

Governmental Operations

Housing

The sum of \$5.8 million is provided for Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178), to implement a property tax deferral for homeowners in which the household income is less than \$57,000. The deferral is for 50 percent of the property taxes due on a residence. A homeowner electing to take the deferral must pay the first half of their taxes and may then defer the second half. Funds will be used to reimburse local taxing districts for amounts that are deferred.

Chapter 2, Laws of 2008 (SSB 6335), appropriates \$6.0 million from the state general fund to the Homeless Families Services Fund. The account provides state matching funds for housing-based services for homeless families.

An additional \$2.5 million in state general funds are added to the current appropriation of \$5.0 million in the 2007-09 biennial budget for the Transitional Housing, Operating, and Rent program in the Department of Community, Trade, and Economic Development. The program assists homeless families with case management services and helps them transition to permanent housing.

The sum of \$1.5 million is provided pursuant to Chapter 3, Laws of 2008 (SB 6272), to implement financial literacy programs for home buyers, including counseling, marketing, and outreach programs to educate consumers on residential mortgage transactions, nontraditional or subprime mortgages, and predatory lending practices. An additional \$250,000 is provided to implement Chapter 322, Laws of 2008 (SSB 6711), to assist low- and moderate-income households facing foreclosure.

Additional funding for housing projects is provided in Chapter 328, Laws of 2008, Partial Veto (ESHB 2765 – Capital Budget). See the Capital Budget section for further details.

Flooding

The sum of \$1.3 million is provided to the Military Department to work with the Department of Natural Resources, the Department of Ecology, and others to remove accumulated woody debris in and around waterways that was caused by the December 2007 storms and flooding.

The amount of \$2 million is provided from the Economic Development Strategic Reserve Account to assist small businesses in the Chehalis-Centralia area that were affected by the December 2007 storms and flooding.

A combined total of \$41.5 million is provided to the Military Department from state and federal funds for recovery and rebuilding in response to the December 2007 storms and flooding.

Federal funding of \$21.8 million is provided for emergency management planning, interoperable communication, and pre-disaster mitigation planning.

Additional funding for flood warning and mitigation projects in the Chehalis River Basin is provided in the Capital Budget. See the Capital Budget section for further details.

Secretary of State

Funding in the amount of \$341,000 is provided to the Washington Talking Book and Braille Library. This library serves 13,000 patrons annually and has been offering services to Washington residents with vision limitations and reading disabilities since 1931. The State Library will discontinue its contract with the Seattle Public Library and will assume full responsibility for its operation on July 1, 2008.

In December 2007, Congress authorized \$2.3 million in new federal Help America Vote Act funding for Washington State. The Secretary of State's Office is provided the 5 percent state matching funds requirement to leverage this additional federal funding.

Attorney General

Funding in the amount of \$110,000 is provided for legal services related to Chapter 130, Laws of 2008 (2SHB 3274). The legislation clarifies the applicability of public works competitive contracting provisions to public port districts and provides accountability requirements for public port district contracting.

Department of Community, Trade, and Economic Development

Community Assistance and Support

- Additional ongoing state funding in the amount of \$750,000 is provided to the Department of Community, Trade, and Economic Development (DCTED) for an increase in victim advocates in county superior courts. Additionally, one-time funding of \$75,000 is provided to update the statewide sexual assault victim assistance protocols through a coordinated effort led by the Washington Coalition of Sexual Assault Programs.
- The sum of \$600,000 is provided for the Office of Crime Victims Advocacy in DCTED to distribute grants to community sexual assault programs to enhance services provided to child victims of sexual assault and their families.
- The Pacific Science Center is provided \$400,000 to host "Lucy's Legacy: The Hidden Treasures of Ethiopia" an exhibit of the Lucy of Laetoli hominid fossils and other Ethiopian artifacts.
- The sum of \$344,000 is provided for the newly-created Washington New Americans Program to provide naturalization assistance for legal permanent residents who are eligible to become citizens.
- An appropriation of \$250,000 is provided for a grant to KCTS Public Television to expand Spanish-language programming offered through "V-me", a channel on public television.

Economic Development

- State funding in the amount of \$306,000 is provided to implement Chapter 315, Laws of 2008 (SSB 6510). This legislation creates the Washington Manufacturing Innovation and Modernization Extension Services Program to be administered by DCTED. The program allows a small manufacturer or industry association to receive a voucher for up to \$200,000 in services by a qualified manufacturing extension partnership affiliate.
- The sum of \$225,000 in state funding is provided for the development of the Lewis County watershed planning and economic development demonstration project to identify lands and resources suitable for economic development within Lewis County and outside of the floodplains of Chehalis and Cowlitz River watersheds.
- Funding in the amount of \$150,000 is provided for Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111). This legislation directs DCTED and the Energy Facility Site Evaluation Council to convene and co-chair a work group on hydrokinetic energy. Hydrokinetic energy is electricity generated from ocean wave, tides, or currents and free-flowing rivers. The work group is responsible for developing recommendations on the creation of the Washington State Center for Excellence in Hydrokinetic Energy that is intended to support a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.
- A total of \$50,000 is provided to Port Townsend and Keystone/Coupeville to promote tourism in response to disruptions in Washington State Ferry service.

Office of Financial Management

The sum of \$175,000 is provided for a business outreach position in the Governor's Executive Policy Office. The primary responsibility of the position will be to act as a liaison between the Office of the Governor and businesses in the state as well as new businesses seeking to locate in Washington.

Department of Information Services

The Department of Information Services (DIS) has received two one-time federal grants for activities related to law enforcement totaling \$1.22 million. The U.S. Department of Justice's National Criminal History Improvement program provided funding to develop and improve criminal history records throughout the state. The Department also received a grant of \$50,000 from the National Governors Association for activities initiated and supported by the U.S. Department of Justice.

The Department is provided \$195,000 to implement Chapter 262, Laws of 2008 (E2SSB 6438); DIS is directed to develop a strategy in cooperation with state agencies and other groups involved in telecommunications to ensure statewide access to affordable and reliable high-speed Internet services pursuant to legislation passed during the 2008 session.

Department of Archaeology and Historic Preservation

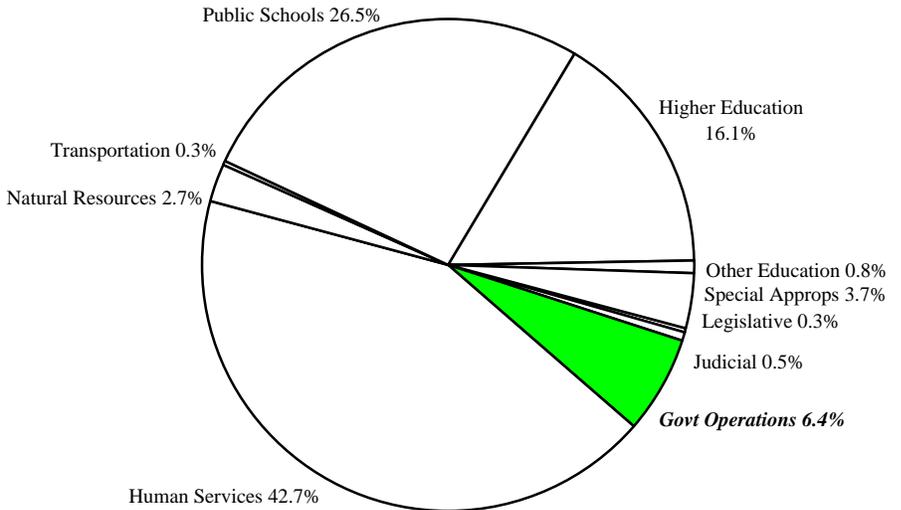
A total of \$1.1 million is provided to implement Chapter 275, Laws of 2008 (E2SHB 2624). The legislation establishes statutory guidelines, procedures, and assistance for the inadvertent discovery of skeletal human remains and requires the Department to develop and maintain a centralized database of all known cemeteries and sites of burials of human remains in Washington. A State Physical Anthropologist position is also created to assist local governments in making determinations on the status of skeletal human remains.

State Convention and Trade Center

A total of \$57 million is transferred from the State Convention and Trade Center accounts to the state general fund. After the transfers, sufficient funds remain in the accounts for debt service, operating costs, a retrofit of the Museum of History and Industry, and a sufficient capital reserve. Please see page 15 for additional detail.

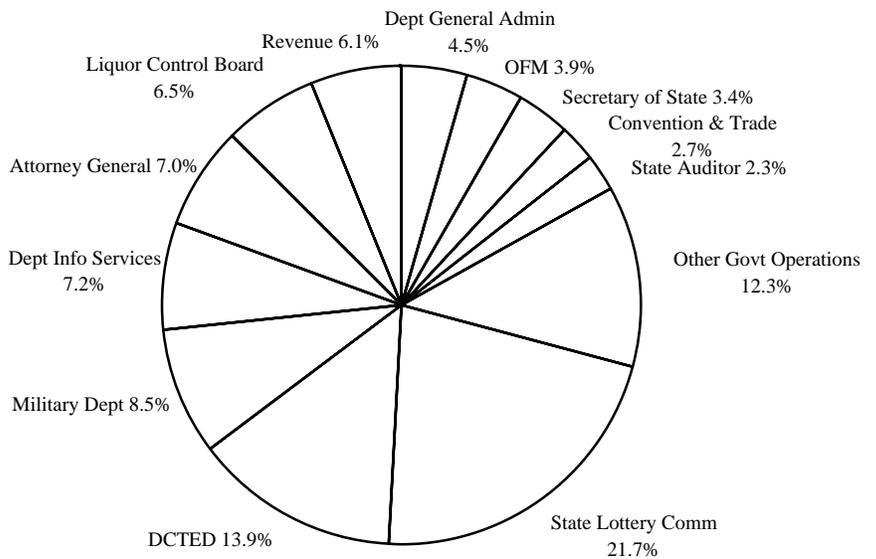
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

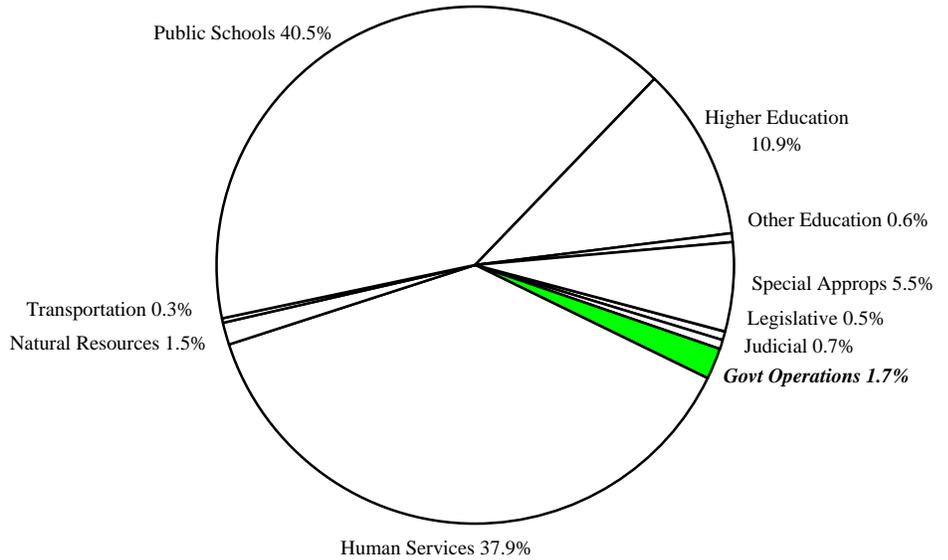
Lottery Commission	795,454
Dept Comm/Trade/Econ Dev	507,086
Military Department	310,693
Dept Info Services	264,996
Attorney General	254,446
Liquor Control Board	236,135
Dept Revenue	224,064
Dept General Administration	166,035
Office Financial Mgmt	143,219
Secretary of State	125,912
Convention & Trade Ctr	98,523
State Auditor	82,601
Other Govt Operations	451,761
Governmental Operations	3,660,925



Governmental Operations

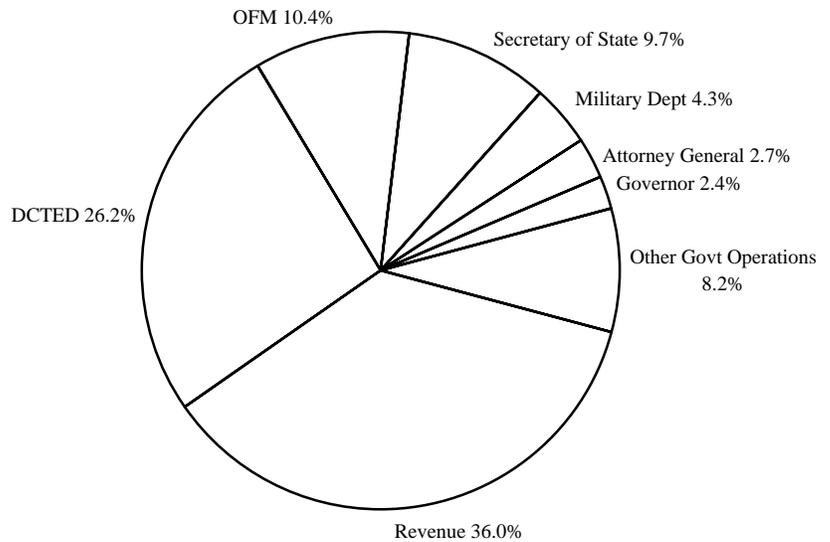
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Dept Revenue	206,471
Dept Comm/Trade/Econ Dev	150,316
Office Financial Mgmt	59,646
Secretary of State	55,679
Military Department	24,875
Attorney General	15,336
Office of the Governor	13,549
Other Govt Operations	47,077
Governmental Operations	572,949



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	13,372	4,750	18,122
Total Maintenance Changes	2	-35	-33
Policy Changes - Non-Comp			
1. Eco Development Strategic Reserve	0	2,000	2,000
2. Family & Children's Ombudsman	275	0	275
3. Recognizing Disability History	25	0	25
4. Governor Veto	-25	0	-25
Policy -- Non-Comp Total	275	2,000	2,275
Policy Changes - Comp			
5. PEBB Rate Reduction	-100	0	-100
Policy -- Comp Total	-100	0	-100
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2007-09 Revised Appropriations	13,549	6,715	20,264
Fiscal Year 2008 Total	0	2,000	2,000
Fiscal Year 2009 Total	175	0	175

Comments:

1. **Eco Development Strategic Reserve** - Funding is provided to assist small businesses in the Chehalis/Centralia area that were affected by the December 2007 storms and flooding. (Economic Development Strategic Reserve Account-State)
2. **Family & Children's Ombudsman** - Funding is provided for the duties of the Office of Family and Children's Ombudsman (OFCO) pursuant to Chapter 211, Laws of 2008 (2SSB 6206). The legislation requires notification to a child's guardian ad litem and to OFCO regarding child abuse and neglect referrals under certain circumstances. The legislation also requires the Department of Social and Health Services to notify OFCO when a near fatality occurs regarding a child who is receiving, or who in the past year received, child welfare services. OFCO is directed to report annually on implementation of the recommendations from fatality review reports.
3. **Recognizing Disability History** - Funding is provided pursuant to Chapter 167, Laws of 2008 (SB 6313). Specifically, funding is provided for the Governor's Committee on Disability Issues and Employment for coordination and development of a web site to assist public schools, colleges, and universities in recognizing and promoting disability history. However, this item was vetoed (please see Governor Veto item below).
4. **Governor Veto** - The Governor vetoed Section 114(2) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for the Governor's Committee on Disability Issues and Employment for coordination and development of a web site to assist public schools, colleges, and universities in recognizing and promoting disability history.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY

2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Lieutenant Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,635	90	1,725
Policy Changes - Comp			
1. PEBB Rate Reduction	-16	0	-16
Policy -- Comp Total	-16	0	-16
2007-09 Revised Appropriations	1,619	90	1,709
Fiscal Year 2009 Total	-16	0	-16

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Disclosure Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	5,045	0	5,045
Policy Changes - Comp			
1. PEBB Rate Reduction	-51	0	-51
Policy -- Comp Total	-51	0	-51
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2007-09 Revised Appropriations	4,994	0	4,994
Fiscal Year 2009 Total	-51	0	-51

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Secretary of State

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	54,715	76,488	131,203
Total Maintenance Changes	4	0	4
Policy Changes - Non-Comp			
1. Legal Settlement Costs	575	0	575
2. Federal Expenditure Authority Adj	0	-9,890	-9,890
3. Archives Grants to Local Government	0	1,500	1,500
4. Preserve Local Government Records	0	110	110
5. Oral History Program	-104	0	-104
6. Presidential Election Year Costs	175	0	175
7. Appellate Legal Costs	208	0	208
8. Talking Book and Braille Library	341	0	341
9. Federal Elections Matching Funds	122	2,313	2,435
Policy -- Non-Comp Total	1,317	-5,967	-4,650
Policy Changes - Comp			
10. PEBB Rate Reduction	-357	-288	-645
Policy -- Comp Total	-357	-288	-645
2007-09 Revised Appropriations	55,679	70,233	125,912
Fiscal Year 2008 Total	920	805	1,725
Fiscal Year 2009 Total	40	-7,060	-7,020

Comments:

- Legal Settlement Costs** - One-time funding is provided for settlement costs and attorney fees resulting from the resolution of the *Washington Association of Churches v. Reed* case.
- Federal Expenditure Authority Adj** - Federal expenditure authority is reduced to match the amounts allotted for the 2007-09 biennium. (Election Account-Federal)
- Archives Grants to Local Government** - The Office of the Secretary of State administers a local records competitive grant program to improve local governments' ability to manage, protect, and provide access to public records. A one-time fund balance is available to fund the 50 additional grant applications that have already been received, scored, and approved and to increase funding for 45 existing grants. Local governments will use this grant funding for projects such as creating disaster preparedness plans, implementing records management programs, and developing records protection plans. (Local Government Archives Account-State)
- Preserve Local Government Records** - One-time funding is provided to image approximately 600,000 pages of family history records kept at the southwest and northwest regional branch archives. Imaging will improve public access to these records by making them digitally accessible and searchable and make more efficient use of available storage by allowing hard copies to be stored wherever capacity exists in the regional archives system. (Local Government Archives Account-State)
- Oral History Program** - Pursuant to Chapter 222, Laws of 2008, Partial Veto (3SHB 1741), funding is reduced for the Oral History Program in the Office of the Secretary of State so that the Legislature may operate the Legislative Oral History Program created in this legislation as it relates to subjects and history important to the Legislature. These funds are transferred to the House and Senate budgets.
- Presidential Election Year Costs** - Funding is provided for increased costs related to the 2008 presidential election year for the printing, storage, and distribution of materials, the need for temporary staff, and increased travel associated with testing county-based voter tabulation equipment. One-time funding is provided to meet these additional requirements.
- Appellate Legal Costs** - One-time funding is provided for appellate legal services costs related to the *Washington State Republican Party v. State* litigation.
- Talking Book and Braille Library** - The Washington Talking Book and Braille Library (WTBBL) serves 13,000 patrons annually, offering library services to Washington residents with vision limitations and reading disabilities. The Seattle Public Library has been operating WTBBL since 1931. The Washington State Library will assume responsibility for its operation on July 1, 2008. The Seattle Public Library employees who staff WTBBL will become state employees. This ongoing funding will allow WTBBL to continue all current services.
- Federal Elections Matching Funds** - Under the federal Help America Vote Act of 2002 (HAVA), the state receives federal funding for upgrades to the statewide voter registration database. In December 2007, Congress authorized \$2.3 million in new federal HAVA funding for Washington State, subject to

Office of the Secretary of State

a 5 percent state matching funds requirement. Funding is provided to meet this requirement. (General Fund-State, Election Account-Federal)

10. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	665	0	665
Policy Changes - Non-Comp			
1. Native American Student Achievement	150	0	150
Policy -- Non-Comp Total	150	0	150
Policy Changes - Comp			
2. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
2007-09 Revised Appropriations	811	0	811
Fiscal Year 2009 Total	146	0	146

Comments:

1. **Native American Student Achievement** - Funding is provided for the Governor's Office of Indian Affairs to engage a contractor to conduct a detailed analysis of the achievement gap for Native American students and recommend a strategy for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.

2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	509	0	509
Policy Changes - Non-Comp			
1. Asian American Student Achievement	150	0	150
2. Pac Islander Student Achievement	150	0	150
Policy -- Non-Comp Total	300	0	300
Policy Changes - Comp			
3. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
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2007-09 Revised Appropriations	805	0	805
Fiscal Year 2009 Total	296	0	296

Comments:

1. **Asian American Student Achievement** - Funding is provided to engage a contractor to conduct a detailed analysis of the achievement gap for Asian American students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.

2. **Pac Islander Student Achievement** - Funding is provided to engage a contractor to conduct a detailed analysis of the achievement gap for Pacific Islander American students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.

3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the State Treasurer

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	15,687	15,687
Total Maintenance Changes	0	2	2
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-150	-150
Policy -- Comp Total	0	-150	-150
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2007-09 Revised Appropriations	0	15,539	15,539
Fiscal Year 2009 Total	0	-150	-150
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Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the State Auditor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,623	81,344	82,967
Total Maintenance Changes	0	10	10
Policy Changes - Non-Comp			
1. Whistle-Blower Protections	0	313	313
Policy -- Non-Comp Total	0	313	313
Policy Changes - Comp			
2. PEBB Rate Reduction	-23	-666	-689
Policy -- Comp Total	-23	-666	-689
2007-09 Revised Appropriations	1,600	81,001	82,601
Fiscal Year 2009 Total	-23	-353	-376

Comments:

1. **Whistle-Blower Protections** - Funding is provided for the costs of additional whistle-blower investigations resulting from implementation of Chapter 266, Laws of 2008 (ESSB 6776). (State Auditing Services Revolving Account-State)

2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	388	0	388
Policy Changes - Comp			
1. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
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2007-09 Revised Appropriations	384	0	384
Fiscal Year 2009 Total	-4	0	-4

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Attorney General

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	15,248	234,830	250,078
Total Maintenance Changes	2	784	786
Policy Changes - Non-Comp			
1. Increased Legal Services Workload	0	1,193	1,193
2. Budget Alignment of Legal Services	0	1,824	1,824
3. Moore Case Litigation	0	1,000	1,000
4. Civil Commitment Workload	0	732	732
5. Public Records Committee Workload	22	0	22
6. Child Long-Term Well Being	0	346	346
7. Construction Industry	0	492	492
8. Port District Contracting	0	110	110
9. Wireless Number Disclosure	170	0	170
10. Home Construction	100	0	100
11. Governor Veto	-270	0	-270
Policy -- Non-Comp Total	22	5,697	5,719
Policy Changes - Comp			
12. PEBB Rate Reduction	-174	-2,495	-2,669
13. Investigator Salary Inequity	238	294	532
Policy -- Comp Total	64	-2,201	-2,137
2007-09 Revised Appropriations	15,336	239,110	254,446
Fiscal Year 2008 Total	11	2,007	2,018
Fiscal Year 2009 Total	75	1,489	1,564

Comments:

- Increased Legal Services Workload** - This funding will match the appropriation level of four client agencies receiving increases in their budgets to pay for their growing legal service needs. The affected client agencies are the Department of Social and Health Services (DSHS), the Department of Archaeology and Historic Preservation, the Criminal Justice Training Commission, and the School for the Blind. One-time funding (\$50,000) is also made to the School for the Blind for specific litigation costs (*Delyria and Koch*). (Legal Services Revolving Account-State)
- Budget Alignment of Legal Services** - Ongoing legal expenses that were previously managed through interagency agreements will be incorporated into the regular expenditure and recovery process of the Legal Services Revolving Account. This will eliminate six interagency agreements and incorporate these regular and ongoing legal expenditures into the budgets approved by the Legislature for both the client agencies and the Office of the Attorney General. (Legal Services Revolving Account-State)
- Moore Case Litigation** - One-time funding is provided for the legal expenses and staff associated with *Moore v. Health Care Authority*. (Legal Services Revolving Account-State)
- Civil Commitment Workload** - Additional resources are provided to support the Attorney General's Office (AGO) in the prosecution of sexually violent predators (SVP). Casework associated with the SVP population includes annual review hearings, release trials, and conditional release placements. These matters are proportional to the total number of civil commitments and require additional resources with the growth of the civilly-committed resident population in the Special Commitment Center on McNeil Island. (Legal Services Revolving Account-State)
- Public Records Committee Workload** - Funding is provided for costs associated with staffing the Public Records Exemptions Accountability Committee. While AGO is able to absorb the staff costs in accordance with its fiscal note estimates, more frequent meetings result in additional travel and associated expenses.
- Child Long-Term Well Being** - Additional expenditure authority is provided for legal services in the DSHS Children's Administration related to Chapter 152, Laws of 2008 (E2SHB 3205). The legislation requires that when a child has been in out-of-home care for 15 of the most recent 22 months, the court shall require the filing of a petition seeking termination of parental rights, unless a good cause exemption is determined by the court. (Legal Services Revolving Account-State)
- Construction Industry** - Funding is provided for legal services related to Chapter 120, Laws of 2008, Partial Veto (2SSB 6732). The legislation requires the Department of Labor and Industries (L&I) to deny an application for registration for contractors and suspend an active registration if L&I determines that the applicant has falsified information on the application or

Office of the Attorney General

the applicant does not have an active and valid certificate of registration with the Department of Revenue. Additionally, contractors shall not be allowed to bid on any public works contract for one year from the date of a final determination that a contractor has committed certain violations or infractions within a 5-year period. (Legal Services Revolving Account-State)

13. **Investigator Salary Inequity** - AGO is provided funds to increase the salary levels of AGO Investigators to remain in parallel with the job class revision adjustments provided to all investigators in other state agencies effective July 1, 2007.

8. **Port District Contracting** - Funding is provided for legal services related to Chapter 130, Laws of 2008 (2SHB 3274). The legislation clarifies the applicability of public works competitive contracting provisions to public port districts and requires that a port district commission establish conditions under which competitive bid requirements may be waived. Additionally, a personal services competitive solicitation chapter for public port districts to cover consultant services and other personal services that must be procured by port districts is created. The legislation also provides accountability requirements for public port district contracting. (Legal Services Revolving Account-State)
9. **Wireless Number Disclosure** - Funding is provided for consumer protection legal services related to Chapter 271, Laws of 2008 (2SHB 2479). The legislation extends the wireless phone directory restrictions in current law that apply to wireless phone companies to cover any person in the business of marketing, selling, and sharing wireless phone numbers for commercial purposes. This item was vetoed (please see Governor Veto item below).
10. **Home Construction** - Funding is provided for AGO to review the implementation of SSB 6385 (Real Property). The Attorney General will collect data related to the number of actions filed and their disposition. The Office shall report its findings and any recommendations for statutory changes to the appropriate committees of the Legislature by December 1, 2008. However, the Governor vetoed funding for this item because the bill did not pass (please see Governor Veto item below).
11. **Governor Veto** - The Governor vetoed subsections (6) and (12) of Section 123 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Section 123(6) provided funding for Chapter 271, Laws of 2008, which requires the AGO to provide legal services related to extending the wireless phone directory restrictions in current law to cover any person in the business of marketing, selling, and sharing wireless phone numbers for commercial purposes. Section 123(12) provided funding for SSB 6385 (Real Property), which did not pass the Legislature.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Caseload Forecast Council

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,537	0	1,537
Total Maintenance Changes	85	0	85
Policy Changes - Comp			
1. PEBB Rate Reduction	-14	0	-14
Policy -- Comp Total	-14	0	-14
<hr/>			
2007-09 Revised Appropriations	1,608	0	1,608
Fiscal Year 2009 Total	-14	0	-14

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Community, Trade, & Economic Develop

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	147,308	367,467	514,775
Total Maintenance Changes	-75	-16,272	-16,347
Policy Changes - Non-Comp			
1. Court Crime Victims Advocates	750	0	750
2. Update Sexual Assault Protocols	75	0	75
3. Urban Forestry	134	0	134
4. Greenhouse Gas Emissions and Jobs	207	0	207
5. Housing Expenditure Authority	0	512	512
6. Crime Victims Service Centers	200	0	200
7. Wave and Tidal Development	150	0	150
8. Island County ADO	80	0	80
9. Affordable Housing for All	126	0	126
10. CASASTART	100	0	100
11. Ind. Development Account Transfer	-1,000	1,000	0
12. Entrepreneurial Stars Program	265	0	265
13. Fire Sprinkler Systems	0	41	41
14. Criminal Street Gangs	100	0	100
15. Green Tax Incentives	50	0	50
16. Pacific Science Center Lucy Exhibit	400	0	400
17. Local Farms & Healthy Kids	350	0	350
18. Poulsbo Marine Science Center	100	0	100
19. Employment Resource Ctr Transfer	-1,178	0	-1,178
20. Transitional Housing Assistance	2,500	0	2,500
21. Vancouver Arts and Parks	25	0	25
22. KCTS V-me	250	0	250
23. Justice Assistance Grants	0	1,584	1,584
24. Reentry Housing Pilot Project	-650	0	-650
25. Manufacturing Extension Services	0	306	306
26. Climate Change in the GMA	317	0	317
27. Child Victims of Sexual Assault	600	0	600
28. Administrative Contingency Transfer	-1,800	1,800	0
29. Skate America	100	0	100
30. New Americans	344	0	344
31. Airway Heights Wastewater	500	0	500
32. Regional Tourism -- 2010 Olympics	120	0	120
33. AYP Exposition Commemoration	200	0	200
34. Centro Comunitario - Lucy Lopez	250	0	250
35. Dispute Resolution Centers	300	0	300
36. Prostitution Prevention	0	100	100
37. Lewis County Watershed Project	225	0	225
38. Other "Bank" Study	75	0	75
39. Rapid Response Loan Program	126	0	126
40. Keystone Tourism Promotion	25	0	25
41. Port Townsend Tourism Promotion	25	0	25
42. 2SHB 1273-Financial Fraud/ID Theft	0	488	488
43. Governor Veto	-921	0	-921
Policy -- Non-Comp Total	3,520	5,831	9,351
Policy Changes - Comp			
44. PEBB Rate Reduction	-437	-256	-693
Policy -- Comp Total	-437	-256	-693
2007-09 Revised Appropriations	150,316	356,770	507,086
Fiscal Year 2008 Total	-3,235	500	-2,735
Fiscal Year 2009 Total	6,318	5,075	11,393

Department of Community, Trade, & Economic Develop

Comments:

1. **Court Crime Victims Advocates** - Crime victim advocates work to assist people who have been victimized and to connect them with available services. Ongoing funding is provided for more victim advocates in county superior courts. These funds shall be contracted with the 39 county prosecuting attorneys offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim-witness coordinator in each county. (Public Safety and Education Account-State)
2. **Update Sexual Assault Protocols** - One-time funding is provided to update the statewide sexual assault victim assistance protocols through a coordinated effort led by the Washington Coalition of Sexual Assault Programs. (Public Safety and Education Account-State)
3. **Urban Forestry** - Ongoing funding is provided to implement Chapter 299, Laws of 2008, Partial Veto (E2SHB 2844). The legislation changes the authority for the Department of Community, Trade, and Economic Development (DCTED) to conduct a community and urban forestry program from discretionary to mandatory. The legislation requires the development of an Evergreen Cities recognition program and model urban forest management plans and ordinances. In addition, DCTED is required to develop and conduct inventories and assessments of community and urban forests.
4. **Greenhouse Gas Emissions and Jobs** - Funding is provided for Chapter 14, Laws of 2008 (E2SHB 2815). Ongoing funding for a climate policy and technical analyst is provided in support of the state's commitments on climate change and will work to coordinate DCTED's efforts related to the energy aspects of greenhouse gas emissions and reduction strategies. Activities include participating in the Western Climate Initiative, a multi-state process to develop market-based systems for limiting greenhouse gas emissions and building climate change technical expertise. Funding of \$50,000 is also included for the analysis under Section 9(3)(b), which directs the University of Washington Business and Economic Development Center to analyze the current opportunities and participation in the green economy by minority and women-owned business enterprises in Washington.
5. **Housing Expenditure Authority** - DCTED is granted authority to spend additional revenues from the Home Security Fund Account to enable local housing authorities to provide additional services such as transitional housing programs. In addition, DCTED is given authority to spend the available fund balance in the Lead-Based Paint Account. The Lead-Based Paint program prevents lead poisoning by providing the public with information to increase knowledge about lead-based paint hazards and the use of professional remediation. (Home Security Fund Account-State, Lead-Based Paint Account-State)
6. **Crime Victims Service Centers** - Funding is provided for Crime Victims Service Centers to continue services previously provided through the use of federal funds. (Public Safety and Education Account-State)
7. **Wave and Tidal Development** - Funding is provided for Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111). The legislation requires DCTED and the Energy Facility Site Evaluation Council to convene and co-chair a work group to develop the Washington State Center for Excellence in Hydrokinetic Energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.
8. **Island County ADO** - Chapter 249, Laws of 2007 (2SSB 5092), increases funding to the state's Associate Development Organizations (ADO). Statute referenced in the legislation characterized Island County as an urban county based on a per capita by area calculation. In the legislation, rural counties were allotted \$40,000 per year as a base. This appropriation makes up for the loss of base funding for Island County by matching the amount appropriated to other rural counties during the 2007-09 biennium.
9. **Affordable Housing for All** - Funding is provided for Section 5 of Chapter 256, Laws of 2008 (ESSB 5959 - Homeless Individuals/Family). The bill requires DCTED in consultation with the Affordable Housing Advisory Board to prepare and annually update a state Affordable Housing For All Plan, which must incorporate the strategies, objectives, goals, and performance measures of all other housing-related state plans, including the state homeless housing strategic plan and state housing programs. The bill directs all counties to prepare similar county plans; however, they are given the option to decline to participate. This item was vetoed (see Governor Veto item below).
10. **CASASTART** - Striving Together to Achieve Rewarding Tomorrows (START) is a community-based, school-centered substance abuse and violence prevention program developed by The National Center on Addiction and Substance Abuse (CASA) at Columbia University. Funding is provided to The Neighborhood House for gang youth violence and substance abuse education and prevention through CASASTART. This program will bring together stakeholders in community schools, law enforcement agencies, and social service and health agencies and use intensive case management to work with the youth.
11. **Ind. Development Account Transfer** - The state general fund dollars appropriated during the 2007 legislative session for the Individual Development Account (IDA) Program are transferred to the IDA Program Account. This adjustment makes a technical correction as the IDA Program Account allows for a longer timeline to manage the Legislature's investment in this program than do appropriations from the state general fund.
12. **Entrepreneurial Stars Program** - Additional funding is provided to assist recruitment of significant entrepreneurial researchers to lead innovation research teams and develop

Department of Community, Trade, & Economic Develop

comprehensive entrepreneurial programs at research institutions to accelerate the commercialization process.

13. **Fire Sprinkler Systems** - Funding is provided for Chapter 60, Laws of 2008 (SHB 2575). The legislation requires the State Building Code Council to convene a technical advisory board group to examine issues, barriers, and incentives pertaining to private residential fire sprinkler systems. (Building Code Council Account-State)
14. **Criminal Street Gangs** - Funding is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). Funding in DCTED is for a victim-witness relocation grant program. The Department will collaborate with local prosecuting attorney's offices to determine how grant funding and assistance shall be distributed. The program is also directed to include temporary relocation and shelter services for witnesses. In other agencies, the legislation directs the Washington Association of Sheriffs and Police Chiefs to distribute grants for gang emphasis and graffiti/tagging abatement programs and the Department of Corrections to study and establish best practices to reduce gang involvement among incarcerated offender populations.
15. **Green Tax Incentives** - Funding is provided for Chapter 235, Laws of 2008 (SHB 3120). The legislation requires a study of the effectiveness of tax incentives to encourage green building of residential and commercial structures. By December 1, 2008, DCTED shall report to the Legislature. The Department of Revenue is directed to provide tax-related data in support of the study. The study shall: identify tax incentives to encourage the construction of energy-efficient buildings; propose new sales/use tax exemptions for construction activities and B&O tax incentives for contractors and architects; provide an estimate of the fiscal cost of any proposed incentives; and provide an estimate of the potential reduction in emission reductions and cost savings for green-built structures.
16. **Pacific Science Center Lucy Exhibit** - Funding is provided for an exhibit called "Lucy's Legacy: The Hidden Treasures of Ethiopia". The exhibit features the 3.18 million-year-old hominid skeleton "Lucy", as well as over 100 Ethiopian artifacts.
17. **Local Farms & Healthy Kids** - Funding is provided for Chapter 215, Laws of 2008 (2SSB 6483). The legislation directs DCTED to create the Farmers-to-Food Banks Pilot program by selecting pilot sites statewide and to use the food bank system to contract with local farmers to provide fruits, vegetables, dairy, and meat products for distribution to low-income people at locally-designated food banks. In other agencies, the legislation creates the following new programs: Farm-to-School program administered by the state Department of Agriculture; a Washington Grown Fresh Fruit and Vegetable Grant program administered by the Office of the Superintendent of Public Instruction; and a Farmers Market Technology Improvement Pilot program administered by the Department of Social and Health Services.
18. **Poulsbo Marine Science Center** - Funding is provided to the Poulsbo Marine Science Center for the Floating Learning Lab on Puget Sound. This item was vetoed (please see Governor Veto item below).
19. **Employment Resource Ctr Transfer** - Funding is transferred from DCTED to the State Board of Community and Technical Colleges to support lease rate, facility management, and maintenance of the Employment Resource Center, which is administered by Edmonds Community College.
20. **Transitional Housing Assistance** - Funding is provided for the Transitional Housing, Operating, and Rent program. This program assists homeless families with case management services to help them successfully transition to permanent housing.
21. **Vancouver Arts and Parks** - Funding is provided to the city of Vancouver: for seed money to begin the development of a sustainable budget for park activities for high-risk youth during the summer months at Evergreen and Bagley Parks; for an ongoing program to paint murals in high-incidence graffiti locations in Vancouver; and to initiate the designation of potential locations for an exposition space to showcase the talents of young graffiti artists in the community.
22. **KCTS V-me** - One-time funding is provided for a grant to KCTS Public Television to offer Spanish-language programming. The programming will be offered through "V-me", a program service modeled on public television, with children's, arts, history, science, biography, nature, movies, pop culture, and public affairs genres.
23. **Justice Assistance Grants** - Additional expenditure authority is provided for the Justice Assistance and Project Safe Neighborhoods programs. These programs support activities such as multi-jurisdictional drug interdiction initiatives, regional drug task forces, and public outreach efforts to reduce gun violence. (General Fund-Federal)
24. **Reentry Housing Pilot Project** - Funding for previously authorized re-entry housing projects in Spokane, King, and Clark Counties as authorized by Chapter 483, Laws of 2007 (ESSB 6157), is adjusted. The legislation directed DCTED to conduct a pilot program of transitional housing assistance for criminal offenders who are re-entering the community from incarceration. Slower-than-anticipated program phase-in has resulted in a one-time savings in FY 2008 of \$1.3 million. On a one-time basis, a portion of that amount (\$650,000) is shifted to FY 2009. Ongoing funding for the program is assumed to remain \$1.8 million per fiscal year.
25. **Manufacturing Extension Services** - Funding is provided to implement Chapter 315, Laws of 2008 (SSB 6510). The legislation creates the Washington Manufacturing Innovation and Modernization Extension Services program to be administered by DCTED. Under the program, small manufacturers, industry associations, or cluster associations may receive vouchers of up to \$200,000 per year to cover the costs of manufacturing extension services. These services are

Department of Community, Trade, & Economic Develop

to be provided by a qualified manufacturing extension partnership affiliate. (Manufacturing Innovation and Modernization Account-State)

26. **Climate Change in the GMA** - Funding is provided to implement the provisions of Chapter 289, Laws of 2008, Partial Veto (ESSB 6580). The legislation requires DCTED to develop and provide counties and cities with advisory climate change response methodologies, a computer modeling program, and estimates of greenhouse gas emission reductions resulting from specific measures. The legislation also establishes a local government global warming mitigation and adaptation program and requires DCTED to provide a climate change report in cooperation with the policy and advisory committee created in the legislation to make recommendations on the possible inclusion of climate change elements to the Growth Management Act (GMA). The report is due to the Governor and the Legislature by December 1, 2008.
27. **Child Victims of Sexual Assault** - Funding is provided for the Office of Crime Victims Advocacy to distribute grants to community sexual assault programs to enhance services provided to child victims of sexual assault and their families.
28. **Administrative Contingency Transfer** - Funding for re-employment services is shifted from the state general fund to the Administrative Contingency Account.
29. **Skate America** - Funding is provided for a grant to the local organizing committee of 2008 Skate America to support the International Skating Union Grand Prix Series at the Everett Events Center in October 2008.
30. **New Americans** - Funding is provided for the Washington New Americans program to provide naturalization assistance for legal permanent residents who are eligible to become citizens. A proviso directs DCTED to: (1) conduct a competitive process to contract with an entity to provide this assistance; (2) make state funding contingent on at least a 25 percent match of non-state funding; (3) develop performance measures with the contractor(s) for the program; and (4) report to the Governor and the Legislature. The Department may retain up to 5 percent of the funds provided to administer the competitive process and the contract(s).
31. **Airway Heights Wastewater** - Funding is provided for the Airway Heights wastewater treatment plant. A proviso makes the funding contingent upon a capacity agreement with the Kalispel tribe that precludes the need to build multiple wastewater treatment facilities on the West Plains. This item was vetoed (please see Governor Veto item below).
32. **Regional Tourism -- 2010 Olympics** - Funding is provided for a grant for participation in a regional visitor/media pavilion at the 2010 Olympics in Vancouver, British Columbia. This item was vetoed (please see Governor Veto item below).
33. **AYP Exposition Commemoration** - Funding is provided for a grant to HistoryLink to develop and present the Alaska-Yukon-Pacific (AYP) exposition commemoration exhibits and programs.
34. **Centro Comunitario - Lucy Lopez** - Funding is provided for a grant to the Lucy Lopez Center for "The Good Citizen" bilingual radio programming pilot project.
35. **Dispute Resolution Centers** - Dispute Resolution Centers (DRCs) are funded through a surcharge on court filing fees capped at the same level per case filed since 1991. DRCs are mandated to provide services independent of a client's ability to pay, guaranteeing that the public has access to a low-cost resolution process. Additional funding is provided to assist the centers in providing mediation services for parties with parenting plan disputes who either: (a) are currently involved in dissolution proceedings; or (b) completed a dissolution within the past year.
36. **Prostitution Prevention** - Funding is provided for grant distribution by the Office of Crime Victims Advocacy. The grants will be prioritized and may include the following: education for law enforcement officers regarding the availability of services to minors; community outreach; treatment for minors who have a history of engaging in prostitution; mental health and chemical dependency services; parenting services; housing assistance; and intensive case management services. (Prostitution Prevention and Intervention Account-Non-Appropriated)
37. **Lewis County Watershed Project** - Funding is provided for the development of the Lewis County watershed planning and economic development demonstration project. The purpose of the project is to identify lands and resources suitable for economic development within Lewis County that are outside of the floodplains of Chehalis and Cowlitz River watersheds.
38. **Other "Bank" Study** - Funding is provided for DCTED to conduct a study of the provision of personal products (non-foodstuffs) to low-income residents of Washington. This item was vetoed (please see Governor Veto item below).
39. **Rapid Response Loan Program** - Funding is provided to implement Chapter 112, Laws of 2008 (EHB 3142). The legislation creates the Rapid Response Loan Program to make low-interest loans (0-3 percent) and grants for the purpose of purchasing land or real property for affordable housing and community facility development. DCTED must consult with the Housing Finance Commission to administer the program. Any rental housing produced or acquired through this program will be preserved for at least 30 years.
40. **Keystone Tourism Promotion** - Funding is provided for a grant to the city of Coupeville to promote tourism in Keystone/Coupeville on Whidbey Island.
41. **Port Townsend Tourism Promotion** - Funding is provided for a grant to promote tourism in Port Townsend.
42. **2SHB 1273-Financial Fraud/ID Theft** - Chapter 290, Laws of 2008 (2SHB 1273), appropriates funds to DCTED for the

Department of Community, Trade, & Economic Develop

investigation and prosecution of financial fraud and identity theft crimes. (Financial Fraud & Identity Theft Crimes Investigation and Prosecution Account-State)

43. **Governor Veto** - The Governor vetoed subsections (41), (62), (76), (78), and (84) of Section 125 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (41) provided funding for the Poulsbo Marine Science Center; subsection (62) provided funding for the Airway Heights wastewater treatment plant; subsection (76) provided funding for a study of the provision of personal products (non-foodstuffs) to low-income residents of Washington; subsection (78) provided funding for a regional visitor/media pavilion at the 2010 Olympic Games in Vancouver, British Columbia. The funding for subsection (84), which provided funding for the Affordable Housing for All program, was vetoed because the sections referenced in a sectional null and void were not included in the version of the bill that passed the Legislature.
44. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,239	0	1,239
Total Maintenance Changes	150	0	150
Policy Changes - Comp			
1. PEBB Rate Reduction	-12	0	-12
2. Agency Succession Plan	176	0	176
Policy -- Comp Total	164	0	164
<hr/>			
2007-09 Revised Appropriations	1,553	0	1,553
Fiscal Year 2008 Total	48	0	48
Fiscal Year 2009 Total	116	0	116

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
2. **Agency Succession Plan** - Funding is provided to recruit and hire a new forecaster, as well as to provide salary increases for existing staff.

Office of Financial Management

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	47,744	83,277	131,021
Total Maintenance Changes	8	363	371
Policy Changes - Non-Comp			
1. Business Outreach	0	175	175
2. Initiative 960 Implementation	359	0	359
3. Health Care Workgroup Support	500	0	500
4. WASL Funding Increase	11,372	0	11,372
5. Public Records Committee Workload	30	0	30
Policy -- Non-Comp Total	12,261	175	12,436
Policy Changes - Comp			
6. PEBB Rate Reduction	-367	-242	-609
Policy -- Comp Total	-367	-242	-609
<hr/>			
2007-09 Revised Appropriations	59,646	83,573	143,219
Fiscal Year 2008 Total	472	35	507
Fiscal Year 2009 Total	11,422	-102	11,320

Comments:

1. **Business Outreach** - Ongoing funding is provided for a business outreach position in the Governor's Executive Policy Office. The primary responsibility of the position will be to act as a liaison between the Office of the Governor and state businesses and new businesses seeking to locate in Washington. (Economic Development Strategic Reserve Account-State)
2. **Initiative 960 Implementation** - A combination of ongoing and one-time funding is provided for staff and database development costs needed to implement Initiative 960.
3. **Health Care Workgroup Support** - Funding is provided for the establishment of the Washington citizens' work group on health care reform, pursuant to Chapter 311, Laws of 2008 (ESSB 6333). The work group will review the economic analysis of a number of health care reform proposals, conduct public meetings throughout the state, and produce a final report by November 1, 2009.
4. **WASL Funding Increase** - Funding is provided for increased costs associated with the development and implementation of the Washington Assessment of Student Learning (WASL). The Office of Financial Management (OFM) will develop an interagency agreement with the Office of Superintendent of Public Instruction (OSPI) for the expenditure of these funds based on: (1) redesigning the assessment in reading, mathematics, and science in all grades, except high school, by shortening test administration, reducing the number of short answer and extended response questions, and potentially decreasing the number of items utilized in the assessment; and (2) OSPI preserving legislative authority to make minor or significant changes to assessment policy in the future. Additionally, a legislative work group on the WASL is established to review and evaluate the current assessment system by January 1, 2009, and potentially make recommendations to improve it.
5. **Public Records Committee Workload** - Chapter 198, Laws of 2007 (SSB 5435), created the Public Records Exemptions Accountability Committee. The Committee meets at least quarterly and provides recommendations on the repeal or amendment of any public records exemption to the Governor, Attorney General, and appropriate legislative committees. The legislation requires OFM to provide staff support to the Committee. Ongoing funding is provided for travel and associated expenses.
6. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget Section of this document.

Office of Administrative Hearings

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	33,087	33,087
Total Maintenance Changes	0	5	5
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-339	-339
Policy -- Comp Total	0	-339	-339
<hr/>			
2007-09 Revised Appropriations	0	32,753	32,753
Fiscal Year 2009 Total	0	-339	-339

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Personnel

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	69,561	69,561
Total Maintenance Changes	0	6	6
Policy Changes - Non-Comp			
1. Other Fund Adjustments	0	-6,200	-6,200
2. Child Care Center Relocation	96	0	96
Policy -- Non-Comp Total	96	-6,200	-6,104
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-473	-473
Policy -- Comp Total	0	-473	-473
2007-09 Revised Appropriations	96	62,894	62,990
Fiscal Year 2008 Total	96	-3,094	-2,998
Fiscal Year 2009 Total	0	-3,579	-3,579

Comments:

1. **Other Fund Adjustments** - Funding in the amount of \$7.3 million was transferred from the Personnel Services Fund Account to the Data Processing Revolving Fund Account in the 2007-09 biennial budget to cover costs incurred during the development of the Human Resource Management System. The repayment of \$6.2 million of the transferred funds is deferred until the 2009-11 biennium. (Data Processing Revolving Account-Non-Appropriated, Department of Personnel Service Account-State)

2. **Child Care Center Relocation** - Funding is provided to relocate the Capitol Child Care Center and for the difference in the lease cost between the current location and the new Perry Street site.

3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Lottery Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	795,750	795,750
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-300	-300
Policy -- Comp Total	0	-300	-300
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2007-09 Revised Appropriations	0	795,454	795,454
Fiscal Year 2009 Total	0	-300	-300

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	537	0	537
Policy Changes - Non-Comp			
1. Hispanic Student Achievement Gap	150	0	150
Policy -- Non-Comp Total	150	0	150
Policy Changes - Comp			
2. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2007-09 Revised Appropriations	683	0	683
Fiscal Year 2009 Total	146	0	146

Comments:

1. **Hispanic Student Achievement Gap** - Funding is provided for the Commission on Hispanic Affairs to engage a contractor to conduct a detailed analysis of the achievement gap for Hispanic students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.

2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	523	0	523
Policy Changes - Comp			
1. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2007-09 Revised Appropriations	519	0	519
Fiscal Year 2009 Total	-4	0	-4

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	450	53,516	53,966
Total Maintenance Changes	0	-125	-125
Policy Changes - Non-Comp			
1. Transfer DCAP to HCA	0	-74	-74
2. Judges Service Credit	0	81	81
3. Partial Year School Dist. Service	0	51	51
4. LEOFF Facilitator	0	40	40
Policy -- Non-Comp Total	0	98	98
Policy Changes - Comp			
5. PEBB Rate Reduction	0	-550	-550
Policy -- Comp Total	0	-550	-550
<hr/>			
2007-09 Revised Appropriations	450	52,939	53,389
Fiscal Year 2008 Total	0	106	106
Fiscal Year 2009 Total	0	-558	-558

Comments:

1. **Transfer DCAP to HCA** - Funding is reduced consistent with Chapter 229, Laws of 2008 (HB 2652), to transfer administration of the Dependent Care Assistance Program (DCAP) from the Department of Retirement Systems (DRS) to the Health Care Authority (HCA) effective January 1, 2009. The transfer would integrate administration of DCAP with the Flexible Spending Arrangement Program, currently administered by HCA, to achieve administrative efficiencies, cost savings, and service improvements. (Dependent Care Administrative Account-State)
2. **Judges Service Credit** - Funding is provided for the administrative costs of implementing Chapter 300, Laws of 2008 (HB 2887), permitting judges to make purchases of service credit at time of retirement to increase the value of past years of judicial service earned in the Public Employees' Retirement System. (Department of Retirement Systems Expense Account-State)
3. **Partial Year School Dist. Service** - Funding is provided for the administrative costs of implementing Chapter 204, Laws of 2008 (HB 3019), permitting members of the Teachers' Retirement System and the School Employees' Retirement Systems Plans 2 and 3 to earn service credit for a partial years of service proportionate to the service credit earned by part-time employees that work all school year for an equivalent number of hours. (Department of Retirement Systems Expense Account-State)
4. **LEOFF Facilitator** - Funding is provided for DRS to hire a facilitator to mediate a stakeholder group discussion of medical benefits funding in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1). The stakeholder group shall include representatives of retired members of LEOFF 1, local government employers, DRS, and
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
- other groups as deemed necessary by the director of DRS. (Department of Retirement Systems Expense Account-State)

Department of Revenue

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	201,321	17,213	218,534
Total Maintenance Changes	30	500	530
Policy Changes - Non-Comp			
1. I-960 Implementation	118	0	118
2. Property Tax Deferral	5,814	0	5,814
3. Domestic Partnerships	22	0	22
4. Working Families Tax Exempt	1,250	0	1,250
Policy -- Non-Comp Total	7,204	0	7,204
Policy Changes - Comp			
5. PEBB Rate Reduction	-2,084	-120	-2,204
Policy -- Comp Total	-2,084	-120	-2,204
<hr/>			
2007-09 Revised Appropriations	206,471	17,593	224,064
Fiscal Year 2008 Total	342	0	342
Fiscal Year 2009 Total	4,778	-120	4,658

Comments:

1. **I-960 Implementation** - Funding is provided for costs related to implementing Initiative 960 (I-960) requirements. The Department of Revenue (DOR) will hire two to three analysts each session to assist in preparing the estimates required by I-960.

2. **Property Tax Deferral** - Funding is provided pursuant to Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178). This legislation creates a new property tax deferral program for homeowners who meet the eligibility requirements. The amounts funded are for DOR to administer the program and reimburse state and local governments for property tax revenue deferral.

3. **Domestic Partnerships** - Funding is provided pursuant to Chapter 6, Laws of 2008 (2SHB 3104). The inclusion of domestic partners will allow a surviving partner to be eligible for the senior property tax deferral program.

4. **Working Families Tax Exempt** - Funding is provided pursuant to Chapter 325, Laws of 2008 (ESSB 6809), which provides a state sales tax exemption, in the form of remittance, equal to a percentage of the federal earned income tax credit. This funding is to be used to build infrastructure to implement the exemption and for other start-up costs.

5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Investment Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	19,266	19,266
Total Maintenance Changes	0	4	4
Policy Changes - Non-Comp			
1. DIS-Administered Firewall	0	30	30
2. Transfer DW to Appropriated Funds	0	2,500	2,500
Policy -- Non-Comp Total	0	2,530	2,530
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-135	-135
4. 2005-07 Pay Increase Inv. Officers	0	845	845
5. Benefit Cost Correction	0	32	32
6. 2007-09 Pay Increase Inv. Officers	0	1,791	1,791
Policy -- Comp Total	0	2,533	2,533
<hr/>			
2007-09 Revised Appropriations	0	24,333	24,333
Fiscal Year 2008 Total	0	2,412	2,412
Fiscal Year 2009 Total	0	2,651	2,651

Comments:

- | | |
|--|---|
| <p>1. DIS-Administered Firewall - Funding is provided to implement a data warehouse, coupled with a system to measure investment performance, to provide improved investment reporting and analysis. A firewall, administered by the Department of Information Services (DIS), will be created to provide for the security of the data warehouse system. (State Investment Board Expense Account)</p> <p>2. Transfer DW to Appropriated Funds - Funding for the investment data warehouse (DW) project is transferred from non-budgeted funds to the appropriated expense account. The non-budgeted funding and the expense account are both drawn from investment earnings. (State Investment Board Expense Account)</p> <p>3. PEBB Rate Reduction - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.</p> <p>4. 2005-07 Pay Increase Inv. Officers - Funding is provided for salary and benefit increases approved by the State Investment Board during the 2005-07 biennium. (State Investment Board Expense Account)</p> <p>5. Benefit Cost Correction - Funding is provided for the cost of health insurance benefits associated with two new positions that were established in the biennial budget. Benefit funding was not included in the biennial budget. (State Investment Board Expense Account)</p> | <p>6. 2007-09 Pay Increase Inv. Officers - Funding is provided for future compensation costs associated with the recruitment and retention of investment officers, including the additional retention and incentive pay as provided by Chapter 236, Laws of 2008 (SHB 3149 - Investment Officer Recruitment and Retention). (State Investment Board Expense Account)</p> |
|--|---|

Board of Tax Appeals

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	2,882	0	2,882
Policy Changes - Comp			
1. PEBB Rate Reduction	-26	0	-26
Policy -- Comp Total	-26	0	-26
<hr/>			
2007-09 Revised Appropriations	2,856	0	2,856
Fiscal Year 2009 Total	-26	0	-26

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Municipal Research Council

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	400	5,305	5,705
Policy Changes - Non-Comp			
1. Port District Contracting	25	0	25
Policy -- Non-Comp Total	25	0	25
<hr/>			
2007-09 Revised Appropriations	425	5,305	5,730
Fiscal Year 2009 Total	25	0	25

Comments:

1. **Port District Contracting** - Funding is provided pursuant to Chapter 130, Laws of 2008 (2SHB 3274). This legislation clarifies the applicability of public works competitive contracting provisions to public port districts and also requires that a port district commission establish conditions under which competitive bid requirements may be waived. In addition, the legislation creates a personal services competitive solicitation chapter for public port districts to cover consultant services and other personal services that must be procured by port districts. The legislation also provides accountability requirements for public port district contracting.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	3,650	3,650
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-35	-35
Policy -- Comp Total	0	-35	-35
<hr/>			
2007-09 Revised Appropriations	0	3,615	3,615
Fiscal Year 2009 Total	0	-35	-35

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of General Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,157	163,599	164,756
Total Maintenance Changes	0	14	14
Policy Changes - Non-Comp			
1. Monument and Artwork	0	33	33
2. Project Review Committee Admin	29	0	29
3. Balance Appropriated Business Costs	0	2,000	2,000
4. General Administration Moving Plan	0	391	391
Policy -- Non-Comp Total	29	2,424	2,453
Policy Changes - Comp			
5. PEBB Rate Reduction	-5	-1,183	-1,188
Policy -- Comp Total	-5	-1,183	-1,188
<hr/>			
2007-09 Revised Appropriations	1,181	164,854	166,035
Fiscal Year 2008 Total	14	420	434
Fiscal Year 2009 Total	10	821	831

Comments:

1. **Monument and Artwork** - Several veterans memorials on the Capitol Campus require repair and maintenance to restore them to satisfactory condition. Ongoing funding will provide annual maintenance for the World War II Memorial, Prisoner of War/Missing in Action Memorial, Medal of Honor Obelisk, Winged Victory World War I Memorial, and Korean War Memorial. (General Administration Services Account-State)
2. **Project Review Committee Admin** - Chapter 494, Laws of 2007 (2SHB 1506), modified the alternative public works statutes, adding more members to the Capital Project Advisory Review Board (CPARB) and established a new project review committee within CPARB. Ongoing funding will pay for costs to reimburse committee members for travel expenses.
3. **Balance Appropriated Business Costs** - The Department is provided additional appropriation authority for the General Administration Services Account to cover its operating expenses. The Department will work with the Office of Financial Management (OFM) to conduct an analysis in order to properly balance appropriated and non-appropriated activities and to end the cross-subsidization of business lines. (General Administration Services Account-State)
4. **General Administration Moving Plan** - Funding is provided to plan the move of the Treasurer, OFM, and the Department of General Administration out of the General Administration Building prior to the demolition of the building to make space for the Heritage Center. All state agencies will need to be out of the building by the fall of 2009. (General Administration Services Account-State)
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Information Services

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	10,590	255,012	265,602
Total Maintenance Changes	0	858	858
Policy Changes - Non-Comp			
1. Critical Patient Information Init.	-2,000	0	-2,000
2. Federal Grants for Law Enforcement	0	1,220	1,220
3. High-Speed Internet	195	0	195
Policy -- Non-Comp Total	-1,805	1,220	-585
Policy Changes - Comp			
4. PEBB Rate Reduction	-7	-872	-879
Policy -- Comp Total	-7	-872	-879
<hr/>			
2007-09 Revised Appropriations	8,778	256,218	264,996
Fiscal Year 2008 Total	-3,340	635	-2,705
Fiscal Year 2009 Total	1,528	-287	1,241

Comments:

1. **Critical Patient Information Init.** - Funding is eliminated for the Department of Information Services (DIS) to institute a pilot project to develop an emergency medical response health management record system for emergency medical personnel in King, Snohomish, Thurston, and Whatcom Counties. (Health Services Account-State)

2. **Federal Grants for Law Enforcement** - DIS has received two one-time federal grants for activities related to law enforcement. The U.S. Department of Justice's National Criminal History Improvement program provided funding to develop and improve criminal history records throughout the state. DIS also received a grant from the National Governors Association for activities initiated and supported by the U.S. Department of Justice. The grant will fund a pilot project to deliver technical specifications for developing future applications that use the existing Justice Information Network Data Exchange (JINDEX) platform to give law enforcement officers in the field electronic access to driver photographs, enabling them to more accurately identify individuals. (General Fund-Federal)

3. **High-Speed Internet** - Funding is provided for DIS to coordinate a statewide high-speed Internet deployment and adoption initiative, pursuant to Chapter 262, Laws of 2008 (E2SSB 6438). DIS will work in cooperation with the Utilities and Transportation Commission; the Department of Community, Trade, and Economic Development, and representatives of the telecommunications industry, community-based organizations, and other groups to develop a strategy to ensure statewide access to affordable and reliable high-speed Internet services.

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Insurance Commissioner

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	46,914	46,914
Total Maintenance Changes	0	154	154
Policy Changes - Non-Comp			
1. Health Care Admin Costs Work Group	0	286	286
2. Closed Claims Workload Increase	0	93	93
Policy -- Non-Comp Total	0	379	379
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-441	-441
Policy -- Comp Total	0	-441	-441
2007-09 Revised Appropriations	0	47,006	47,006
Fiscal Year 2009 Total	0	-62	-62

Comments:

1. **Health Care Admin Costs Work Group** - Funding is provided for the Insurance Commissioner to convene a work group of health care providers, carriers, and payers to identify and develop strategies to achieve savings through streamlining administrative requirements and procedures, as recommended in the report submitted pursuant to Section 17, Chapter 259, Laws of 2007. By December 1, 2008, the Commissioner will submit a report to the Governor and the Legislature that identifies the five highest priority goals for achieving significant efficiencies and reducing health care administrative costs and a plan to accomplish these goals. (Insurance Commissioner's Regulatory Account-State)

2. **Closed Claims Workload Increase** - Chapter 8, Laws of 2006, addressed the medical malpractice liability insurance market. Entities are required to report each closed claim to the Insurance Commissioner for analysis and reporting to the Legislature beginning with medical malpractice claims closed in 2008. Authorization is provided to assist entities as they begin reporting to the Insurance Commissioner. This authority includes a one-time funding equipment cost. (Insurance Commissioner's Regulatory Account-State)

3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Board of Accountancy

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	2,596	2,596
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-21	-21
Policy -- Comp Total	0	-21	-21
<hr/>			
2007-09 Revised Appropriations	0	2,575	2,575
Fiscal Year 2009 Total	0	-21	-21
<hr/>			

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington Horse Racing Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	9,099	9,099
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-58	-58
Policy -- Comp Total	0	-58	-58
<hr/>			
2007-09 Revised Appropriations	0	9,041	9,041
Fiscal Year 2009 Total	0	-58	-58

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,863	227,702	231,565
Total Maintenance Changes	0	1,120	1,120
Policy Changes - Non-Comp			
1. Law Enforcement Equitable Sharing	0	757	757
2. Distribution Center Software Upgrad	0	1,294	1,294
3. Distribution Center Expansion	0	3,660	3,660
Policy -- Non-Comp Total	0	5,711	5,711
Policy Changes - Comp			
4. PEBB Rate Reduction	-41	-2,220	-2,261
Policy -- Comp Total	-41	-2,220	-2,261
<hr/>			
2007-09 Revised Appropriations	3,822	232,313	236,135
Fiscal Year 2008 Total	0	4,793	4,793
Fiscal Year 2009 Total	-41	-1,302	-1,343

Comments:

1. **Law Enforcement Equitable Sharing** - The Liquor Control Board (LCB) received one-time funding from the Department of Justice's Asset Forfeiture Program. Funds will be used for equipment and training related to tobacco enforcement. (Federal Seizure Account-Non-Appropriated)

2. **Distribution Center Software Upgrad** - Funding is provided for LCB to upgrade software at the distribution center. Current software will no longer be supported by the manufacturer. The LCB was appropriated funding in the 2005-07 biennium to upgrade this software but postponed the project until after completion of the expansion of the distribution center. (Liquor Control Board Construction and Maintenance Account-State, Liquor Revolving Account-State)

3. **Distribution Center Expansion** - Funding is provided for LCB to shift a one-time fund balance from Certificates of Participation in FY 2005 to FY 2007 for safety and seismic improvements at the distribution center and to complete the project. (Liquor Control Board Construction and Maintenance Account-State)

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Board for Volunteer Firefighters

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	1,051	1,051
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-9	-9
Policy -- Comp Total	0	-9	-9
2007-09 Revised Appropriations	0	1,042	1,042
Fiscal Year 2009 Total	0	-9	-9

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	160	36,133	36,293
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-317	-317
Policy -- Comp Total	0	-317	-317
<hr/>			
2007-09 Revised Appropriations	160	35,820	35,980
Fiscal Year 2009 Total	0	-317	-317

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget Section of this document.

Military Department

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	23,251	220,672	243,923
Total Maintenance Changes	24	444	468
Policy Changes - Non-Comp			
1. National Guard Firefighting Trng	284	0	284
2. Emergency Outward Dialing	200	0	200
3. WIN 211 Additional Funding	750	0	750
4. Woody Debris Removal	0	1,300	1,300
5. WA Youth Academy Tech Corrections	372	20	392
6. Emerg Mgmt Planning Grants	317	995	1,312
7. Interoperable Communications	73	12,600	12,673
8. Pre-Disaster Mitigation Grants	0	7,861	7,861
9. National Guard Activation	579	543	1,122
10. December 2007 Flood Recovery	0	41,506	41,506
11. E911 Revenue Study	0	200	200
12. Governor Veto	-750	0	-750
Policy -- Non-Comp Total	1,825	65,025	66,850
Policy Changes - Comp			
13. PEBB Rate Reduction	-225	-323	-548
Policy -- Comp Total	-225	-323	-548
<hr/>			
2007-09 Revised Appropriations	24,875	285,818	310,693
Fiscal Year 2008 Total	969	24,367	25,336
Fiscal Year 2009 Total	631	40,335	40,966

Comments:

1. **National Guard Firefighting Trng** - Funding is provided for 100 Washington State National Guard members to receive training for Wildland Firefighting Level II certification. Level II personnel are authorized to work on the fire line in the event of wildfires.
2. **Emergency Outward Dialing** - One-time funding is provided to assist local public safety answering points (911 call centers) to purchase and implement automatic outward dialing device service systems across the state. These systems will allow for the public to be notified in the event of emergencies.
3. **WIN 211 Additional Funding** - Additional funding above the 2007-09 biennial budget level is provided for FY 2009 to support the statewide Washington Information Network (WIN) 211 program. However, this item was vetoed (please see Governor Veto item below).
4. **Woody Debris Removal** - Funding is provided to the Military Department to work with the Department of Natural Resources and the Department of Ecology to remove accumulated woody debris caused by the December 2007 severe storms and flooding. (Disaster Response Account-State)
5. **WA Youth Academy Tech Corrections** - Funding is provided for various expenses, including staff cost-of-living adjustments, which were not included in the biennial budget. (General Fund-State, General Fund-Federal)
6. **Emerg Mgmt Planning Grants** - Funding is provided for the state match required by the Emergency Management Performance Grant. The majority of funds will be passed through to local governments for all-hazard emergency management. Remaining funds will be used by the Military Department to provide assistance to local governments. (General Fund-State, General Fund-Federal)
7. **Interoperable Communications** - Expenditure authority is provided for the federal Public Safety Interoperable Communications grant and required state match. The grant focuses on improving interoperable communications capability and infrastructure in Washington. (General Fund-State, General Fund-Federal)
8. **Pre-Disaster Mitigation Grants** - Authority is provided for the Military Department to pass through non-disaster mitigation grant funds to local communities and other state agencies. Funds support development and review of local mitigation plans, grant applications, and technical assistance to local communities. Funds were awarded and allocated prior to the December 2007 floods. (General Fund-Federal)
9. **National Guard Activation** - Funding is provided to cover the estimated cost of the December 2007 and January 2008 activations of the Washington National Guard. The December 2007 activation was in response to flooding in the Chehalis-Centralia region (\$543,000). The January 2008 activation was

Military Department

in response to severe winter storms (\$36,000). (General Fund-State, General Fund-Federal)

10. **December 2007 Flood Recovery** - Funding is provided for recovery and rebuilding expenses associated with the December 2007 floods in Chehalis-Centralia. (Disaster Response Account-State, Disaster Response Account-Federal)
11. **E911 Revenue Study** - Funding is provided for the Military Department to recommend an appropriate funding mechanism for the implementation of next generation 911. The Military Department will consult with the Utilities and Transportation Commission, the Department of Revenue, local governments, representatives from companies providing telecommunications services, and other public safety and medical associations. The Military Department is to submit its report to the appropriate legislative committees by December 1, 2008. (E911 Account-State)
12. **Governor Veto** - The Governor vetoed Section 147(5) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided additional funding for the WIN 211.
13. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Employment Relations Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	6,599	3,315	9,914
Total Maintenance Changes	2	0	2
Policy Changes - Comp			
1. PEBB Rate Reduction	-58	-28	-86
Policy -- Comp Total	-58	-28	-86
<hr/>			
2007-09 Revised Appropriations	6,543	3,287	9,830
Fiscal Year 2009 Total	-58	-28	-86

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	2,120	1,665	3,785
Total Maintenance Changes	12	0	12
Policy Changes - Non-Comp			
1. Increased Rental Costs	37	0	37
2. Maritime National Heritage	150	0	150
3. Human Remains	571	500	1,071
Policy -- Non-Comp Total	758	500	1,258
Policy Changes - Comp			
4. PEBB Rate Reduction	-21	-10	-31
Policy -- Comp Total	-21	-10	-31
<hr/>			
2007-09 Revised Appropriations	2,869	2,155	5,024
Fiscal Year 2008 Total	21	0	21
Fiscal Year 2009 Total	716	490	1,206

Comments:

1. **Increased Rental Costs** - The Department of Archaeology and Historic Preservation (DAHP) staffing has grown by more than 50 percent over the last few years. To accommodate this growth, DAHP has increased its square footage at its downtown Olympia office. Funding is provided for the increase in rental costs.

2. **Maritime National Heritage** - One-time funding is provided for DAHP to conduct a preliminary assessment to determine the feasibility of seeking federal heritage area designation for Washington's maritime regions. The proposed Maritime Heritage Area would include Puget Sound, the Strait of Juan de Fuca, and the outer coast. A report is due to the Legislature and the Governor by January 1, 2010.

3. **Human Remains** - Funding is provided for Chapter 275, Laws of 2008 (E2SHB 2624). The legislation establishes statutory guidelines and procedures for the inadvertent discovery of skeletal human remains and requires DAHP to develop and maintain a centralized database of all known cemeteries and known sites of burials of human remains in Washington. Additionally, the position of the State Physical Anthropologist is created in DAHP to assist local governments in making determinations on the status of skeletal human remains and to provide excavation services to private landowners, as well as removal and reinterment when necessary. (Skeletal Human Remains Assistance Account-Non-Appropriated, General Fund-State)

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Archaeology & Historic Preservation's budget is shown in the Transportation Budget Section of this document.

Growth Management Hearings Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,832	0	3,832
Total Maintenance Changes	14	0	14
Policy Changes - Comp			
1. PEBB Rate Reduction	-25	0	-25
Policy -- Comp Total	-25	0	-25
<hr/>			
2007-09 Revised Appropriations	3,821	0	3,821
Fiscal Year 2009 Total	-25	0	-25

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Convention and Trade Center

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	90,660	90,660
Policy Changes - Non-Comp			
1. Convention Center Expansion	0	7,863	7,863
Policy -- Non-Comp Total	0	7,863	7,863
<hr/>			
2007-09 Revised Appropriations	0	98,523	98,523
Fiscal Year 2009 Total	0	7,863	7,863

Comments:

- Convention Center Expansion** - Expenditure authority is provided for annual payments on Certificates of Participation (COPs) to be issued pursuant to Section 6013(7) of the 2007-09 capital budget. COPs will be issued to finance the purchase and remodeling of the Museum of History and Industry property near the Washington State Convention and Trade Center. (State Convention and Trade Center Account-State)

Department of Financial Institutions

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	46,118	46,118
Total Maintenance Changes	0	6	6
Policy Changes - Non-Comp			
1. Smart Homeownership Choices	0	250	250
2. Homeownership Task Force	0	24	24
3. Loan Regulations	0	798	798
4. SB 6272 - Financial Literacy	1,500	0	1,500
Policy -- Non-Comp Total	1,500	1,072	2,572
Policy Changes - Comp			
5. PEBB Rate Reduction	0	-359	-359
Policy -- Comp Total	0	-359	-359
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2007-09 Revised Appropriations	1,500	46,837	48,337
Fiscal Year 2008 Total	700	250	950
Fiscal Year 2009 Total	800	463	1,263

Comments:

1. **Smart Homeownership Choices** - Funding is provided pursuant to Chapter 322, Laws of 2008 (SSB 6711). This legislation creates the smart homeownership choices program. The program is to provide financial assistance to homeowners who are delinquent on mortgage payments, bringing their mortgage current, so that they may refinance into a different loan product. Homeowners are required to repay funds loaned by this program at the time of refinancing and must participate in a mortgage counseling program. This program will be administered by the Washington State Housing Finance Commission. (Smart Homeownership Choices Program Account-Non-Appropriated)

2. **Homeownership Task Force** - Funding is provided pursuant to Chapter 108, Laws of 2008 (SHB 2770). The legislation prohibits prepayment penalties that extend beyond 60 days prior to the initial reset of an adjustable rate mortgage in residential loans. The legislation also prohibits negative amortization for a borrower in residential loans and the steering of consumers into higher cost loans. A framework and penalties for crimes related to mortgage fraud is established. (Financial Services Regulation Account-Non-Appropriated)

3. **Loan Regulations** - Funding is provided pursuant to Chapter 78, Laws of 2008 (SB 6471). The legislation amends the Consumer Loan Act (CLA) to require that all mortgage brokers who make residential loans are to be licensed under the CLA. (Financial Services Regulation Account-Non-Appropriated)

4. **SB 6272 - Financial Literacy** - Funding is provided in Chapter 3, Laws of 2008 (SB 6272), for expanding financial literacy through education and counseling to promote greater homeownership security.

5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution

rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	33,998	33,998
Total Maintenance Changes	0	6	6
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-349	-349
Policy -- Comp Total	0	-349	-349
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2007-09 Revised Appropriations	0	33,655	33,655
Fiscal Year 2009 Total	0	-349	-349

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Printer

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	18,886	18,886
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-271	-271
Policy -- Comp Total	0	-271	-271
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2007-09 Revised Appropriations	0	18,619	18,619
Fiscal Year 2009 Total	0	-271	-271

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	2,032	2,032
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-12	-12
Policy -- Comp Total	0	-12	-12
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2007-09 Revised Appropriations	0	2,020	2,020
Fiscal Year 2009 Total	0	-12	-12

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.