-536	-536	0.0	0	0
10. Collective Bargaining Agreements	0.0	1,961	2,066	0.0	1,961	2,066	0.0	0	0
11. Pension Policy Adjustment	0.0	-306	-397	0.0	0	0	0.0	-306	-397
12. Non-Instruction Reduction	0.0	-214	-214	0.0	0	0	0.0	-214	-214
13. Tuition Rate Increase	0.0	-3,817	3,817	0.0	0	0	0.0	-3,817	3,817
Total Policy Changes	20.0	7,442	15,257	18.0	7,975	7,967	2.0	-533	7,290
Total 2005-07 Biennium	1,160.3	95,280	215,500	1,158.3	96,069	208,489	2.0	-789	7,011
Difference from 2003-05	40.0	13,419	33,758	38.0	14,208	26,747	2.0	-789	7,011
% Change from 2003-05	3.6%	16.4%	18.6%	3.4%	17.4%	14.7%			

Comments:

1. General Enrollments - The proposed Senate budget provides funding to expand state-supported general enrollment slots by 628 student full-time equivalents, 314 in each fiscal year of the biennium. The general fund subsidy is \$5,500 per FTE enrollment per year.

The Governor proposes to increase general enrollments by 241 student FTEs in Fiscal Year 2006 and 201 FTEs in Fiscal Year 2007 for a total of 442 new FTEs.

2. Pension Gain Sharing - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

2005-07 Omnibus Operating Budget Central Washington University

3. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

4. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

5. Super Coalition Health benefits - The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

6. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

7. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

8. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

9. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for Central Washington University is moved from the General Fund to the Education Construction Account.

10. Collective Bargaining Agreements - Central Washington University (CWU) is represented by the Washington Federation of State Employees union Local 330. As of August 2004, CWU employed slightly more than 600 classified staff, some of whom are members of one of two separate bargaining units. Bargaining Unit I is a union shop and has 168 dues-paying members. The employees in this shop are from various trades. Bargaining Unit II is an open shop and has 193 members, of which only a few pay dues. The remainder of the classified staff, 245 employees, are not represented. (General Fund-State, Institutions of Higher Education-Grants and Contracts Account-Nonappropriated, Institutions of Higher Education-Dedicated Local Account-Nonappropriated)

2005-07 Omnibus Operating Budget Central Washington University

11. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

12. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

13. Tuition Rate Increase - The proposed Senate budget provides tuition increases of 6% for each year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

2005-07 Omnibus Operating Budget
The Evergreen State College
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	634.8	46,801	90,972	634.8	46,801	90,972	0.0	0	0
2005-07 Maintenance Level	647.6	49,352	96,094	647.6	50,005	97,021	0.0	-653	-927
Policy Changes:									
1. General Enrollments	14.0	1,832	1,832	10.0	1,654	1,654	4.0	178	178
2. Pension Gain Sharing	0.0	0	0	0.0	-108	-110	0.0	108	110
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-644	-662	0.0	644	662
4. Pension Savings in Salary Items #	0.0	0	0	0.0	-9	-9	0.0	9	9
5. Super Coalition Health benefits	0.0	625	650	0.0	625	646	0.0	0	4
6. WFSE COLA/Salary Survey	0.0	724	746	0.0	724	746	0.0	0	0
7. COLA-Nonrepresented	0.0	1,646	1,699	0.0	1,646	1,699	0.0	0	0
8. Nonrepresented Health Benefit Chnge	0.0	475	491	0.0	111	115	0.0	364	376
9. Salary Survey-Nonrep Staff	0.0	36	36	0.0	36	36	0.0	0	0
10. General Inflation	0.0	-10	-322	0.0	-10	-322	0.0	0	0
11. Evaluate Integrated Trtmnt Pilots	0.0	581	581	0.0	0	0	0.0	581	581
12. Minimum Wage Study	0.0	150	150	0.0	0	0	0.0	150	150
13. Immigrant Student Study	0.0	50	50	0.0	0	0	0.0	50	50
14. Maintenance and Operations Shift	0.0	-168	-168	0.0	-168	-168	0.0	0	0
15. Pension Policy Adjustment	0.0	-486	-496	0.0	0	0	0.0	-486	-496
16. Non-Instruction Reduction	0.0	-236	-236	0.0	0	0	0.0	-236	-236
17. Tuition Rate Increase	0.0	-2,784	2,784	0.0	0	0	0.0	-2,784	2,784
Total Policy Changes	14.0	2,435	7,797	10.0	3,857	3,625	4.0	-1,422	4,172
Total 2005-07 Biennium	661.6	51,787	103,891	657.6	53,862	100,646	4.0	-2,075	3,245
Difference from 2003-05	26.8	4,986	12,919	22.8	7,061	9,674	4.0	-2,075	3,245
% Change from 2003-05	4.3%	10.7%	14.2%	3.6%	15.1%	10.6%			

Comments:

1. General Enrollments - The proposed Senate budget provides funding to expand state-supported general enrollment slots by 222 student full-time equivalents, 111 in each fiscal year of the biennium. The general fund subsidy is \$5,500 per FTE enrollment per year.

The Governor proposes to increase general enrollments by 100 student FTEs in each year of the biennium.

2005-07 Omnibus Operating Budget The Evergreen State College

2. Pension Gain Sharing - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

3. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

4. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

5. Super Coalition Health benefits - The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

6. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees. It provides a cost of living adjustment of 3.2 percent on July 1, 2005 and 1.6% on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, various other)

7. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

8. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

9. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

10. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget The Evergreen State College

11. Evaluate Integrated Trtmnt Pilots - Funding is provided for the Washington State Institute for Public Policy to conduct four evaluations required by Senate Bill 5763 (mental disorders treatment); (1) an evaluation of integrated cross-systems crisis response pilots in two counties; (2) an evaluation of intensive chemical dependency case management pilots in two counties; (3) an evaluation of existing mental health clubhouse programs; and (3) an evaluation of the cost-effectiveness of treatment vs. non-treatment for mental health and substance abuse disorders, including prevention and intervention programs. The final evaluations are due to the Legislature in 2007 and 2008, to assist in making policy and funding decisions related to integrated treatment and the potential enactment of the unified Involuntary Treatment Act in fiscal year 2010.

12. Minimum Wage Study - Funding is provided to WSIPP to conduct a study of the minimum wage and the issues referred to in Substitute SB 5551. The Institute will present preliminary findings to the Governor and the Legislature by December 1, 2005.

13. Immigrant Student Study - Funding is provided for the Institute for Public Policy to conduct an examination of educational outcome of immigrant students. The examination shall include, but is not limited to, a review of the following: the current educational performance and graduation rates of immigrant students; the qualifications and capabilities of teachers and paraprofessional to teach students from diverse backgrounds for whom English may be a second language; the use of technology, such as distance learning, in the transitional bilingual program and other instruction provided to immigrant students; and potential changes that would result in more effective instruction and cost-effectiveness. The Institute shall provide a report of its findings by January 1, 2006.

14. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for the Evergreen State College is moved from the General Fund to the Education Construction Account.

15. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

16. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

17. Tuition Rate Increase - The proposed Senate budget assumes tuition increases of 6% each year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

2005-07 Omnibus Operating Budget
Spokane Intercollegiate Research & Technology Inst
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	26.2	2,819	3,950	26.2	2,819	3,950	0.0	0	0
2005-07 Maintenance Level	22.9	2,885	3,338	22.9	3,033	3,486	0.0	-148	-148
Policy Changes:									
1. COLA-Nonrepresented	0.0	95	95	0.0	95	95	0.0	0	0
2. Nonrepresented Health Benefit Chnge	0.0	0	0	0.0	6	6	0.0	-6	-6
3. General Inflation	0.0	-8	-16	0.0	-8	-16	0.0	0	0
4. Equipment Replacement Costs	0.0	150	150	0.0	0	0	0.0	150	150
5. SIRTI Technology Center	1.0	0	950	1.0	0	950	0.0	0	0
Total Policy Changes	1.0	237	1,179	1.0	93	1,035	0.0	144	144
Total 2005-07 Biennium	23.9	3,122	4,517	23.9	3,126	4,521	0.0	-4	-4
Difference from 2003-05	-2.3	303	567	-2.3	307	571	0.0	-4	-4
% Change from 2003-05	-7.7%	10.7%	14.4%	-7.7%	10.9%	14.5%			

Comments:

1. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Equipment Replacement Costs - Funding is provided to replace SIRTI's old PBX phone system with a new internet telephony system. Also, SIRTI's network infrastructure will be upgraded. The new system will provide telephony and network support for SIRTI clients in SIRTI's existing space and also in the Technology Center.

5. SIRTI Technology Center - Funding from the Spokane Intercollegiate Research and Technology Institute's (SIRTI) private foundation will be used to operate the new technology center, which is scheduled to open in the spring of 2005. (Institutions of Higher Education - Dedicated Local Account-Nonappropriated)

2005-07 Omnibus Operating Budget
Western Washington University
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	1,604.8	109,597	254,574	1,604.8	109,597	254,574	0.0	0	0
2005-07 Maintenance Level	1,692.8	115,926	282,816	1,692.8	116,781	283,718	0.0	-855	-902
Policy Changes:									
1. General Enrollments	15.5	1,981	1,981	11.0	1,987	1,987	4.5	-6	-6
2. Pension Gain Sharing	0.0	0	0	0.0	-241	-288	0.0	241	288
3. Projected Unit Credit - OSA #	0.0	0	0	0.0	-1,356	-1,608	0.0	1,356	1,608
4. Pension Savings in Salary Items #	0.0	0	0	0.0	-6	-6	0.0	6	6
5. Super Coalition Health Benefits	0.0	1,209	1,467	0.0	1,209	1,470	0.0	0	-3
6. Classification Revisions	0.0	75	75	0.0	75	75	0.0	0	0
7. COLA-Nonrepresented	0.0	4,720	5,314	0.0	4,720	5,314	0.0	0	0
8. Nonrepresented Health Benefit Chnge	0.0	1,716	2,029	0.0	259	300	0.0	1,457	1,729
9. Salary Survey-Nonrep Staff	0.0	210	236	0.0	210	236	0.0	0	0
10. General Inflation	0.0	-26	-686	0.0	-26	-686	0.0	0	0
11. Maintenance and Operations Shift	0.0	-800	-800	0.0	-800	-800	0.0	0	0
12. Bargaining Unit A - WFSE/Clerical	0.0	347	511	0.0	347	511	0.0	0	0
13. Bargaining Unit B - WFSE/Trades	0.0	358	358	0.0	358	358	0.0	0	0
14. Bargaining Unit C-WPEA/Professional	0.0	430	607	0.0	430	607	0.0	0	0
15. Bargaining Unit E - WFSE/Sup Unit B	0.0	38	38	0.0	38	38	0.0	0	0
16. Pension Policy Adjustment	0.0	-368	-557	0.0	0	0	0.0	-368	-557
17. Non-Instruction Reduction	0.0	-419	-419	0.0	0	0	0.0	-419	-419
18. Tuition Rate Increase	0.0	-4,198	4,199	0.0	0	0	0.0	-4,198	4,199
Total Policy Changes	15.5	5,273	14,353	11.0	7,204	7,508	4.5	-1,931	6,845
Total 2005-07 Biennium	1,708.3	121,199	297,169	1,703.8	123,985	291,226	4.5	-2,786	5,943
Difference from 2003-05	103.5	11,602	42,595	99.0	14,388	36,652	4.5	-2,786	5,943
% Change from 2003-05	6.4%	10.6%	16.7%	6.2%	13.1%	14.4%			

Comments:

1. General Enrollments - Both the Governor and the proposed Senate budget provide funding to expand state-supported general enrollment slots by 240 student full-time equivalents, 120 in each year of the biennium.

2005-07 Omnibus Operating Budget Western Washington University

2. Pension Gain Sharing - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

3. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

4. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

5. Super Coalition Health Benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

6. Classification Revisions - Funding is provided to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group 2 and Group 3 of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium.

7. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

8. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

9. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

10. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

11. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 Biennial Budget, an additional amount of the maintenance and operations budget for Western Washington University is moved from the General Fund to the Education Construction Account.

2005-07 Omnibus Operating Budget Western Washington University

12. Bargaining Unit A - WFSE/Clerical - Compensation request amounts will be submitted as an update to Western's September 1, 2004 budget submittal to OFM, after bargaining processes have ended and upon OFM director certification of Western's bargained agreements.

13. Bargaining Unit B - WFSE/Trades - Compensation request amounts will be submitted as an update to Western's September 1, 2004 budget submittal to OFM, after bargaining processes have ended and upon OFM director certification of Western's bargained agreements.

14. Bargaining Unit C-WPEA/Professional - Compensation request amounts will be submitted as an update to Western's September 1, 2004 budget submittal to OFM, after bargaining processes have ended and upon OFM director certification of Western's bargained agreements.

15. Bargaining Unit E - WFSE/Sup Unit B - Compensation request amounts will be submitted as an update to Western's September 1, 2004 budget submittal to OFM, after bargaining processes have ended and upon OFM director certification of Western's bargained agreements.

16. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

17. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

18. Tuition Rate Increase - The proposed Senate budget assumes tuition increases of 6% each year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made.

2005-07 Omnibus Operating Budget
Community & Technical College System
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	13,927.2	1,033,854	1,904,155	13,927.2	1,033,854	1,904,155	0.0	0	0
2005-07 Maintenance Level	15,345.4	1,095,032	2,040,854	15,374.0	1,104,199	2,050,504	-28.7	-9,167	-9,650
Policy Changes:									
1. Enrollment Increase	0.0	21,515	21,515	94.5	25,935	25,935	-94.5	-4,420	-4,420
2. Adult Basic Education	0.0	4,000	4,000	0.0	4,000	4,000	0.0	0	0
3. Pension Gain Sharing #	0.0	0	0	0.0	-2,160	-2,637	0.0	2,160	2,637
4. Projected Unit Credit - OSA #	0.0	0	0	0.0	-11,097	-13,736	0.0	11,097	13,736
5. Pension Savings in Salary Items #	0.0	0	0	0.0	-118	-173	0.0	118	173
6. WPEA COLA/Salary Survey	0.0	4,568	6,470	0.0	4,568	6,470	0.0	0	0
7. Super Coalition Health benefits	0.0	8,822	11,039	0.0	8,196	10,393	0.0	626	646
8. WFSE COLA/Salary Survey	0.0	5,251	7,213	0.0	5,251	7,213	0.0	0	0
9. Classification Revisions	0.0	119	125	0.0	119	125	0.0	0	0
10. COLA-Nonrepresented	0.0	18,226	21,577	0.0	18,226	21,577	0.0	0	0
11. Nonrepresented Health Benefit Chnge	0.0	13,716	15,547	0.0	3,091	3,500	0.0	10,625	12,047
12. Salary Survey-Nonrep Staff	0.0	635	839	0.0	635	839	0.0	0	0
13. General Inflation	0.0	-1,284	-5,593	0.0	-1,284	-5,593	0.0	0	0
14. SW WA Allied Health Consortium	0.0	100	100	0.0	0	0	0.0	100	100
15. Job Skills Program	0.0	0	6,000	0.0	0	0	0.0	0	6,000
16. Faculty Increments	0.0	1,800	1,800	0.0	1,800	1,800	0.0	0	0
17. Part-Time Faculty Equity	0.0	1,800	1,800	0.0	1,800	1,800	0.0	0	0
18. High-Demand Enrollments	0.0	8,720	11,720	0.0	0	0	0.0	8,720	11,720
19. Maintenance and Operations Shift	0.0	-5,048	-5,048	0.0	-5,048	-5,048	0.0	0	0
20. Operating Costs/Exist Capital Proj	3.8	1,117	1,117	0.0	0	0	3.8	1,117	1,117
21. Pension Policy Adjustment	0.0	-2,656	-4,617	0.0	0	0	0.0	-2,656	-4,617
22. Non-Instruction Reduction	0.0	-4,612	-4,612	0.0	0	0	0.0	-4,612	-4,612
23. Tuition Rate Increase	0.0	-18,297	17,214	0.0	0	0	0.0	-18,297	17,214
Total Policy Changes	3.8	58,492	108,206	94.5	53,914	56,465	-90.7	4,578	51,741
Total 2005-07 Biennium	15,349.2	1,153,524	2,149,060	15,468.5	1,158,113	2,106,969	-119.4	-4,589	42,091
Difference from 2003-05	1,422.0	119,670	244,905	1,541.3	124,259	202,814	-119.4	-4,589	42,091
% Change from 2003-05	10.2%	11.6%	12.9%	11.1%	12.0%	10.7%			

2005-07 Omnibus Operating Budget Community & Technical College System

Comments:

1. Enrollment Increase - The proposed Senate budget provides funding for 3,143 new general enrollments and assumes a state general fund subsidy of \$4,563 per year per new FTE enrollment.

The Governor proposes 1,644 new student FTEs in Fiscal Year 2006 and 1,899 new student FTEs in Fiscal Year 2007 for a total of 3,533 new student FTEs. A minimum of 100 of these FTEs must be reserved for high-demand fields.

2. Adult Basic Education - The Senate proposed budget provides funding to strengthen and expand Adult Basic Education programs at the state community and technical colleges.

3. Pension Gain Sharing # - The Governor removes prefunding for pension gain sharing. This reduction is not taken in the Senate budget.

4. Projected Unit Credit - OSA # - The Governor makes adjustments to reflect moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

This reduction is not taken in the Senate budget.

5. Pension Savings in Salary Items # - The Governor reduces the cost of providing cost-of-living and other salary adjustments to reflect the lower pension contribution rates under the projected unit credit method. This reduction is not taken in the Senate budget.

6. WPEA COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association. It provides a cost of living adjustment of 3.2 percent on July 1, 2005 and 1.6% on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation.

7. Super Coalition Health benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

8. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees. It provides a cost of living adjustment of 3.2 percent on July 1, 2005 and 1.6% on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation.

9. Classification Revisions - Funding is provided to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group 2 and Group 3 of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium.

2005-07 Omnibus Operating Budget Community & Technical College System

10. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

11. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

12. Salary Survey-Nonrep Staff - Funding is provided for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey.

13. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

14. SW WA Allied Health Consortium - The proposed Senate budget provides funding to establish a southwest Washington allied health and human services educational consortium at Washington State University-Vancouver, Clark College and Lower Columbia College. Clark College will serve as the fiscal agent for the consortium. The consortium will define the regional education and training priorities for the health and human services industry and report to the state legislature recommendations for meeting the growth needs of southwest Washington.

15. Job Skills Program - The Job Skills Program is funded with federal Reed Act monies. Funds will be matched by employers as part of the requirements of the Job Skills Program. (Administrative Contingency Account)

16. Faculty Increments - Funding is provided to pay salary increments for community and technical college faculty who qualify through continuing education and/or experience.

17. Part-Time Faculty Equity - Currently, part-time faculty at community and technical colleges receive less than 60 percent of what full-time faculty make for the same number of hours taught. The Senate proposed budget provides funding to increase the part-time salary schedule to close that gap.

18. High-Demand Enrollments - The proposed Senate budget provides funding for 977 high demand enrollments at a state subsidy rate of \$8,000 per FTE enrollment per year. Funding from the administrative contingency account is provided for one-time start-up costs. The Governor proposes 200 high demand enrollments as part of general enrollment increase.

(General Fund-State, Administrative Contingency Account-State)

2005-07 Omnibus Operating Budget Community & Technical College System

19. Maintenance and Operations Shift - In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for the community and technical colleges is moved from the General Fund to the Education Construction Account.

20. Operating Costs/Exist Capital Proj - Funding is provided for the maintenance and operations costs, including utilities and janitorial services, of new or renovated facilities that will be occupied before June 30, 2007.

21. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

22. Non-Instruction Reduction - The Senate proposed budget makes a 1% general fund-state reduction to all non-instruction programs.

23. Tuition Rate Increase - The proposed Senate budget assumes tuition increases of 5% each year of the biennium. Of the total tuition revenue, from both new enrollments and the authorized increase, a 50% reduction in GF-S is made. (General Fund-State, Higher Education Operating Fees Account-State Non-appropriated)

2005-07 Omnibus Operating Budget
State School for the Blind
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	82.2	9,377	10,712	82.2	9,377	10,712	0.0	0	0
2005-07 Maintenance Level	82.0	9,933	11,269	82.0	9,930	11,266	0.0	3	3
Policy Changes:									
1. Middle Management Reduction	-0.6	-55	-55	-0.6	-55	-55	0.0	0	0
2. General Inflation	0.0	-34	-35	0.0	-34	-35	0.0	0	0
3. Distance Learning	1.0	210	210	1.0	210	210	0.0	0	0
Total Policy Changes	0.5	121	120	0.5	121	120	0.0	0	0
Total 2005-07 Biennium	82.5	10,054	11,389	82.5	10,051	11,386	0.0	3	3
Difference from 2003-05	0.3	677	677	0.3	674	674	0.0	3	3
% Change from 2003-05	0.0%	7.2%	6.3%	0.0%	7.2%	6.3%			

Comments:

- 1. Middle Management Reduction** - Middle management positions are reduced.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 3. Distance Learning** - Accessibility to specialized classes and training can be very difficult for individuals with visual disabilities. Funding is provided to expand access to specialized training throughout Washington through the use of current and future technology.

2005-07 Omnibus Operating Budget
State School for the Deaf
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	124.4	15,299	15,531	124.4	15,299	15,531	0.0	0	0
2005-07 Maintenance Level	124.2	16,654	16,886	124.2	16,651	16,883	0.0	3	3
Policy Changes:									
1. Middle Management Reduction	-0.6	-55	-55	-0.6	-55	-55	0.0	0	0
2. General Inflation	0.0	-64	-64	0.0	-64	-64	0.0	0	0
Total Policy Changes	-0.6	-119	-119	-0.6	-119	-119	0.0	0	0
Total 2005-07 Biennium	123.7	16,535	16,767	123.7	16,532	16,764	0.0	3	3
Difference from 2003-05	-0.8	1,236	1,236	-0.8	1,233	1,233	0.0	3	3
% Change from 2003-05	0.0%	8.1%	8.0%	0.0%	8.1%	7.9%			

Comments:

1. Middle Management Reduction - Middle management positions are reduced.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Work Force Training & Education Coordinating Board
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	22.8	3,303	57,605	22.8	3,303	57,605	0.0	0	0
2005-07 Maintenance Level	22.8	3,385	57,737	22.8	3,385	57,737	0.0	0	0
Policy Changes:									
1. WFSE COLA/Salary Survey	0.0	25	43	0.0	0	0	0.0	25	43
2. Super Coalition Health Benefits	0.0	15	25	0.0	0	0	0.0	15	25
3. COLA-Nonrepresented	0.0	46	80	0.0	0	0	0.0	46	80
4. Nonrepresented Health Benefit Chnge	0.0	11	20	0.0	0	0	0.0	11	20
5. General Inflation	0.0	-19	-26	0.0	-19	-26	0.0	0	0
6. Eliminate INTEC	0.0	-968	-968	0.0	0	0	0.0	-968	-968
7. Pension Policy Adjustment	0.0	-46	-80	0.0	0	0	0.0	-46	-80
Total Policy Changes	0.0	-936	-906	0.0	-19	-26	0.0	-917	-880
Total 2005-07 Biennium	22.8	2,449	56,831	22.8	3,366	57,711	0.0	-917	-880
Difference from 2003-05	0.0	-854	-774	0.0	63	106	0.0	-917	-880
% Change from 2003-05	0.0%	-25.9%	-1.3%	0.0%	1.9%	0.2%			

Comments:

1. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees. It provides a cost of living adjustment of 3.2 percent on July 1, 2005 and 1.6% on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, General Fund-Federal)

2. Super Coalition Health Benefits - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

3. COLA-Nonrepresented - The Senate proposed budget provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

2005-07 Omnibus Operating Budget Work Force Training & Education Coordinating Board

4. Nonrepresented Health Benefit Chnge - The Senate proposed budget appropriates sufficient funding to provide the same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007.

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Eliminate INTEC - The Inland Northwest Technology Center (INTEC) program is eliminated. INTEC provides state funds for economic development through public-private partnerships for business generation and development through the Inland Northwest Technology Education Center.

7. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gain sharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS) are modified to require legislative approval of gain sharing disbursements and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS.

2005-07 Omnibus Operating Budget
Washington State Arts Commission
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	16.6	4,527	5,553	16.6	4,527	5,553	0.0	0	0
2005-07 Maintenance Level	16.6	4,625	5,926	16.6	4,627	5,928	0.0	-2	-2
Policy Changes:									
1. General Inflation	0.0	-10	-11	0.0	-10	-11	0.0	0	0
2. Art Acquisition	1.0	0	0	1.0	0	0	0.0	0	0
3. Art Programs	0.0	0	200	0.0	0	0	0.0	0	200
Total Policy Changes	1.0	-10	189	1.0	-10	-11	0.0	0	200
Total 2005-07 Biennium	17.6	4,615	6,115	17.6	4,617	5,917	0.0	-2	198
Difference from 2003-05	1.0	88	562	1.0	90	364	0.0	-2	198
% Change from 2003-05	5.9%	1.9%	10.1%	5.9%	2.0%	6.6%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Art Acquisition - The Senate budget authorizes an additional project manager for public arts programs for the 05-07 biennium to handle increased capital budget activity. The position will be funded through the capital budget, under the allocations for public arts programs' indirect administrative costs.

3. Art Programs - The Senate budget appropriates funding for the commission to increase quality art programs in the state. If Senate Bill No. 5287, tax on cardrooms, is not enacted funding will lapse. (Public Benefit Account-State)

2005-07 Omnibus Operating Budget
Washington State Historical Society
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	51.4	4,918	7,698	51.4	4,918	7,698	0.0	0	0
2005-07 Maintenance Level	49.4	5,297	7,186	49.4	5,297	7,186	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-26	-72	0.0	-26	-72	0.0	0	0
2. Lewis and Clark Bicentennial	0.5	517	517	0.0	0	0	0.5	517	517
3. Women's History Consortium	2.0	197	197	0.0	0	0	2.0	197	197
Total Policy Changes	2.5	688	642	0.0	-26	-72	2.5	714	714
Total 2005-07 Biennium	51.9	5,985	7,828	49.4	5,271	7,114	2.5	714	714
Difference from 2003-05	0.5	1,067	130	-2.0	353	-584	2.5	714	714
% Change from 2003-05	2.0%	21.7%	1.7%	-3.9%	7.2%	-7.6%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Lewis and Clark Bicentennial - The Senate budget appropriates one-time funding and an FTE to coordinate and fund programs related to the Lewis and Clark bicentennial commemoration. Corps of Discovery II, a national travelling exhibit, will travel through Clarkston, Dayton, Kennewick, Stevenson, Toppenish, Vancouver, and Pacific County. The Senate budget also appropriates one-time funding for reimbursement of costs incurred by county law enforcement agencies from providing additional security for events.

3. Women's History Consortium - Senate Bill No. 5707 establishes a Women's History Consortium, to be housed at the Washington State Historical Society. The Senate budget provides funding for staff, travel, supplies, and equipment necessary to implement the legislation.

2005-07 Omnibus Operating Budget
Eastern Washington State Historical Society
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	23.5	2,926	2,926	23.5	2,926	2,926	0.0	0	0
2005-07 Maintenance Level	37.3	3,112	5,887	37.3	3,112	5,887	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-11	-32	0.0	-11	-32	0.0	0	0
Total Policy Changes	0.0	-11	-32	0.0	-11	-32	0.0	0	0
Total 2005-07 Biennium	37.3	3,101	5,855	37.3	3,101	5,855	0.0	0	0
Difference from 2003-05	13.8	175	2,929	13.8	175	2,929	0.0	0	0
% Change from 2003-05	54.2%	6.0%	100.1%	54.2%	6.0%	100.1%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
Bond Retirement and Interest
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	1,236,903	1,438,962	0.0	1,236,903	1,438,962	0.0	0	0
2005-07 Maintenance Level	0.0	1,389,422	1,574,575	0.0	1,389,422	1,574,575	0.0	0	0
Policy Changes:									
1. New Debt 2005-07 Capital Budget	0.0	27,200	27,200	0.0	25,200	25,200	0.0	2,000	2,000
2. General Inflation	0.0	-14	-171	0.0	-14	-171	0.0	0	0
Total Policy Changes	0.0	27,186	27,029	0.0	25,186	25,029	0.0	2,000	2,000
Total 2005-07 Biennium	0.0	1,416,608	1,601,604	0.0	1,414,608	1,599,604	0.0	2,000	2,000
Difference from 2003-05	0.0	179,705	162,642	0.0	177,705	160,642	0.0	2,000	2,000
% Change from 2003-05	0.0%	14.5%	11.3%	0.0%	14.4%	11.2%			

Comments:

1. New Debt 2005-07 Capital Budget - Debt service and bond sale expenses will be incurred for new debt issued to fund the 2005-07 Biennium capital plan proposed by the Senate.

2005-07 Omnibus Operating Budget
Special Appropriations to the Governor
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	45,624	108,420	0.0	45,624	108,420	0.0	0	0
2005-07 Maintenance Level	0.0	18,800	22,800	0.0	22,800	26,800	0.0	-4,000	-4,000
Policy Changes:									
1. Sex Offender Sentencing Impact	0.0	837	837	0.0	837	837	0.0	0	0
2. Small Agency Info Technology Pool	0.0	500	500	0.0	500	500	0.0	0	0
3. Capitol Building Construction Acct	0.0	1,600	1,600	0.0	1,600	1,600	0.0	0	0
4. State Purchasing Strategy	0.0	-25,000	-25,000	0.0	-25,000	-25,000	0.0	0	0
5. Base Realignment and Closure Assist	0.0	0	0	0.0	300	300	0.0	-300	-300
6. Life Science #	0.0	150	150	0.0	500	500	0.0	-350	-350
7. County Public Health Assistance	0.0	0	48,000	0.0	0	0	0.0	0	48,000
8. Extraordinary Criminal Justice Cost	0.0	0	70	0.0	0	0	0.0	0	70
9. Eliminate Double-Filled Positions	0.0	-4,000	-4,000	0.0	0	0	0.0	-4,000	-4,000
10. Public Safety and Education Account	0.0	0	0	0.0	9,676	9,676	0.0	-9,676	-9,676
Total Policy Changes	0.0	-25,913	22,157	0.0	-11,587	-11,587	0.0	-14,326	33,744
Total 2005-07 Biennium	0.0	-7,113	44,957	0.0	11,213	15,213	0.0	-18,326	29,744
Difference from 2003-05	0.0	-52,737	-63,463	0.0	-34,411	-93,207	0.0	-18,326	29,744
% Change from 2003-05	0.0%	-115.6%	-58.5%	0.0%	-75.4%	-86.0%			

Comments:

1. Sex Offender Sentencing Impact - In 2004, the Legislature passed House Bill 2400 (Chapter 176, Laws of 2004), which makes improvements to the Special Sex Offender Sentencing Alternative and imposes a new requirement on counties. Funding is provided to counties to pay for increased jail time and annual hearings after release for special sex offenders. The distribution to counties will be based on a formula provided by the Sentencing Guidelines Commission.

2. Small Agency Info Technology Pool - In the 2005-07 Biennium, the Small Agency Initiative, a partnership between the Department of Information Services, Department of General Administration, and Office of Financial Management, will continue its work to address the information technology (IT) technical, security, and facility requirements of small agencies. Funds are provided for deposit into the Data Processing Revolving Account for a Small Agency Information Technology Pool to accomplish the following strategies: IT technical/security and facility assessments; critical IT infrastructure equipment acquisition; and resource-sharing of IT infrastructure through co-location with larger agencies or migration to DIS centralized e-mail and server hosting services.

2005-07 Omnibus Operating Budget Special Appropriations to the Governor

3. Capitol Building Construction Acct - Reduced timber sales (as projected in the November 2004 forecast) result in a revenue shortfall to the Capitol Building Construction Account. This is a one-time transfer. Future timber revenues should generate enough funds to meet the debt service for the Legislative Building and Department of Natural Resources Building.

4. State Purchasing Strategy - A new Strategic Sourcing initiative will enable state government to purchase goods and services in a more cost-effective manner. This effort will include an analysis of all aspects of the state purchasing process.

5. Base Realignment and Closure Assist - The Senate budget does not fund this item.

6. Life Science # - The Life Science Discovery Fund Authority is established by 2SSB 5581 to promote life sciences and related research to be conducted in Washington State. Funding is provided for start-up costs.

7. County Public Health Assistance - Assistance is provided to local public health districts to support essential public health services. The Department of Community, Trade and Economic Development will distribute funds to local public health jurisdictions. (Health Services Account-State)

8. Extraordinary Criminal Justice Cost - Funding is provided to assist a county experiencing extraordinary costs in a criminal justice case.

9. Eliminate Double-Filled Positions - This reduction reflects General Fund-State savings resulting from the elimination of agency exempt employee positions that have been double-filled by two or more employees. The Director of Financial Management shall reduce agency allotments to reflect the savings.

10. Public Safety and Education Account - Instead of an appropriation to the Public Safety and Education Account (PSEA), the Senate budget transfers \$19 million from the General Fund-State to the PSEA.

2005-07 Omnibus Operating Budget
Sundry Claims
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	82	477	0.0	82	477	0.0	0	0
2005-07 Maintenance Level	0.0	3	18	0.0	3	18	0.0	0	0
Policy Changes:									
1. General Inflation	0.0	-3	-18	0.0	-3	-18	0.0	0	0
Total Policy Changes	0.0	-3	-18	0.0	-3	-18	0.0	0	0
Total 2005-07 Biennium	0.0	0	0	0.0	0	0	0.0	0	0
Difference from 2003-05	0.0	-82	-477	0.0	-82	-477	0.0	0	0
% Change from 2003-05	0.0%	-100.0%	-100.0%	0.0%	-100.0%	-100.0%			

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2005-07 Omnibus Operating Budget
State Employee Compensation Adjustments
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	6	-2,529	0.0	6	-2,529	0.0	0	0
2005-07 Maintenance Level	0.0	24,480	35,346	0.0	15,248	15,248	0.0	9,232	20,098
Policy Changes:									
1. Pension Gain Sharing #	0.0	0	0	0.0	-15,248	-15,248	0.0	15,248	15,248
2. Projected Unit Credit - OSA #	0.0	0	0	0.0	-90,078	-172,215	0.0	90,078	172,215
3. Pension Savings In Salary Items #	0.0	0	0	0.0	-1,202	-2,307	0.0	1,202	2,307
4. WFSE COLA/Salary Survey	0.0	53,428	117,229	0.0	53,428	117,229	0.0	0	0
5. WPEA COLA/Salary Survey	0.0	4,609	10,528	0.0	4,609	10,528	0.0	0	0
6. Teamsters' COLA/Salary Survey	0.0	20,938	20,941	0.0	20,938	20,941	0.0	0	0
7. UFCW COLA/Salary Survey	0.0	0	1,138	0.0	0	1,138	0.0	0	0
8. Local 17 COLA/Salary Survey	0.0	241	241	0.0	241	241	0.0	0	0
9. 1199 COLA/Sal Surv/Addtl Step	0.0	3,916	5,678	0.0	3,916	5,678	0.0	0	0
10. Coalition COLA/Salary Survey	0.0	1,627	5,183	0.0	1,627	5,183	0.0	0	0
11. Super Coalition Health Benefits	0.0	59,108	104,524	0.0	57,764	104,426	0.0	1,344	98
12. Classification Revisions	0.0	1,710	2,976	0.0	1,710	2,976	0.0	0	0
13. COLA-Nonrepresented	0.0	32,782	67,825	0.0	32,782	67,825	0.0	0	0
14. Nonrepresented Health Benefit Chnge	0.0	9,754	19,119	0.0	2,241	4,485	0.0	7,513	14,634
15. Salary Survey-Nonrep Staff	0.0	8,581	16,807	0.0	8,581	16,807	0.0	0	0
16. Pension Policy Adjustment	0.0	-54,600	-104,080	0.0	0	0	0.0	-54,600	-104,080
Total Policy Changes	0.0	142,094	268,109	0.0	81,309	167,687	0.0	60,785	100,422
Total 2005-07 Biennium	0.0	166,574	303,455	0.0	96,557	182,935	0.0	70,017	120,520
Difference from 2003-05	0.0	166,568	305,984	0.0	96,551	185,464	0.0	70,017	120,520
% Change from 2003-05	0.0%	2776133.3%	-12099.0%	0.0%	1609183.3%	-7333.5%			

Comments:

4. WFSE COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

2005-07 Omnibus Operating Budget State Employee Compensation Adjustments

5. WPEA COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

6. Teamsters' COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the International Brotherhood of Teamsters. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 2.9 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, Public Safety and Education Account-State)

7. UFCW COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the United Food and Commercial Workers. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. (Liquor Revolving Account-State)

8. Local 17 COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the International Federation of Professional and Technical Engineers Local 17. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State)

9. 1199 COLA/Sal Surv/Addt'l Step - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Service Employees International Union 1199. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Funding is also provided to implement changes to the salary grid, including an extra step added to salary range "N." (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

10. Coalition COLA/Salary Survey - The Senate budget provides funding to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Coalition of employee unions with fewer than 500 members. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind the market rate of compensation. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

11. Super Coalition Health Benefits - The Senate budget provides sufficient funding to provide same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007. The employer funding rate for non-represented employees will be \$663/month in FY 2006. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be set at \$618 per month in FY 2007. The actual state cost paid from the insurance account per employee will be the same for represented and non-represented employees. The Senate intends to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. If actual costs increase more than expected, the Senate intends to make additional funds available in order to cover the additional cost of inflation up to a maximum of 11 percent. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

2005-07 Omnibus Operating Budget State Employee Compensation Adjustments

12. Classification Revisions - The Senate budget provides funding to continue to phase in the classification consolidation and revisions required by the Public Service Reform Act of 2002. Group Two and Group Three of the Department of Personnel's classification plan are to be consolidated during the 2005-07 biennium. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

13. COLA-Nonrepresented - The Senate budget provides funding to give cost-of-living adjustments of 3.2 percent on July 1, 2005 and 1.6 percent on July 1, 2006 to non-represented employees. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

14. Nonrepresented Health Benefit Chnge - The Senate budget provides sufficient funding to provide same health benefit package and level of cost-sharing during the 2005-07 biennium for both represented and non-represented employees. The employer funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for FY 2006 and \$744/month for FY 2007. The employer funding rate for non-represented employees will be \$663/month in FY 2006. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be set at \$618 per month in FY 2007. The actual state cost paid from the insurance account per employee will be the same for represented and non-represented employees. The Senate intends to hold the average employee contribution to 12 percent of the total cost of the medical benefit based on a projected annual rate of inflation of 8.5 percent. If actual costs increase more than expected, the Senate intends to make additional funds available in order to cover the additional cost of inflation up to a maximum of 11 percent. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

15. Salary Survey-Nonrep Staff - The Senate budget provides funding for salary increases for those job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

16. Pension Policy Adjustment - Funding levels are adjusted to reflect the Senate's pension funding policy proposal, under which the statutes related to the gainsharing benefits in Plans 1 and 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) are modified to require legislative approval of gain sharing payments and allow recognition of future benefit costs at the time of disbursement. Employer contributions toward the unfunded liabilities in Plan 1 of PERS and TRS are also suspended during the 2005-07 biennium. As a result of these changes, employer contribution rates for the fiscal biennium are 3.38 percent of pay for PERS, 2.74 percent of pay for TRS, and 3.51 percent of pay for SERS. (General Fund-State, General Fund-Federal, General Fund-Local, other funds)

2005-07 Omnibus Operating Budget
Contributions to Retirement Systems
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	54,660	54,660	0.0	54,660	54,660	0.0	0	0
2005-07 Maintenance Level	0.0	81,400	81,400	0.0	81,400	81,400	0.0	0	0
Total 2005-07 Biennium	0.0	81,400	81,400	0.0	81,400	81,400	0.0	0	0
Difference from 2003-05	0.0	26,740	26,740	0.0	26,740	26,740	0.0	0	0
% Change from 2003-05	0.0%	48.9%	48.9%	0.0%	48.9%	48.9%			

Comments:

2005-07 Omnibus Operating Budget
Other Legislation
(Dollars in Thousands)

	Senate Ways & Means Chair			Governor Gregoire Proposed			Difference		
	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B	FTEs	GF-S	Tot-B
2003-05 Estimated Expenditures	0.0	0	0	0.0	0	0	0.0	0	0
2005-07 Maintenance Level	0.0	0	0	0.0	0	0	0.0	0	0
Policy Changes:									
1. Postpartum Depression - SB 5898	0.0	25	25	0.0	0	0	0.0	25	25
2. Small Business Assistance -SSB 5902	0.0	45	45	0.0	0	0	0.0	45	45
Total Policy Changes	0.0	70	70	0.0	0	0	0.0	70	70
Total 2005-07 Biennium	0.0	70	70	0.0	0	0	0.0	70	70
Difference from 2003-05	0.0	70	70	0.0	0	0	0.0	70	70
% Change from 2003-05	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Postpartum Depression - SB 5898 - Senate Bill 5898 appropriates one-time funding to the Governor's Council for the Prevention of Child Abuse & Neglect for a public information and outreach program regarding significance, signs, and treatment of postpartum depression.

2. Small Business Assistance -SSB 5902 - Substitute Senate Bill 5902 appropriates one-time funding to the Department of Community, Trade, & Economic Development to establish a small business innovation research assistance program at the Washington Technology Center.