

Higher Education

Community and Technical College System

The community and technical colleges are provided \$750,000 General Fund-State to develop system-wide on-line catalogs for distance learning and other admissions information. Students will be able to access distance education course openings available at any community or technical college in the state.

The sum of \$1.65 million is provided to replace failing roofs at Columbia Basin College, to enable a new facility at Cascadia College to open a year early and state support to maintain and operate facilities built by colleges with certificates of participation, whose construction was approved by the Legislature.

The community college districts have access to a centralized reserve pool of funds to provide for emergent needs of students with disabilities. Additional funding in the amount of \$500,000 General Fund-State is provided to ensure that the reserve pool is sufficient to meet extraordinary demand through the school year.

University of Washington

The budget pays for a portion (\$375,000 General Fund-State) of the University of Washington's connection to the Internet, which is used by faculty and students and was formerly funded by the National Science Foundation.

To respond to the rising cost of health care insurance premiums and to maintain reasonable levels of co-payments, additional state funds in the amount of \$450,000 General Fund-State are provided for graduate assistant health insurance coverage. The University is expected to match this appropriation, in partnership with the state, to provide compensation to graduate research and teaching assistants.

Washington State University

The sum of \$450,000 General Fund-State is provided for the University to conduct research activities related to biotechnology and health sciences for potential commercialization activities of the Spokane Intercollegiate Research and Technology Institute (SIRTI). In addition, \$425,000 of state funds is also added to the Department of Community, Trade, and Economic Development budget for SIRTI to support its commercialization activities.

The budget provides \$3.6 million from the Education Construction Fund to Washington State University to support the permanent replacement of a steam boiler, and to assess the campus-wide heating system for its viability and need for further modern upgrades.

At the request of Washington State University, budgeted enrollments for Pullman, Spokane, Vancouver, and Tri-Cities campuses are lowered, resulting in savings of \$1.4 million to the General Fund.

Eastern Washington University

Funding in the amount of \$482,000 General Fund-State is provided for 100 additional enrollments in the 2000-01 academic year based on continued increases in students seeking access to the University.

Higher Education Coordinating Board

Funding for Washington Promise scholarships for high-performing students is increased by \$2.4 million General Fund-State so awards are closer to full-time community college tuition for the 2000-01 academic year. Eligibility is expanded to include home-schooled students, and makes it possible for any young person to qualify academically by scoring 1200 or higher on their first attempt at the Scholastic Aptitude Test.

The budget also provides \$1.0 million General Fund-State for scholarship loans of up to \$4,000 per year to encourage classified K-12 employees to become classroom teachers, particularly in shortage areas identified by the Superintendent of Public Instruction. Loans made by the Higher Education Coordinating Board can be repaid by teaching in Washington public schools.

Enrollment Growth Adjustment

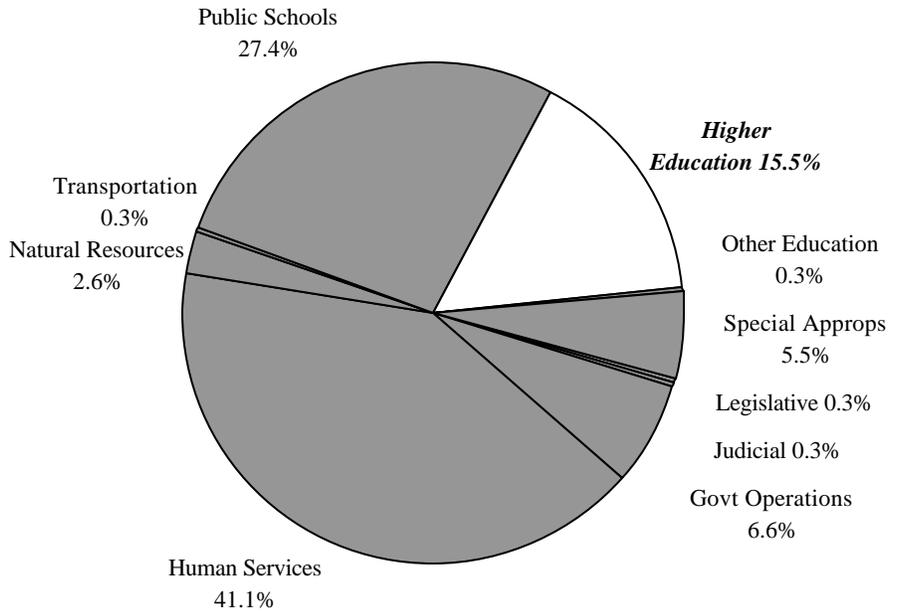
The budget directs the Office of Financial Management to hold and release state money as new FTE students appear during the 2000-01 academic year for Western Washington University, Central Washington University and at the Bothell and Tacoma campuses of the University of Washington. This is in response to shortfalls in actual enrollments relative to budgeted enrollments at most state universities. Money subject to this provision that is not realized by a university lapses to the Education Savings Account at the close of the biennium.

1999-01 Washington State Operating Budget

Total Budgeted Funds

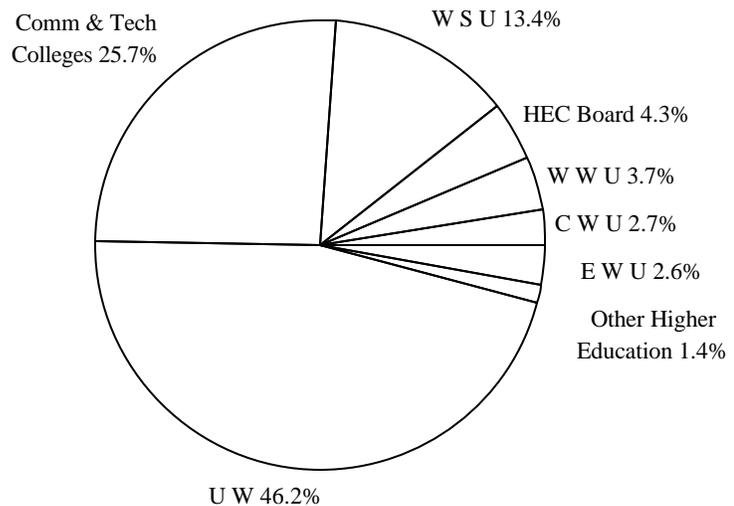
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

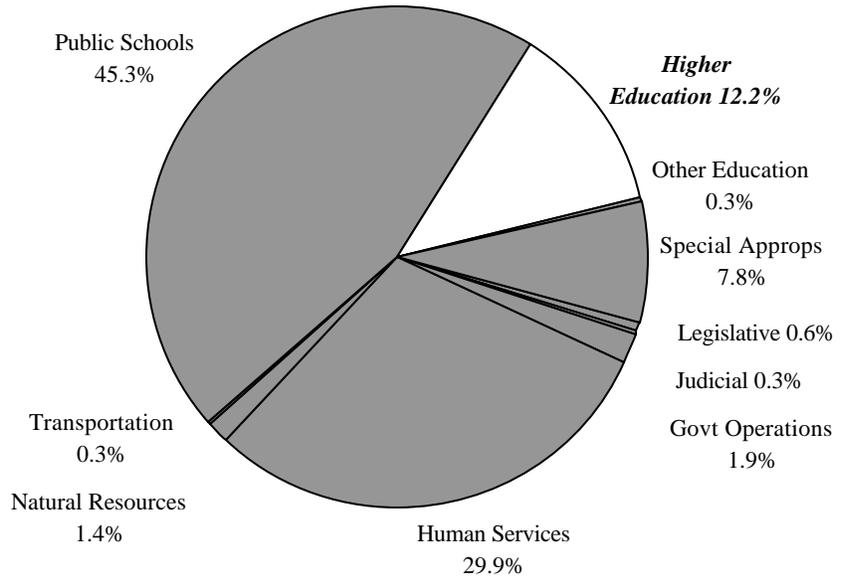
Univ of Washington	2,712,042
Community/Tech Colleges	1,509,346
Washington State Univ	789,187
Higher Ed Coord Bd	250,835
Western Washington Univ	219,672
Central Washington Univ	155,959
Eastern Washington Univ	153,469
Other Higher Education	84,837
Higher Education	5,875,347



Higher Education

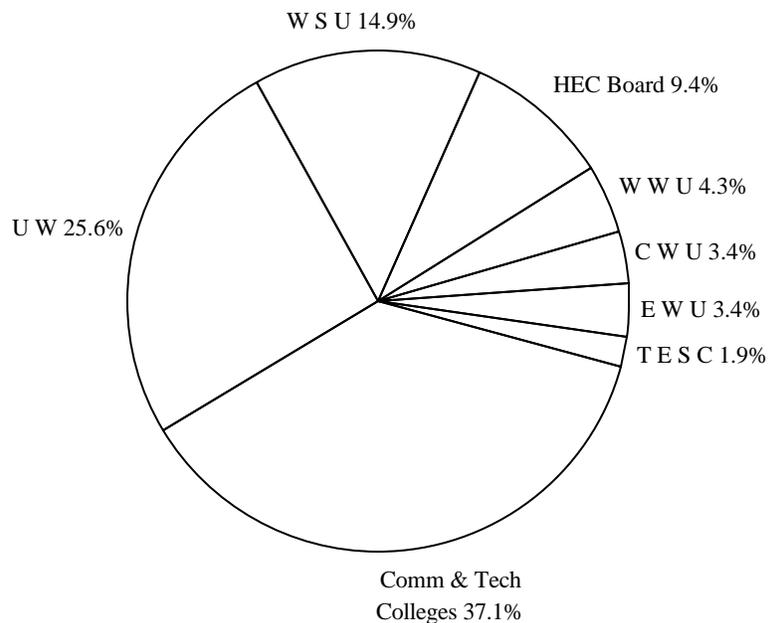
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Community/Tech Colleges	945,968
Univ of Washington	651,947
Washington State Univ	379,970
Higher Ed Coord Bd	240,637
Western Washington Univ	109,807
Central Washington Univ	86,786
Eastern Washington Univ	85,539
The Evergreen State Coll	47,147
Higher Education	2,547,801



Higher Education

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment							Budgeted	
	1992-93	1993-94 ^{1,2}	1994-95 ¹	1995-96 ¹	1996-97 ¹	1997-98 ¹	1998-99 ¹	1999-00	2000-01
Community & Technical Colleges	107,115	111,035	113,609	118,075	118,653	117,925	121,302	120,529	123,362
General Enrollment ⁽³⁾	107,115	111,035	113,609	109,907	111,129	110,808	114,885	113,329	116,132
Dislocated Workers ⁽³⁾	0	0	0	8,168	7,524	7,117	6,417	7,200	7,200
Two-plus-Two	0	0	0	0	0	0	0	0	30
Four-Year Schools	74,481	76,411	77,305	77,977	79,435	80,458	81,814	83,277	84,655
University of Washington	31,210	31,341	31,493	31,811	32,858	33,398	33,592	34,063	34,688
Washington State University	16,685	17,467	18,007	18,425	18,594	18,584	19,148	19,519	19,787
Eastern Washington University	7,533	7,635	7,605	7,364	6,945	6,907	7,244	7,739	7,839
Central Washington University	6,588	7,339	7,337	7,339	7,448	7,474	7,471	7,670	7,867
The Evergreen State College	3,326	3,282	3,377	3,387	3,489	3,728	3,822	3,638	3,713
Western Washington University	9,139	9,347	9,486	9,651	10,101	10,367	10,537	10,648	10,761
HECB Timber Workers	21	63	104	118	139	148	177	50	50
HECB High Demand Pool									550
Total Higher Education	181,617	187,509	191,018	196,170	198,227	198,531	203,293	203,856	208,617

(1) Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

(2) Enrollment caps were eliminated in 1993-94.

(3) General Enrollment includes technical college and Distressed Economic Community program enrollments. For 1993-94 and 1994-95, actual enrollment includes dislocated worker FTEs funded through the Employment and Training Trust Fund. For 1997-98 and 1998-99, the Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

Data Source :

Community and Technical College data from the State Board for Community and Technical Colleges.

Four Year Schools data from the Higher Education Enrollment Report (HEER) from the OFM Forecasting Division.

HECB Timber Worker data from the Higher Education Coordinating Board (HECB).

Higher Education
Budgeted Enrollment Increases
 By Academic Year

	FTE Student Enrollment				
	Budgeted Level 1998-1999	Increase for 1999-2000	Total Budgeted 1999-2000	Increase for 2000-2001	Total Budgeted 2000-2001
Community & Technical Colleges *	118,526	2,003	120,529	2,833	123,362
Community Colleges	97,100	1,768	98,868	2,568	101,436
Technical Colleges	13,726	235	13,961	235	14,196
Dislocated Workers**	7,200	0	7,200	0	7,200
Timber Workers	500	0	500	0	500
Two-plus-Two	0	0	0	30	30
Four-Year Schools	82,002	1,325	83,327	1,378	84,705
University of Washington	33,414	649	34,063	625	34,688
Seattle	31,527	400	31,927	339	32,266
Bothell	895	98	993	143	1,136
Tacoma	992	151	1,143	143	1,286
Washington State University	19,439	80	19,519	268	19,787
Main	17,272	0	17,272	277	17,549
Spokane	442	30	472	79	551
Tri-Cities	754	0	754	-138	616
Vancouver	971	50	1,021	50	1,071
Eastern Washington University	7,739	0	7,739	100	7,839
Central Washington University	7,446	224	7,670	197	7,867
The Evergreen State College	3,576	62	3,638	75	3,713
Western Washington University	10,338	310	10,648	113	10,761
HECB Timber Workers	50	0	50	0	50
HECB High Demand Pool***	0	0	0	550	550
Total Higher Education	200,528	3,328	203,856	4,761	208,617

* FTE enrollments for the Community & Technical Colleges represent legislatively authorized FTE students; these amounts differ from the actual distribution of FTE enrollments by the State Board for Community & Technical Colleges.

** The State Board for Community and Technical Colleges is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

*** The Higher Education Coordinating Board will allocate enrollments in high demand pool to two- and four-year institutions.

1999-2001 New Tuition and Services and Activities Fee Authority*

	Current Rate 1998-1999	New Rates	
		1999-2000	2000-2001
Research Universities			
Resident Undergraduate	3,381	3,538	3,668
Resident Graduate	5,319	5,566	5,768
Resident Law	5,634	5,892	6,106
Resident MD/DDS/DVM	8,709	9,112	9,440
Nonresident Undergraduate - UW	11,403	11,926	12,356
Nonresident Undergraduate - WSU	10,539	11,026	11,420
Nonresident Graduate	13,365	13,978	14,480
Nonresident Law	14,040	14,688	15,220
Nonresident MD/DDS/DVM	22,137	23,158	23,990
Comprehensive Institutions			
Resident Undergraduate	2,626	2,746	2,845
Resident Graduate	4,204	4,396	4,555
Nonresident Undergraduate	9,319	9,748	10,099
Nonresident Graduate	12,784	13,372	13,852
Community & Technical Colleges			
Resident Undergraduate	1,515	1,585	1,642
Nonresident Undergraduate	5,961	6,235	6,460

* These are average tuition and fees rates by sector; individual institutions may vary slightly from these averages.

Notes:

The budget grants institutions' governing boards the flexibility to increase tuition rates by up to 4.6 percent in 1999-00 and by up to 3.6 percent in 2000-01. The tuition and fee levels above illustrate the maximum amounts that could be set by institutions. Institutions may adopt tuition rates increases that vary by student category. Institutions may also adjust tuition rate based upon time of day, day of week, delivery method, or campus.

Services and activities (S&A) fees included in the figures above are estimated at the highest levels permissible under tuition statutes. S&A fees are set by institutions' governing boards, and they may be increased from one year to the next by a percentage not to exceed the annual percentage increase in student tuition fees for any tuition category. If the institution has dedicated a portion of the S&A fees to repay bonded debt, then that portion of the S&A fees may not be increased.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	942,051	562,964	1,505,015
Total Maintenance Changes	665	-586	79
Policy Changes			
1. Expand Distance Learning	750	0	750
2. Olympic College 2+2 Transfer	425	0	425
3. Enhanced Prescription Benefit	2	0	2
4. HB Trend & UMP Claims	893	0	893
5. Roof Replacement	0	1,000	1,000
6. Facilities Maintenance & Operations	433	0	433
7. Cascadia Phase II - M&O	225	0	225
8. Students With Disabilities	500	0	500
9. Insurance Market Reform Assessments	24	0	24
Total Policy Changes	3,252	1,000	4,252
1999-01 Revised Appropriations	945,968	563,378	1,509,346
Fiscal Year 2000 Total	456,291	278,168	734,459
Fiscal Year 2001 Total	489,677	285,210	774,887

Comments:

1. **Expand Distance Learning** - Provides one-time funds to acquire computer hardware and programming services to lay the foundation for a one-stop distance learning system that students can use to search for available classes and complete other admissions tasks.
2. **Olympic College 2+2 Transfer** - Current level funds and 30 full-time equivalent students for the Olympic Community College (OCC) 2+2 program are transferred from the University of Washington (UW) to the State Board for Community and Technical Colleges. OCC will receive and apply these monies to expand or foster partnerships with accredited baccalaureate institution(s) so that upper division classes continue to be offered locally for place- and time-bound students on the Kitsap Peninsula. The partnership with the UW-Tacoma ended last summer. Any fiscal year adjustments the Board might grant to accommodate OCC this biennium shall not carryforward for the 2001-03 biennium.
3. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
4. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. Finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
5. **Roof Replacement** - Funding is provided to restore failing roof systems at Columbia Basin College. (Education Construction Account)
6. **Facilities Maintenance & Operations** - Funds are provided to maintain facilities financed with certificates of participation (COP) that were considered and approved by the Legislature in prior budgets. State support assumes that current year operating expenses for COP projects have been met, and the State Board for Community and Technical Colleges will redirect available resources (\$334,000 per year) to meet the maintenance and operations (M&O) expenses of other local capital projects not recognized here.
7. **Cascadia Phase II - M&O** - Funds are provided to maintain 36,000 square feet of new space on the Cascadia College campus. Occupancy of the Phase II facilities will be possible as early as July 2000, a year ahead of schedule.

Community & Technical College System

8. **Students With Disabilities** - Additional funding is provided to meet emergent needs by the Community and Technical Colleges for services to assist students with disabilities. Current expenditures are approximately \$1.5 million per year.
9. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	650,906	2,060,198	2,711,104
Total Maintenance Changes	0	0	0
Policy Changes			
1. Olympic College 2+2 Transfer	-425	0	-425
2. Forensic Pathology Vacancy	0	-110	-110
3. Enhanced Prescription Benefit	1	0	1
4. HB Trend & UMP Claims	623	7	630
5. Graduate Student Health Insurance	450	0	450
6. Commodity Internet Connectivity	375	0	375
7. Insurance Market Reform Assessments	17	0	17
Total Policy Changes	1,041	-103	938
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1999-01 Revised Appropriations	651,947	2,060,095	2,712,042
Fiscal Year 2000 Total	316,379	1,025,611	1,341,990
Fiscal Year 2001 Total	335,568	1,034,484	1,370,052

Comments:

Enrollments at the University of Washington (UW) branch campuses are projected to be below budget in Bothell and Tacoma. The Office of Financial Management is directed to hold and release state money as new FTE students appear in Bothell and Tacoma during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

1. **Olympic College 2+2 Transfer** - Current level funds and 30 full-time equivalent students for the Olympic College 2+2 program are transferred from UW to the State Board for Community and Technical Colleges. Olympic Community College will receive and apply these monies to expand or foster partnerships with accredited baccalaureate institution(s) so that upper division classes continue to be offered locally for place- and time-bound students on the Kitsap Peninsula. The partnership with the UW-Tacoma ended last summer.
2. **Forensic Pathology Vacancy** - One-time savings will accrue to the State Death Investigations Account due to a vacant position in the Forensic Pathology Program at the UW. (Death Investigations Account-State)
3. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
4. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an

expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

5. **Graduate Student Health Insurance** - Provides 50 percent of funds necessary to maintain the current level of graduate appointee health insurance coverage. The University is expected to allocate existing funds to provide the balance of funds to maintain current levels of coverage.
6. **Commodity Internet Connectivity** - Funding is provided for campus use of the Internet. Federal funding is being discontinued due to general campus use that is beyond the type of telecommunications applications consistent with the mission of the National Science Foundation.
7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased

University of Washington

assessments beginning January 1, 2001.

Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	380,566	406,449	787,015
Total Maintenance Changes	0	0	0
Policy Changes			
1. Air Pollution Control Fund Adjust	0	-149	-149
2. Enhanced Prescription Benefit	1	0	1
3. HB Trend & UMP Claims	369	0	369
4. Boiler Replacement	0	3,600	3,600
5. Enrollment Adjustment 2000-01 SY	-1,426	-683	-2,109
6. Biotech Research	450	0	450
7. Insurance Market Reform Assessments	10	0	10
Total Policy Changes	-596	2,768	2,172
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1999-01 Revised Appropriations	379,970	409,217	789,187
Fiscal Year 2000 Total	183,051	200,342	383,393
Fiscal Year 2001 Total	196,919	208,875	405,794

Comments:

1. **Air Pollution Control Fund Adjust** - Funding is reduced due to the loss of revenue to the Air Pollution Control Account as a result of Initiative 695. (Air Pollution Control Account)
2. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
3. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
4. **Boiler Replacement** - One-time funding is provided to support steam requirements of the Pullman campus in response to boiler failure and life safety problems that surfaced last summer. It is recognized that monies may be used to conduct an energy audit of the entire campus heating system to assess its viability and the need for modern upgrades. (Education Construction Account)
5. **Enrollment Adjustment 2000-01 SY** - Enrollment growth for the 2000-01 academic year is reduced at the request of the University. The Pullman campus will be reduced by 100 full time equivalent (FTE) students, the Spokane branch campus by 50 and the Vancouver branch campus by 50. The TriCities branch campus enrollment is adjusted by 138 to 616 without a reduction of funds to provide resources for meeting enrollment goals. (General Fund-State, Non-appropriated Institutional Operating Fees Account)
6. **Biotech Research** - The University will develop biomedical research programs in Spokane. The research will contribute to the efforts of the Spokane Intercollegiate Research and Technology Institute (SIRTI) to provide economic development for eastern Washington through commercialization of ideas from higher education.
7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	84,965	67,671	152,636
Total Maintenance Changes	0	0	0
Policy Changes			
1. HB Trend & UMP Claims	90	0	90
2. Enrollments EWU 2000-01	482	259	741
3. Insurance Market Reform Assessments	2	0	2
Total Policy Changes	574	259	833
1999-01 Revised Appropriations	85,539	67,930	153,469
Fiscal Year 2000 Total	41,620	33,494	75,114
Fiscal Year 2001 Total	43,919	34,436	78,355

Comments:

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

2. **Enrollments EWU 2000-01** - Funds are provided to enroll 100 new full-time equivalent students at Eastern Washington University beginning in the 2000-01 academic year. (General Fund-State, Non-appropriated Institutional Operating Fees Account)

3. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	86,363	69,173	155,536
Total Maintenance Changes	324	0	324
Policy Changes			
1. HB Trend & UMP Claims	96	0	96
2. Insurance Market Reform Assessments	3	0	3
Total Policy Changes	99	0	99
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1999-01 Revised Appropriations	86,786	69,173	155,959
Fiscal Year 2000 Total	42,060	34,002	76,062
Fiscal Year 2001 Total	44,726	35,171	79,897

Comments:

Enrollments at Central Washington University are projected to be below budget. The Office of Financial Management is directed to hold and release state money as new, FTE students appear during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

increased assessments beginning January 1, 2001.

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

2. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through the PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for

The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	46,592	35,031	81,623
Total Maintenance Changes	0	0	0
Policy Changes			
1. WSIPP High School Study	100	0	100
2. WSIPP Child Welfare Study	258	0	258
3. WSIPP Health Care Studies	130	0	130
4. WSIPP State Library Study	75	0	75
5. HB Trend & UMP Claims	51	0	51
6. WSIPP Study Adjustment	-60	0	-60
7. Insurance Market Reform Assessments	1	0	1
Total Policy Changes	555	0	555
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1999-01 Revised Appropriations	47,147	35,031	82,178
Fiscal Year 2000 Total	22,354	17,190	39,544
Fiscal Year 2001 Total	24,793	17,841	42,634

Comments:

1. **WSIPP High School Study** - One-time funding is provided for the Washington State Institute for Public Policy (WSIPP) to examine opportunities currently available to high school students. Information will be gathered on program attributes, student demographics, and outcomes for high school programs, including, but not limited to, college credit (advanced placement and running start), tech prep, distance learning, and career pathways. Interim findings will be reported to the Legislature by next January, with a final report due by September 15, 2001.
2. **WSIPP Child Welfare Study** - One-time funding is provided for WSIPP to examine current issues in the child welfare system. The budget act provides specific direction about each element of the study which includes: (a) outcomes for Becca youth placed in secure crisis residential facilities or mandatory chemical dependency treatment; (b) barriers to improved educational attainment by children in long-term foster care; (c) best practices in the placement and funding of residential care for children, and (d) criteria, service level decisions, and funding method for adoption support. Findings about residential care and adoption support will be reported to the Legislature by December 15, 2000. Findings about Becca youth and educational outcomes of children in long-term foster care will follow in a second report to the Legislature by December 15, 2001.
3. **WSIPP Health Care Studies** - One-time funding is provided for WSIPP to: (a) analyze strategies for containing state health care expenditures; and (b) assess options for expanding Medicaid eligibility for people with disabilities who go to work.
4. **WSIPP State Library Study** - One-time funding is provided for WSIPP to examine the mission, programs, and use of the state library. The Institute will provide recommendations about alternatives to improve services and opportunities to reduce costs by November 1, 2000.
5. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
6. **WSIPP Study Adjustment** - Because of the late start date of new programs for street youths to be studied by WSIPP, research funding needs to be shifted so that six months of work is extended into FY 2002.

The Evergreen State College

7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	109,565	109,865	219,430
Total Maintenance Changes	123	0	123
Policy Changes			
1. HB Trend & UMP Claims	116	0	116
2. Insurance Market Reform Assessments	3	0	3
Total Policy Changes	119	0	119
1999-01 Revised Appropriations	109,807	109,865	219,672
Fiscal Year 2000 Total	53,293	54,323	107,616
Fiscal Year 2001 Total	56,514	55,542	112,056

Comments:

Enrollments at Western Washington University were projected last fall to be below budget. The Office of Financial Management is directed to hold and release state money as new, FTE students appear during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

increased assessments beginning January 1, 2001.

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

2. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, the UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for

Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	237,237	10,198	247,435
Total Maintenance Changes	0	0	0
Policy Changes			
1. Washington's Promise Scholarships	2,400	0	2,400
2. Future Teacher Cond Scholarship	1,000	0	1,000
3. Community Scholarships Matching Gr	0	0	0
Total Policy Changes	3,400	0	3,400
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1999-01 Revised Appropriations	240,637	10,198	250,835
Fiscal Year 2000 Total	111,273	4,943	116,216
Fiscal Year 2001 Total	129,364	5,255	134,619

Comments:

High Demand Enrollments - The Board may contract for as many as 50 more full-time equivalent students in the 2000-01 academic year using funds presently unallocated. This reinvestment of current funds permits the board to fund up to two more proposals it received from state community and technical colleges seeking to expand undergraduate opportunities in fields of study where graduates are highly sought after by Washington employers.

1. **Washington's Promise Scholarships** - Additional funds are provided so students who qualify for a Promise Scholarship may receive an award that comes closer to full community college tuition this biennium, including home-schooled students. Any student finishing secondary studies in 2000 may qualify academically by taking the Scholastic Aptitude Test and scoring 1200 or higher on their first try.

2. **Future Teacher Cond Scholarship** - Funds are provided for college loans up to \$4,000 annually, on a demonstration basis, to encourage classified K-12 employees to become future teachers. The loan obligation can be repaid by teaching in a Washington K-12 school with shortened service requirements for those who teach in geographic or subject matter shortage areas as determined by the Superintendent for Public Instruction. The Board will report to the Legislature and Governor about the impact of the demonstration project on decisions to enter the teaching profession and shortage areas by January of 2002.

3. **Community Scholarships Matching Gr** - Makes available matching resources for community-based scholarships that are not likely to be used this year to any qualifying organization next year. The budget is reduced by \$130,000 in FY 2000 and increased by the same amount in FY 2001. This fiscal year adjustment is granted on a one-time basis and shall not carryforward for the 2001-03 biennium.