

Omnibus Appropriations Act - Agency Detail

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Legislative

When compared to 2007-09 biennium funding levels, 2009-11 appropriations for legislative agencies are, on a net basis, approximately 7 percent less than the previous budget. To reach these appropriation levels, reductions and efficiency measures are expected to reduce maintenance level spending in each agency by approximately 8.8 percent.

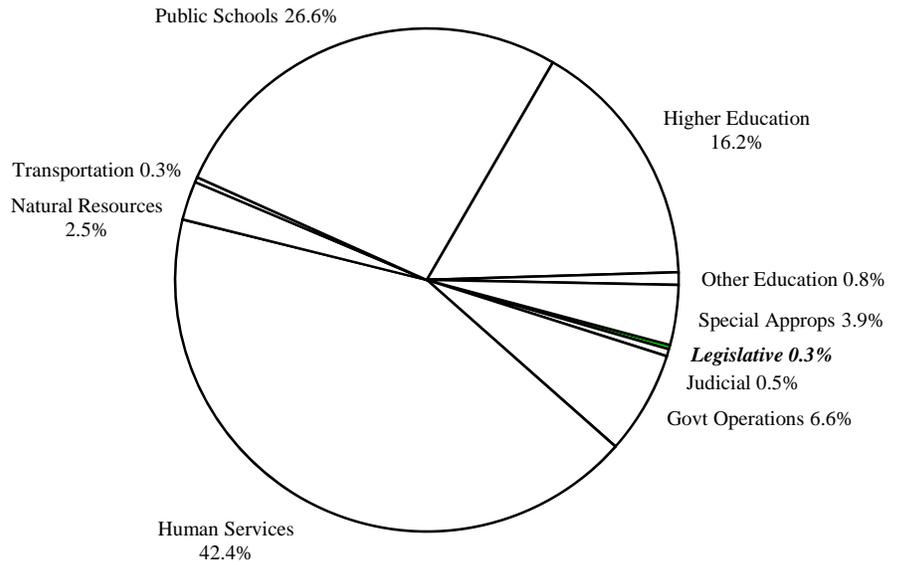
Administrative reductions reflecting efficiencies and savings were made in appropriations to all legislative agencies. Examples of actions that may be taken by legislative agencies to meet these reductions include hiring freezes, employee furloughs, and reductions in employee travel and training, equipment purchases, other goods and services purchases, and personal service contracts.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

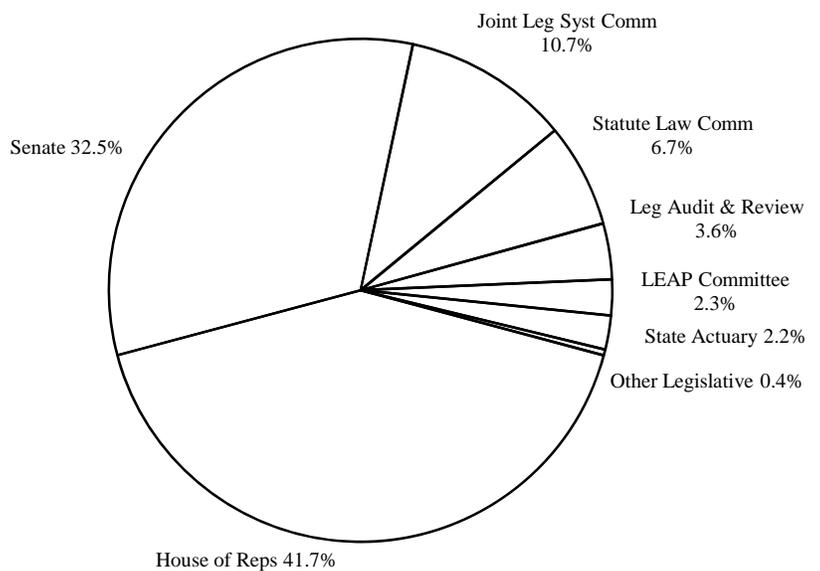
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

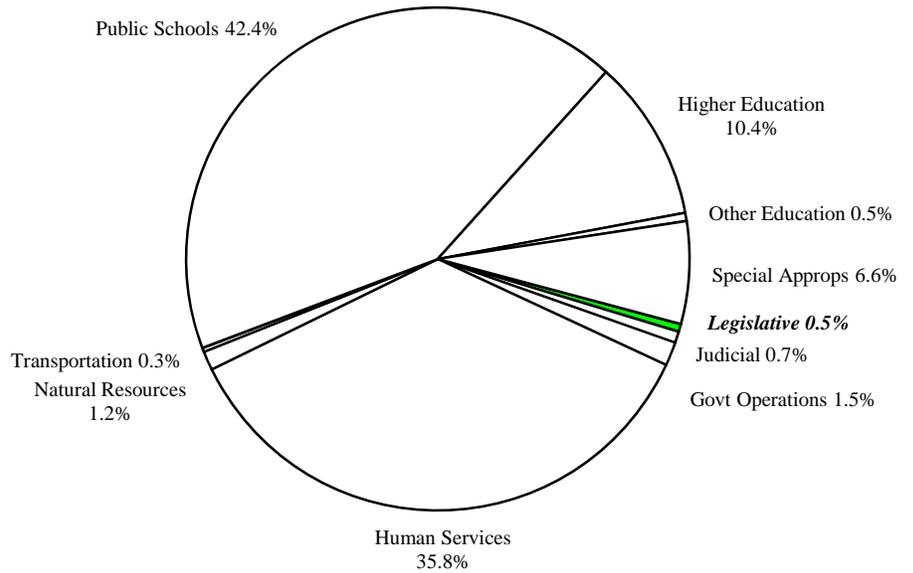
House of Representatives	66,879
Senate	52,139
Jt Leg Systems Comm	17,170
Statute Law Committee	10,711
Jt Leg Audit & Rev Comm	5,758
LEAP Committee	3,675
State Actuary	3,514
Other Legislative	610
Legislative	160,456



Legislative

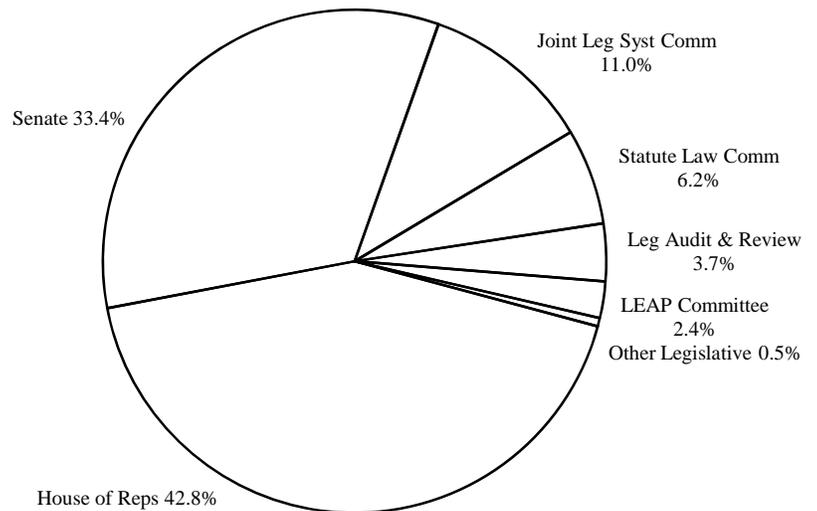
2009-11 Washington State Omnibus Operating Budget Near General Fund-State (Dollars in Thousands)

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Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

House of Representatives	66,879
Senate	52,139
Jt Leg Systems Comm	17,170
Statute Law Committee	9,639
Jt Leg Audit & Rev Comm	5,758
LEAP Committee	3,675
Other Legislative	835
Legislative	156,095



Legislative

House of Representatives

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	71,377	76	71,453
2009 Supplemental *	-527	0	-527
Total 2007-09 Biennium	70,850	76	70,926
<hr/>			
2009-11 Maintenance Level	74,198	0	74,198
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-6,530	0	-6,530
Policy -- Non-Comp Total	-6,530	0	-6,530
Policy Changes - Comp			
2. Employee Health Insurance	307	0	307
3. Actuarial Method Changes-State	-1,096	0	-1,096
Policy -- Comp Total	-789	0	-789
<hr/>			
Total 2009-11 Biennium	66,879	0	66,879
Fiscal Year 2010 Total	33,500	0	33,500
Fiscal Year 2011 Total	33,379	0	33,379

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Senate

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	56,891	75	56,966
2009 Supplemental *	-928	0	-928
Total 2007-09 Biennium	55,963	75	56,038
2009-11 Maintenance Level	57,753	0	57,753
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-4,976	0	-4,976
Policy -- Non-Comp Total	-4,976	0	-4,976
Policy Changes - Comp			
2. Employee Health Insurance	196	0	196
3. Actuarial Method Changes-State	-834	0	-834
Policy -- Comp Total	-638	0	-638
Total 2009-11 Biennium	52,139	0	52,139
Fiscal Year 2010 Total	24,957	0	24,957
Fiscal Year 2011 Total	27,182	0	27,182

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.
2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
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* Please see the 2009 Supplemental Operating Budget Section for additional information.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	6,669	0	6,669
2009 Supplemental *	-343	0	-343
Total 2007-09 Biennium	6,326	0	6,326
2009-11 Maintenance Level	6,372	0	6,372
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-533	0	-533
Policy -- Non-Comp Total	-533	0	-533
Policy Changes - Comp			
2. Employee Health Insurance	21	0	21
3. Actuarial Method Changes-State	-102	0	-102
Policy -- Comp Total	-81	0	-81
Total 2009-11 Biennium	5,758	0	5,758
Fiscal Year 2010 Total	2,874	0	2,874
Fiscal Year 2011 Total	2,884	0	2,884

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.
2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,922	0	3,922
2009 Supplemental *	-448	0	-448
Total 2007-09 Biennium	3,474	0	3,474
<hr/>			
2009-11 Maintenance Level	4,045	0	4,045
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-352	0	-352
2. State Education System	71	0	71
Policy -- Non-Comp Total	-281	0	-281
Policy Changes - Comp			
3. Employee Health Insurance	9	0	9
4. Remove Merit Increments	-36	0	-36
5. Actuarial Method Changes-State	-62	0	-62
Policy -- Comp Total	-89	0	-89
<hr/>			
Total 2009-11 Biennium	3,675	0	3,675
Fiscal Year 2010 Total	1,748	0	1,748
Fiscal Year 2011 Total	1,927	0	1,927

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.
2. **State Education System** - Funding is provided for the Committee's role in the implementation of Chapter 548, Laws of 2009, Partial Veto (ESHB 2261 - State's Education System).
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Remove Merit Increments** - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated.
5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Legislative Evaluation & Accountability Program's budget is shown in the Transportation Budget Section of this document.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of the State Actuary

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	25	3,491	3,516
2009 Supplemental *	0	-181	-181
Total 2007-09 Biennium	25	3,310	3,335
<hr/>			
2009-11 Maintenance Level	50	3,599	3,649
Policy Changes - Non-Comp			
1. LEOFF 1 Retiree Medical Study	0	25	25
2. PEBB Tool for Local Government	0	5	5
3. OPEB Valuation for UW Medical Centr	0	20	20
4. Disability Study	0	51	51
5. Public Employee Benefits Study	0	735	735
6. Administrative Efficiencies	0	-337	-337
7. GET Program Review	175	0	175
8. Governor Veto	0	-755	-755
Policy -- Non-Comp Total	175	-256	-81
Policy Changes - Comp			
9. Employee Health Insurance	0	10	10
10. Remove Merit Increments	0	-6	-6
11. Actuarial Method Changes-State	0	-58	-58
Policy -- Comp Total	0	-54	-54
<hr/>			
Total 2009-11 Biennium	225	3,289	3,514
Fiscal Year 2010 Total	200	1,731	1,931
Fiscal Year 2011 Total	25	1,558	1,583

Comments:

- LEOFF 1 Retiree Medical Study** - Funding is provided for continuation of an actuarial evaluation of local government liabilities for Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 1 post-retirement medical benefits. (Department of Retirement Systems Expense Account-State)
- PEBB Tool for Local Government** - Funding is provided for the creation and maintenance of a tool to assist local government employers who participate in the Public Employees' Benefits Board (PEBB) with their financial reporting for Other Post-Employment Benefits (OPEB). (Department of Retirement Systems Expense Account-State)
- OPEB Valuation for UW Medical Centr** - Funding is provided for ongoing actuarial services to assist the University of Washington Medical Center and Harborview Medical Center with their OPEB financial reporting. The Governor vetoed this provision (see Governor Veto item). (Department of Retirement Systems Expense Account-State)
- Disability Study** - Funding is provided for the Office of the State Actuary to contract with the Washington State Institute for Public Policy for a study of the disability benefits provided to the Plan 2 and Plan 3 members of the Public Employees' Retirement System, Teachers' Retirement System, and School Employees' Retirement System. The Institute shall report its findings to the Select Committee on Pension Policy by November 1, 2009. (Department of Retirement Systems Expense Account-State)
- Public Employee Benefits Study** - Funding is provided for the State Actuary to conduct, directly or by contract, a study of the cost of providing health benefits for public employees. The study shall examine the actuarial value of health benefits provided to state, school district, and local government employees, and the cost of those benefits to employees and employers. By December 15, 2010, the State Actuary shall report the findings of the study to the Governor and the fiscal committees of the Legislature. The Governor vetoed this provision (see Governor Veto item). (Health Care Authority Administrative Account-State)
- Administrative Efficiencies** - Funding is reduced to reflect administrative efficiencies. Agencies are directed to achieve these reductions through strategies that will minimize impacts on employees, their families, their communities, and short- and long-term accomplishment of the agency's mission. Agencies are encouraged to use strategies such as reduced work schedules, use of voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status, full insurance benefits, full accrual of

Office of the State Actuary

retirement service credit, and a living wage. (Department of Retirement Systems Expense Account-State)

7. **GET Program Review** - Funding is provided for the State Actuary to conduct an independent assessment of alternatives for assuring the long-term financial solvency of the Guaranteed Education Tuition (GET) program. In conducting this review, the Office may contract for assistance and shall consult with the Higher Education Coordinating Board, the Legislature's operating budget committees, the Office of Financial Management, and the state's public colleges and universities and shall report findings, an assessment of the major alternatives, and suggested actions to the Governor and to the relevant legislative committees by November 15, 2009. (Department of Retirement Systems Expense Account-State)
8. **Governor Veto** - The Governor vetoed Section 105 (3) and (5) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244). Subsection 105 (3) provided funding for ongoing actuarial services to assist the University of Washington Medical Center and Harborview Medical Center with financial reporting of post-retirement benefit obligations. Section 105 (5) provided funding for a study to examine the cost of health benefits provided to state, school district, and local government employees.
9. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (Department of Retirement Systems Expense Account-State)
10. **Remove Merit Increments** - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated. (Department of Retirement Systems Expense Account-State)
11. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (Department of Retirement Systems Expense Account-State)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Joint Legislative Systems Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	18,300	0	18,300
2009 Supplemental *	-719	0	-719
Total 2007-09 Biennium	17,581	0	17,581
<hr/>			
2009-11 Maintenance Level	18,995	0	18,995
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-1,671	0	-1,671
Policy -- Non-Comp Total	-1,671	0	-1,671
Policy Changes - Comp			
2. Employee Health Insurance	40	0	40
3. Actuarial Method Changes-State	-194	0	-194
Policy -- Comp Total	-154	0	-154
<hr/>			
Total 2009-11 Biennium	17,170	0	17,170
Fiscal Year 2010 Total	8,651	0	8,651
Fiscal Year 2011 Total	8,519	0	8,519

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Statute Law Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	10,106	1,172	11,278
2009 Supplemental *	-154	0	-154
Total 2007-09 Biennium	9,952	1,172	11,124
<hr/>			
2009-11 Maintenance Level	10,698	1,072	11,770
Policy Changes - Non-Comp			
1. Reductions/Efficiency Measures	-942	0	-942
Policy -- Non-Comp Total	-942	0	-942
Policy Changes - Comp			
2. Employee Health Insurance	34	0	34
3. Actuarial Method Changes-State	-151	0	-151
Policy -- Comp Total	-117	0	-117
<hr/>			
Total 2009-11 Biennium	9,639	1,072	10,711
Fiscal Year 2010 Total	4,610	298	4,908
Fiscal Year 2011 Total	5,029	774	5,803

Comments:

1. **Reductions/Efficiency Measures** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Redistricting Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	0	0
2009-11 Maintenance Level	663	0	663
Policy Changes - Non-Comp			
1. Administrative Reduction	-53	0	-53
Policy -- Non-Comp Total	-53	0	-53
Total 2009-11 Biennium	610	0	610
Fiscal Year 2011 Total	610	0	610

Comments:

1. **Administrative Reduction** - Funding is reduced in recognition of efficiency efforts by legislative branch agencies.

Judicial

Reductions

Funding to judicial branch agencies has been reduced to reflect increased efficiencies, holding positions vacant, and scaling back some programs. The budget reductions were distributed in the following way:

Judicial Branch Agencies State General Fund Reductions

(Dollars in Thousands)

	2009-11 Maintenance Level	Agency Reduction *	Percent Reduction
Supreme Court	15,304	-1,224	8.0%
State Law Library	4,594	-730	15.9%
Court of Appeals	34,941	-2,795	8.0%
Judicial Conduct Commission	2,328	-186	8.0%
Administrative Office of the Courts	122,560	-9,804	8.0%
Office of Public Defense	54,142	-1,190	2.2%
Office of Civil Legal Aid	23,622	-520	2.2%

* Before transfers, enhancements, and compensation changes

Judicial Stabilization Trust Account

For the 2009-11 biennium, additional surcharges on some court fees were authorized, and funding from those increased fees will be deposited into the newly-created Judicial Stabilization Trust (JST) Account. Funding from the JST may only be used to support judicial branch agencies. The Administrative Office for the Courts (AOC), Office of Civil Legal Aid, and Office of Public Defense received funding from this account. These additional surcharges are estimated to raise \$10.7 million in additional revenue.

Judicial Information System

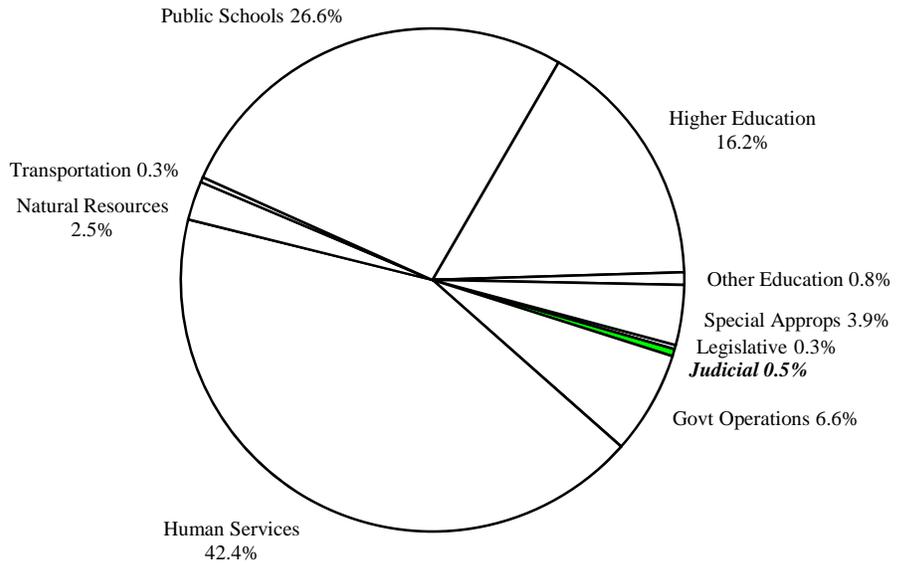
One-time funding of \$1.7 million is provided for the development of a comprehensive enterprise-level information technology strategy and detailed business and operational plans in support of that strategy. Additional one-time funding of \$4 million is also provided to allow AOC to continue to modernize and integrate current systems and enhance case management functionality on an incremental basis.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

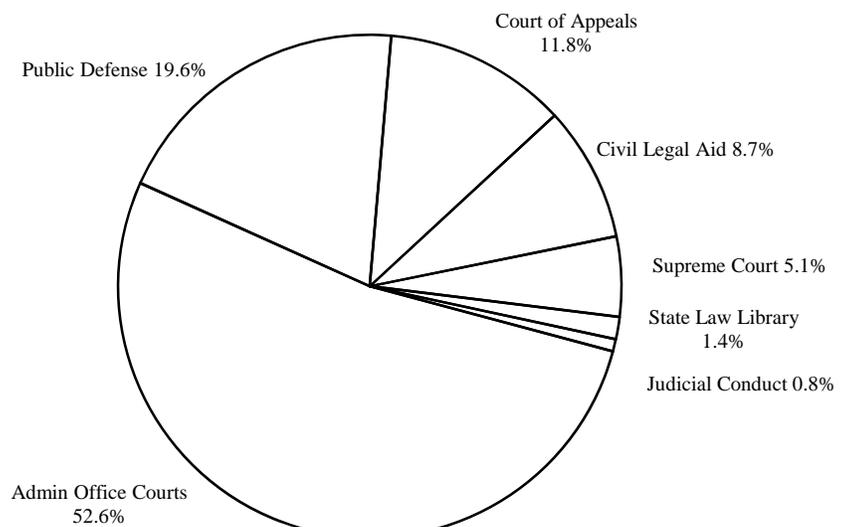
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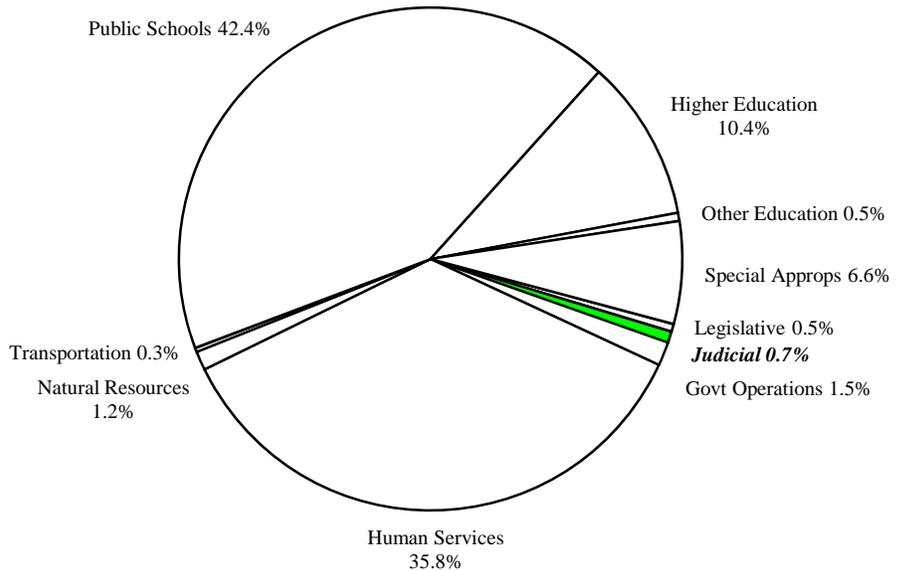
Admin Office Courts	141,693
Office of Public Defense	52,900
Court of Appeals	31,688
Civil Legal Aid	23,440
Supreme Court	13,860
State Law Library	3,846
Judicial Conduct Comm	2,114
Judicial	269,541



Judicial

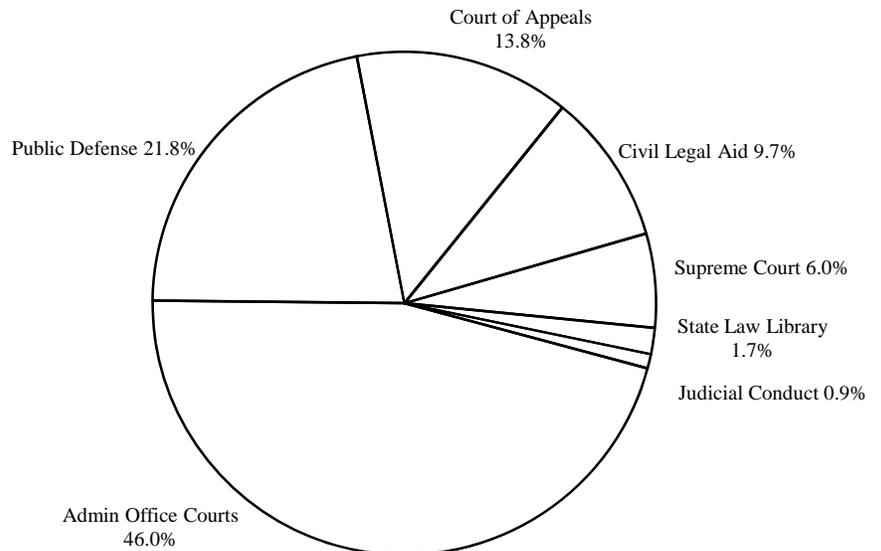
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Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Admin Office Courts	105,419
Office of Public Defense	49,977
Court of Appeals	31,688
Civil Legal Aid	22,280
Supreme Court	13,860
State Law Library	3,846
Judicial Conduct Comm	2,114
Judicial	229,184



Judicial

Supreme Court

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	14,990	0	14,990
2009 Supplemental *	-178	0	-178
Total 2007-09 Biennium	14,812	0	14,812
<hr/>			
2009-11 Maintenance Level	15,304	0	15,304
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-1,224	0	-1,224
Policy -- Non-Comp Total	-1,224	0	-1,224
Policy Changes - Comp			
2. Employee Health Insurance	54	0	54
3. Actuarial Method Changes-State	-274	0	-274
Policy -- Comp Total	-220	0	-220
<hr/>			
Total 2009-11 Biennium	13,860	0	13,860
Fiscal Year 2010 Total	6,912	0	6,912
Fiscal Year 2011 Total	6,948	0	6,948

Comments:

1. **Agency Wide Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Law Library

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	4,537	0	4,537
2009 Supplemental *	-101	0	-101
Total 2007-09 Biennium	4,436	0	4,436
2009-11 Maintenance Level	4,594	0	4,594
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-730	0	-730
Policy -- Non-Comp Total	-730	0	-730
Policy Changes - Comp			
2. Employee Health Insurance	12	0	12
3. Actuarial Method Changes-State	-30	0	-30
Policy -- Comp Total	-18	0	-18
Total 2009-11 Biennium	3,846	0	3,846
Fiscal Year 2010 Total	1,924	0	1,924
Fiscal Year 2011 Total	1,922	0	1,922

Comments:

1. **Agency Wide Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Court of Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	33,237	0	33,237
2009 Supplemental *	-332	0	-332
Total 2007-09 Biennium	32,905	0	32,905
<hr/>			
2009-11 Maintenance Level	34,941	0	34,941
Policy Changes - Non-Comp			
1. Agency Wide Reductions	-2,795	0	-2,795
Policy -- Non-Comp Total	-2,795	0	-2,795
Policy Changes - Comp			
2. Employee Health Insurance	122	0	122
3. Actuarial Method Changes-State	-580	0	-580
Policy -- Comp Total	-458	0	-458
<hr/>			
Total 2009-11 Biennium	31,688	0	31,688
Fiscal Year 2010 Total	15,793	0	15,793
Fiscal Year 2011 Total	15,895	0	15,895

Comments:

1. **Agency Wide Reductions** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Commission on Judicial Conduct

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	2,251	0	2,251
2009 Supplemental *	-29	0	-29
Total 2007-09 Biennium	2,222	0	2,222
<hr/>			
2009-11 Maintenance Level	2,328	0	2,328
Policy Changes - Non-Comp			
1. Agency Wide Reductions	-186	0	-186
Policy -- Non-Comp Total	-186	0	-186
Policy Changes - Comp			
2. Employee Health Insurance	6	0	6
3. Actuarial Method Changes-State	-34	0	-34
Policy -- Comp Total	-28	0	-28
<hr/>			
Total 2009-11 Biennium	2,114	0	2,114
Fiscal Year 2010 Total	1,032	0	1,032
Fiscal Year 2011 Total	1,082	0	1,082

Comments:

1. **Agency Wide Reductions** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Administrative Office of the Courts

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	117,213	40,923	158,136
2009 Supplemental *	-639	0	-639
Total 2007-09 Biennium	116,574	40,923	157,497
<hr/>			
2009-11 Maintenance Level	122,560	20,004	142,564
Policy Changes - Non-Comp			
1. Thurston County Impact Fees	25	0	25
2. Disaster Recovery	0	140	140
3. JIS Modernization and Integration	0	1,700	1,700
4. Case Management System Migration	0	4,000	4,000
5. Superior Court Judge - King County	212	0	212
6. Agency Wide Reductions	-9,804	0	-9,804
7. Sealing Juvenile Records	0	12	12
8. External and Internal Equipment	0	3,000	3,000
9. Utilize JST Account Funds	-6,598	6,598	0
10. Information Tech Maintenance	0	1,000	1,000
Policy -- Non-Comp Total	-16,165	16,450	285
Policy Changes - Comp			
11. Employee Health Insurance	260	40	300
12. Actuarial Method Changes-State	-1,236	-220	-1,456
Policy -- Comp Total	-976	-180	-1,156
<hr/>			
Total 2009-11 Biennium	105,419	36,274	141,693
Fiscal Year 2010 Total	53,607	17,708	71,315
Fiscal Year 2011 Total	51,812	18,566	70,378

Comments:

1. **Thurston County Impact Fees** - Funding is provided to mitigate the costs of the large number of civil cases filed in Thurston County, the official seat of state government.
2. **Disaster Recovery** - Funding is provided for increased costs of the statewide court case management systems' disaster recovery plan. The funding provides for hardware, mainframe, server, and network components needed for testing and recovery in the event of a disaster. (Judicial Information Systems [JIS] Account-State)
3. **JIS Modernization and Integration** - One-time funding is provided for the development of a comprehensive enterprise-level information technology strategy and for detailed business and operational plans in support of that strategy. (Judicial Information Systems Account-State)
4. **Case Management System Migration** - One-time funding is provided to migrate the Judicial Information System to a more modular, extendable, and integrated statewide court case management system. The funding will allow the Administrative Office of the Courts (AOC) to continue to modernize and integrate current systems and enhance case management functionality on an incremental basis. (Judicial Information Systems Account-State)
5. **Superior Court Judge - King County** - Funding is provided for the 53rd superior court judicial position in King County.
6. **Agency Wide Reductions** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies. AOC may not reduce funding for the Becca program and truancy petitions.
7. **Sealing Juvenile Records** - One-time funding is provided for programming costs to implement Chapter 236, Laws of 2009 (ESHB 1954), related to sealing of juvenile records. (Judicial Information Systems Account-State)
8. **External and Internal Equipment** - One-time funding is provided to replace computer equipment at the local courts that use the Judicial Information System and to replace computer equipment at state judicial agencies. (Judicial Information Systems Account-State)
9. **Utilize JST Account Funds** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with AOC. Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 572, Laws of 2009 (SHB 2362). (Judicial Stabilization Trust Account)

Administrative Office of the Courts

10. **Information Tech Maintenance** - Funding is provided to support continued maintenance on and improvements to the Judicial Information System. (Judicial Information Systems Account-State)
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of Public Defense

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	54,133	0	54,133
2009 Supplemental *	-58	0	-58
Total 2007-09 Biennium	54,075	0	54,075
2009-11 Maintenance Level	54,142	0	54,142
Policy Changes - Non-Comp			
1. Agency Wide Reductions	-1,190	0	-1,190
2. Utilize JST Account Funds	-2,923	2,923	0
Policy -- Non-Comp Total	-4,113	2,923	-1,190
Policy Changes - Comp			
3. Employee Health Insurance	12	0	12
4. Actuarial Method Changes-State	-64	0	-64
Policy -- Comp Total	-52	0	-52
Total 2009-11 Biennium	49,977	2,923	52,900
Fiscal Year 2010 Total	25,385	1,096	26,481
Fiscal Year 2011 Total	24,592	1,827	26,419

Comments:

1. **Agency Wide Reductions** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
2. **Utilize JST Account Funds** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with the Office of Public Defense. Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 572, Laws of 2009 (SHB 2362). (Judicial Stabilization Trust Account)
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of Civil Legal Aid

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	22,477	0	22,477
2009 Supplemental *	-43	0	-43
Total 2007-09 Biennium	22,434	0	22,434
<hr/>			
2009-11 Maintenance Level	23,622	0	23,622
Policy Changes - Non-Comp			
1. Sole-Source Contracted Services	583	0	583
2. Eliminate Agricultural ADR Program	-240	0	-240
3. Utilize JST Account Funds	-1,160	1,160	0
4. Agency Reduction	-520	0	-520
Policy -- Non-Comp Total	-1,337	1,160	-177
Policy Changes - Comp			
5. Employee Health Insurance	1	0	1
6. Actuarial Method Changes-State	-6	0	-6
Policy -- Comp Total	-5	0	-5
<hr/>			
Total 2009-11 Biennium	22,280	1,160	23,440
Fiscal Year 2010 Total	11,175	435	11,610
Fiscal Year 2011 Total	11,105	725	11,830

Comments:

1. **Sole-Source Contracted Services** - Funding is provided for the state's share of increases to the sole-source contractor for increased personnel and lease costs.
2. **Eliminate Agricultural ADR Program** - Funding is reduced to reflect the termination of the Office of Civil Legal Aid (OCLA) contract with the Washington State Grange for agricultural dispute resolution (ADR) services.
3. **Utilize JST Account Funds** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with OCLA. Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 572, Laws of 2009 (SHB 2362). (Judicial Stabilization Trust Account)
4. **Agency Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
5. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
6. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many

of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Governmental Operations

Department of Commerce *(formerly the Department of Community, Trade, and Economic Development)*

Reductions

The operating budget makes several reductions to the Department, including a \$1 million reduction for the Cleaner Energy Program (Chapter 348, Laws of 2007, Partial Veto – E2SHB 1303), a \$1.2 million reduction in the Administrative Services Division, a \$1.9 million reduction in Growth Management Act Technical Assistance, a \$3.2 million reduction in Public Broadcast Grants, and a \$3.6 million reduction in Offender Re-entry, a program that provides housing solutions for ex offenders re-entering communities. These were among the largest reductions, and the remaining reductions were generally under \$1 million. The Washington State Film Office, the office that assists in marketing the state for feature film, television, and commercial production, was eliminated, creating a savings of \$460,000 in General Fund-State.

Federal Stimulus (American Recovery and Reinvestment Act of 2009)

The operating budget also included federal stimulus money for the Department in several areas:

Stimulus funds include: \$9.2 million for the Community Services Block Grant (CSBG) program; \$2.4 million for the state's Emergency Food and Shelter programs; \$11 million for Emergency Shelters in Homelessness Prevention; \$1 million for Crime Victims Assistance programs; \$2.9 million to combat Violence Against Women; and \$22.4 million of Justice Assistance Grants (Byrne) to cover six different functions relating to law enforcement.

Energy-related federal stimulus funding includes:

- \$10.5 million in federal stimulus funds is for training and technical assistance associated with Low-Income Weatherization. The Department will distribute up to \$4 million to the State Board for Community and Technical Colleges to provide workforce training related to weatherization and energy efficiency; up to \$3 million to the Bellingham Opportunity Council to provide workforce training related to energy efficiency and weatherization; and up to \$3.5 million to community-based organizations and to community action agencies consistent with the provisions of Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227). Any funding remaining will be expended consistent with the capital budget appropriation of \$49 million for low-income weatherization.
- \$15 million is for Washington State University for making grants for pilot projects providing community-wide urban, residential, commercial energy efficiency upgrades and farm energy assessments, consistent with Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649).
- \$38.5 million is for deposit in the Energy Recovery Act Account to capitalize the Energy Freedom Program, consistent with Chapter 451, Laws of 2009 (ESHB 2289). The funding is appropriated in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 – Capital Budget).
- \$10.6 million is for energy efficiency block grants.
- \$6.8 million is for the state energy program, including \$5 million for the Department to provide credit enhancements consistent with Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649).

Office of the Attorney General

The budget contains an agency generated efficiency savings that reduces the authority for the Office of the Attorney General's Legal Services Revolving Account by \$15.9 million. This decrease includes reductions in the Office's administrative costs, as well as among client agencies by eliminating redundant requests for legal opinions and contract reviews.

Department of Information Systems

The Department's Data Processing Revolving Account-Non-Appropriated authority is reduced by over \$16 million, which will be distributed over the three following areas: \$3.9 million for equipment leasing savings; \$9.6 million in equipment reductions; and \$3 million in staff reductions. The Department also received a reduction of \$1.9 million for the K-20 Network in the Education Technology Revolving Account-State.

Department of General Administration

The sum of \$2.1 million from both the General Administration Services Account-Appropriated and the General Administration Services Account-Non-Appropriated is to provide state agency tenants with services and to offset the cost of providing other activities on campus that support the general public and have no other fund source. The Department also receives \$9.2 million in increased expenditure authority for ongoing non-appropriated costs in the following programs: Motor Pool, Consolidated Mail Services, Office of State Procurement, Surplus Programs, and Materials Management Center. The non-appropriated adjustment for increases is related to volume level increases and other ongoing costs and is not reflective of new or expanded services or activities.

Federal Stimulus

The operating budget authorized the Department to receive \$2 million in federal stimulus funds for the state's Emergency Food Assistance Program (TEFAP). TEFAP helps to supplement the diets of low-income needy persons, including elderly people, by providing them with emergency food and nutrition assistance.

Military Department

Disaster Response

The budget provides funding for recovery efforts from the 2007 and 2008 flooding and snow storms.

Washington Information Network (WIN 211)

The budget provides \$1 million in state general funds and \$1 million through the Department of Social and Health Services from the Washington Telephone Assistance Program Account for WIN 211, a private nonprofit organization that provides social service referral services.

Efficiencies and Savings

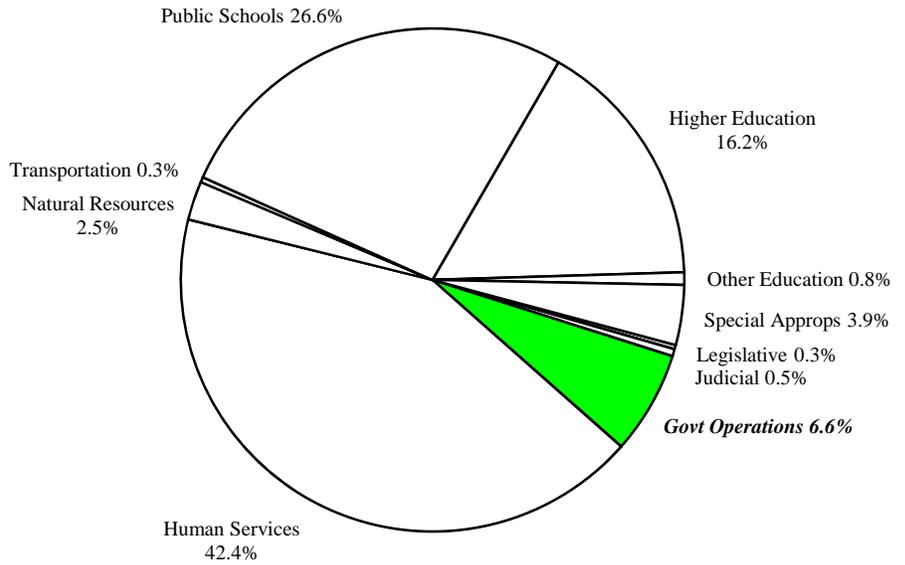
The agency will reduce its state general fund spending by \$3.2 million by eliminating training of National Guard members as firefighters, closing up to seven facilities throughout the state as well as through various efficiencies such as reducing personal service contracts, holding positions vacant, reducing goods, services, and equipment purchases, and reducing travel.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

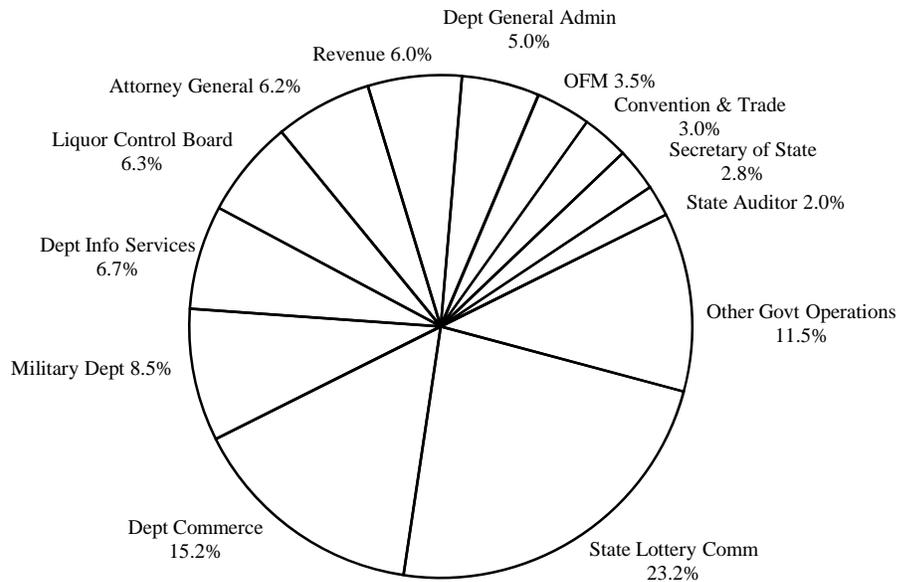
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

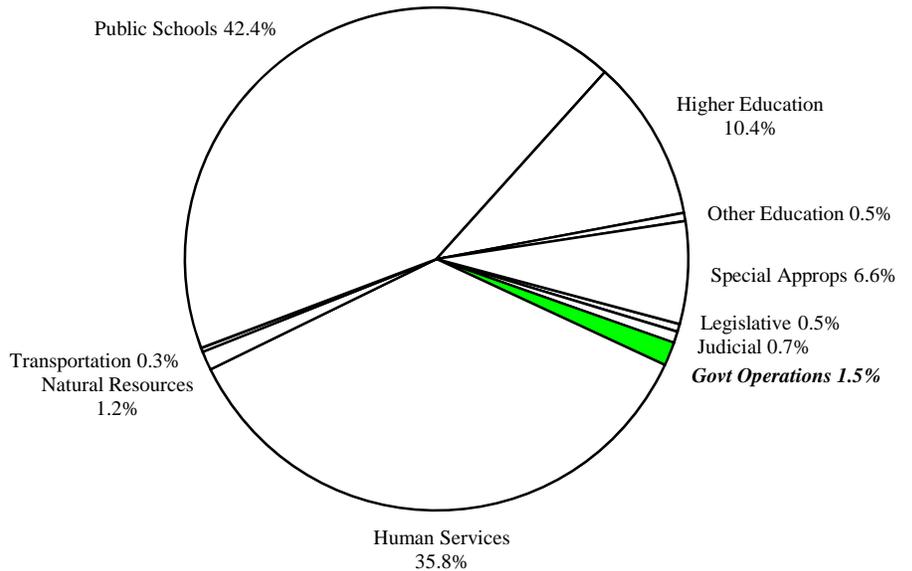
Lottery Commission	901,704
Dept Commerce	592,072
Military Department	330,846
Dept Info Services	260,388
Liquor Control Board	243,518
Attorney General	241,878
Revenue	234,394
Dept General Administration	194,524
OFM	136,506
Convention & Trade Center	117,122
Secretary of State	107,603
State Auditor	78,335
Other Govt Operations	447,017
Governmental Operations	3,885,907



Governmental Operations

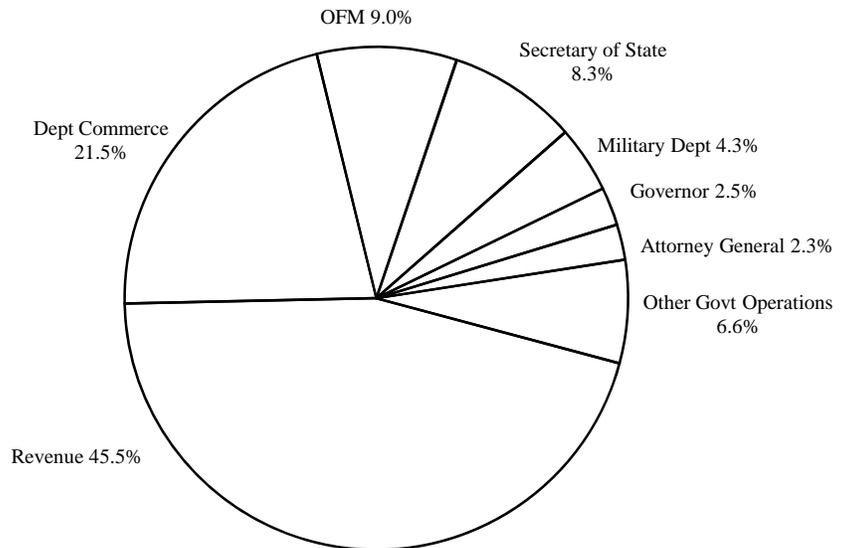
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Revenue	217,820
Dept Commerce	103,078
OFM	42,955
Secretary of State	39,974
Military Department	20,534
Office of the Governor	11,756
Attorney General	10,899
Other Govt Operations	31,725
Governmental Operations	478,741



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	13,549	6,715	20,264
2009 Supplemental *	-585	0	-585
Total 2007-09 Biennium	12,964	6,715	19,679
2009-11 Maintenance Level	14,074	4,715	18,789
Policy Changes - Non-Comp			
1. Transfer Oil Spill Program to PSP	0	-715	-715
2. Education Ombudsman	-550	0	-550
3. Econ Development Strategic Reserve	0	-2,500	-2,500
4. Agency Wide Reductions	-443	0	-443
5. Transfer Salmon Recovery Office	-500	0	-500
6. Governor-Directed Freeze	-540	0	-540
7. Governor-Directed 1% Cut	-146	0	-146
Policy -- Non-Comp Total	-2,179	-3,215	-5,394
Policy Changes - Comp			
8. Employee Health Insurance	43	0	43
9. Actuarial Method Changes-State	-182	0	-182
Policy -- Comp Total	-139	0	-139
Total 2009-11 Biennium	11,756	1,500	13,256
Fiscal Year 2010 Total	5,880	1,500	7,380
Fiscal Year 2011 Total	5,876	0	5,876

Comments:

1. **Transfer Oil Spill Program to PSP** - Responsibility for providing advice related to the state's oil spill program will move from the Oil Spill Advisory Council to the Puget Sound Partnership (PSP) Leadership Council. Existing PSP staff and funding will be used to support this function. (Oil Spill Prevention Account-State)
2. **Education Ombudsman** - The functions of the Office of Education Ombudsman are being consolidated in the Seattle office.
3. **Econ Development Strategic Reserve** - Expenditures from the Economic Development Strategic Reserve Account are reduced for the 2009-11 biennium.
4. **Agency Wide Reductions** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
5. **Transfer Salmon Recovery Office** - Funding is reduced pursuant to Chapter 345, Laws of 2009 (SHB 2157 - Salmon Recovery). The Governor's Salmon Recovery Office is transferred to the Recreation and Conservation Office (RCO). Reporting on salmon recovery will be consolidated and programmatic efficiencies will be realized. The Departments of Ecology and Fish and Wildlife will continue to participate in salmon recovery through interagency agreements with RCO.
6. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
7. **Governor-Directed 1% Cut** - In October 2008, the Governor asked agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium.
8. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
9. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of the Lieutenant Governor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,619	90	1,709
2009 Supplemental *	-28	0	-28
Total 2007-09 Biennium	1,591	90	1,681
<hr/>			
2009-11 Maintenance Level	1,732	95	1,827
Policy Changes - Non-Comp			
1. Administrative Efficiencies	-152	0	-152
Policy -- Non-Comp Total	-152	0	-152
Policy Changes - Comp			
2. Employee Health Insurance	6	0	6
3. Actuarial Method Changes-State	-28	0	-28
Policy -- Comp Total	-22	0	-22
<hr/>			
Total 2009-11 Biennium	1,558	95	1,653
Fiscal Year 2010 Total	770	47	817
Fiscal Year 2011 Total	788	48	836

Comments:

1. **Administrative Efficiencies** - Funding is reduced as a result of savings achieved by freezing equipment purchases, personal service contracts, hiring, and out-of-state travel, as well as other administrative efficiencies.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Disclosure Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	4,994	0	4,994
2009 Supplemental *	-88	0	-88
Total 2007-09 Biennium	4,906	0	4,906
<hr/>			
2009-11 Maintenance Level	5,068	0	5,068
Policy Changes - Non-Comp			
1. Agency Wide Reductions	-356	0	-356
2. Governor-Directed Freeze	-90	0	-90
Policy -- Non-Comp Total	-446	0	-446
Policy Changes - Comp			
3. Employee Health Insurance	21	0	21
4. Remove Merit Increments	-30	0	-30
5. Actuarial Method Changes-State	-82	0	-82
Policy -- Comp Total	-91	0	-91
<hr/>			
Total 2009-11 Biennium	4,531	0	4,531
Fiscal Year 2010 Total	2,267	0	2,267
Fiscal Year 2011 Total	2,264	0	2,264

Comments:

1. **Agency Wide Reductions** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.

information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

2. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

4. **Remove Merit Increments** - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated.

5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed

Office of the Secretary of State

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	55,679	70,233	125,912
2009 Supplemental *	-611	329	-282
Total 2007-09 Biennium	55,068	70,562	125,630
2009-11 Maintenance Level	44,459	65,549	110,008
Policy Changes - Non-Comp			
1. Elections Division Efficiencies	-643	0	-643
2. Reduce TVW Pass-Through Funding	-993	0	-993
3. Digital Archives Alternate Funding	0	-200	-200
4. Defer Charity Education Program	0	-123	-123
5. Charities and Corporations Filings	0	904	904
6. Digital Archives Growth	0	1,432	1,432
7. Voter Database Connectivity Fee	382	0	382
8. Census and Redistricting Project	305	0	305
9. Archives Inventory Control	0	285	285
10. Reduce Humanities Washington	-60	0	-60
11. Limited Partnership Act	125	0	125
12. Administrative Efficiencies	-1,500	0	-1,500
13. SSB 6122 - Elections Division Costs	160	0	160
14. Governor-Directed Freeze	-1,556	0	-1,556
15. Governor-Directed 1% Cut	-332	0	-332
Policy -- Non-Comp Total	-4,112	2,298	-1,814
Policy Changes - Comp			
16. Employee Health Insurance	182	106	288
17. Actuarial Method Changes-State	-555	-324	-879
Policy -- Comp Total	-373	-218	-591
Total 2009-11 Biennium	39,974	67,629	107,603
Fiscal Year 2010 Total	21,450	33,398	54,848
Fiscal Year 2011 Total	18,524	34,231	52,755

Comments:

- 1. Elections Division Efficiencies** - This reduction reflects efficiencies in the Elections Division that will result in decreased administrative costs, including publications and the election training and certification program.
- 2. Reduce TVW Pass-Through Funding** - The Secretary of State will reduce the contract for the TVW television coverage of state government by 20 percent during the 2009-11 biennium.
- 3. Digital Archives Alternate Funding** - The Digital Archives were allocated funds through the Information Technology (IT) Pool in the 2007-09 biennium for investments in hardware, software, and staff. This funding is reduced in the 2009-11 biennium to reflect the amount of the remaining IT Pool allocation that can be used in FY 2010 and FY 2011. (Archives and Records Management Account-State, Local Government Archives Account-State)
- 4. Defer Charity Education Program** - Chapter 471, Laws of 2007 (SHB 1777), established the Charitable Organization Education Program within the Office of the Secretary of State. The program is deferred until funding is available. (Charitable Organization Education Account-State)
- 5. Charities and Corporations Filings** - The Office of the Secretary of State is responsible for processing various registration forms, including those from profit and nonprofit corporations, charities, limited liability companies, limited partnerships, trademarks, domestic partnerships, fund raisers, and trusts. Additional ongoing funding and staff are provided for the Corporations Division to continue timely processing of each filing. (Secretary of State's Revolving Account-Non-Appropriated)
- 6. Digital Archives Growth** - The Digital Archives ensures that the state's significant legal and historic electronic public records are preserved and securely maintained in accordance with state statutes. Ongoing funding is provided for four FTE staff. One-time funding is provided for an additional FTE staff, hardware,

Office of the Secretary of State

- and software. (Archives and Records Management Account-State, Local Government Archives Account-State)
7. **Voter Database Connectivity Fee** - State and federal laws require the Secretary of State to maintain a statewide voter registration database (VRDB) that serves as the single system for storing and maintaining the official list of registered voters throughout the state. Beginning in FY 2011, ongoing funding will be provided to connect the VRDB to the Department of Information Services' Intergovernmental Network to interface with the voter registration systems in every county in the state.
 8. **Census and Redistricting Project** - Every ten years, each state participates in the U.S. Census Bureau's Redistricting Data Program, which produces data used to reestablish legislative and congressional districts. Funding is provided so that the Secretary of State can continue to develop information that will be used for the 2010 Census and Washington's Redistricting Commission.
 9. **Archives Inventory Control** - One-time funding is provided to implement an inventory control system at the State Archives in preparation for the State Archives' move into the Heritage Center and to purchase additional archival boxes. (Archives and Records Management Account-State, Local Government Archives Account-State)
 10. **Reduce Humanities Washington** - Pass-through funding to Humanities Washington for its "We the People" community conversations program is reduced.
 11. **Limited Partnership Act** - Funding is provided pursuant to Chapter 188, Laws of 2009 (SHB 1067 - Limited Partnership Act). Funding is used to replace the Washington Revised Uniform Limited Partnership Act with the new Washington Uniform Limited Partnership Act.
 12. **Administrative Efficiencies** - FTE staff, salaries, benefits, travel expenses, and other operating costs are reduced to attain administrative efficiencies.
 13. **SSB 6122 - Elections Division Costs** - In separate legislation (Chapter 415, Laws of 2009, Partial Veto [SSB 6122]), funds were provided for the legal advertising of state ballot measures in broadcast and print news media (radio, television, and newspapers).
 14. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
 15. **Governor-Directed 1% Cut** - In October 2008, the Governor asked agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium.
 16. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 17. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	811	0	811
2009 Supplemental *	-26	0	-26
Total 2007-09 Biennium	785	0	785
<hr/>			
2009-11 Maintenance Level	621	0	621
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-56	0	-56
2. Governor-Directed Freeze	-16	0	-16
Policy -- Non-Comp Total	-72	0	-72
Policy Changes - Comp			
3. Employee Health Insurance	3	0	3
4. Actuarial Method Changes-State	-10	0	-10
Policy -- Comp Total	-7	0	-7
<hr/>			
Total 2009-11 Biennium	542	0	542
Fiscal Year 2010 Total	266	0	266
Fiscal Year 2011 Total	276	0	276

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings due to a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	805	0	805
2009 Supplemental *	-5	0	-5
Total 2007-09 Biennium	800	0	800
<hr/>			
2009-11 Maintenance Level	525	0	525
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-49	0	-49
2. Governor-Directed Freeze	-10	0	-10
Policy -- Non-Comp Total	-59	0	-59
Policy Changes - Comp			
3. Employee Health Insurance	2	0	2
4. Actuarial Method Changes-State	-8	0	-8
Policy -- Comp Total	-6	0	-6
<hr/>			
Total 2009-11 Biennium	460	0	460
Fiscal Year 2010 Total	236	0	236
Fiscal Year 2011 Total	224	0	224

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings due to the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of the State Treasurer

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	15,539	15,539
2009 Supplemental *	0	-1	-1
Total 2007-09 Biennium	0	15,538	15,538
2009-11 Maintenance Level	0	15,812	15,812
Policy Changes - Non-Comp			
1. Efficiency Reduction	0	-791	-791
Policy -- Non-Comp Total	0	-791	-791
Policy Changes - Comp			
2. Employee Health Insurance	0	58	58
3. Actuarial Method Changes-State	0	-277	-277
Policy -- Comp Total	0	-219	-219
Total 2009-11 Biennium	0	14,802	14,802
Fiscal Year 2010 Total	0	7,393	7,393
Fiscal Year 2011 Total	0	7,409	7,409

Comments:

1. **Efficiency Reduction** - FTE staff, salaries, benefits, travel expenses, and other operating costs are reduced to attain administrative efficiencies.
2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of the State Auditor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,600	81,001	82,601
2009 Supplemental *	-68	-54	-122
Total 2007-09 Biennium	1,532	80,947	82,479
2009-11 Maintenance Level	1,659	83,408	85,067
Policy Changes - Non-Comp			
1. Efficiency Savings	-84	-3,785	-3,869
2. Performance Audit Fund Transfers	0	-14,239	-14,239
3. Municipal Audit Efficiency Savings	0	-1,700	-1,700
4. Governor-Directed Freeze	-82	0	-82
5. Governor-Directed 1% Cut	-18	0	-18
6. Governor Veto	0	14,239	14,239
Policy -- Non-Comp Total	-184	-5,485	-5,669
Policy Changes - Comp			
7. Employee Health Insurance	7	331	338
8. Actuarial Method Changes-State	-31	-1,370	-1,401
Policy -- Comp Total	-24	-1,039	-1,063
Total 2009-11 Biennium	1,451	76,884	78,335
Fiscal Year 2010 Total	722	38,294	39,016
Fiscal Year 2011 Total	729	38,590	39,319

Comments:

1. **Efficiency Savings** - Funding is reduced to reflect efficiencies the State Auditor's Office (SAO) has implemented affecting their audits of state government agencies. (General Fund-State, Auditing Services Revolving Account-State)
2. **Performance Audit Fund Transfers** - The reduction of expenditures from the Performance Audits of Government Account by SAO reflects the transfer of these moneys to the state general fund. However, the transfer of funds, in section 805 of the budget act, was vetoed by the Governor (see Governor Veto item). (Performance Audits of Government Account-Non-Appropriated)
3. **Municipal Audit Efficiency Savings** - Funding is reduced to reflect efficiencies within SAO involving audits of municipal government entities. (Municipal Services Revolving Account-Non-Appropriated)
4. **Governor-Directed Freeze** - Funding is reduced to reflect a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
5. **Governor-Directed 1% Cut** - Funding is reduced to reflect a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
6. **Governor Veto** - The Governor vetoed part of Section 805 of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which transferred a portion of the Performance Audits of Government Account funds to the state general fund.
7. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
8. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	384	0	384
2009 Supplemental *	-3	0	-3
Total 2007-09 Biennium	381	0	381
<hr/>			
2009-11 Maintenance Level	401	0	401
Policy Changes - Non-Comp			
1. Reduce Number of Meetings	-6	0	-6
2. Administrative Efficiencies	-4	0	-4
3. Governor-Directed Freeze	-6	0	-6
Policy -- Non-Comp Total	-16	0	-16
Policy Changes - Comp			
4. Employee Health Insurance	2	0	2
5. Actuarial Method Changes-State	-4	0	-4
Policy -- Comp Total	-2	0	-2
<hr/>			
Total 2009-11 Biennium	383	0	383
Fiscal Year 2010 Total	171	0	171
Fiscal Year 2011 Total	212	0	212

Comments:

- | | |
|--|---|
| <p>1. Reduce Number of Meetings - Funding is reduced to reflect savings resulting from the elimination of two one-day commission meetings during the 2009-11 biennium.</p> <p>2. Administrative Efficiencies - Funding is reduced to reflect administrative efficiencies. Agencies are directed to achieve these reductions through strategies that will minimize impacts on employees, their families, their communities, and short- and long-term accomplishment of the agency's mission. Agencies are encouraged to use strategies such as reduced work schedules, use of voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status, full insurance benefits, full accrual of retirement service credit, and a living wage.</p> <p>3. Governor-Directed Freeze - Funding is reduced to reflect savings resulting from the Governor's direction that state agencies cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.</p> <p>4. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding.</p> | <p>5. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
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Office of the Attorney General

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	15,336	239,110	254,446
2009 Supplemental *	-1,162	1,542	380
Total 2007-09 Biennium	14,174	240,652	254,826
2009-11 Maintenance Level	15,406	248,233	263,639
Policy Changes - Non-Comp			
1. Revise General Fund Appropriation	-3,506	0	-3,506
2. Agency Generated Efficiency Savings	0	-15,908	-15,908
3. Tacoma Office Move	229	1,160	1,389
4. Industrial Insurance Appeals	0	956	956
5. Human Trafficking - E2SSB 5850	80	0	80
6. Governor-Directed Freeze	-848	0	-848
7. Governor-Directed 1% Cut	-168	0	-168
8. Governor Veto	-80	0	-80
Policy -- Non-Comp Total	-4,293	-13,792	-18,085
Policy Changes - Comp			
9. Employee Health Insurance	75	1,025	1,100
10. Actuarial Method Changes-State	-289	-4,487	-4,776
Policy -- Comp Total	-214	-3,462	-3,676
Total 2009-11 Biennium	10,899	230,979	241,878
Fiscal Year 2010 Total	5,285	115,229	120,514
Fiscal Year 2011 Total	5,614	115,750	121,364

Comments:

- 1. Revise General Fund Appropriation** - As a result of successful cost recovery actions by its Consumer Protection Division, the Attorney General's (AG's) Office has been able to supplant a portion of its General Fund-State expenditures with moneys recovered from perpetrators of fraudulent activities in the state of Washington.
- 2. Agency Generated Efficiency Savings** - During the 2007-09 biennium, the AG's Office worked with clients to reduce the overall cost of legal services to the state. Cost savings included new agency qualifications for services rendered, reductions in administrative costs, and eliminating redundant requests for legal opinions and contract reviews. The state will save \$15.9 million from these efficiencies. (Legal Services Revolving Account-State)
- 3. Tacoma Office Move** - The AG's Tacoma office lease expires June 30, 2010. Funds are provided to pay moving costs and the increased lease costs for the office. The Office of Financial Management (OFM) facilities oversight group projects an increase of \$138,000 over the current location's annual lease costs and one-time moving expenses totaling \$1.0 million. (General Fund-State, Legal Services Revolving Account-State)
- 4. Industrial Insurance Appeals** - Funding is provided for Chapter 391, Laws of 2009 (SHB 1402 - Industrial Insurance Appeals).
- 5. Human Trafficking - E2SSB 5850** - Funds are provided for the AG's enforcement of the consumer protection provisions of Chapter 492, Laws of 2009, Partial Veto (E2SSB 5850 - Human Trafficking Violations). See Governor Veto item.
- 6. Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
- 7. Governor-Directed 1% Cut** - In October 2008, the Governor asked agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium.
- 8. Governor Veto** - The Governor vetoed Section 126 (5) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which provided funds for the enforcement of the consumer protection provisions of E2SSB 5850. This veto corresponds to the Governor's veto of the consumer protection provisions of that legislation.
- 9. Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable

Office of the Attorney General

collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

10. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Caseload Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,608	0	1,608
2009 Supplemental *	-25	0	-25
Total 2007-09 Biennium	1,583	0	1,583
2009-11 Maintenance Level	1,605	0	1,605
Policy Changes - Non-Comp			
1. Child Welfare Outcomes	20	0	20
2. Agency Wide Reduction	-25	0	-25
3. Governor-Directed Freeze	-21	0	-21
Policy -- Non-Comp Total	-26	0	-26
Policy Changes - Comp			
4. Employee Health Insurance	6	0	6
5. Actuarial Method Changes-State	-34	0	-34
Policy -- Comp Total	-28	0	-28
Total 2009-11 Biennium	1,551	0	1,551
Fiscal Year 2010 Total	779	0	779
Fiscal Year 2011 Total	772	0	772

Comments:

1. **Child Welfare Outcomes** - One-time funding is provided for Chapter 520, Laws of 2009, Partial Veto (2SHB 2106 - Improving child welfare outcomes through the phased implementation of strategic and proven reforms), which directs the Caseload Forecast Council along with the Office of Financial Management and the Department of Social and Health Services to submit a proposal to the Legislature and the Governor by November 2010 for the reinvestment of savings into evidence-based prevention and intervention services to prevent the need for, or reduce the duration of, foster care placements.
2. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
3. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
4. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or

plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Commerce

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	150,316	356,282	506,598
2009 Supplemental *	-3,963	-64	-4,027
Total 2007-09 Biennium	146,353	356,218	502,571
2009-11 Maintenance Level	145,710	350,139	495,849
Policy Changes - Non-Comp			
1. Eliminate WSAC Trn Pass Through	-850	0	-850
2. Remove Human Trafficking TF	-289	0	-289
3. Downsize Policy Functions at OCVA	-162	0	-162
4. Downsize GMA Technical Assistance	-1,810	0	-1,810
5. Suspend CASA Training Funds	-622	0	-622
6. Downsize Asset Building	-788	0	-788
7. Remove Centro Latino Pass Through	-200	0	-200
8. Remove DD Council DSHS Legal Svc	-500	0	-500
9. Remove Public Broadcast Grants	-3,250	0	-3,250
10. Remove Urban Forestry	-268	0	-268
11. Transfer Drug TF from CJTC	1,575	1,575	3,150
12. Reduce Admin Costs in ITED	-516	0	-516
13. Elim Commerce Admin for Rapid Resp	-123	0	-123
14. End Offender Re-Entry Pilot	-3,626	0	-3,626
15. Reduce Housing Division Admin	-70	0	-70
16. Reduce Community Svc Division Admin	-137	0	-137
17. Downsize ADO Pass Through	-631	0	-631
18. WA Tech Center Reduction	-635	0	-635
19. Suspend Gang Witness Program	-200	0	-200
20. Suspend Main St. Tech Assistance	-366	0	-366
21. Eliminate Tidal & Wave	-73	0	-73
22. Reduce Research & Special Projects	-60	0	-60
23. CSBG Funding	-2,700	2,700	0
24. Eliminate Encourage Cleaner Energy	-1,000	0	-1,000
25. Reduce New Americans Contract	-103	0	-103
26. Reduce NW Ag Business Center	-248	0	-248
27. Reduce Walla Walla CC Pass Through	-232	0	-232
28. Development Rights Transfer	0	212	212
29. Rural & Resource Lands Study	24	0	24
30. Remove Washington Film Office	-460	0	-460
31. Evergreen Jobs Act	135	0	135
32. Reduce Dispute Res Ctr Funding	-600	0	-600
33. Local Community Capacity	0	300	300
34. Fed. Stim. Pack: CSBG	0	9,204	9,204
35. Fed. Stim. Pack: Emerg. Food/Shelt	0	2,433	2,433
36. Fed. Stim. Pack: Homeless Preven.	0	11,000	11,000
37. Fed. Stim. Pack: Crime Vict Assist	0	1,000	1,000
38. Fed. Stim. Pack: Violence-Women	0	2,900	2,900
39. Fed. Stim. Pack: Byrne/JAG	0	22,400	22,400
40. Homeless Family Shelter Program	-5,000	5,000	0
41. Housing Assistance	0	1,800	1,800
42. Community Development Authority	0	350	350
43. CERB Service Delivery	0	112	112
44. Reduce ITED Statewide Services	-325	0	-325
45. Reduce Global Trade and Investment	-562	0	-562
46. Reduce International Offices	-389	0	-389
47. Remove CASASTART	-100	0	-100
48. Local Government Admin Reduction	-101	0	-101
49. Administrative Services Reduction	-1,256	0	-1,256
50. Building Efficiency	0	102	102
51. Energy Efficient Buildings	0	1,350	1,350
52. State Agency Climate Leadership	14	0	14
53. Integrated Climate Change Response	42	0	42

Department of Commerce

(Dollars in Thousands)

	NGF-S	Other	Total
54. Transitional Housing Operating Rent	-10,000	8,500	-1,500
55. State Energy Program	-1,787	1,787	0
56. Federal Energy Stimulus	0	56,863	56,863
57. Housing Trust Acct Administration	0	-11,445	-11,445
58. KCTS V-me Spanish Broadcast	40	0	40
59. Emergency Food Assistance	1,000	0	1,000
60. Clean Energy Collaborative	147	0	147
61. Federal Way Incubator	125	0	125
62. Energy Independence	76	0	76
63. Commercialization of Technology	30	0	30
64. Reduce Administrative Contingency	0	-2	-2
65. Energy Efficiency Block Grant	0	10,600	10,600
66. Economic Development Commission	249	0	249
67. Transfer CINTRAFOR	-205	0	-205
68. Pacific NW Economic Region	100	0	100
69. STARS Program	-200	0	-200
70. Low-Income Weatherization	0	10,500	10,500
71. Renton Small Business Development	50	0	50
72. DIS Rate Reductions	-8	-6	-14
73. Governor-Directed Freeze	-4,448	0	-4,448
74. Governor-Directed 1% Cut	-779	0	-779
75. Governor Veto	-100	0	-100
Policy -- Non-Comp Total	-42,172	139,235	97,063
Policy Changes - Comp			
76. Employee Health Insurance	145	133	278
77. Actuarial Method Changes-State	-605	-513	-1,118
Policy -- Comp Total	-460	-380	-840
Total 2009-11 Biennium	103,078	488,994	592,072
Fiscal Year 2010 Total	51,140	253,406	304,546
Fiscal Year 2011 Total	51,938	235,588	287,526

Comments:

The Department of Commerce was formerly called the Department of Community, Trade, and Economic Development. The Department of Commerce was created in Chapter 565, Laws of 2009, Partial Veto (EHB 2242).

1. **Eliminate WSAC Trn Pass Through** - Pass-through funding to the Washington State Association of Counties (WSAC) to pay for local elected official training is eliminated.
2. **Remove Human Trafficking TF** - Funding for the Human Trafficking Task Force (TF), which originated in the 2006 Supplemental Budget, is removed.
3. **Downsize Policy Functions at OCVA** - Funding for the Office of Crime Victims Advocacy (OCVA) policy functions is reduced by \$162,000 from \$1.585 million. Assistance to victims is to be maintained.
4. **Downsize GMA Technical Assistance** - Funding is reduced by \$1.8 million from a base of \$4.3 million for the biennium for Growth Management Act (GMA) technical assistance to

local governments. Pass-through grants are unaffected and will continue to be funded under 2007-09 policy.

5. **Suspend CASA Training Funds** - Pass-through funding to pay training costs for court-appointed special advocates (CASA) is suspended.
6. **Downsize Asset Building** - Funding for the statewide Asset Building Coalition is reduced.
7. **Remove Centro Latino Pass Through** - Funding of \$100,000 per year for Centro Latino in Tacoma was initiated in the 2007-09 biennium; all funding is removed.
8. **Remove DD Council DSHS Legal Svc** - Funding to the Developmental Disabilities (DD) Council for legal services for clients living in Department of Social and Health Services (DSHS) facilities as part of the community protection program is removed.

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9. **Remove Public Broadcast Grants** - State grants of \$1.6 million per year, initiated in the 2007-09 biennium to Washington public broadcasters, are removed.
10. **Remove Urban Forestry** - Funding of \$134,000 per year for the urban forestry program is removed.
11. **Transfer Drug TF from CJTC** - Funding for multi-jurisdictional drug task forces (TF) is transferred from the Criminal Justice Training Commission (CJTC). These funds will supplement the current competitive grant program in the Department of Commerce. (General Fund-State, General Fund-Private/Local)
12. **Reduce Admin Costs in ITED** - Funding for administrative functions in the Department's International Trade and Economic Development (ITED) Division is reduced.
13. **Elim Commerce Admin for Rapid Resp** - The Department will absorb the cost of administering the Rapid Response loan program.
14. **End Offender Re-Entry Pilot** - The Department will end the offender re-entry pilot housing program established in Chapter 483, Laws of 2007 (ESSB 6157).
15. **Reduce Housing Division Admin** - Funding for administrative functions in the Department's Housing Division is reduced.
16. **Reduce Community Svc Division Admin** - Funding is reduced for administrative functions in the Department's Community Services Division.
17. **Downsize ADO Pass Through** - Funding for local Associate Development Organizations (ADO) and Economic Development Commissions is reduced.
18. **WA Tech Center Reduction** - From a base of \$5.7 million, pass-through funding to the Washington Technology Center is reduced by \$635,000.
19. **Suspend Gang Witness Program** - Under Chapter 276, Laws of 2008 (E2SHB 2712), the Department provided a witness relocation grant program for gang prosecutions. Funding for this program is removed.
20. **Suspend Main St. Tech Assistance** - Funding for technical assistance under the Main Street Program is reduced.
21. **Eliminate Tidal & Wave** - The funding for the Tidal and Wave program is eliminated.
22. **Reduce Research & Special Projects** - Funding in the ITED Division for Research and Special Projects is reduced.
23. **CSBG Funding** - Community Services Block Grant (CSBG) funding to assist community action agencies is provided with federal funds.
24. **Eliminate Encourage Cleaner Energy** - Funding for the Encourage Cleaner Energy program is eliminated.
25. **Reduce New Americans Contract** - Funding for the New Americans program is reduced.
26. **Reduce NW Ag Business Center** - Funding for the Northwest Agricultural Business Center is reduced.
27. **Reduce Walla Walla CC Pass Through** - Funding for the Walla Walla Community College Water and Environmental Center is reduced.
28. **Development Rights Transfer** - Funding is provided for Chapter 474, Laws of 2009 (2SHB 1172 - Development Rights Transfer). The bill requires, subject to the availability of funds, the Department to establish a regional transfer of development rights program in the central Puget Sound region and establishes related administrative, rule-making, and performance monitoring requirements for the Department. The bill also establishes requirements for jurisdictions and areas that participate in the program and includes applicable definitions and legislative findings.
29. **Rural & Resource Lands Study** - Funding is provided for 2SHB 1797 (Rural & Resource Lands Study). The bill requires, subject to funding, the William D. Ruckelshaus Center to conduct an examination of trends and policies pertaining to the maintenance of rural and resource lands in Washington. The bill also specifies that the examination must be conducted in partnership with the Puget Sound Regional Council, and it establishes a related account in the custody of the State Treasurer. Note: This bill did not pass in the 2009 regular session of the Legislature, and the Governor vetoed proviso language providing this funding. Please see the comment under Governor Veto.
30. **Remove Washington Film Office** - Funding for the Washington Film Office is eliminated.
31. **Evergreen Jobs Act** - Funding is provided to implement portions of Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227 - Evergreen Jobs Act). Funding is provided for the Department to implement the Washington State Green Jobs Initiative and to coordinate tracking, reporting, and expansion of green jobs.
32. **Reduce Dispute Res Ctr Funding** - Dispute Resolution Centers are funded through a surcharge on court filing fees. During the 2007-09 biennium, this funding was supplemented with General Fund-State dollars. This General Fund-State enhancement is reduced in the 2009-11 biennium.
33. **Local Community Capacity** - Funding is provided to contract with a community-based organization to build local community capacity and bring together community organizations, local government, and state agencies to address impacts of poverty, political disenfranchisement, and economic inequality on

Department of Commerce

communities of color. (Washington Auto Theft Prevention Authority Account-State)

34. **Fed. Stim. Pack: CSBG** - Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 is made available to the state's CSBG program. The CSBG program provides assistance to states and local communities to alleviate poverty and assist communities and low-income families to become fully self-supporting through a network of public and nonprofit agencies. (General Fund-Federal)
35. **Fed. Stim. Pack: Emerg. Food/Shelt** - Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 is made available to the state's Emergency Food and Shelter programs. (General Fund-Federal)
36. **Fed. Stim. Pack: Homeless Preven.** - Appropriation authority is provided for homeless prevention grants per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The Department will administer these funds as part of the emergency shelter program. (General Fund-Federal)
37. **Fed. Stim. Pack: Crime Vict Assist** - Appropriation authority is provided for Crime Victims Advocacy per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
38. **Fed. Stim. Pack: Violence-Women** - Appropriation authority is provided for the Violence Against Women Act per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
39. **Fed. Stim. Pack: Byrne/JAG** - Appropriation authority is provided for the federal Justice Assistance Grants (Byrne) per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The Department will provide: \$1.2 million to the Department of Corrections (DOC) for security threat mitigation; \$2.3 million to DOC for offender re-entry; \$2.0 million to the Washington State Patrol for law enforcement activities; \$2.0 million to DSHS Division of Alcohol and Substance Abuse for drug courts; and \$428,000 to DSHS for sex abuse recognition training. The remaining funds shall be distributed by the Department to local jurisdictions. (General Fund-Federal)
40. **Homeless Family Shelter Program** - The state general fund monies provided for homeless families shelters is replaced with monies from the Home Security Fund. (Home Security Fund Account-State)
41. **Housing Assistance** - Funding is provided for housing assistance for transitional housing or partial payments for rental assistance under the Independent Youth Housing program.
42. **Community Development Authority** - Funding is provided for expenditure into a Community Development Authority. (Community Preservation and Development Authority Account-State)
43. **CERB Service Delivery** - Funding is provided to the Community Economic Revitalization Board (CERB) to eliminate subsidization of FTE staff expenses by the Job Development Account in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 - Capital Budget). (Local Construction and Loan Fund-State)
44. **Reduce ITED Statewide Services** - The Department provides technical and/or financial assistance to companies and communities to retain, expand, and attract businesses. Funding for this activity is reduced.
45. **Reduce Global Trade and Investment** - The Department assists in international marketing for specific industries. Funding for global trade and investment services is reduced.
46. **Reduce International Offices** - Funding for contractors operating international trade offices is reduced.
47. **Remove CASASTART** - Funding for a substance abuse and violence prevention program, Center on Addiction and Substance Abuse - Striving Together to Achieve Rewarding Tomorrows (CASASTART), also known as Safe Schools, is eliminated. Funding was initiated in 2008.
48. **Local Government Admin Reduction** - The administration budget for the Local Government Division is reduced.
49. **Administrative Services Reduction** - The budget for the Administration Services Division is reduced.
50. **Building Efficiency** - Funding is provided to implement the provisions of Chapter 423, Laws of 2009 (E2SSB 5854), in which the Department will develop and implement a strategic plan for enhancing energy efficiency in and reducing greenhouse gas emissions from homes, buildings, districts, and neighborhoods. (Building Code Council Account-State)
51. **Energy Efficient Buildings** - Funding is provided to implement Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649). (General Fund-Federal)
52. **State Agency Climate Leadership** - One-time funding is provided to implement the provisions of Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560).
53. **Integrated Climate Change Response** - Funding is provided to implement the provisions of E2SSB 5138 (Integrated Climate Change Response). The bill did not pass during the 2009 regular session of the Legislature.
54. **Transitional Housing Operating Rent** - Funding is provided for the Transitional Housing Operating and Rent (THOR) program, consistent with Chapter 256, Laws of 2008 (ESSB 5959). The state general fund for THOR in the Department's base is removed and funds are appropriated into the THOR account. (General Fund-State, THOR Account-Non-Appropriated)

Department of Commerce

55. **State Energy Program** - One-time funding is provided for activities in the Energy Policy Division. (General Fund-Federal)
56. **Federal Energy Stimulus** - Appropriation authority is provided for the federal State Energy Program grants per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The Department shall provide \$14.5 million to Washington State University (WSU) for the purpose of making grants for pilot projects providing community-wide urban, residential, and commercial energy efficiency upgrades consistent with the provisions of Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649), and \$500,000 to WSU to conduct farm energy assessments. In contracting with WSU for the provision of these services, the total administration of WSU and the Department are not to exceed 3 percent of the amounts provided. The sum of \$38.5 million is for deposit in the Energy Recovery Act Account to establish a revolving loan program, consistent with Chapter 451, Laws of 2009 (ESHB 2289), and is appropriated in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 - Capital Budget). (General Fund-Federal)
57. **Housing Trust Acct Administration** - Funding is provided to manage the Housing Trust Account, including \$6.8 million for operations and maintenance of projects and \$7 million for portfolio management. The sum of \$1.7 million is provided for application review, approval, and contract development, reflecting 1.5 percent of the capital budget appropriation of \$100 million. Remaining authority of \$11.4 million in the account at maintenance level is removed. (Housing Trust Account-State)
58. **KCTS V-me Spanish Broadcast** - 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.
59. **Emergency Food Assistance** - Additional funding is provided for the Emergency Food Assistance Program, which will emphasize provision of highly nutritious foods to food banks.
60. **Clean Energy Collaborative** - Funding is provided to implement Chapter 318, Laws of 2009 (SSB 5921). The bill establishes the clean energy collaborative.
61. **Federal Way Incubator** - One-time funding is provided for a grant for the Federal Way small business incubator.
62. **Energy Independence** - Funding is provided to implement the provisions of ESSB 5840 (Energy Independence). The bill requires the Department to amend its rules implementing Chapter 19.285 RCW (Energy Independence Act) to incorporate the changes to the requirements for conservation targets. This bill did not pass in the 2009 regular session of the Legislature (see Governor Veto item).
63. **Commercialization of Technology** - Funding is provided to implement the provisions of Chapter 425, Laws of 2009 (E2SSB 6015). The bill requires the Department of Commerce, in consultation with life sciences trade and technology trade associations, to review how to promote innovation and commercialization of life sciences and information sciences technologies.
64. **Reduce Administrative Contingency** - A technical correction is made to eliminate funding from Administrative Contingency Account. (Administrative Contingency Account-State)
65. **Energy Efficiency Block Grant** - Appropriation authority is provided for energy efficiency block grants per the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
66. **Economic Development Commission** - Additional funding is provided for the Economic Development Commission.
67. **Transfer CINTRAFOR** - Funding for the Center for International Trade in Forest Products (CINTRAFOR) at the University of Washington (UW) College of Forest Resources is shifted from Commerce to the UW.
68. **Pacific NW Economic Region** - Funding is provided for the state to continue to participate in the Pacific Northwest Economic Region.
69. **STARS Program** - Funding is reduced for the entrepreneurial "STARS" program.
70. **Low-Income Weatherization** - Authority is provided to expend federal stimulus funding from the American Recovery and Reinvestment Act of 2009 for low-income weatherization. The sum of \$49 million is for low-income weatherization, consistent with the provisions of 42 USC 6861 et seq. and is appropriated in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 - Capital Budget); \$10.5 million is for training and technical assistance associated with low-income weatherization. Subject to federal requirements, the Department shall provide: up to \$4 million to the State Board for Community and Technical Colleges to provide workforce training related to weatherization and energy efficiency; up to \$3 million to the Bellingham Opportunity Council to provide workforce training related to energy efficiency and weatherization; and up to \$3.5 million to community-based organizations and to community action agencies consistent with the provisions of Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227). Any funding remaining will be expended consistent with the capital budget appropriation for low-income weatherization.
71. **Renton Small Business Development** - Funding is provided for a grant to the Small Business Development Center in Renton.
72. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates.

Department of Commerce

73. **Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
74. **Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
75. **Governor Veto** - The Governor vetoed Section 128 (11) and (24) of Chapter 564 , Laws of 2009, Partial Veto (ESHB 1244), which provided funding for two bills, ESSB 5840 (Energy Independence) and 2SHB 1797 (Rural and Resource Lands Study), which did not pass the Legislature.
76. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
77. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,553	0	1,553
2009 Supplemental *	-22	0	-22
Total 2007-09 Biennium	1,531	0	1,531
<hr/>			
2009-11 Maintenance Level	1,608	0	1,608
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-16	0	-16
2. Governor-Directed Freeze	-50	0	-50
Policy -- Non-Comp Total	-66	0	-66
Policy Changes - Comp			
3. Employee Health Insurance	4	0	4
4. Actuarial Method Changes-State	-26	0	-26
Policy -- Comp Total	-22	0	-22
<hr/>			
Total 2009-11 Biennium	1,520	0	1,520
Fiscal Year 2010 Total	727	0	727
Fiscal Year 2011 Total	793	0	793

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of Financial Management

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	59,646	83,573	143,219
2009 Supplemental *	-1,578	-1	-1,579
Total 2007-09 Biennium	58,068	83,572	141,640
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2009-11 Maintenance Level	45,753	90,958	136,711
Policy Changes - Non-Comp			
1. Enterprise System Maintenance	0	700	700
2. State Institutions Study	500	0	500
3. Information Systems	88	2,334	2,422
4. Greenhouse Gas Emissions-E2SSB 5735	319	0	319
5. State Education System	483	0	483
6. WA Health Partnership 2SSB 5945	188	0	188
7. WASPC Information Systems	-246	0	-246
8. National and Community Service	124	0	124
9. Governor-Directed Freeze	-3,006	0	-3,006
10. Governor-Directed 1% Cut	-556	0	-556
Policy -- Non-Comp Total	-2,106	3,034	928
Policy Changes - Comp			
11. Employee Health Insurance	170	110	280
12. Actuarial Method Changes-State	-862	-551	-1,413
Policy -- Comp Total	-692	-441	-1,133
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Total 2009-11 Biennium	42,955	93,551	136,506
Fiscal Year 2010 Total	22,163	47,212	69,375
Fiscal Year 2011 Total	20,792	46,339	67,131

Comments:

1. **Enterprise System Maintenance** - A recent assessment of information technology practices at the Office of Financial Management (OFM) identified the need for a new organizational structure and roles to enable OFM to effectively manage and support major enterprise-wide application development and implementation projects. The new organizational structure was implemented in the 2007-09 biennium. Expenditure authority for 2009-11 is adjusted to match the actual implementation costs. (Data Process Revolving Account-Non-Appropriated).
2. **State Institutions Study** - Funding is provided for a study of the feasibility of closing state institutional facilities and plan on eliminating beds in the state institutional facility inventory.
3. **Information Systems** - OFM will implement three new information systems in the 2009-11 biennium: a grants, contracts and loan management system; a risk management information system; and a correspondence management system. Funding is provided for staff support, hosting, hardware, and software required to maintain and operate these new systems. (General Fund-State, Data Process Revolving Account-Non-Appropriated).
4. **Greenhouse Gas Emissions-E2SSB 5735** - Funds are provided for the economic analysis of the impact of a greenhouse gas reduction program, as required by E2SSB 5735 (Greenhouse Gas Emissions).
5. **State Education System** - Funding is provided for OFM's role in the implementation of Chapter 548, Laws of 2009, Partial Veto (ESHB 2261 - Revising the State's Education System).
6. **WA Health Partnership 2SSB 5945** - Chapter 545, Laws of 2009, Partial Veto (2SSB 5945 - Washington Health Partnership Plan), establishes the Washington Health Partnership, a workgroup consisting of members from OFM, the Department of Social and Health Services, the Health Care Authority, and the House of Representatives and Senate policy committees. The workgroup is directed to review the findings of a recent Mathematica Policy Research study of insurance reform proposals and make recommendations by December 1, 2009. Funding is provided for a consultant to facilitate the workgroup process and produce the recommendations and six months of OFM staffing to manage the contract and coordinate interagency work.
7. **WASPC Information Systems** - Funding previously passed through to the Washington Association of Sheriffs and Police Chiefs (WASPC) to support information technology projects is no longer needed.

Office of Financial Management

8. **National and Community Service** - The Washington Commission for National and Community Service oversees \$14 million in federal grants. Federal funding for the administrative oversight of these grants will be reduced by \$61,964 per fiscal year. State funding is provided to replace the reduced federal funding.
9. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
10. **Governor-Directed 1% Cut** - In October 2008, the Governor asked agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of Administrative Hearings

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	32,753	32,753
2009 Supplemental *	0	-540	-540
Total 2007-09 Biennium	0	32,213	32,213
2009-11 Maintenance Level	0	33,661	33,661
Policy Changes - Non-Comp			
1. Technology Infrastructure Solutions	0	297	297
Policy -- Non-Comp Total	0	297	297
Policy Changes - Comp			
2. Employee Health Insurance	0	132	132
3. Actuarial Method Changes-State	0	-567	-567
Policy -- Comp Total	0	-435	-435
Total 2009-11 Biennium	0	33,523	33,523
Fiscal Year 2010 Total	0	16,939	16,939
Fiscal Year 2011 Total	0	16,584	16,584

Comments:

1. **Technology Infrastructure Solutions** - Funding is provided to replace the last of the agency's legacy telephone system and upgrade several network switches and routers. (Administrative Hearings Revolving Account-State)

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Personnel

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	96	62,894	62,990
2009 Supplemental *	0	-37	-37
Total 2007-09 Biennium	96	62,857	62,953
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2009-11 Maintenance Level	78	68,358	68,436
Policy Changes - Non-Comp			
1. Lease Charge Adjustment	-78	0	-78
2. Administrative Efficiencies	0	-2,256	-2,256
3. DIS Rate Reductions	0	-7	-7
Policy -- Non-Comp Total	-78	-2,263	-2,341
Policy Changes - Comp			
4. Employee Health Insurance	0	185	185
5. Actuarial Method Changes-State	0	-821	-821
Policy -- Comp Total	0	-636	-636
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Total 2009-11 Biennium	0	65,459	65,459
Fiscal Year 2010 Total	0	34,611	34,611
Fiscal Year 2011 Total	0	30,848	30,848

Comments:

1. **Lease Charge Adjustment** - Funding is reduced to reflect the discontinuation of the subsidization of lease expenses related to the relocation of the Capitol Campus Child Care Center. As the building as been purchased, lease subsidies are no longer required.
2. **Administrative Efficiencies** - Funding is reduced to reflect administrative efficiencies. Agencies are directed to achieve these reductions through strategies that will minimize impacts on employees, their families, their communities, and short- and long-term accomplishment of the agency's mission. Agencies are encouraged to use strategies such as reduced work schedules, use of voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status, full insurance benefits, full accrual of retirement service credit, and a living wage. (Department of Personnel Service Account-State, Department of Personnel Revolving Account-Non-Appropriated, Higher Education Personnel Services Account-State)
3. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates. (Department of Personnel Service Account-State, Department of Personnel Revolving Account-Non-Appropriated, Higher Education Personnel Services Account-State)
4. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public

Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Lottery Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	795,454	795,454
2009 Supplemental *	0	-11	-11
Total 2007-09 Biennium	0	795,443	795,443
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2009-11 Maintenance Level	0	872,557	872,557
Policy Changes - Non-Comp			
1. Updated Security Monitoring System	0	115	115
2. Multi-State Shared Games	0	29,315	29,315
Policy -- Non-Comp Total	0	29,430	29,430
Policy Changes - Comp			
3. Employee Health Insurance	0	110	110
4. Actuarial Method Changes-State	0	-393	-393
Policy -- Comp Total	0	-283	-283
<hr/>			
Total 2009-11 Biennium	0	901,704	901,704
Fiscal Year 2010 Total	0	434,110	434,110
Fiscal Year 2011 Total	0	467,594	467,594

Comments:

1. **Updated Security Monitoring System** - The State Lottery Commission's current contract for the maintenance and monitoring for intrusion, holdup, and fire alarms expires during the 2009-11 biennium. Ongoing funding is provided to enter into a new contract upon expiration of the current contract, and one-time funding is provided to procure new alarm equipment required by the new vendor. (Lottery Administrative Account-State)

2. **Multi-State Shared Games** - Funding is provided for Chapter 576, Laws of 2009 (ESSB 6108), which authorizes the Commission to enter into an agreement to conduct Powerball in addition to the current Mega Millions game. (Shared Game Lottery Account-Non-Appropriated)

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	683	0	683
2009 Supplemental *	-5	0	-5
Total 2007-09 Biennium	678	0	678
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2009-11 Maintenance Level	581	0	581
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-54	0	-54
2. Governor-Directed Freeze	-10	0	-10
Policy -- Non-Comp Total	-64	0	-64
Policy Changes - Comp			
3. Employee Health Insurance	2	0	2
4. Actuarial Method Changes-State	-6	0	-6
Policy -- Comp Total	-4	0	-4
<hr/>			
Total 2009-11 Biennium	513	0	513
Fiscal Year 2010 Total	253	0	253
Fiscal Year 2011 Total	260	0	260

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.

2. **Governor-Directed Freeze** - Funding is reduced by assuming savings achieved by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	519	0	519
2009 Supplemental *	-5	0	-5
Total 2007-09 Biennium	514	0	514
2009-11 Maintenance Level	553	0	553
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-52	0	-52
2. Governor-Directed Freeze	-10	0	-10
Policy -- Non-Comp Total	-62	0	-62
Policy Changes - Comp			
3. Employee Health Insurance	2	0	2
4. Actuarial Method Changes-State	-6	0	-6
Policy -- Comp Total	-4	0	-4
Total 2009-11 Biennium	487	0	487
Fiscal Year 2010 Total	243	0	243
Fiscal Year 2011 Total	244	0	244

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings due to the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	450	52,939	53,389
2009 Supplemental *	-147	-144	-291
Total 2007-09 Biennium	303	52,795	53,098
<hr/>			
2009-11 Maintenance Level	0	52,437	52,437
Policy Changes - Non-Comp			
1. OASI Transfer	0	282	282
2. Retirement Systems Review	0	573	573
3. Domestic Partners/WSPRS	0	45	45
4. Military Service Credit Purchases	0	56	56
5. LEOFF 2 Domestic Partners	0	45	45
6. LEOFF Plan 2 Minimum Disability Ben	0	12	12
7. DFW Enf. Officer Service Credit	0	35	35
8. Halt PERS 2 to SERS 2 Transfers	0	148	148
9. Domestic Partnerships	0	66	66
Policy -- Non-Comp Total	0	1,262	1,262
Policy Changes - Comp			
10. Employee Health Insurance	0	214	214
11. Actuarial Method Changes-State	0	-804	-804
Policy -- Comp Total	0	-590	-590
<hr/>			
Total 2009-11 Biennium	0	53,109	53,109
Fiscal Year 2010 Total	0	27,065	27,065
Fiscal Year 2011 Total	0	26,044	26,044

Comments:

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|---|--|
| <p>1. OASI Transfer - Funding is provided for the Department of Retirement Systems (DRS) to take over administration of the Old-Age and Survivors Insurance (OASI) Program, which will be transferred from the Employment Security Department effective July 1, 2009. (OASI Revolving Account-Non-Appropriated)</p> <p>2. Retirement Systems Review - Funding is provided for the expenses associated with participation in the Internal Revenue Service review of state retirement systems that is scheduled for 2009 and for updates to automated systems to ensure compliance with the Pension Protection Act of 2006. (Department of Retirement Systems Expense Account-State)</p> <p>3. Domestic Partners/WSPRS - Funding is provided for the DRS to make revisions to administrative systems and procedures to reflect changes to the rights of domestic partners of members of the Washington State Patrol Retirement System (WSPRS) pursuant to Chapter 522, Laws of 2009 (ESHB 1445). (Department of Retirement Systems Administrative Account-State)</p> <p>4. Military Service Credit Purchases - Funding is provided for the DRS to provide retirement system members and their survivors the opportunity to receive interruptive military service credit without requiring member contributions for the period of military service, pursuant to Chapter 205, Laws of</p> | <p>2009 (HB 1548). (Department of Retirement Systems Expense Account-State)</p> <p>5. LEOFF 2 Domestic Partners - Funding is provided for the DRS to make revisions to administrative systems and procedures to reflect changes to the rights of domestic partners of members of the Law Enforcement Officers' and Fire Fighters' Retirement (LEOFF) System pursuant to Chapter 523, Laws of 2009 (EHB 1616). (Department of Retirement Systems Administrative Account-State)</p> <p>6. LEOFF Plan 2 Minimum Disability Ben - Funding is provided for the DRS to implement revisions to the minimum benefit provided to members of the LEOFF Retirement System Plan 2 who are disabled in the line of duty pursuant to Chapter 95, Laws of 2009 (HB 1678). (Department of Retirement Systems Administrative Account-State)</p> <p>7. DFW Enf. Officer Service Credit - Funding is provided for the DRS to implement Chapter 157, Laws of 2009 (SHB 1953), allowing members of the LEOFF Retirement System Plan 2 to purchase the transfer of past service earned as a Department of Fish and Wildlife (DFW) enforcement officer in the Public Employees' Retirement System (PERS) to LEOFF 2. New liabilities in the LEOFF 2 system not funded by the transferred member contributions will be incorporated into the LEOFF 2 contribution rates paid by all LEOFF 2 members, employers,</p> |
|---|--|

Department of Retirement Systems

and the state. (Department of Retirement Systems Expense Account-State)

8. **Halt PERS 2 to SERS 2 Transfers** - Funding is provided for the implementation of Chapter 209, Laws of 2009 (SB 5303), ending the automatic transfer of prior service credit earned in the PERS 2 to the School Employees' Retirement System (SERS) Plan 2 when a member works in a position eligible for membership in SERS 2. (Department of Retirement Systems Expense Account-State)
9. **Domestic Partnerships** - Funding is provided for DRS to make revisions to various administrative processes as necessary to reflect changes to the rights and responsibilities of registered domestic partners, pursuant to Chapter 521, Laws of 2009 (E2SSB 5688). (Department of Retirement Systems Administrative Account-State)
10. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
11. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Revenue

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	206,471	17,593	224,064
2009 Supplemental *	-8,169	-900	-9,069
Total 2007-09 Biennium	198,302	16,693	214,995
<hr/>			
2009-11 Maintenance Level	209,789	15,365	225,154
Policy Changes - Non-Comp			
1. Improve Tax Collection	6,405	0	6,405
2. Additional Tax Collection	4,295	0	4,295
3. Senior Deferral Program Adjustment	-600	0	-600
4. Electronic Service Delivery	-2,331	0	-2,331
5. Salary Freeze	-600	0	-600
6. Additional Agency Reductions	-1,134	0	-1,134
7. Locating Unclaimed Property	0	1,334	1,334
8. Annual Revaluation	843	0	843
9. Improve Tax Administration	97	0	97
10. Other Bills Passed	157	0	157
11. Resale Certificate Elimination	4,864	0	4,864
12. Governor-Directed Freeze	-1,544	0	-1,544
13. Governor Veto	-97	0	-97
Policy -- Non-Comp Total	10,355	1,334	11,689
Policy Changes - Comp			
14. Employee Health Insurance	826	48	874
15. Actuarial Method Changes-State	-3,150	-173	-3,323
Policy -- Comp Total	-2,324	-125	-2,449
<hr/>			
Total 2009-11 Biennium	217,820	16,574	234,394
Fiscal Year 2010 Total	109,315	8,787	118,102
Fiscal Year 2011 Total	108,505	7,787	116,292

Comments:

- | | |
|---|--|
| <p>1. Improve Tax Collection - Funding is provided for the Department to invest in new resources that will improve data analysis and increase efficiency in audit selections and collections and to increase out-of-state audit efforts. These improvements are estimated to generate \$38.2 million to the general fund and \$4.9 million to local governments.</p> | <p>efficiency savings by requiring electronic filing and payments and using electronic delivery for tax assessments.</p> |
| <p>2. Additional Tax Collection - Funding is provided for the Department to increase traditional audit and compliance efforts as well as more funding for the purchase of third party data sources to enhance audit selections. These measures are expected to generate an additional \$22 million to the general fund and \$2.8 million to local governments.</p> | <p>5. Salary Freeze - Funding is reduced to reflect the Department freezing salary increases for Washington Management Service and exempt employees.</p> |
| <p>3. Senior Deferral Program Adjustment - Funding is reduced for the property tax deferral program for senior citizens and disabled persons as a result of participation in the program being lower than expected.</p> | <p>6. Additional Agency Reductions - Funding is reduced as the Department will pursue additional budget reduction efforts. Items under consideration include: eliminating non-electronic publications; withdrawing from the Multi-State Tax Commission audit program; and discontinuing the use of toll-free numbers.</p> |
| <p>4. Electronic Service Delivery - Funding is reduced as a result of Chapter 176, Laws of 2009 (SSB 5571), which will result in</p> | <p>7. Locating Unclaimed Property - Funding is provided for anticipated operating cost increases in the Unclaimed Property Program, which operates out of a non-appropriated fund. The largest portion of this request is for payment to companies that locate unclaimed property. (Unclaimed Personal Property Account-Non-Appropriated)</p> |
| | <p>8. Annual Revaluation - Chapter 308, Laws of 2009 (SSB 5368), requires all counties to value real property for property tax</p> |

Department of Revenue

purposes annually by January 1, 2014. Funds are provided for the Department to administer a grant program to aid in this transition as well as to provide expertise to the counties in transitioning to an annual property valuation system from a multi-year valuation system.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

9. **Improve Tax Administration** - Funding is provided for the implementation of SHB 1597 (Tax Programs Administration). This bill did not pass the Legislature. The bill would have made many technical changes and improvements to excise tax statutes. The Governor vetoed this appropriation (see Governor Veto item).
10. **Other Bills Passed** - Funding is provided for the many bills that the Legislature has passed which impact the Department.
11. **Resale Certificate Elimination** - Funding is provided for the implementation of Chapter 563, Laws of 2009 (SB 6173 - Sales Tax Compliance). The bill eliminates the current resale certificate and requires the Department to issue an approved sellers permit to businesses eligible to make purchases for resale. The increased compliance is expected to increase revenues to the state general fund by \$102 million in the 2009-11 biennium.
12. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
13. **Governor Veto** - The Governor vetoed Section 137 (4) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which eliminated funding for the implementation of SHB 1597 (Sales Tax Compliance). SHB 1597 did not pass the Legislature in the 2009 legislative session.
14. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
15. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

State Investment Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	24,333	24,333
2009 Supplemental *	0	-1	-1
Total 2007-09 Biennium	0	24,332	24,332
<hr/>			
2009-11 Maintenance Level	0	24,351	24,351
Policy Changes - Non-Comp			
1. Implement Investment Policy	0	3,079	3,079
2. Strengthen Tech Infrastructure	0	2,471	2,471
3. Contract Investment Search Firm	0	124	124
Policy -- Non-Comp Total	0	5,674	5,674
Policy Changes - Comp			
4. Employee Health Insurance	0	58	58
5. Remove Merit Increments	0	-28	-28
6. Actuarial Method Changes-State	0	-474	-474
Policy -- Comp Total	0	-444	-444
<hr/>			
Total 2009-11 Biennium	0	29,581	29,581
Fiscal Year 2010 Total	0	14,326	14,326
Fiscal Year 2011 Total	0	15,255	15,255

Comments:

1. **Implement Investment Policy** - Funding is provided to hire additional investment officers in order to implement policy revisions directed by the State Investment Board. Funding is also provided for additional technical positions to support this policy direction. (State Investment Board Expense Account-State)
2. **Strengthen Tech Infrastructure** - Funding is provided on a one-time basis for development of an information system for risk modeling, stress testing, exposure analysis, and risk budgeting. Additionally, funding is provided for enhanced support for electronic records management and improved disaster recovery systems. (State Investment Board Expense Account-State)
3. **Contract Investment Search Firm** - Funding is provided to extend a contract for an investment professional search firm. (State Investment Board Expense Account-State)
4. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (State Investment Board Expense Account-State)
5. **Remove Merit Increments** - Funding provided at maintenance level for costs associated with providing merit increments for

employees in smaller agencies is eliminated. (State Investment Board Expense Account-State)

6. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (State Investment Board Expense Account-State)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Board of Tax Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	2,856	0	2,856
2009 Supplemental *	-11	0	-11
Total 2007-09 Biennium	2,845	0	2,845
<hr/>			
2009-11 Maintenance Level	2,923	0	2,923
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-71	0	-71
2. Governor-Directed Freeze	-84	0	-84
Policy -- Non-Comp Total	-155	0	-155
Policy Changes - Comp			
3. Employee Health Insurance	10	0	10
4. Actuarial Method Changes-State	-46	0	-46
Policy -- Comp Total	-36	0	-36
<hr/>			
Total 2009-11 Biennium	2,732	0	2,732
Fiscal Year 2010 Total	1,364	0	1,364
Fiscal Year 2011 Total	1,368	0	1,368

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Municipal Research Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	425	5,305	5,730
2009 Supplemental *	0	-1	-1
Total 2007-09 Biennium	425	5,304	5,729
<hr/>			
2009-11 Maintenance Level	400	5,455	5,855
Policy Changes - Non-Comp			
1. Reduce Funds Ports/Spec. Districts	-400	0	-400
Policy -- Non-Comp Total	-400	0	-400
<hr/>			
Total 2009-11 Biennium	0	5,455	5,455
Fiscal Year 2010 Total	0	2,729	2,729
Fiscal Year 2011 Total	0	2,726	2,726

Comments:

1. **Reduce Funds Ports/Spec. Districts** - Funding is reduced for research for special districts and ports.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	3,615	3,615
2009 Supplemental *	0	-1	-1
Total 2007-09 Biennium	0	3,614	3,614
<hr/>			
2009-11 Maintenance Level	0	3,677	3,677
Policy Changes - Non-Comp			
1. DIS Rate Reductions	0	-8	-8
Policy -- Non-Comp Total	0	-8	-8
Policy Changes - Comp			
2. Employee Health Insurance	0	13	13
3. Actuarial Method Changes-State	0	-60	-60
Policy -- Comp Total	0	-47	-47
<hr/>			
Total 2009-11 Biennium	0	3,622	3,622
Fiscal Year 2010 Total	0	1,808	1,808
Fiscal Year 2011 Total	0	1,814	1,814

Comments:

1. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates. (Minority and Women's Business Enterprises Account-State)

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of General Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,181	164,854	166,035
2009 Supplemental *	193	-144	49
Total 2007-09 Biennium	1,374	164,710	166,084
<hr/>			
2009-11 Maintenance Level	1,192	180,672	181,864
Policy Changes - Non-Comp			
1. Reduce Facilities Management	-4	-456	-460
2. Reduce Real Estate Services	0	-380	-380
3. Barrier Free Facilities Funding	-106	106	0
4. Reduce Buildings and Grounds Svcs	0	-615	-615
5. Reduce Visitor Services Program	0	-284	-284
6. Reduce Seasonal Plantings	0	-42	-42
7. Aligning Costs for Facilities	0	2,188	2,188
8. Built Environment Pollution	56	407	463
9. Fed. Stim. Pack: TEFAP	0	2,079	2,079
10. Off-Campus Facilities Costs	0	446	446
11. Enterprise Services Consolidation	0	9,290	9,290
12. New Property Costs	516	908	1,424
13. Administrative Reduction	0	-401	-401
14. Governor-Directed Freeze	-10	0	-10
15. Governor-Directed 1% Cut	-14	0	-14
Policy -- Non-Comp Total	438	13,246	13,684
Policy Changes - Comp			
16. Employee Health Insurance	2	488	490
17. Actuarial Method Changes-State	-6	-1,508	-1,514
Policy -- Comp Total	-4	-1,020	-1,024
<hr/>			
Total 2009-11 Biennium	1,626	192,898	194,524
Fiscal Year 2010 Total	815	96,469	97,284
Fiscal Year 2011 Total	811	96,429	97,240

Comments:

1. **Reduce Facilities Management** - The Department of General Administration (GA) will reduce its Facilities Management staff by three FTEs and redistribute the existing workload among remaining staff. (General Fund-State, General Administration Service Account-State, General Administration Services Account-Non-Appropriated)
2. **Reduce Real Estate Services** - GA will reduce its Real Estate Services staff by 2.5 FTEs to reflect a lower projected workload in the 2009-11 biennium. (General Administration Service Account-State, General Administration Services Account-Non-Appropriated)
3. **Barrier Free Facilities Funding** - While the Barrier Free Facilities Program receives some General Fund-State money, it also recovers some of its costs from clients. The Department will spend down some of its cash balance in the 2009-11 biennium to reduce the need for General Fund-State funding. (General Fund-State, General Administration Services Account-Non-Appropriated)
4. **Reduce Buildings and Grounds Svcs** - GA will reduce its Buildings and Grounds staff by 5.5 FTEs during the 2009-11 biennium. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
5. **Reduce Visitor Services Program** - GA will close the visitor center on South Capitol Boulevard and eliminate that visitor program. The visitor tour program operated out of the legislative building is not affected. (General Administration Services Account-State)
6. **Reduce Seasonal Plantings** - To save money, GA will reduce seasonal plantings around the capitol campus during the 2009-11 biennium. (General Administration Services Account-State)
7. **Aligning Costs for Facilities** - Funds are provided for facility services to state-agency tenants, to maintain facility infrastructure and operating functions, and to help offset the cost of providing other activities on campus that support the local community or the general public. (General

Department of General Administration

Administration Services Account-State, General
Administration Services Account-Non-Appropriated)

Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

8. **Built Environment Pollution** - Funding is provided to implement Section 8 of Chapter 423, Laws of 2009 (E2SSB 5854). (General Administration Services Account-Non-Appropriated)
9. **Fed. Stim. Pack: TEFAP** - Funding from the American Recovery and Reinvestment Act of 2009, the federal stimulus act, is made available to the state's Emergency Food Assistance Program (TEFAP). TEFAP helps to supplement the diets of low-income needy persons, including elderly people, by providing them with emergency food and nutrition assistance. (General Fund-Federal)
10. **Off-Campus Facilities Costs** - Funding authority is provided for an HVAC technician at the Labor and Industries building to meet service level needs, increased debt service payments, and other costs related to the off-campus lines of business. (General Administration Services Account-Non-Appropriated)
11. **Enterprise Services Consolidation** - Expenditure authority is increased for ongoing non-appropriated costs in the following programs: Motor Pool, Consolidated Mail Services, Office of State Procurement, Surplus Programs, and Materials Management Center. (General Administration Services Account-Non-Appropriated)
12. **New Property Costs** - The 2008 Legislature authorized GA to acquire the Pro-Arts, State Farm Insurance, and Perry Street Buildings. The market rental revenue that the Department will receive for these buildings will not cover the full cost of debt service, maintenance, and operations for these buildings. Ongoing expenditure authority is provided to pay the debt service, maintenance, and operation costs for each of the three buildings, and ongoing funding is provided for the remainder of the cost of purchasing them. (General Fund-State, General Administration Services Account-Non-Appropriated)
13. **Administrative Reduction** - Central administrative expenses are reduced by 5 percent. (General Administration Services Account-Appropriated, General Administration Services Account-Non-Appropriated)
14. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
15. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
16. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011.
17. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (General Fund-State, various other funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Information Services

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	8,778	256,218	264,996
2009 Supplemental *	-1,207	-231	-1,438
Total 2007-09 Biennium	7,571	255,987	263,558
<hr/>			
2009-11 Maintenance Level	2,011	277,840	279,851
Policy Changes - Non-Comp			
1. Small Agency Technology Pool	0	500	500
2. K-20 Network Savings	0	-1,920	-1,920
3. Operational Efficiencies	0	-16,445	-16,445
4. High-Speed Internet Activities	200	1,000	1,200
5. DIS Rate Reductions	0	-1,366	-1,366
Policy -- Non-Comp Total	200	-18,231	-18,031
Policy Changes - Comp			
6. Employee Health Insurance	1	389	390
7. Actuarial Method Changes-State	-4	-1,818	-1,822
Policy -- Comp Total	-3	-1,429	-1,432
<hr/>			
Total 2009-11 Biennium	2,208	258,180	260,388
Fiscal Year 2010 Total	1,104	128,287	129,391
Fiscal Year 2011 Total	1,104	129,893	130,997

Comments:

1. **Small Agency Technology Pool** - Funding is provided for programs to provide support for small agencies in the adoption and management of e-mail, active directory, security, website, and other information technology initiatives. (Data Processing Revolving Account-Non-Appropriated)
2. **K-20 Network Savings** - Funding for the K-20 Network is reduced during the 2009-11 biennium to reflect efficiencies and deferred costs. (Education Technology Revolving Account-State)
3. **Operational Efficiencies** - Funding is reduced to reflect efficiencies throughout the Department of Information Services (DIS). (Data Processing Revolving Account-Non-Appropriated)
4. **High-Speed Internet Activities** - Funding is provided for Chapter 509, Laws of 2009 (E2SHB 1701). The bill authorizes DIS to implement a high-speed Internet strategy for the state, subject to available funding. (General Fund-State, Data Processing Revolving Account-Non-Appropriated)
5. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the DIS central service rates. (Data Processing Revolving Account-Non-Appropriated)
6. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public

Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Office of the Insurance Commissioner

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	47,006	47,006
2009 Supplemental *	0	-38	-38
Total 2007-09 Biennium	0	46,968	46,968
<hr/>			
2009-11 Maintenance Level	0	48,965	48,965
Policy Changes - Non-Comp			
1. Discount Health Plans - SSB 5480	0	410	410
2. Life Settlements Act - SSB 5195	0	598	598
3. Health Care Admin - 2SSB 5346	0	551	551
Policy -- Non-Comp Total	0	1,559	1,559
Policy Changes - Comp			
4. Employee Health Insurance	0	179	179
5. Actuarial Method Changes-State	0	-782	-782
Policy -- Comp Total	0	-603	-603
<hr/>			
Total 2009-11 Biennium	0	49,921	49,921
Fiscal Year 2010 Total	0	24,883	24,883
Fiscal Year 2011 Total	0	25,038	25,038

Comments:

1. **Discount Health Plans - SSB 5480** - Funds are provided for implementation of Chapter 175, Laws of 2009 (SSB 5480), which creates the Washington health care plan organization act. (Insurance Commissioner's Regulatory Account)
2. **Life Settlements Act - SSB 5195** - Funds are provided for implementation of Chapter 104, Laws of 2009 (SSB 5195), the life settlements model act. (Insurance Commissioner's Regulatory Account)
3. **Health Care Admin - 2SSB 5346** - Funds are provided for implementation of Chapter 298, Laws of 2009 (2SSB 5346), regarding health care administration procedures. (Insurance Commissioner's Regulatory Account)
4. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Board of Accountancy

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	2,575	2,575
2009 Supplemental *	0	349	349
Total 2007-09 Biennium	0	2,924	2,924
2009-11 Maintenance Level	0	2,676	2,676
Policy Changes - Non-Comp			
1. Online Application & Payment Svcs	0	284	284
2. Legal Defense Services	0	85	85
Policy -- Non-Comp Total	0	369	369
Policy Changes - Comp			
3. Employee Health Insurance	0	9	9
4. Actuarial Method Changes-State	0	-38	-38
Policy -- Comp Total	0	-29	-29
Total 2009-11 Biennium	0	3,016	3,016
Fiscal Year 2010 Total	0	1,650	1,650
Fiscal Year 2011 Total	0	1,366	1,366

Comments:

1. **Online Application & Payment Svcs** - One-time funding is provided to contract with the Department of Information Services to design and implement an online payment system. (Certified Public Accountants Account-State)
2. **Legal Defense Services** - One-time funding is provided for litigation costs associated with legal action pending in Thurston County Superior Court. (Certified Public Accountants Account-State)
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Forensic Investigations Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	276	276
2009-11 Maintenance Level	0	280	280
Total 2009-11 Biennium	0	280	280
Fiscal Year 2010 Total	0	140	140
Fiscal Year 2011 Total	0	140	140

Comments:

There were no policy level changes.

Washington Horse Racing Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	9,041	9,041
2009 Supplemental *	0	-54	-54
Total 2007-09 Biennium	0	8,987	8,987
<hr/>			
2009-11 Maintenance Level	0	8,704	8,704
Policy Changes - Non-Comp			
1. Washington State Breeder Awards	0	1,924	1,924
Policy -- Non-Comp Total	0	1,924	1,924
Policy Changes - Comp			
2. Employee Health Insurance	0	21	21
3. Actuarial Method Changes-State	0	-35	-35
Policy -- Comp Total	0	-14	-14
<hr/>			
Total 2009-11 Biennium	0	10,614	10,614
Fiscal Year 2010 Total	0	5,285	5,285
Fiscal Year 2011 Total	0	5,329	5,329

Comments:

1. **Washington State Breeder Awards** - Appropriation authority is increased for Chapter 87, Laws of 2009 (SB 5125). The legislation allows funds received and distributed for the Washington Breeder Awards to be processed through an account in the custody of the Washington State Treasury. While these expenditures are not new, this will be the first time they appear in the state's financial reporting system. (Horse Racing Commission Washington Bred Owners' Bonus Fund Account-Non-Appropriated)

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,822	232,313	236,135
2009 Supplemental *	-1,912	1,757	-155
Total 2007-09 Biennium	1,910	234,070	235,980
<hr/>			
2009-11 Maintenance Level	3,900	237,513	241,413
Policy Changes - Non-Comp			
1. Revenue Generation	0	3,621	3,621
2. Change to Part-Time Board	0	-728	-728
3. Ten New Contract Stores	0	1,653	1,653
4. Tobacco Enforcement Cost Shift	-3,820	0	-3,820
5. Beer & Wine Regulation Commission	0	173	173
6. Five New State Stores	0	2,899	2,899
7. Governor-Directed Freeze	-38	0	-38
8. Governor-Directed 1% Cut	-42	0	-42
Policy -- Non-Comp Total	-3,900	7,618	3,718
Policy Changes - Comp			
9. Employee Health Insurance	0	851	851
10. Actuarial Method Changes-State	0	-2,464	-2,464
Policy -- Comp Total	0	-1,613	-1,613
<hr/>			
Total 2009-11 Biennium	0	243,518	243,518
Fiscal Year 2010 Total	0	120,434	120,434
Fiscal Year 2011 Total	0	123,084	123,084

Comments:

1. **Revenue Generation** - Funding is provided for the Liquor Control Board (LCB) to pay for the costs associated with additional revenue generating activities. Activities funded in this item are: opening state liquor stores on seven state holidays (not Christmas or Thanksgiving); opening six temporary liquor stores in shopping malls for a 60-day window during the holiday season; implementing Sunday liquor sales at nine additional stores; and establishing a partnership with Lottery to introduce electronic lotto in liquor stores. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
2. **Change to Part-Time Board** - Funding is reduced to reflect savings resulting from SB 6065 (addressing the structure of the LCB), which would change LCB from a three-member board compensated at 60 percent of full time to an unpaid part-time voluntary board that would meet at least 12 times a year. The Board would continue to perform quasi-judicial functions and provide administrative, policy, and legislative oversight to the Director of the LCB. This bill did not pass the Legislature; however, the Governor vetoed the provision to restore the funding for the Board. (Liquor Revolving Account-State)
3. **Ten New Contract Stores** - Funding is provided for LCB to add ten new contract liquor stores in the 2009-11 biennium. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
4. **Tobacco Enforcement Cost Shift** - Funding is reduced as a result of the shift of LCB's Tobacco Enforcement program costs to the Liquor Revolving Account where they will be absorbed within existing appropriation levels. (General Fund-State, Liquor Revolving Account-State)
5. **Beer & Wine Regulation Commission** - One-time funding is provided to implement Chapter 506, Laws of 2009 (EHB 2040), which permits financial interests between liquor manufacturers, distributors, and retailers under certain conditions; allows liquor manufacturers and distributors to provide branded promotional items to retailers; and eliminates the mandatory 10 percent minimum mark-up for beer and wine manufacturers to charge distributors and for distributors to charge retailers. Funding is provided for communication with licensees, updates to rules, and the creation of a multi-tier ownership database. (Liquor Revolving Account-State)
6. **Five New State Stores** - Funding is provided for LCB to add five new state liquor stores in the 2009-11 biennium. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
7. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel,

Washington State Liquor Control Board

personal service contracts, and equipment purchases not related to public safety or other essential activities.

8. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
9. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
10. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Board for Volunteer Firefighters

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	1,042	1,042
2009 Supplemental *	0	-1	-1
Total 2007-09 Biennium	0	1,041	1,041
<hr/>			
2009-11 Maintenance Level	0	970	970
Policy Changes - Non-Comp			
1. Actuarial Relief Valuation	0	16	16
Policy -- Non-Comp Total	0	16	16
Policy Changes - Comp			
2. Employee Health Insurance	0	4	4
3. Remove Merit Increments	0	-8	-8
4. Reallocation Incremental Increase	0	76	76
5. Actuarial Method Changes-State	0	-14	-14
Policy -- Comp Total	0	58	58
<hr/>			
Total 2009-11 Biennium	0	1,044	1,044
Fiscal Year 2010 Total	0	517	517
Fiscal Year 2011 Total	0	527	527

Comments:

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|--|---|
| <p>1. Actuarial Relief Valuation - Funding is provided to contract with the Office of the State Actuary for a actuarial valuation of the volunteer firefighters' relief program in order to ensure the long-term solvency of the fund. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)</p> <p>2. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)</p> <p>3. Remove Merit Increments - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)</p> <p>4. Reallocation Incremental Increase - Funding is provided for the continuing costs of pay increases resulting from reclassification of two positions within the staff of the Board, pursuant to audit findings. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)</p> | <p>5. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
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Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	160	35,820	35,980
2009 Supplemental *	0	-53	-53
Total 2007-09 Biennium	160	35,767	35,927
<hr/>			
2009-11 Maintenance Level	0	35,927	35,927
Policy Changes - Non-Comp			
1. Internet Redesign Project	0	526	526
2. Transportation Deregulation	0	-26	-26
Policy -- Non-Comp Total	0	500	500
Policy Changes - Comp			
3. Employee Health Insurance	0	120	120
4. Actuarial Method Changes-State	0	-511	-511
Policy -- Comp Total	0	-391	-391
<hr/>			
Total 2009-11 Biennium	0	36,036	36,036
Fiscal Year 2010 Total	0	17,912	17,912
Fiscal Year 2011 Total	0	18,124	18,124

Comments:

1. **Internet Redesign Project** - Funding is provided for the Utilities and Transportation Commission (UTC) to continue its project to transition to a single Microsoft platform, aligning with Washington State enterprise architecture standards and best practices. These one-time funds are for UTC to implement an enterprise repository for data and agency documents and improve public web-based access to information. (Public Service Revolving Account-State)

2. **Transportation Deregulation** - Funding is reduced to reflect savings achieved by implementation of Chapter 557, Laws of 2009 (ESB 5894). This legislation authorizes UTC to exempt an estimated four ferry companies from regulation and reclassify an estimated four auto transportation companies. (Public Service Revolving Account-State)

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Military Department

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	24,875	285,818	310,693
2009 Supplemental *	-919	14,820	13,901
Total 2007-09 Biennium	23,956	300,638	324,594
2009-11 Maintenance Level	24,970	294,605	319,575
Policy Changes - Non-Comp			
1. WIN211 Reductions	-1,000	0	-1,000
2. Homeland Security Technical Asst.	0	200	200
3. Enhanced 911 Program	0	7,487	7,487
4. Non-Disaster Mitigation Grants	0	7,826	7,826
5. Tsunami Hazard Mitigation Program	0	596	596
6. Firefighting Training	-188	0	-188
7. Facilities Closures	-210	0	-210
8. Efficiency Reductions	-1,704	0	-1,704
9. Governor-Directed Freeze	-836	0	-836
10. Governor-Directed 1% Cut	-254	0	-254
Policy -- Non-Comp Total	-4,192	16,109	11,917
Policy Changes - Comp			
11. Employee Health Insurance	98	172	270
12. Actuarial Method Changes-State	-342	-574	-916
Policy -- Comp Total	-244	-402	-646
Total 2009-11 Biennium	20,534	310,312	330,846
Fiscal Year 2010 Total	10,244	155,368	165,612
Fiscal Year 2011 Total	10,290	154,944	165,234

Comments:

- WIN211 Reductions** - Funding is reduced for Washington Information Network 211 (WIN211), a private nonprofit organization that provides social service referral services. However, \$1 million to support the WIN211 program will be provided by the Department of Social and Health Services from the non-appropriated Telephone Assistance Fund.
- Homeland Security Technical Asst.** - Funding is provided for the Department of Homeland Security's one-time grant for the Homeland Security Technical Assistance Program. The grant allows the Military Department to use National Guard employees for planning exercises related to natural and human-caused disasters. (Military Department Active State Service Account-State)
- Enhanced 911 Program** - Additional expenditure authority is provided due to increasing revenue, providing additional funding to local 911 call centers. The state provides funding to local governments whose costs exceed their local 911 tax collections. (Enhanced 911 Account-State)
- Non-Disaster Mitigation Grants** - Funding is provided for the development and review of local mitigation plans and grant applications and to provide technical assistance to local communities related to federal hazard mitigation grants awarded by the Federal Emergency Management Agency. (General Fund-Federal)
- Tsunami Hazard Mitigation Program** - Expenditure authority is provided for a federal grant awarded to the Military Department for tsunami planning and preparedness activities such as mapping and public information. (General Fund-Federal)
- Firefighting Training** - Funding is eliminated for training of National Guard members as firefighters.
- Facilities Closures** - Funding is reduced to reflect savings resulting from the closure of up to seven facilities throughout the state.
- Efficiency Reductions** - Funding is reduced to reflect savings to be achieved by reducing personal service contracts, holding positions vacant, reducing capital outlays/equipment purchases, reducing travel, reducing goods and services expenses, and reducing professional development and training.
- Governor-Directed Freeze** - Funding is reduced by assuming savings related to the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.

Military Department

10. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Employment Relations Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	6,543	3,287	9,830
2009 Supplemental *	-116	0	-116
Total 2007-09 Biennium	6,427	3,287	9,714
<hr/>			
2009-11 Maintenance Level	6,747	3,390	10,137
Policy Changes - Non-Comp			
1. Child Care Center Bargaining	50	0	50
2. Administrative Efficiencies	-344	0	-344
3. Governor Veto	-50	0	-50
Policy -- Non-Comp Total	-344	0	-344
Policy Changes - Comp			
4. Employee Health Insurance	22	12	34
5. Remove Merit Increments	-106	-54	-160
6. Actuarial Method Changes-State	-111	-58	-169
Policy -- Comp Total	-195	-100	-295
<hr/>			
Total 2009-11 Biennium	6,208	3,290	9,498
Fiscal Year 2010 Total	3,098	1,643	4,741
Fiscal Year 2011 Total	3,110	1,647	4,757

Comments:

- | | |
|--|---|
| <p>1. Child Care Center Bargaining - Funding is provided to support legal and administrative costs related to the implementation of SHB 1329 (Childcare Center Collective Bargaining). This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item).</p> | <p>Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, Department of Personnel Services Account)</p> |
| <p>2. Administrative Efficiencies - Funding is reduced to reflect administrative efficiencies. Agencies are directed to achieve these reductions through strategies that will minimize impacts on employees, their families, their communities, and short- and long-term accomplishment of the agency's mission. Agencies are encouraged to use strategies such as reduced work schedules, use of voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status, full insurance benefits, full accrual of retirement service credit, and a living wage. (General Fund-State)</p> | <p>5. Remove Merit Increments - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated. (General Fund-State, Department of Personnel Services Account)</p> |
| <p>3. Governor Veto - The Governor vetoed the proviso language in Section 152 of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which restricted use of \$50,000 of funding to be used only for the administrative expenses associated with revisions to the collective bargaining process for child care center workers pursuant to SHB 1329. SHB 1329 was not passed by the Legislature.</p> | <p>6. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (General Fund-State, Department of Personnel Services Account)</p> |
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	2,869	2,155	5,024
2009 Supplemental *	-214	-100	-314
Total 2007-09 Biennium	2,655	2,055	4,710
<hr/>			
2009-11 Maintenance Level	3,459	1,982	5,441
Policy Changes - Non-Comp			
1. Agency Wide Reductions	-199	0	-199
2. Human Remains Rulemaking	66	0	66
3. DIS Rate Reductions	-32	0	-32
4. Governor-Directed Freeze	-464	0	-464
5. Governor Veto	-66	0	-66
Policy -- Non-Comp Total	-695	0	-695
Policy Changes - Comp			
6. Employee Health Insurance	12	5	17
7. Actuarial Method Changes-State	-44	-20	-64
Policy -- Comp Total	-32	-15	-47
<hr/>			
Total 2009-11 Biennium	2,732	1,967	4,699
Fiscal Year 2010 Total	1,374	986	2,360
Fiscal Year 2011 Total	1,358	981	2,339

Comments:

1. **Agency Wide Reductions** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Human Remains Rulemaking** - Funding is provided for the Department of Archaeology and Historic Preservation (DAHP) to implement Human Remains rulemaking costs pursuant to 2SHB 1090 (Human Remains). This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item).
3. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates.
4. **Governor-Directed Freeze** - Funding is reduced by assuming savings each fiscal year due to freezes on new hiring, out-of-state travel, personal service contracts, and equipment purchases, not related to public safety or other essential activities.
5. **Governor Veto** - The Governor vetoed the proviso language in Section 153 of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which removes funding provided for rulemaking associated with 2SHB 1090 (Human Remains), which did not pass the Legislature.
6. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per

employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Growth Management Hearings Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,821	0	3,821
2009 Supplemental *	-4	0	-4
Total 2007-09 Biennium	3,817	0	3,817
<hr/>			
2009-11 Maintenance Level	3,873	0	3,873
Policy Changes - Non-Comp			
1. Consolidate GMHB	-488	0	-488
2. Governor-Directed Freeze	-112	0	-112
Policy -- Non-Comp Total	-600	0	-600
Policy Changes - Comp			
3. Employee Health Insurance	12	0	12
4. Actuarial Method Changes-State	-62	0	-62
Policy -- Comp Total	-50	0	-50
<hr/>			
Total 2009-11 Biennium	3,223	0	3,223
Fiscal Year 2010 Total	1,674	0	1,674
Fiscal Year 2011 Total	1,549	0	1,549

Comments:

1. **Consolidate GMHB** - Currently, there are three Growth Management Hearings Board (GMHB) offices: Seattle, Olympia, and Yakima. ESHB 2338 (Growth Management Hearings Board) creates the Office of Growth Management Hearings Board and consolidates administrative functions of the three boards into this office. Savings will be achieved by reducing the number of board members to eight and the three boards will share one staff attorney and one clerical position. Note: This bill did not pass in the 2009 regular session of the Legislature.
2. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed

information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Convention and Trade Center

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	98,523	98,523
2009 Supplemental *	0	-5,004	-5,004
Total 2007-09 Biennium	0	93,519	93,519
<hr/>			
2009-11 Maintenance Level	0	107,040	107,040
Policy Changes - Non-Comp			
1. Operations and Maintenance	0	3,885	3,885
2. Promoting the WSCTC	0	330	330
3. Long-Term Maintenance and Equipment	0	1,515	1,515
4. MOHAI Renovation Debt Service	0	1,304	1,304
5. MOHAI Expansion Equipment	0	4,100	4,100
6. Administrative Reduction	0	-1,052	-1,052
Policy -- Non-Comp Total	0	10,082	10,082
<hr/>			
Total 2009-11 Biennium	0	117,122	117,122
Fiscal Year 2010 Total	0	57,300	57,300
Fiscal Year 2011 Total	0	59,822	59,822

Comments:

1. **Operations and Maintenance** - Expenditure authority is provided for compensation adjustments and for the addition of new staff needed when the Washington State Convention and Trade Center (WSCTC) expands in 2010. (State Convention and Trade Center Operations Account-State)

2. **Promoting the WSCTC** - Funding is provided to market the WSCTC. (State Convention and Trade Center Operations Account-State)

3. **Long-Term Maintenance and Equipment** - Funds are provided for projects identified in the Center's maintenance plan. Projects include replacement of 765 15- to 20-year-old tables, replacement of a 15-year-old floor sweeper, replacement of 1,400 chairs, and replacement of meeting room and hallway carpet tiles. (State Convention and Trade Center Account-State)

4. **MOHAI Renovation Debt Service** - Expenditure authority is provided for payments on a Certificate of Participation (COP) to be issued for the costs of renovating Level A of the Museum of History and Industry (MOHAI) building which was purchased in 2007. (State Convention and Trade Center Account-State)

5. **MOHAI Expansion Equipment** - Expenditure authority is provided for payments on a COP to be issued for the costs of equipment for the MOHAI building expansion that was authorized by the Legislature in the 2007-09 biennial capital budget. (State Convention and Trade Center Account-State)

6. **Administrative Reduction** - An administrative reduction is taken. (State Convention and Trade Center Operations Account-State)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Financial Institutions

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	46,837	46,837
2009 Supplemental *	0	-236	-236
Total 2007-09 Biennium	0	46,601	46,601
<hr/>			
2009-11 Maintenance Level	0	48,385	48,385
Policy Changes - Non-Comp			
1. Balance to Available Revenues	0	-3,700	-3,700
2. Consumer Loan Companies	0	420	420
3. Mortgage Broker Practices	0	175	175
4. DIS Rate Reductions	0	-522	-522
Policy -- Non-Comp Total	0	-3,627	-3,627
Policy Changes - Comp			
5. Employee Health Insurance	0	167	167
6. Actuarial Method Changes-State	0	-728	-728
Policy -- Comp Total	0	-561	-561
<hr/>			
Total 2009-11 Biennium	0	44,197	44,197
Fiscal Year 2010 Total	0	21,707	21,707
Fiscal Year 2011 Total	0	22,490	22,490

Comments:

- | | |
|--|---|
| <p>1. Balance to Available Revenues - Expenditure authority is reduced to match revenue projections. (Financial Services Regulation Account-Non-Appropriated)</p> <p>2. Consumer Loan Companies - Funding is provided to implement Chapter 120, Laws of 2009 (SHB 1621), regulating the business practices of consumer loan companies for compliance with the secure and fair enforcement for mortgage licensing act of 2008. (Financial Services Regulation Account-Non-Appropriated)</p> <p>3. Mortgage Broker Practices - Funding is provided to implement Chapter 528, Laws of 2009 (SHB 1749 - Mortgage Broker Practices), regulating the business practices of mortgage brokers for compliance with the secure and fair enforcement for mortgage licensing act of 2008. (Financial Services Regulation Account-Non-Appropriated)</p> <p>4. DIS Rate Reductions - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates. (Financial Services Regulation Account-Non-Appropriated)</p> <p>5. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or</p> | <p>plan design in order to provide benefits within available funding. (various funds)</p> <p>6. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
|--|---|

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	33,655	33,655
2009 Supplemental *	0	-22	-22
Total 2007-09 Biennium	0	33,633	33,633
<hr/>			
2009-11 Maintenance Level	0	29,648	29,648
Policy Changes - Comp			
1. Employee Health Insurance	0	141	141
2. Actuarial Method Changes-State	0	-503	-503
Policy -- Comp Total	0	-362	-362
<hr/>			
Total 2009-11 Biennium	0	29,286	29,286
Fiscal Year 2010 Total	0	14,336	14,336
Fiscal Year 2011 Total	0	14,950	14,950

Comments:

1. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

2. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Printer

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	18,619	18,619
2009 Supplemental *	0	513	513
Total 2007-09 Biennium	0	19,132	19,132
2009-11 Maintenance Level	0	20,203	20,203
Policy Changes - Comp			
1. Employee Health Insurance	0	101	101
2. Actuarial Method Changes-State	0	-324	-324
Policy -- Comp Total	0	-223	-223
Total 2009-11 Biennium	0	19,980	19,980
Fiscal Year 2010 Total	0	9,767	9,767
Fiscal Year 2011 Total	0	10,213	10,213

Comments:

1. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

2. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	2,020	2,020
2009-11 Maintenance Level	0	2,067	2,067
Policy Changes - Comp			
1. Employee Health Insurance	0	5	5
2. Actuarial Method Changes-State	0	-28	-28
Policy -- Comp Total	0	-23	-23
Total 2009-11 Biennium	0	2,044	2,044
Fiscal Year 2010 Total	0	1,023	1,023
Fiscal Year 2011 Total	0	1,021	1,021

Comments:

1. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Expense Account-Non-Appropriated)

2. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Expense Account-Non-Appropriated)

Human Services

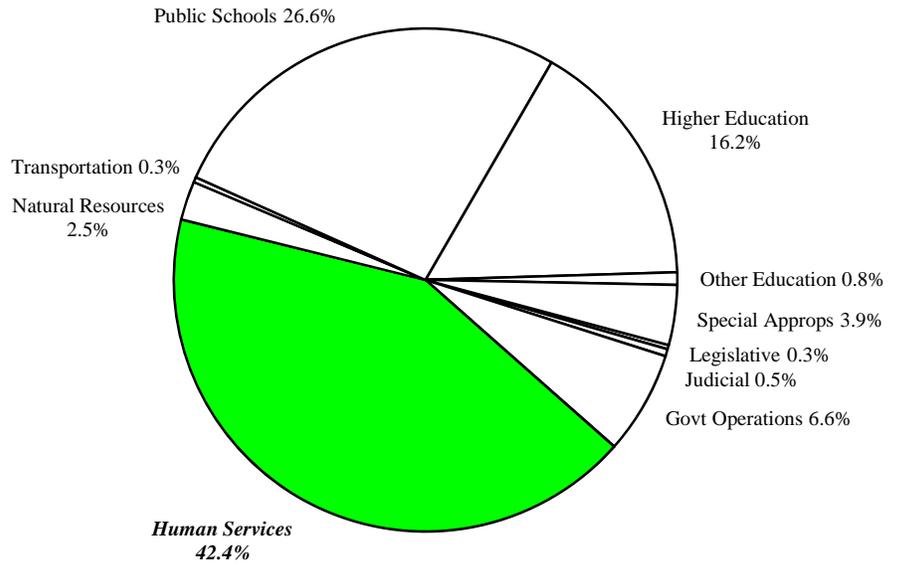
The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Health Care Authority, Department of Health, and other human services related agencies.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

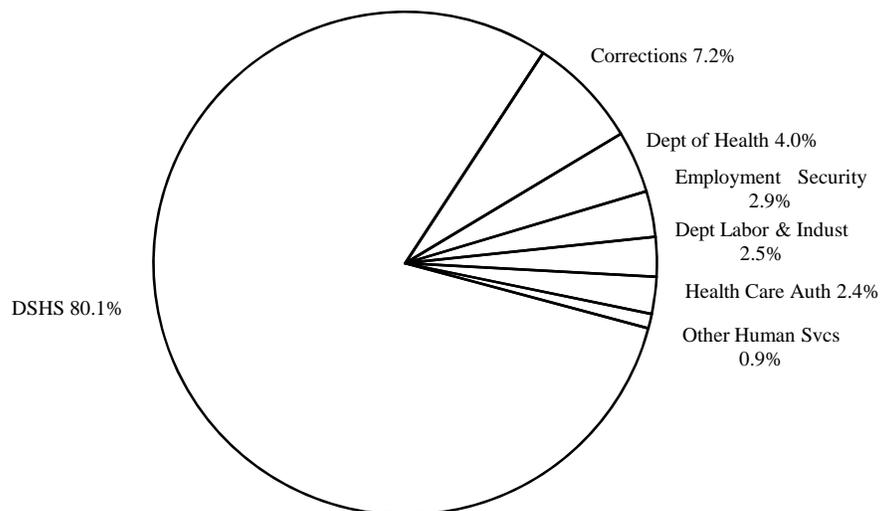
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

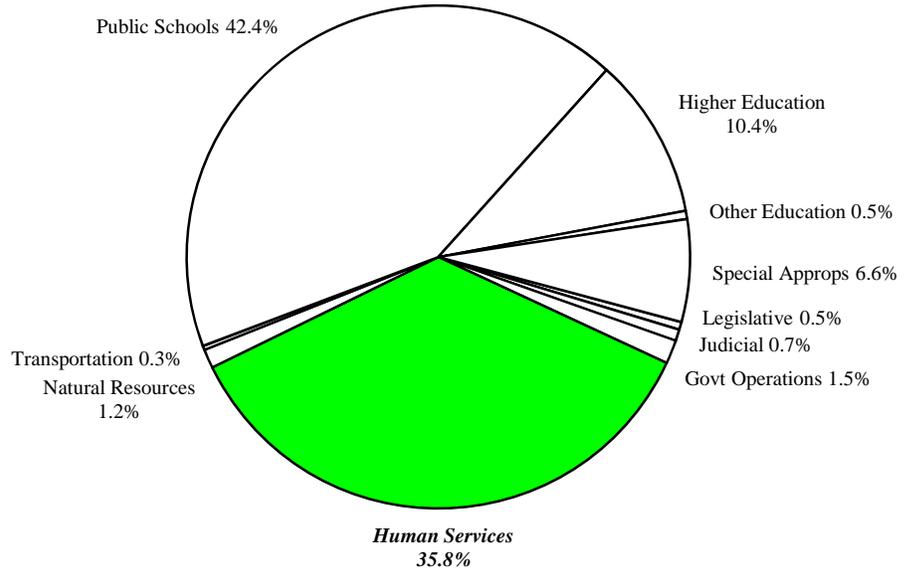
DSHS	19,916,679
Dept of Corrections	1,781,162
Dept of Health	991,704
Employment Security	731,885
Dept of Labor & Indust	630,563
Health Care Authority	590,480
Other Human Svcs	232,393
Human Services	24,874,866



Human Services

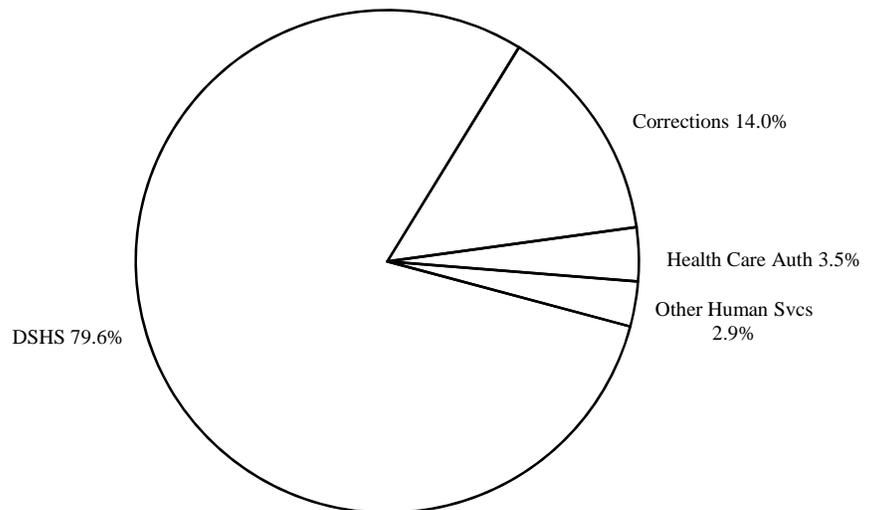
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

DSHS	8,955,615
Dept of Corrections	1,580,733
Health Care Authority	388,433
Other Human Svcs	326,033
Human Services	11,250,814



Human Services

Department of Social & Health Services

Children and Family Services

A total of \$2.9 million state general fund savings are achieved through expediting the adoptions of 600 legally free children from the foster care caseload.

The budget provides funding for the Behavioral Rehabilitative Services (BRS) program in a block grant at \$133.7 million (\$76.8 million state general fund). BRS services are provided to children in foster care with severe needs. The Department and BRS contractors are directed to manage the BRS program within these amounts provided and to reduce the amount of time youth stay in BRS.

The budget reduces funding by \$12.6 million state general fund for certain administrative activities and by implementing a freeze on hiring, out-of-state travel, and personal service contracts. The reduction does not include Child Protective Services or Child Welfare Services direct service staff.

The budget reduces Family Preservation Services by approximately 15 percent, which saves \$3 million state general fund. These savings are invested in intensive family preservation services, which are proven to prevent entry into the child welfare system and provide the state with future savings.

The budget reduces funding for all vendor rates. This saves \$4.2 million state general fund and does not include Family Foster Home payments and Adoption Support payments.

The budget reduces a total of \$8.4 million state general fund for Crisis Residential Centers, HOPE beds, and the Street Youth Program. The budget provides funding for these services with the Home Security Account, rather than the state general fund.

Juvenile Rehabilitation Administration

Savings of \$12 million are assumed through the closure of a Juvenile Rehabilitation Administration (JRA) institution. The Office of Financial Management will conduct a study of the feasibility of closing either Maple Lane School or Green Hill School. A report is due to the Governor and the Legislature on November 1, 2009.

Funding for enhanced parole services for juveniles is reduced by \$5.3 million. Approximately 30 percent of JRA youth receive enhanced parole. Parole services for sex offenders and the highest risk youth are not affected by this change.

Savings of \$2.2 million is achieved through the closure of two contracted Community Facilities. JRA caseload continues to decline, and beds in these facilities are no longer required. These closures will reduce Community Facility space by 24 beds.

Funding provided to local jurisdictions through JRA for locally-operated treatment services is reduced by \$1.9 million. Funds are used for a variety of treatment and therapy programs.

JRA will offer competitive grants to community-based organizations to provide at-risk youth intervention services with \$3.7 million from the Washington Auto Theft Prevention Authority Account. Grantees must report to JRA on the number, type of youth, and services provided.

Mental Health

A total of \$1.525 billion (\$821 million state) is provided for operation of the public mental health system during the 2009-11 biennium. This is \$69 million (4 percent) less than the estimated amount needed to maintain the current level of mental health services and activities. Major reductions include:

- Funding for the community mental health services delivered through Regional Support Networks (RSNs) is reduced by a total of \$57.7 million, or about 5 percent. Of this total, the “state only” funding for people and services not eligible for the federal Medicaid program is reduced by a total of \$23.2 million, or about 9 percent. Additionally, the Department is to identify and implement efficiencies and benefit changes that will reduce expenditures on community Medicaid mental health services by a total of \$24.5 million, or about 3.5 percent.
- Staffing in the state psychiatric hospitals is reduced by approximately 40 FTEs (1.4 percent), by partially rescinding various enhancements authorized in the 2007-09 biennium. Additionally, in culmination of a three-year community investment strategy initiated in 2006, the number of civil commitment beds at Eastern and Western State Hospitals is to have been reduced by 120 (13 percent) during the year ending September 2009, for a state savings of \$29.0 million in the 2009-11 budget base.
- State funding that has been used to demonstrate and test new approaches to mental health service delivery is discontinued, for a savings of \$4.0 million. During the 2007-09 biennium, such funding supported eight different projects. These included grants for 4 of the 22 consumer-run “clubhouses” that provide work-ordered days and other support services for persons recovering from mental illness; two projects that provided consumer-focused services to minority populations; one project that supported integration of mental health and primary care services; and one program that, since 1998, has provided intensive services for mentally ill offenders following their release from jail or prison.
- Funding for six children’s “evidence-based practice” pilot projects is reduced to more accurately reflect actual service levels, for a savings of \$1.9 million. These programs currently serve 148 high intensity children (unduplicated) per year. The reduction allows services to continue to the same number of children served by these programs in fiscal year 2009.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

The Aging and Disability Services Administration administers the Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) programs. These two programs combined account for approximately \$2.1 billion in General Fund-State expenditures for the 2009-11 biennium.

The DDD and LTC programs share administration, operate several similar programs, and often utilize the same set of vendors. As a result, numerous budget items impact both programs. These “shared” budget items are described below. Budget items unique to each program are described separately.

Increased costs for health insurance benefits for individual and agency providers are funded, assuming 3 percent per year inflation. This increases the maximum state contribution from \$585 per member per month (pmpm) to \$602 pmpm in fiscal year 2010 and \$620 pmpm in fiscal year 2011. The total value of the additional funding for inflation increases is \$4.4 million General Fund-State (\$10.4 million all funds).

Initiative 1029 required additional long-term care worker background checks, training, and certification requirements. Chapter 580, Laws of 2009 (ESSB 6180), delays several components of the initiative and Chapter 478, Laws of 2009 (HB 2359), delays peer mentorship providing a cost avoidance in the 2009-11 biennium of \$16.2 million General Fund-State (\$29.8 million all funds). A net enhancement remains in the 2009-11 biennium of \$5.2 million General Fund-State (\$11.0 million all funds) for the following:

- Mandatory 75 hours of basic training is delayed one year to begin January 1, 2011. Funding is provided for:
 - Training infrastructure development (information technology, policies, procedures, rules, curriculum, and a curriculum approval process);
 - Tuition for long-term care workers to include in-home care workers, adult family home workers, boarding home workers, and developmental disability residential workers; and
 - Wages for long-term care workers while they are in training.
- Mandatory certification is delayed by one year to begin January 1, 2011. Funding is provided for:
 - Development of a Home Care Aide certification program (information technology, policies, procedures, and rules); and
 - Implementation of examinations and disciplinary procedures.

Certain long-term care workers receive their training from a specified training partnership. Pursuant to RCW 74.39A.360, the state makes contributions to fund the training. The budget funds the training partnership contribution and related agency parity at \$8.2 million General Fund-State (\$14.3 million all funds).

Savings of \$12.1 million General Fund-State (\$30.2 million all funds) are realized from the implementation of Chapter 571, Laws of 2009 (SHB 2361). Home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping.

Daily Medicaid rates for boarding homes and adult family homes are reduced from current levels resulting in \$11.1 million General Fund-State (\$27.6 million all funds) in savings. The reduction is an approximate 4 percent reduction from maintenance levels and is applied to vendor base rates. Exceptional care rate add-ons for HIV/AIDS, dementia, and enhanced community services remain unchanged from fiscal year 2009 levels.

Savings of \$19.3 million General Fund-State (\$36.7 million all funds) are realized by funding adult day health (ADH) services only for clients receiving in-home care and by eliminating funding for transportation. Funding for ADH services provided by the Bailey Boushay House is preserved.

The personal care benefit provided to Medicaid clients is reduced by an average of 3.5 percent. Reductions are scaled according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours is based on the clients with the highest acuity levels. The Department is provided with the flexibility to adjust the reduction to ensure sufficient care is maintained for all clients. The total savings associated with this item is \$32.7 million General Fund-State (\$80.9 million all funds).

Developmental Disabilities

Funding of \$4.8 million General Fund-State (\$11.5 million all funds) is provided for: 1) new clients using Medicaid community-based waivers who need residential, behavior, and/or habilitative support in addition to personal care to remain in the community instead of institutions; and 2) residential and support services for 32 new clients with developmental disabilities and community protection issues.

The sum of \$10.7 million General Fund-State (\$26.4 million all funds) is provided to fund over 2,500 waiver placements in DDD for clients currently receiving supported employment and day services. These clients currently receive services funded solely with state dollars; however, a majority are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. The budget assumes savings by

transitioning eligible clients to Medicaid waivers to capture allowable federal funding. This item also preserves a smaller state-only program for those individuals unable to meet waiver eligibility standards.

Savings of \$7.3 million General Fund-State (\$18.0 million all funds) are realized by reducing the daily Medicaid rate paid to supported living and group home vendors. The reduction is applied to the full rate and totals approximately 3 percent from current levels.

Long Term Care

The LTC budget includes \$3.9 million General Fund-State (\$9.8 million all funds) for community residential and support services for persons who are older adults or who have co-occurring functional and behavioral impairments and who have been discharged or diverted from a state psychiatric hospital.

Savings of \$37.7 million General Fund-State (\$93.8 million all funds) are realized by reducing the 2009-11 statewide weighted average daily Medicaid rate for nursing homes. The funded rates assume continued funding of the low-wage worker add-on; however, no certificates of capital authorization are funded for either year. The fiscal year 2010 rate (\$156.37) is a 4.6 percent reduction from the current year and the fiscal year 2011 rate (\$158.74) is a 3.0 percent reduction from the current year.

Economic Services Administration

The budget assumes \$99.1 million in federal Temporary Assistance for Needy Families (TANF) contingency funds to provide services and assistance for low-income families. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.

Funding for the General Assistance-Unemployable (GA-U) program is reduced by \$18.6 million state general fund. Savings are assumed by assisting legal aliens in gaining citizenship to meet eligibility requirements for Supplemental Security Income; identifying eligible veterans for transfer to the Department of Veterans' Administration services; and referring GA-U clients into drug and alcohol treatment if addiction is a co-occurring condition. The savings also assume a policy change in how earned income is calculated.

The WorkFirst program is reduced by \$68.7 million state general fund through reductions in funding to state agencies participating in WorkFirst, administrative reductions, and caseload management savings.

The budget reduces funding by \$27.6 million state general fund for administrative activities, hiring, out-of-state travel, personal service contracts, and equipment purchases.

Alcohol and Substance Abuse

The Division of Alcohol and Substance Abuse (DASA) within the Department of Social and Health Services (DSHS) coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DASA contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Six DASA Regional Administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DASA also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

The budget maintains funding for detoxification, treatment, and support programs, as well as recent treatment expansion programs aimed at Medicaid-eligible adults and youth. The budget also maintains funding for cash stipends and medical coverage provided under the Alcohol and Drug Addiction Treatment and Support Act, and it directs federal Byrne Grant funding towards chemical dependency treatment through the drug courts.

Savings are achieved (\$7.4 million General Fund-State, \$12.4 million all funds) by reducing funding for contracts to provide low-income treatment and detoxification services. Treatment programs are provided in both residential and outpatient settings and can vary in length.

Medical Assistance Administration

A total of \$8.8 billion in state and federal funds is provided for an average of 1,039,000 low-income children and adults per month to receive medical and dental care through Medicaid and other DSHS medical assistance programs during the 2009-11 biennium. Total expenditures on these services are budgeted to increase by \$378 million (4.5 percent) from the 2007-09 biennium, and the state share of those expenditures is projected to decrease by \$501 million (12.3 percent).

Total expenditures include \$690 million in temporary federal funding under the American Recovery and Reinvestment Act of 2009, which increases the Federal Medical Assistance Percentage by almost 13 percentage points, on average, from July 2009 through December 2010. Additional federal revenue of \$54 million is provided on an ongoing basis through provisions in the Children's Health Insurance Program Reauthorization Act of 2009, which increased the state's ability to claim enhanced federal matching funds for Medicaid-eligible children between 133 and 200 percent of the federal poverty level.

Excluding the impact of additional federal revenue, the total policy or program reductions for the 2009-11 biennium are \$737 million in total funds and \$405 million in state funds. These policy reductions, combined with a maintenance level increase of over \$1 billion in total funds and \$640 million in state funds, result in a net increase of \$334 million in total funds and \$235 million in state funds over the 2007-09 biennium. The major reductions are summarized below.

Approximately \$46 million in total savings on medical benefits are expected from a transition of GA-U clients from fee-for-service reimbursement to managed care and initiatives within the Economic Services Administration to reduce the caseload.

The budget assumes savings of approximately \$414 million in total funds through reductions in provider rates. Reductions in total state and federal funds are made in the following areas:

- Inpatient and outpatient rates are reduced by approximately \$150.6 million;
- Disproportionate Share Hospital and Graduate Medical Education payments are reduced by \$61.9 million;
- Premium payments to managed care organizations are reduced by roughly \$76.8 million;
- The 48 percent rate increase provided for pediatric office visits in the 2007 legislative session is reduced to a 15 percent increase for a savings of \$42.7 million;
- Healthy Options enhanced payments to Federally Qualified Health Centers and Rural Health Centers are reduced by an estimated \$62.4 million in response to a federal audit; and
- Rate reductions to other services including adult office visits, transportation, laboratory and x-ray services, and hospice result in an additional \$19.7 million in savings.

The budget assumes a savings of \$183.4 million in total funds will be achieved through a comprehensive package of pharmacy cost containment and efficiency-promoting initiatives. These initiatives include the use of a 90-day supply for low-risk pharmaceutical refills, reducing coverage of some over-the-counter drugs, and increasing the generic prescription drug utilization rate by 20 percentage points.

The budget includes \$82.2 million in total state and federal savings through a combination of strategies to reduce utilization in optional services and incentivize the most cost-effective use of such services. For example, Maternity Support Services are reduced in order to target high-risk pregnancies, reimbursement rates are reduced

and limits are placed on Durable Medical Equipment supplies, and the Department is directed to reduce dental expenditures by targeting services that received rate increases in the 2007-09 biennium or are showing increased utilization.

Administration and Supporting Services

The Administration and Supporting Services program houses the DSHS executive management staff, provides Department-wide leadership and administrative support to all DSHS administrations, and provides administrative and budgeting support to three autonomous entities – the Council for Children and Families (CCF), the Family Policy Council (FPC), and the Governor’s Juvenile Justice Advisory Committee (GJJAC).

The 2009-11 budget appropriates \$69.4 million General Fund-State (\$126.3 million total funds) for the Administration and Supporting Services program. This is a 15 percent decrease in state funded support from the 2007-09 biennium. The majority of the savings are assumed to result from administrative consolidations and efficiencies within the Administration and Supporting Services program. Reductions were also taken in CCF, FPC, and GJJAC. In total, support for these three entities and their programs was reduced by \$5.7 million in Near General Fund-State funds. The percentage reduction varied by entity with the CCF reduction totaling approximately 30 percent of its prior level; FPC is reduced by 50 percent; and GJJAC state funding is reduced by 20 percent.

Special Commitment Center

A total of \$107.1 million state general fund is provided for the operation of the Special Commitment Center (SCC) for the 2009-11 biennium.

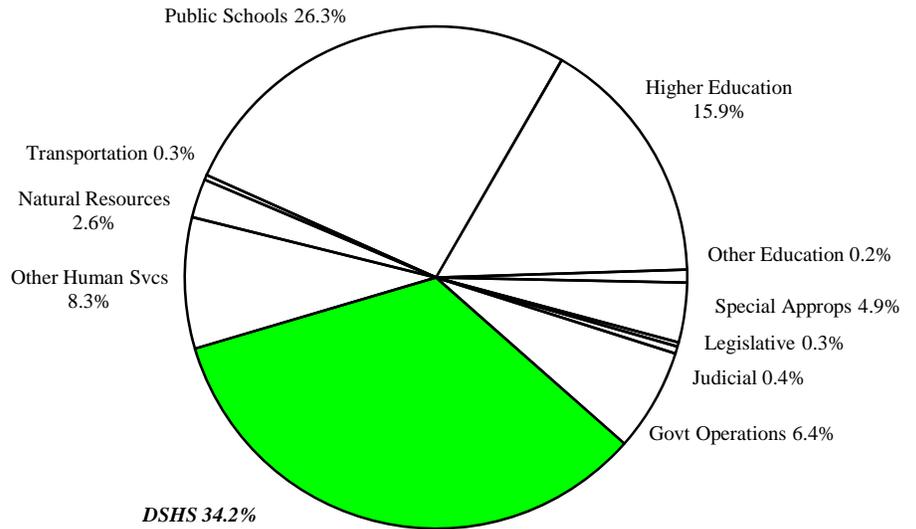
Funding for contracted education and nursing services at the SCC is reduced by \$1.8 million state general fund. Additionally, funding is reduced due to a decrease in the number of residential rehabilitation counselors assigned to lower acuity housing, which saves \$3.2 million state general fund.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

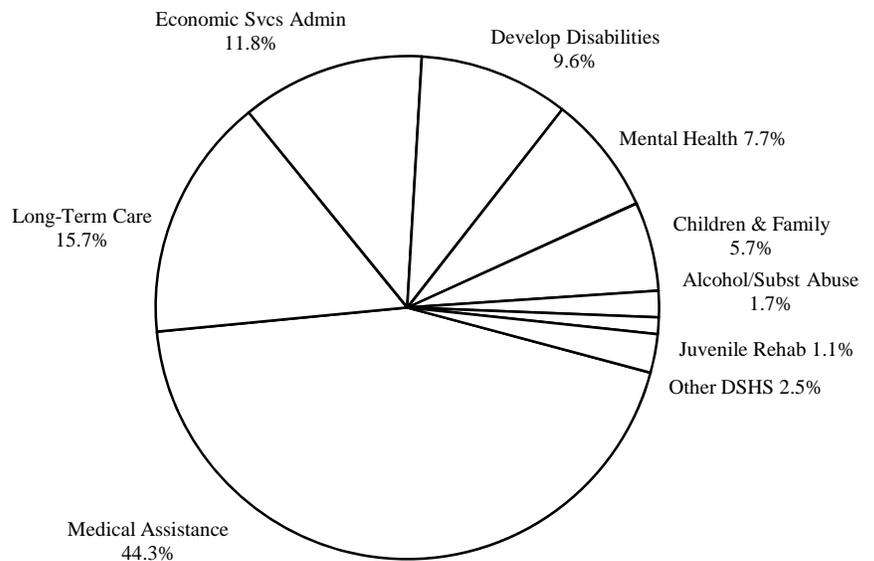
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
DSHS	19,916,679
Other Human Services	4,958,187
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

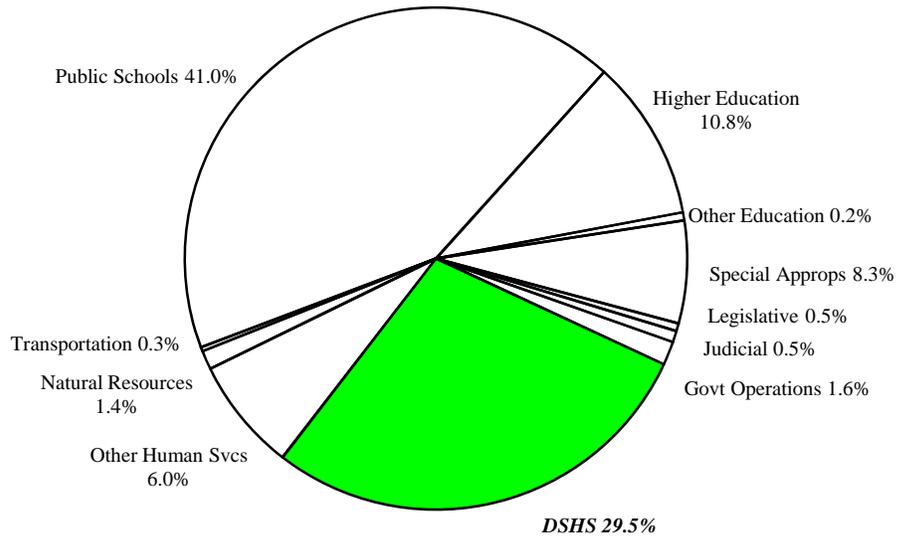
Medical Assistance	8,824,601
Long-Term Care	3,120,577
Economic Services Admin	2,343,330
Developmental Disabilities	1,918,891
Mental Health	1,525,591
Children & Family Svcs	1,140,094
Alcohol/Subst Abuse	334,485
Juvenile Rehabilitation	213,113
Other DSHS	495,997
DSHS	19,916,679



DSHS

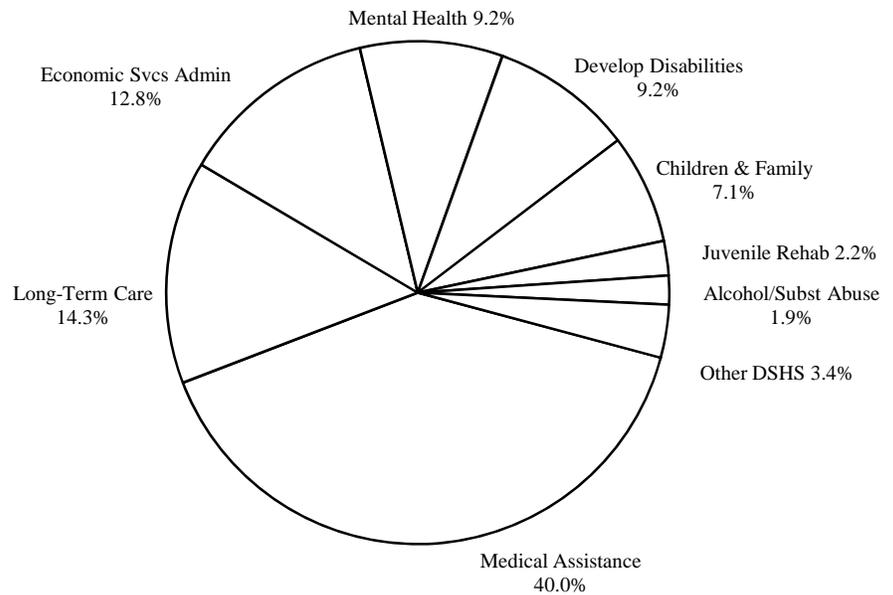
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
DSHS	8,955,615
Other Human Services	2,295,199
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Medical Assistance	3,582,184
Long-Term Care	1,284,289
Economic Services Admin	1,145,907
Mental Health	820,901
Developmental Disabilities	820,242
Children & Family Svcs	633,214
Juvenile Rehabilitation	197,951
Alcohol/Subst Abuse	166,889
Other DSHS	304,038
DSHS	8,955,615



DSHS

**Department of Social and Health Services
Children & Family Services**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	674,028	492,421	1,166,449
2009 Supplemental *	-2,224	11,484	9,260
Total 2007-09 Biennium	671,804	503,905	1,175,709
2009-11 Maintenance Level	716,330	490,556	1,206,886
Policy Changes - Non-Comp			
1. Supervised Visitation	647	2,583	3,230
2. Supervised Visit EBP	-44	0	-44
3. Foster Care Recruitment	-1,056	0	-1,056
4. Length of Stay Funding	1,800	0	1,800
5. Foster Care Length of Stay	-4,038	-3,436	-7,474
6. Foster Parent Child Care	-1,535	-134	-1,669
7. Family Preservation Services	-3,000	0	-3,000
8. Intensive Family Preservation Svcs	5,000	0	5,000
9. Intensive Family Preser Svcs Saving	-1,258	0	-1,258
10. Federal Stimulus Package - FMAP Inc	-22,966	22,966	0
11. Admin Operation Efficiencies	-8,416	-2,498	-10,914
12. Expedite Adoptions	-2,924	1,612	-1,312
13. Eliminate Adoption 5-Year Review	-1,105	-1,055	-2,160
14. Reduce Guardian Placements	-1,748	0	-1,748
15. Reduce Family Reconciliation Svc	-538	0	-538
16. Reduce Chem Dependency Professional	-2,476	0	-2,476
17. Eliminate Parent Education Support	-148	0	-148
18. Reduce Foster Care to 21	-1,553	0	-1,553
19. Eliminate Trauma Mitigation Pilot	-300	-129	-429
20. Eliminate Intensive Resource Homes	-2,360	-360	-2,720
21. Sex Abuse Recognition Training	-428	428	0
22. Fostering Connections	721	257	978
23. Crisis Residential Center Funding	-5,300	5,300	0
24. HOPE Bed Funding	-1,300	1,300	0
25. Education Coordinators	725	0	725
26. Behavioral Rehabilitative Services	-7,585	-5,093	-12,678
27. Street Youth Program	-1,789	1,789	0
28. Secure Crisis Residential Centers	-4,360	0	-4,360
29. Federal Funds Adjustment	0	-1,693	-1,693
30. Continuum of Care Services	-1,994	0	-1,994
31. UA Testing	-1,000	0	-1,000
32. Vendor Rate Decrease	-4,238	-2,165	-6,403
33. DIS Rate Reductions	-80	-44	-124
34. Governor-Directed Freeze	-4,292	-1,355	-5,647
Policy -- Non-Comp Total	-78,938	18,273	-60,665
Policy Changes - Comp			
35. Employee Health Insurance	1,609	744	2,353
36. Actuarial Method Changes-State	-5,787	-2,693	-8,480
Policy -- Comp Total	-4,178	-1,949	-6,127
Total 2009-11 Biennium	633,214	506,880	1,140,094
Fiscal Year 2010 Total	315,603	258,510	574,113
Fiscal Year 2011 Total	317,611	248,370	565,981

Department of Social and Health Services Children & Family Services

Comments:

1. **Supervised Visitation** - One-time funding is provided for contracted service hours for court-ordered supervised visits between parents and dependent children. (General Fund-State, General Fund-Federal)
2. **Supervised Visit EBP** - Funding is reduced to reflect savings associated with a pilot program in Whatcom and Skagit Counties. The pilot uses existing supervised visit funding within the Department's budget to provide evidence-based program (EBP) services during supervised visits to reduce foster care length of stay through more timely reunification or permanency.
3. **Foster Care Recruitment** - Funding is reduced for foster care recruitment to reflect efficiencies. The Department will recruit foster parents by focusing on community-based outreach and recruitment, including former or current foster parents and local community organizations.
4. **Length of Stay Funding** - Funding is provided for activities that reduce length of stay in the child welfare system. These activities include, but are not limited to, contracting with entities to complete parenting plans and third party custody agreements.
5. **Foster Care Length of Stay** - Funding is reduced to reflect savings from decreasing the length of time a child remains in the child welfare system. A Washington State Institute for Public Policy (WSIPP) study estimates the average length of stay in foster care is 524 days. (General Fund-State, General Fund-Federal)
6. **Foster Parent Child Care** - Funding is reduced to reflect efficiencies involving foster parent child care. The Department will use best practices and implement policies to achieve these efficiencies. (General Fund-State, General Fund-Federal)
7. **Family Preservation Services** - Funding is reduced for Family Preservation Services by approximately 15 percent. These are contracted services used to reunite families or to prevent entry into the child welfare system.
8. **Intensive Family Preservation Svcs** - Funding is provided for Intensive Family Preservation Services. Intensive Family Preservation Services are contracted services for families with children who are at imminent risk of foster care placement or are being reunified. The evidence-based Homebuilder program is funded through this program.
9. **Intensive Family Preser Svcs Saving** - Funding is reduced to reflect savings from expanding the Intensive Family Preservation Services evidence-based Homebuilders program. The reduction is based on the WSIPP model that finds the Homebuilders program reduces costs by preventing out-of-home placement.
10. **Federal Stimulus Package - FMAP Inc** - As part of the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentages (FMAP) are adjusted to increase the federal match of certain social services in Children's Administration. Funding for General-Fund State is reduced to reflect a \$13.5 million increase in Title IV-E federal funding and a \$9.4 million increase in federal Medicaid funding. (General Fund-State, General Fund-Federal)
11. **Admin Operation Efficiencies** - Funding is reduced to reflect savings for administrative activities. This reduction does not include Child Protective Services or Child Welfare Services direct service staff. (General Fund-State, General Fund-Federal)
12. **Expedite Adoptions** - Funding is reduced to reflect savings from finalizing the adoption of 600 legally free children from the foster care caseload. The Adoption Support Program provides a monthly maintenance payment for over 12,000 adopted children. (General Fund-State, General Fund-Federal)
13. **Eliminate Adoption 5-Year Review** - Funding is reduced to reflect savings from eliminating the five-year adoption review. Children's Administration conducts an average of 1,200 five-year reviews annually. Savings reflect the difference between the costs of finalizing adoptions and adoptions support payments from the cost of foster care payments. (General Fund-State, General Fund-Federal)
14. **Reduce Guardian Placements** - Funding is reduced to reflect savings from limiting guardianship placements for which federal matching funds are not available. (General Fund-State, General Fund-Federal)
15. **Reduce Family Reconciliation Svc** - Funding is reduced for Family Reconciliation Services, which provides family focused guidance services such as counseling and problem solving to maintain families.
16. **Reduce Chem Dependency Professional** - Funding is reduced for contracts for chemical dependency professionals with the Division of Alcohol and Substance Abuse. Children's Administration will continue to contract with eight chemical dependency professionals.
17. **Eliminate Parent Education Support** - Funding is reduced for contracted parent education support services. These services include parenting instruction for parents dealing with abuse or neglect.
18. **Reduce Foster Care to 21** - The Foster Care to 21 pilot is reduced, but funding is retained to allow youth currently in the program to continue receiving services until they age out.
19. **Eliminate Trauma Mitigation Pilot** - Funding is discontinued for the Trauma Mitigation Pilot Program. The pilot program is for children found to be dependent pursuant to RCW 13.34. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Children & Family Services

20. **Eliminate Intensive Resource Homes** - Funding is discontinued for the Intensive Resource Homes Pilot. In 2008, funding was provided to implement an intensive resource foster home pilot program in two geographical areas with high concentrations of high-needs children in foster care. (General Fund-State, General Fund-Federal)
21. **Sex Abuse Recognition Training** - Funding for sex abuse recognition training is provided through additional federal Byrne Grant available under the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
22. **Fostering Connections** - Funding is provided for the implementation for Chapter 235, Laws of 2009 (E2SHB 1961). The Department is authorized to enroll youth into the Foster Care to 21 program within funds appropriated. Spending authority is provided for federal funds that are now available for relative guardianship placements. Additionally, in 2010, the Department is authorized to provide foster care, adoption, and subsidized guardianship services until the youth's 21st birthday if they: (a) are enrolled in post secondary education; (b) participate in a program or activity to promote employment; (c) engage in employment for 80 hours or more a month; or (d) are incapable of engaging in any of the activities due to a medical condition. (General Fund-State, General Fund-Federal)
23. **Crisis Residential Center Funding** - Funding is provided for Crisis Residential Centers from the Home Security Account rather than the General Fund-State. (Home Security Fund Account-State, General Fund-State)
24. **HOPE Bed Funding** - Funding is provided for HOPE Center beds from the Home Security Account rather than General Fund-State. (Home Security Fund Account-State, General Fund-State)
25. **Education Coordinators** - Funding is provided for contracted education coordinators to increase educational advocacy services for foster children. (Education Legacy Trust Account)
26. **Behavioral Rehabilitative Services** - Funding is reduced to reflect savings from changing Behavioral Rehabilitative Services (BRS) into a block grant using performance-based outcomes. The Department is to work with providers to decrease the length of stay. (General Fund-State, General Fund-Federal)
27. **Street Youth Program** - Funding for the Street Youth Program is provided by the Home Security Fund and discontinues the use of General Fund-State. The Street Youth Program provides assistance to homeless youth living on the streets. (General Fund-State, Home Security Fund Account-State)
28. **Secure Crisis Residential Centers** - Funding is reduced for secure crisis residential centers. The Department is to work with providers to find ways to decrease costs while maintaining the highest number of available beds possible. This includes examining staffing ratios, payment methods, center specific waiver options, and other rules that will potentially lead to decreased costs.
29. **Federal Funds Adjustment** - Transfers federal expenditure authority for Social Services Block Grant and the Temporary Assistance for Needy Families to Economic Services Administration as a result of administrative reductions in Children's Administration. (General Fund-Federal)
30. **Continuum of Care Services** - Funding for Continuum of Care Services is reduced to \$250,000 for the 2009-11 biennium.
31. **UA Testing** - Funding is reduced for urinalysis (UA) testing. This represents roughly a 16 percent decrease based on FY 2008 expenditures.
32. **Vendor Rate Decrease** - The Department of Social and Health Services will reduce rates for all vendors. These rate reductions exclude Family Foster Home payments and Adoption Support payments. (General Fund-State, General Fund-Federal)
33. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates. (General Fund-State, General Fund-Federal)
34. **Governor-Directed Freeze** - Funding is reduced to reflect a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
35. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
36. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services Children & Family Services

WORKLOAD HISTORY By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	7,853	7,880	7,713	7,769	7,769	7,909	7,829	7,667	7,642	7,600
% Change from prior year		0.3%	-2.1%	0.7%	0.0%	1.8%	-1.0%	-2.1%	-0.3%	-0.5%
Relative Placements ⁽²⁾										
Avg # Children Served Monthly	3,833	3,909	3,998	4,246	4,588	4,684	4,804	4,806	4,792	4,826
% Change from prior year		2.0%	2.3%	6.2%	8.1%	2.1%	2.6%	0.0%	-0.3%	0.7%
Child Care ⁽³⁾										
Avg # Children Served Monthly	4,441	4,389	4,064	4,182	4,235	4,687	5,455	5,095	5,054	5,154
% Change from prior year		-1.2%	-7.4%	2.9%	1.3%	10.7%	16.4%	-6.6%	-0.8%	2.0%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,461	6,288	6,558	6,481	6,426	6,206	6,109	6,073	6,254	6,245
% Change from prior year		-2.7%	4.3%	-1.2%	-0.8%	-3.4%	-1.6%	-0.6%	3.0%	-0.2%
Adoption Support ⁽⁴⁾										
Avg # Children Served Monthly	6,603	7,392	8,387	9,208	9,964	10,632	11,254	11,996	12,830	13,434
% Change from prior year		12.0%	13.5%	9.8%	8.2%	6.7%	5.8%	6.6%	7.0%	4.7%
Caseload Ratio										
Avg Cases Per Worker ⁽⁵⁾	24:1	24:1	24:1	24:1	23:1	22:1	20:1	18:1	18:1	18:1

⁽¹⁾ Includes unduplicated count of children in licensed foster care placements (family foster care, behavioral rehabilitative services, and receiving care). Does not include unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a duplicated count of children in licensed foster care. Official forecasts are now based on an unduplicated count of children in licensed foster care placements, rather than a duplicated count.

⁽²⁾ Includes an unduplicated count of children in unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a count based on point-in-time during the month and excluded children in guardianships and children in Tribal custody. The placements are now counted based on events occurring at any time during the month and include children in guardianships and children in Tribal custody, so that the population counted for relative placements mirrors the population counted for Foster Care.

⁽³⁾ Includes the following child care services: CPS/Child Welfare Services (CWS), Therapeutic/Medicaid Treatment, and Foster Parent Employment. Data is not comparable to prior editions of the Legislative Budget Notes, which also included teen parent, seasonal child care, and adoption support.

⁽⁴⁾ Data reflect Adoption Support maintenance payments. These data are not comparable to caseloads displayed in editions of the Legislative Budget Notes published prior to 2006, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.

⁽⁵⁾ Combined average number of open cases per worker for CPS, CWS, and Family Reconciliation Services at the end of the fiscal year.

Data Sources:

FY 2000 through FY 2008 actuals for Foster Care, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2000 through FY 2008 actuals for Caseload Ratio are from the DSHS Central Budget Office.

FY 2000 through FY 2011 data for Relative Placements is from the Caseload Forecast Council.

FY 2009 through FY 2011 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council March 2009 forecast.

FY 2009 through FY 2011 estimates for Child Care, CPS, and Caseload Ratio are from DSHS Children's Administration.

**Department of Social and Health Services
Juvenile Rehabilitation**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	222,625	11,655	234,280
2009 Supplemental *	-5,997	208	-5,789
Total 2007-09 Biennium	216,628	11,863	228,491
2009-11 Maintenance Level	224,665	11,901	236,566
Policy Changes - Non-Comp			
1. Locally Committed Juveniles	-1,925	0	-1,925
2. HQ and Regional Administration	-600	0	-600
3. Eliminate Enhanced Parole	-5,332	0	-5,332
4. Federal Stimulus Package - FMAP Inc	-1,001	1,001	0
5. Close Community Facilities	-2,292	0	-2,292
6. Reinvesting in Youth Program	0	-1,428	-1,428
7. Gang Prevention/Intervention	0	3,700	3,700
8. Institution Closure	-12,000	0	-12,000
9. Governor-Directed Freeze	-488	0	-488
10. Governor-Directed 1% Cut	-1,108	0	-1,108
Policy -- Non-Comp Total	-24,746	3,273	-21,473
Policy Changes - Comp			
11. Employee Health Insurance	836	4	840
12. Actuarial Method Changes-State	-2,804	-16	-2,820
Policy -- Comp Total	-1,968	-12	-1,980
Total 2009-11 Biennium	197,951	15,162	213,113
Fiscal Year 2010 Total	104,870	7,743	112,613
Fiscal Year 2011 Total	93,081	7,419	100,500

Comments:

- Locally Committed Juveniles** - Funding provided to local communities through the Juvenile Rehabilitation Administration (JRA) is reduced. These funds are used on a statewide basis for programs, demonstrated by research, to reduce recidivism of juvenile offenders. Programs target youth with moderate to high risk of re-offending. Funds are also used for at-risk services (diversion, counseling, etc), Chemical Dependency Disposition Alternative (CCDA), and the Special Sex Offender Disposition Alternative (SSODA). (FMAP) are made based on enhancements provided in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
- HQ and Regional Administration** - Funding for administrative functions in the headquarters and regional offices is reduced.
- Eliminate Enhanced Parole** - Funding for parole services is reduced. Approximately 30 percent of JRA youth receive Enhanced Parole. Parole services continue treatment and rehabilitative therapy to juveniles and their families as the youth transition back into their communities from JRA custody. Parole services for sex offenders and the highest risk youth are not affected by this change.
- Federal Stimulus Package - FMAP Inc** - Funding adjustments for the Federal Medical Assistance Percentages
- Close Community Facilities** - Funding is eliminated for the Griffin Home and Touchstone community transitional facilities, resulting in 24 fewer community placements for youth. Closing these facilities is dictated by changes in the JRA caseload.
- Reinvesting in Youth Program** - Funding and expenditure authority for the Reinvesting in Youth Program are removed. This program was created in the 2005-07 biennium to award grants to counties for implementing research-based early intervention services that target juvenile justice involved youth and reduce crime. (Reinvesting in Youth Account-State)
- Gang Prevention/Intervention** - Funding is provided for JRA to offer competitive grants to community-based organizations to provide at-risk youth intervention services. Grantees must report to JRA on the number, type of youth, and services provided. (Washington Auto Theft Prevention Authority Account-State)

Department of Social and Health Services Juvenile Rehabilitation

8. **Institution Closure** - Savings are taken to reflect anticipated institution closure as a result of the study of the feasibility of closing state institutional facilities and plan on eliminating beds in the state institutional facility inventory. The study is funded in the Office of Financial Management.
9. **Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
10. **Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Juvenile Rehabilitation**

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	<u>Estimated</u>		
								2009	2010	2011
Community Residential ⁽¹⁾										
Avg Daily Population/Month	173	172	144	123	99	92	102	78	78	78
% Change from prior year		-0.5%	-16.6%	-14.7%	-19.2%	-7.1%	10.9%	-23.5%	0.0%	0.0%
Institutions										
Avg Daily Population/Month	937	797	781	782	728	736	676	624	594	553
% Change from prior year		-14.9%	-2.1%	0.1%	-6.8%	1.1%	-8.2%	-7.7%	-4.8%	-6.9%
Parole ⁽²⁾										
Avg Daily Population/Month	1,006	847	802	728	751	692	708	662	447	447
% Change from prior year		-15.8%	-5.3%	-9.2%	3.1%	-7.9%	2.3%	-6.5%	-32.5%	0.0%

⁽¹⁾ Includes State Group Homes, Community Residential Placements, Short-Term Transition program, and the County Commitment program. Beginning in FY 2002, funding for County Commitment program beds was eliminated.

⁽²⁾ Parole eligibility standards were significantly modified in FY 2000 and FY 2003.

Data Sources :

FY 2002 through FY 2006 from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

FY 2007 through FY 2009 data are from legislative fiscal staff.

FY 2010 through FY 2011 data are from the DSHS JRA and legislative fiscal staff.

**Department of Social and Health Services
Mental Health**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	925,855	620,926	1,546,781
2009 Supplemental *	-23,467	37,820	14,353
Total 2007-09 Biennium	902,388	658,746	1,561,134
2009-11 Maintenance Level	952,678	642,343	1,595,021
Policy Changes - Non-Comp			
1. Behavior Intervention Staffing	-508	0	-508
2. CIAP Caseload Growth	336	0	336
3. Upgrade PYXIS System	1,010	406	1,416
4. Reduce Children's EBPs	-1,868	-942	-2,810
5. Cost Shift to Block Grant	-1,100	0	-1,100
6. Federal Stimulus Package - FMAP Inc	-77,470	77,470	0
7. Stimulus DSH Increase	-1,495	1,495	0
8. Eliminate Telesage Contract	-600	0	-600
9. Reduce TA & Surveys	-150	0	-150
10. Innovative Services Grants	-3,051	0	-3,051
11. Reduce Fuel, Travel, and Equipment	-670	0	-670
12. Reduce Staffing	-4,285	-502	-4,787
13. Long-Term Outcomes Study	-297	-50	-347
14. Reduce Non-Medicaid Funding	-23,212	0	-23,212
15. Reduce Medicaid Rates	-9,897	-14,639	-24,536
16. SHB 1300 Accessing MH Information	155	34	189
17. Return to Work Program	-1,672	0	-1,672
18. Eliminate MIO Project	-902	0	-902
Policy -- Non-Comp Total	-125,676	63,272	-62,404
Policy Changes - Comp			
19. Employee Health Insurance	2,411	364	2,775
20. Actuarial Method Changes-State	-8,512	-1,289	-9,801
Policy -- Comp Total	-6,101	-925	-7,026
Total 2009-11 Biennium	820,901	704,690	1,525,591
Fiscal Year 2010 Total	393,298	361,125	754,423
Fiscal Year 2011 Total	427,603	343,565	771,168

Comments:

- Behavior Intervention Staffing** - Funding is reduced for 3.0 FTEs that were added in the 2007-09 biennial budget for the purpose of providing training and coordination on behavior intervention techniques and for investigating concerns related to staff responses to patient behavior at the state psychiatric hospitals.
- CIAP Caseload Growth** - The Community Integration Assistance Program (CIAP) provides community mental health treatment and support for mentally ill offenders following their release from the Department of Corrections. Funds are provided to serve an average of 20 additional persons in the program in 2009-11, a 9 percent increase over current levels.
- Upgrade PYXIS System** - PYXIS is the centralized, automated system used to dispense and track medications to

individual patients on the 42 wards at the state psychiatric hospitals. Software for the current system is no longer supported by the vendor, and replacement dispensing stations can no longer be purchased. Funding is provided to lease the new version of the system in order to maintain accurate medication dispensing, billing, and patient records. (General Fund-State, General Fund-Private/Local)

- Reduce Children's EBPs** - Funding for children's mental health evidence-based practices (EBP) is reduced to more accurately reflect the actual amounts spent and the number of children being served. These programs currently serve 148 high-needs children per year. The reduction allows services to continue to the same number of children being served by these programs in FY 2009.

Department of Social and Health Services Mental Health

5. **Cost Shift to Block Grant** - Federal funds will be used to cover core program expenditures, rather than for discretionary and demonstration projects.
6. **Federal Stimulus Package - FMAP Inc** - Under the recently-enacted American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures will temporarily increase to 63 percent in FY 2010 and to 56.5 percent in FY 2011, resulting in reduced state expenditures. (General Fund-State, General Fund-Federal)
7. **Stimulus DSH Increase** - The American Recovery and Reinvestment Act of 2009 (the federal stimulus act) provides for a temporary increase in disproportionate share hospital (DSH) payments. These will reduce state fund expenditures at the state psychiatric hospitals. (General Fund-State, General Fund-Federal)
8. **Eliminate Telesage Contract** - Funding is eliminated for a system that tracks changes in recipients' perception of symptoms, functioning, and quality of life. The information is self reported upon entry to services and updated at regular intervals during treatment to measure perceived progress toward goals and outcomes.
9. **Reduce TA & Surveys** - The state psychiatric hospitals will find efficiencies elsewhere in their operations in order to purchase staff consultation, technical assistance (TA), and consumer satisfaction surveys that are required for state hospital accreditation. These activities were previously funded with federal block grants. The block grant funding will instead be used for other operating needs.
10. **Innovative Services Grants** - Funding grants to promote innovations in service delivery are suspended for the 2009-11 biennium. During the 2007-09 biennium, the funds were provided on a time-limited basis for seven projects. Four of those projects are among the 22 consumer-run "clubhouses" that provide work-ordered days and other support services for persons recovering from mental illness; two provide consumer-focused services to minority populations; and one supports integration of mental health and primary care services.
11. **Reduce Fuel, Travel, and Equipment** - Funding is reduced for fuel, travel, and equipment purchases in the state psychiatric hospitals.
12. **Reduce Staffing** - Staffing in the state psychiatric hospitals is reduced by a cumulative total of 41.5 FTE staff, or approximately 1.4 percent, from the previously budgeted level. Staffing in Department headquarters is reduced by 5 FTEs, or approximately 6 percent.
13. **Long-Term Outcomes Study** - For the 2009-11 biennium, funding is suspended for a statutory project under which the Washington State Institute for Public Policy has been tracking long-term use of mental health, criminal justice, medical, and other services by a cohort of users of community mental health services. The Institute is encouraged to continue this effort during the 2009-11 biennium with foundation or other funds, to the extent possible.
14. **Reduce Non-Medicaid Funding** - The "state-only" funding provided to Regional Support Networks (RSN) for services and individuals not eligible for the federal Medicaid program is reduced by a total of approximately 9 percent. The reduction is to be distributed among RSNs proportional to total state population.
15. **Reduce Medicaid Rates** - The managed care rates paid to local RSNs for delivery of community mental health services under the state and federal Medicaid program are reduced by 3.5 percent below the higher rates that would otherwise be paid in 2009-11. The Department is directed to devise rate adjustment methods that will insure the reduction is distributed uniformly and equitably across all RSNs statewide. Such actions may include, but are not limited to, adjusting care access standards; improved utilization management of ongoing, recurring, and high-cost services; and increased uniformity in provider payment rates. The Department is directed to report to the relevant legislative fiscal and policy committees at least 30 days prior to implementing its recommended adjustments. (General Fund-State, General Fund-Federal)
16. **SHB 1300 Accessing MH Information** - Funding is provided for Chapter 320, Laws of 2009 (SHB 1300), which expands the scope of mental health (MH) information that may be accessed by jail personnel, sentencing boards, attorneys, and others and the purposes for which this information can be requested.
17. **Return to Work Program** - Funding is reduced by 17 FTEs that were added in the 2007-09 biennial budget for the return to work program at Western State Hospital (WSH). This program allows persons who are injured on the job to return to light duty while they are recovering. This program was expected to offset costs to workers compensation premiums within three years of implementation. The first year of the program would not have been included in WSH claim costs until calendar year 2010. Savings would not likely have been known until three full years of claims data are available, which would have been in calendar year 2012.
18. **Eliminate MIO Project** - Funding is eliminated for a pilot project in King County, which, since 1998, has received additional funding to provide intensive services for mentally ill offenders (MIO) following their release from jail or prison. The project served as the pilot for the larger Community Integration Assistance Program, funded above, which has served a more challenging clientele on a statewide basis since 2001.
19. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable

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collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

20. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Mental Health**

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,328	1,231	1,192	1,207	1,262	1,292	1,251	1,182	1,194	1,189
% Change from prior year		-7.3%	-3.1%	1.2%	4.6%	2.4%	-3.1%	-5.6%	1.1%	-0.4%
Community Outpatient Services										
Avg Persons Served per Month	51,206	53,141	55,252	53,918	51,779	49,874	49,203	50,300	50,100	51,400
% Change from prior year		3.8%	4.0%	-2.4%	-4.0%	-3.7%	-1.3%	2.2%	-0.4%	2.6%
Adults	36,938	38,091	39,402	38,340	36,979	35,738	35,278	35,600	34,900	35,700
% Change from prior year		3.1%	3.4%	-2.7%	-3.5%	-3.4%	-1.3%	0.9%	-2.0%	2.3%
Children	14,268	15,050	15,849	15,578	14,800	14,136	13,925	14,700	15,200	15,700
% Change from prior year		5.5%	5.3%	-1.7%	-5.0%	-4.5%	-1.5%	5.6%	3.4%	3.3%
People on Medicaid	37,750	40,782	45,174	46,752	45,219	42,802	42,322	44,000	45,200	46,500
% Change from prior year		8.0%	10.8%	3.5%	-3.3%	-5.3%	-1.1%	4.0%	2.7%	2.9%
People not on Medicaid	13,456	12,358	10,078	7,166	6,560	7,072	6,881	6,300	4,900	4,900
% Change from prior year		-8.2%	-18.5%	-28.9%	-8.4%	7.8%	-2.7%	-8.4%	-22.2%	0.0%

⁽¹⁾ Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center.

Data Sources :

FY 2002 through FY 2008 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2009 through FY 2011 estimates are by legislative fiscal committee staff.

**Department of Social and Health Services
Developmental Disabilities**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	901,415	850,751	1,752,166
2009 Supplemental *	-34,138	73,062	38,924
Total 2007-09 Biennium	867,277	923,813	1,791,090
2009-11 Maintenance Level	1,034,659	947,030	1,981,689
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-3,108	-3,482	-6,590
2. Contract Reductions	-400	-594	-994
3. Close Swimming Pools	-524	-776	-1,300
4. Professional Provider Subsidies	-200	0	-200
5. Expanded Community Services	2,847	3,964	6,811
6. Public Safety Placements	1,956	2,741	4,697
7. Federal Stimulus Package - FMAP Inc	-163,889	163,889	0
8. Employment & Day to Waiver	-14,052	15,692	1,640
9. State-Only to Waiver	-4,937	7,323	2,386
10. Home Care Training	-6,613	-6,930	-13,543
11. Peer Mentoring/Home Care Workers	-952	0	-952
12. Agency Provider Qualifications	-2,235	-3,374	-5,609
13. Agency Parity	236	193	429
14. Training Trust Contributions	2,333	1,678	4,011
15. Adult Day Health Services	-1,328	-520	-1,848
16. IP Provider Health Care	1,133	1,592	2,725
17. Family Support Program	-380	0	-380
18. AP Provider Health Care	164	124	288
19. Boarding Home Rates	-126	-186	-312
20. Adult Family Home Rates	-1,537	-2,275	-3,812
21. Supported Living Rates	-6,734	-9,990	-16,724
22. Group Home Rates	-519	-770	-1,289
23. DDD County Contracts	-2,107	-2,815	-4,922
24. Federal Stimulus	0	4,224	4,224
25. In-Home Hours Reduction	-7,832	-11,596	-19,428
26. Delay CIIBS Waiver	-515	-874	-1,389
27. Hold Vacancies in Community Residen	-2,132	-2,968	-5,100
Policy -- Non-Comp Total	-211,451	154,270	-57,181
Policy Changes - Comp			
28. Employee Health Insurance	1,453	1,294	2,747
29. Actuarial Method Changes-State	-4,419	-3,945	-8,364
Policy -- Comp Total	-2,966	-2,651	-5,617
Total 2009-11 Biennium	820,242	1,098,649	1,918,891
Fiscal Year 2010 Total	376,105	571,010	947,115
Fiscal Year 2011 Total	444,137	527,639	971,776

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases. (General Fund-State, General Fund-Federal)
- Contract Reductions** - Savings are achieved by eliminating grants to counties for publications and support for coalitions of

families of developmentally disabled people. (General Fund-State, General Fund-Federal)

- Close Swimming Pools** - Funding is eliminated for the operation of therapy pools at two residential habilitation centers. Two pools at Fircrest and one pool at Rainier will be closed. The pools are currently utilized for client therapies and by the local community. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Developmental Disabilities

4. **Professional Provider Subsidies** - Funding is eliminated for subsidies and state paid services to developmentally disabled clients who have difficulty finding providers in the community for dentistry and other health care services.
5. **Expanded Community Services** - Funding is provided for 60 new clients using Medicaid community-based waivers who need residential, behavior, and/or habilitative support in addition to personal care to remain in the community instead of institutions. Services provided include specialized therapies and employment services for the following categories of clients: community-based waiver clients assessed as having an immediate need for increased services; youth aging out of Children's Administration or Juvenile Rehabilitation Administration services; clients without residential services who are in crisis and at immediate risk of needing institutional placement; and clients who are residents of Residential Habilitation Centers who chose to be and can be cared for and choose to live in community settings. (General Fund-State, General Fund-Federal)
6. **Public Safety Placements** - Funding is provided for residential and support services for 32 new clients with developmental disabilities and community protection issues. New placements will serve clients being diverted or discharged from state psychiatric hospitals; participants in the Dangerous Mentally Ill Offender program; participants in the Community Protection program; or mental health crisis diversion outplacements. (General Fund-State, General Fund-Federal)
7. **Federal Stimulus Package - FMAP Inc** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides a one-time enhancement to the state's Federal Medical Assistance Percentage (FMAP). This reduces the state-funded portion of FMAP programs. The average federal FMAP share for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent and from 50.12 percent to 56.53 percent for FY 2011. (General Fund-State, General Fund-Federal)
8. **Employment & Day to Waiver** - The Department of Social and Health Services (DSHS) Division of Developmental Disabilities (DDD) currently provides employment and day support services to approximately 2,500 individuals using state-only funding. A majority of these individuals are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. This item transitions eligible state-only employment and day clients to Medicaid waivers to capture allowable federal funding. This item also preserves a smaller state-only program for those individuals unable to meet waiver eligibility standards. (General Fund-State, General Fund-Federal).
9. **State-Only to Waiver** - DDD currently provides community residential support and services to a variety of individuals using state-only funding. Approximately 75 percent of these individuals are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. This item transitions currently eligible state-only residential clients to the Core waiver to capture allowable federal funding. (General Fund-State, General Fund-Federal).
10. **Home Care Training** - Initiative 1029, passed by voters in November 2008, adds additional basic training, continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (ESSB 6180). Funding is provided for the development of the training infrastructure (rules, procedures, information technology systems, staffing, and curriculum development) and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)
11. **Peer Mentoring/Home Care Workers** - Chapter 361, Laws of 2007 (E2SHB 2284), requires that long-term care workers be offered peer mentorship beginning January 1, 2010, as part of their overall training. Peer mentoring is suspended for the 2009-11 biennium pursuant to Chapter 478, Laws of 2009 (HB 2359).
12. **Agency Provider Qualifications** - Pursuant to Chapter 571, Laws of 2009 (SHB 2361), home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping. (General Fund-State, General Fund-Federal)
13. **Agency Parity** - Funding is provided for home care agency provider parity training trust contributions pursuant with RCW 74.39A.310. (General Fund-State, General Fund-Federal)
14. **Training Trust Contributions** - Funding is provided for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Federal amounts are contingent upon federal approval. (General Fund-State, General Fund-Federal)
15. **Adult Day Health Services** - Savings are achieved by supporting Adult Day Health (ADH) services for about 920 long-term care and developmental disabled clients who are in nonresidential settings. ADH is a structured daytime program

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- providing some skilled nursing and rehabilitative therapy. Participants may also receive psychological/counseling services, personal care, general therapeutic and recreational activities, and a nutritious meal. (General Fund-State, General Fund-Federal)
16. **IP Provider Health Care** - DSHS contracts with approximately 16,600 individuals who provide home care services to adults and children with long-term care needs or developmental disabilities. Funding is provided to increase health care benefits for individual providers (IP) by 3 percent per year. (General Fund-State, General Fund-Federal)
 17. **Family Support Program** - Funding is provided to maintain the current Family and Individual Support Program, including respite services. However, savings are achieved by funding approximately 97 percent of the FY 2009 amount. The Department shall manage this reduction, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. (General Fund-State)
 18. **AP Provider Health Care** - DSHS contracts with agencies to provide home care services to approximately 13,900 adults and children with long-term care needs or developmental disabilities. Funding is provided in accordance with RCW 74.39A.310 to increase health care benefits for agency providers (AP) to commensurate with the health benefit increase for individual providers. (General Fund-State, General Fund-Federal)
 19. **Boarding Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
 20. **Adult Family Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
 21. **Supported Living Rates** - DSHS contracts with supported living vendors to provide care for elderly and disabled Medicaid clients. Savings are achieved by reducing the base rate provided to all vendors by approximately 3 percent. (General Fund-State, General Fund-Federal)
 22. **Group Home Rates** - DSHS contracts with group homes to provide care for elderly and disabled Medicaid clients. Savings are achieved by reducing the base rate provided to all home by approximately 3 percent. (General Fund-State, General Fund-Federal)
 23. **DDD County Contracts** - DSHS provides a variety of services to disabled clients through contracts with counties. The counties in turn often contract with direct care providers. Savings are achieved by reducing the amount available for contracting by approximately 3 percent. DSHS shall negotiate with counties and vendors so that this reduction, to the greatest extent possible, is achieved by reducing vendor rates and allowable contract administrative charges (overhead) and not through reductions to direct client services or direct service delivery or programs. (General Fund-State, General Fund-Federal)
 24. **Federal Stimulus** - The recently enacted American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides additional one-time Individuals with Disabilities Education Act (IDEA) part C funding for the state's birth to three programs. (General Fund-Federal)
 25. **In-Home Hours Reduction** - DSHS provides in-home care for over 30,500 clients. Savings are achieved by reducing in-home care hours. On average, each in-home care worker provides about 100 hours per month in services. DSHS is directed to scale the reductions according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours will be based on the clients with the highest acuity levels. DSHS is required to comply with all maintenance of effort requirements contained in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-State, General Fund-Federal)
 26. **Delay CIIBS Waiver** - Federal approval of the state's Children Intensive In-Home Behavioral Support (CIIBS) waiver was delayed until April 2009. As a result, the CIIBS waiver caseload for FY 2010 is less than originally anticipated. Some of the FY 2010 funding is reduced because it is not needed as a result of the delayed approval and implementation. (General Fund-State, General Fund-Federal)
 27. **Hold Vacancies in Community Residen** - DDD currently provides community residential support and services in a variety of settings. As individuals transition out of residential slots, DDD will hold slots vacant when savings can be achieved. (General Fund-State, General Fund-Federal)
 28. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 29. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of

**Department of Social and Health Services
Developmental Disabilities**

the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services Developmental Disabilities

WORKLOAD HISTORY By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Institutions⁽¹⁾										
Avg Monthly Population	1,093	1,044	1,035	1,101	982	944	997	984	990	990
% Change from prior year		-4.5%	-0.9%	6.4%	-10.8%	-3.9%	5.6%	-1.3%	0.6%	0.0%
Community Residential Programs⁽²⁾										
Avg Month End Contracted Beds	4,010	4,005	4,469	4,903	4,723	4,637	4,493	4,637	4,781	4,925
% Change from prior year		-0.1%	11.6%	9.7%	-3.7%	-1.8%	-3.1%	3.2%	3.1%	3.0%
Employment & Day Programs⁽³⁾										
Avg Monthly Number Served	10,186	10,693	8,731	8,636	9,021	9,454	9,853	10,267	10,681	11,095
% Change from prior year		5.0%	-18.3%	-1.1%	4.5%	4.8%	4.2%	4.2%	4.0%	3.9%
Individual and Family Services⁽⁴⁾										
Number of Clients Served	3,307	2,368	3,710	3,655	4,089	4,493	2,770	2,724	2,937	3,118
% Change from prior year		-28.4%	56.7%	-1.5%	11.9%	9.9%	-38.3%	-1.7%	7.8%	6.2%
Waiver Respite⁽⁵⁾										
Number of Clients Served						136	2,122	2,130	2,230	2,330
% Change from prior year							1460.3%	0.4%	4.7%	4.5%
Personal Care⁽⁶⁾										
Number of Clients Served	6,350	6,757	8,934	8,871	9,225	9,487	9,764	10,046	10,337	10,628
% Change from prior year		6.4%	32.2%	-0.7%	4.0%	2.8%	2.9%	2.9%	2.9%	2.8%

⁽¹⁾ Caseload counts include long-term and short-term stays.

⁽²⁾ Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and Community Intermediate Council. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

⁽³⁾ Employment and day programs include Supported Employment, Group Supported Employment, Person to Person, Child Development Services, Sheltered Industries, and Community Access.

⁽⁴⁾ Individual and Family Services (IFS) cover state only respite, therapies, equipment and supplies, modifications for disability access, recreation and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services was moved to another budget unit. Individual and Family Services now contains state only respite.

⁽⁵⁾ Waiver respite was moved from Family Support to other community services. It is no longer part of IFS.

⁽⁶⁾ Personal Care services includes children and adults receiving individual provider and agency provider in-home services and personal care adult family home and adult residential care in both the Medicaid personal care and Waiver programs.

Data Sources:

For Personal Care, FY 2009 forward is from the Caseload Forecast Council.

Except as noted above, FY 2010 and FY 2011 are estimates from the allotment process.

Other data is from the Department of Social and Health Services Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation database.

**Department of Social and Health Services
Long-Term Care**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,459,710	1,554,074	3,013,784
2009 Supplemental *	-98,018	94,826	-3,192
Total 2007-09 Biennium	1,361,692	1,648,900	3,010,592
2009-11 Maintenance Level	1,660,804	1,697,493	3,358,297
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-1,781	-2,285	-4,066
2. Adult Family Home License Fees	-782	782	0
3. Roads to Community Living	-2,292	-3,737	-6,029
4. Economic Trends and Conditions	23,070	35,930	59,000
5. NH Vendor Rate Methodology	-23,070	-35,930	-59,000
6. Federal Stimulus Package - FMAP Inc	-274,759	274,759	0
7. Home Care Training	-7,525	-6,664	-14,189
8. Peer Mentoring/Home Care Workers	-1,120	0	-1,120
9. Sr. Citizen Service Act Admn Reduct	-284	0	-284
10. Senior Companion & Foster Grndparen	-256	0	-256
11. Nursing Home Survey Efficiencies	-258	-258	-516
12. Nursing Home Rate Reduction	-37,749	-56,080	-93,829
13. Agency Provider Qualifications	-9,837	-14,798	-24,635
14. Offender Medical Placement	1,303	1,696	2,999
15. Agency Parity	1,513	1,238	2,751
16. ProviderOne Implementation	17	26	43
17. Training Trust Contributions	4,146	2,982	7,128
18. Adult Day Health Services	-17,977	-16,919	-34,896
19. IP Provider Health Care	2,013	2,830	4,843
20. AP Provider Health Care	1,050	1,541	2,591
21. Boarding Home Rates	-5,089	-7,546	-12,635
22. Adult Family Home Rates	-4,365	-6,455	-10,820
23. In-Home Hours Reduction	-24,825	-36,687	-61,512
24. Enhanced Community Services	3,939	5,843	9,782
Policy -- Non-Comp Total	-374,918	140,268	-234,650
Policy Changes - Comp			
25. Employee Health Insurance	515	462	977
26. Actuarial Method Changes-State	-2,112	-1,935	-4,047
Policy -- Comp Total	-1,597	-1,473	-3,070
Total 2009-11 Biennium	1,284,289	1,836,288	3,120,577
Fiscal Year 2010 Total	585,667	941,732	1,527,399
Fiscal Year 2011 Total	698,622	894,556	1,593,178

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced by an assumed continuation of savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
- Adult Family Home License Fees** - Funding is provided to implement Chapter 530, Laws of 2009 (E2SHB 1935). Adult Family Homes (AFHs) are licensed facilities that provide residential care and treatment for up to six individuals. Aging

and Disability Services Administration (ADSA) is responsible for the licensing and oversight of AFHs. ADSA expenditures for licensing AFHs are about \$2.7 million per year. The FY 2009 licensing fee of \$50 generated about \$166,000 in revenue. The initial processing fee to license an AFH is raised to \$800 per home. The processing fee will be applied toward the \$100 license renewal in the subsequent three years. A \$500 rebate will be provided to any AFH that renews their license after four years in operation. Ongoing license fees are raised to \$100 per home per year. (General Fund-State, General Fund-Local)

Department of Social and Health Services Long-Term Care

3. **Roads to Community Living** - Savings are achieved by amending the home- and community-based services waiver in conjunction with a federal grant. Clients with complex needs are transitioned from nursing homes to community-based settings with intensive supports to prevent them from returning to the nursing home. These actions will produce a net savings but still provide appropriate services. (General Fund-State, General Fund-Federal)
4. **Economic Trends and Conditions** - In *Life Care Center of America v. Department of Social and Health Services (DSHS)*, the Thurston County Superior Court ordered DSHS to change the method it had used to apply the economic trends and conditions factor, or vendor rate increase, to the Medicaid rates of the Life Care nursing facilities. The Court ruled that in calculating Medicaid rates, the economic trends and conditions factor provided in the biennial appropriations act must be compounded with similar factors from earlier budget periods. This methodology has since been applied to the rate calculation of all nursing homes (NHs) in Washington State paid by the Medicaid payment system. (General Fund-State, General Fund-Federal)
5. **NH Vendor Rate Methodology** - Pursuant to Chapter 570, Laws of 2009 (EHB 2357), the economic trends and conditions factors specified in the biennial appropriations act is not compounded. Further, the 2009-11 biennial appropriations act does not provide an adjustment for economic trends and conditions in FY 2010 and FY 2011. (General Fund-State, General Fund-Federal)
6. **Federal Stimulus Package - FMAP Inc** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides a one-time enhancement to the state's Federal Medical Assistance Percentage (FMAP). This reduces the state-funded portion of FMAP programs. The average federal FMAP share for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent and from 50.12 percent to 56.53 percent for FY 2011. (General Fund-State, General Fund-Federal)
7. **Home Care Training** - Initiative 1029, passed by voters in November 2008, adds additional basic training, continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (ESSB 6180). Funding is provided for the development of the training infrastructure (rules, procedures, information technology systems, staffing, and curriculum development) and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)
8. **Peer Mentoring/Home Care Workers** - Chapter 361, Laws of 2007 (E2SHB 2284), requires that long-term care workers be offered peer mentorship beginning January 1, 2010, as part of their overall training. Pursuant to Chapter 478, Laws of 2009 (HB 2359), peer mentoring is suspended for the 2009-11 biennium.
9. **Sr. Citizen Service Act Admn Reduct** - Home-based services are funded through the Area Agencies on Aging with state funds and federal funds received from the Senior Citizens Services Act. Savings are achieved through a reduction in General Fund-State provided for administration costs. Services which are not reduced include: contracted case management; nutrition; health promotion; information services; transportation; home visits; and general assistance.
10. **Senior Companion & Foster Grandparen** - The Senior Companion Program and Foster Grandparent Program are federal programs in which the state has chosen to participate. Savings are achieved by eliminating the state contribution, but the programs will continue to receive federal funding. The Foster Grandparent Program provides opportunities for low-income seniors to contribute to their community by engaging with children at risk on a one-to-one basis in school and nonprofit settings. The Senior Companion Program provides opportunities for seniors to become companions to frail persons who may need assistance with daily living or companionship.
11. **Nursing Home Survey Efficiencies** - Skilled nursing facilities are required to be in compliance with federal requirements in order to receive payment under the Medicare or Medicaid programs. In order to provide a record of compliance to the Centers for Medicaid and Medicare Services, surveys to evaluate nursing home compliance and quality of care are conducted on a regular basis. Savings are achieved by using long-term care surveyors to complete some nursing home survey tasks. Nurses will continue to gather and analyze data on the complex medical issues that impact nursing home residents. (General Fund-State, General Fund-Federal)
12. **Nursing Home Rate Reduction** - Savings are achieved by reducing nursing home Medicaid rates in FY 2010 and FY 2011. Funding for the low-wage worker add-on is maintained, but no funding is provided for certificates of capital authorization. The 2009-11 biennial rebasing added approximately 2.5 percent to the funding base. The net reduction from the FY 2009 funded level is approximately 4 percent. (General Fund-State, General Fund-Federal)
13. **Agency Provider Qualifications** - Pursuant to Chapter 571, Laws of 2009 (SHB 2361), home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be

Department of Social and Health Services Long-Term Care

reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping. (General Fund-State, General Fund-Federal)

14. **Offender Medical Placement** - Funding is provided to implement Chapter 441, Laws of 2009 (EHB 2194). The Department of Corrections (DOC) will implement a policy of early release for offenders who are chronically or terminally ill. Offenders serving time on violent or sex offense charges are not eligible for release. DOC expects to release 44 inmates during the 2009-11 biennium to an Extraordinary Medical Placement in the community. Savings for no longer serving these individuals in DOC is used to pay for long-term care placements and medical services in the community. (General Fund-State, General Fund-Federal)
15. **Agency Parity** - Funding is provided for home care agency provider parity training trust contributions pursuant with 74.39A.310. (General Fund-State, General Fund-Federal)
16. **ProviderOne Implementation** - Funding is provided for largely one-time activities in specific programs essential to the successful implementation of ProviderOne. These costs are in addition to and not duplicative of the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Federal)
17. **Training Trust Contributions** - Funding is provided for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Federal amounts are contingent upon federal approval. (General Fund-State, General Fund-Federal)
18. **Adult Day Health Services** - Funding is provided to support Adult Day Health (ADH) services for about 920 long-term care and developmental disabled clients who are in nonresidential settings. ADH is a structured daytime program providing some skilled nursing and rehabilitative therapy. Participants may also receive psychological/counseling services, personal care, general therapeutic and recreational activities, and a nutritious meal. (General Fund-State, General Fund-Federal)
19. **IP Provider Health Care** - DSHS contracts with approximately 16,600 individuals who provide home care services to adults and children with long-term care needs or developmental disabilities. Funding is provided to increase health care benefits for individual providers (IP) by 3 percent per year. (General Fund-State, General Fund-Federal)
20. **AP Provider Health Care** - DSHS contracts with agencies to provide home care services to approximately 13,900 adults and children with long-term care needs or developmental disabilities. Funding is provided in accordance with RCW 74.39A.310 to increase health care benefits for agency providers (AP) commensurate with the health benefit increase for individual providers. (General Fund-State, General Fund-Federal)
21. **Boarding Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
22. **Adult Family Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
23. **In-Home Hours Reduction** - DSHS provides in-home care for over 30,500 clients. Savings are achieved by reducing in-home care hours. On average, each in-home care worker provides about 100 hours per month in services. DSHS is directed to scale the reductions according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours will be based on the clients with the highest acuity levels. DSHS is required to comply with all maintenance of effort requirements contained in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-State, General Fund-Federal)
24. **Enhanced Community Services** - Funding is provided to move individuals with co-occurring dementia and behavioral disorders who no longer require active treatment in state psychiatric hospitals into long-term care community residential settings. Capacity is created for more community placements to prevent more individuals with dementia who do not require active treatment from entering state hospitals. (General Fund-State, General Fund-Federal)
25. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
26. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Long-Term Care Services**

**WORKLOAD HISTORY
By Fiscal Year**

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Nursing Homes										
Avg # Served per Day	13,154	12,943	12,446	12,088	11,928	11,546	11,057	10,688	10,325	9,967
% Change from prior year		-1.6%	-3.8%	-2.9%	-1.3%	-3.2%	-4.2%	-3.3%	-3.4%	-3.5%
Community Care ⁽¹⁾										
Avg # Served per Month	32,213	33,727	34,635	35,514	37,041	38,094	39,506	41,829	43,996	46,279
% Change from prior year		4.7%	2.7%	2.5%	4.3%	2.8%	3.7%	5.9%	5.2%	5.2%
Combined Total										
Avg Persons Served	45,367	46,670	47,080	47,602	48,969	49,611	50,400	51,226	50,400	51,226
% Change from prior year		2.9%	0.9%	1.1%	2.9%	1.3%	1.6%	1.6%	-1.6%	1.6%

⁽¹⁾ Includes Chore Services, Community Options Program Entry Services (COPES), Medically Needy, Adult Residential, and Medicaid Personal Care.

Data Sources :

Caseload Forecast Council and legislative fiscal staff.

**Department of Social and Health Services
Economic Services Administration**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,210,027	1,067,871	2,277,898
2009 Supplemental *	-151,259	185,199	33,940
Total 2007-09 Biennium	1,058,768	1,253,070	2,311,838
2009-11 Maintenance Level	1,315,999	1,070,772	2,386,771
Policy Changes - Non-Comp			
1. TANF Contingency Funds	0	99,138	99,138
2. Food Stamp Employment and Training	0	9,160	9,160
3. Chemical Dependency Professionals	-3,000	0	-3,000
4. Refugee Employment Services	-3,000	0	-3,000
5. WorkFirst Accountability	-68,653	0	-68,653
6. Increase SSI Facilitators	-6,238	0	-6,238
7. GA-U Intensive Eval & Service Coord	-18,600	0	-18,600
8. Child Support Stimulus Match	-10,200	11,500	1,300
9. Federal Funds Adjustment	0	1,693	1,693
10. IP Provider Health Care	389	0	389
11. State Food Assistance Program	2,516	0	2,516
12. Basic Food Stimulus Funds	-1,712	3,424	1,712
13. Enhanced Toddler Rate Fam Homes	214	0	214
14. WorkFirst Employment and Training	-29,136	29,136	0
15. DIS Rate Reductions	-284	-148	-432
16. Governor-Directed Freeze	-11,804	-10,146	-21,950
17. Governor-Directed 1% Cut	-15,776	-13,564	-29,340
Policy -- Non-Comp Total	-165,284	130,193	-35,091
Policy Changes - Comp			
18. Employee Health Insurance	2,038	1,483	3,521
19. Actuarial Method Changes-State	-6,846	-5,025	-11,871
Policy -- Comp Total	-4,808	-3,542	-8,350
Total 2009-11 Biennium	1,145,907	1,197,423	2,343,330
Fiscal Year 2010 Total	557,621	642,709	1,200,330
Fiscal Year 2011 Total	588,286	554,714	1,143,000

Comments:

- | | |
|---|--|
| <p>1. TANF Contingency Funds - Washington State qualifies for Temporary Assistance for Needy Families (TANF) contingency funds. Receipt of these funds is based on the state's high utilization of the Supplemental Nutrition Assistance Program (also known as Food Stamps) and increased TANF caseload. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)</p> <p>2. Food Stamp Employment and Training - Federal expenditure authority is provided for the continued implementation of food stamp employment and training programs. (General Fund-Federal)</p> <p>3. Chemical Dependency Professionals - Contracts between the Economic Services Administration and the Division of Alcohol and Substance Abuse for Chemical Dependency Professionals</p> | <p>to be stationed at Community Service Offices (CSOs) are discontinued. Client referrals to agencies for treatment and assessment will be handled by existing CSO staff.</p> <p>4. Refugee Employment Services - Funding for refugee employment services is reduced. Refugee employment services is one of several services provided for refugees and has been under expended by approximately \$1.5 million dollars per year in recent biennia.</p> <p>5. WorkFirst Accountability - Funding for the WorkFirst program is reduced to reflect savings from reducing partner agency contracts, accounting for under expenditures, and other case management savings.</p> <p>6. Increase SSI Facilitators - Savings are achieved from the Department hiring ten Supplemental Security Income (SSI) facilitators. The SSI facilitators expediate the transition process</p> |
|---|--|

Department of Social and Health Services Economic Services Administration

- from the General Assistance-Expedited (GA-X) program to the federal SSI program. Savings are based on an increase in federal reimbursement of the GA-X cash grant.
7. **GA-U Intensive Eval & Service Coord** - Savings are achieved from facilitating a faster transfer of General Assistance-Unemployable (GA-U) clients to the federal SSI program, referring eligible veterans to the Department of Veterans' Affairs, expediting referrals to mental health and chemical services, and evaluating clients who have been receiving GA-U services for 12 months or more as of July 1, 2009, or thereafter to see if the recipients continue to qualify. The savings also assume the Department will change earned income policy to align with the TANF program for additional savings.
 8. **Child Support Stimulus Match** - The Deficit Reduction Act of 2005 removed competitively-awarded incentives to states for efficiently operating a child support system. Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the federal government temporarily reinstated this program. Federal expenditure authority is increased and General Fund-State is decreased. (General Fund-State, General Fund-Federal)
 9. **Federal Funds Adjustment** - Transfers federal expenditure authority from Children's Administration for the Social Services Block Grant and TANF to Economic Services as a result of administrative reductions in Children's Administration. (General Fund-Federal)
 10. **IP Provider Health Care** - Funding is provided for the health care benefits portion of the collective bargaining agreement between family child care individual providers (IPs) and the state. The health care funding growth rate increases 3 percent in FY 2010 and 3 percent in FY 2011.
 11. **State Food Assistance Program** - Funding is provided to increase state Food Assistance Program benefits and maintain alignment with the federal Supplemental Nutrition Assistance Program (SNAP) benefit increases (formerly food stamps). Washington is anticipated to receive \$311 million in added SNAP benefits as a result of the American Recovery and Reinvestment Act of 2009, the federal stimulus act.
 12. **Basic Food Stimulus Funds** - As part of the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the state is anticipated to receive \$3.424 million in additional food stamp administration funding in FY 2010. Funding increases the federal share for basic food administrative expenses and creates short-term General Fund-State savings. (General Fund-State, General Fund-Federal)
 13. **Enhanced Toddler Rate Fam Homes** - Funding is provided for the enhanced toddler subsidy rate for licensed family child care providers included in the collective bargaining agreement between family child care providers and the state. The enhanced rate is 115 percent of the regular toddler rate.
 14. **WorkFirst Employment and Training** - Funding is provided for WorkFirst employment and training programs to increase employability of unemployed TANF and low-income individuals and families. Expenditure authority from the Administrative Contingency Account is transferred from the Employment Security Department to Economic Services for the 2009-11 biennium. (General Fund-State, Administrative Contingency Account-State)
 15. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates. (General Fund-State, General Fund-Federal)
 16. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
 17. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009.
 18. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 19. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Economic Services Administration**

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
General Assistance										
Avg Monthly Caseload	19,933	19,483	22,028	25,578	27,676	29,239	30,726	34,247	36,288	38,591
% Change from prior year		-2.3%	13.1%	16.1%	8.2%	5.6%	5.1%	11.5%	6.0%	6.3%
TANF Cases										
Avg Monthly Caseload	55,043	54,641	55,609	56,949	55,520	51,936	50,119	56,681	63,151	62,752
% Change from prior year		-0.7%	1.8%	2.4%	-2.5%	-6.5%	-3.5%	13.1%	11.4%	-0.6%
Working Connections Child Care										
Avg # Children Served/Month	71,890	70,709	62,189	61,606	60,860	59,646	60,620	61,310	62,274	63,229
% Change from prior year		-1.6%	-12.0%	-0.9%	-1.2%	-2.0%	1.6%	1.1%	1.6%	1.5%

Data Sources :

FY 2002 and FY 2003 General Assistance actuals are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2004 through FY 2008 General Assistance actuals provided by the Caseload Forecast Council.

FY 2009 through FY 2011 General Assistance estimates are from Caseload Forecast Council.

FY 2002 through FY 2007 Temporary Assistance to Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).

FY 2009 through FY 2011 TANF case estimates are from the OFM February 2009 TANF forecast.

FY 2002 through FY 2006 Child Care actuals are from DSHS Division of Research and Data Analysis reports.

FY 2007 and FY 2008 Child Care actuals are from OFM.

FY 2009 through FY 2011 Child Care estimates are from the OFM Working Connections Child Care February 2009 forecast.

**Department of Social and Health Services
Alcohol & Substance Abuse**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	195,028	175,298	370,326
2009 Supplemental *	-19,143	28,118	8,975
Total 2007-09 Biennium	175,885	203,416	379,301
2009-11 Maintenance Level	192,455	158,145	350,600
Policy Changes - Non-Comp			
1. Reduce Low-Income Treatment/Detox	-12,382	0	-12,382
2. Federal Stimulus Package - FMAP Inc	-7,499	7,499	0
3. Drug Court Funding	-2,087	2,087	0
4. Governor-Directed Freeze	-1,074	0	-1,074
5. Governor-Directed 1% Cut	-2,376	0	-2,376
Policy -- Non-Comp Total	-25,418	9,586	-15,832
Policy Changes - Comp			
6. Employee Health Insurance	48	45	93
7. Actuarial Method Changes-State	-196	-180	-376
Policy -- Comp Total	-148	-135	-283
Total 2009-11 Biennium	166,889	167,596	334,485
Fiscal Year 2010 Total	82,117	89,551	171,668
Fiscal Year 2011 Total	84,772	78,045	162,817

Comments:

- Reduce Low-Income Treatment/Detox** - Funding is reduced for low-income adult outpatient, residential, and detoxification services statewide.
 - Federal Stimulus Package - FMAP Inc** - Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP), which is the share of Medicaid costs that the federal government provides, will increase to 62.94 percent from the average of 50.33 percent in FY 2010 and 56.53 percent from 50.12 percent in FY 2011. This results in reduced state expenditures. (General Fund-State, General Fund-Federal)
 - Drug Court Funding** - Federal Byrne Grant funding is provided for chemical dependency treatment through drug courts. (General Fund-State, General Fund-Federal)
 - Governor-Directed Freeze** - Funding is reduced to reflect continued savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
 - Governor-Directed 1% Cut** - Funding is reduced to continue the 1 percent program reduction that started in FY 2009.
 - Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011.
- Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
- Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Alcohol & Substance Abuse**

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
ADATSA - Assessment										
Avg Monthly Assessments	1,164	1,104	1,202	1,226	1,140	1,029	1,047	971	971	971
% Change from prior year		-5.2%	8.9%	2.0%	-7.0%	-9.7%	1.7%	-7.3%	0.0%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	408	392	402	429	466	446	490	480	480	480
% Change from prior year		-3.9%	2.6%	6.7%	8.6%	-4.3%	9.9%	-2.0%	0.0%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	590	574	579	647	589	556	562	528	528	528
% Change from prior year		-2.7%	0.9%	11.7%	-9.0%	-5.6%	1.1%	-6.0%	0.0%	0.0%

Data Sources :

FY 2002 through FY 2008 workload data updated by DSHS Division of Alcohol and Substance Abuse.

FY 2009 through FY 2011 workload estimates provided by DSHS Division of Alcohol and Substance Abuse.

Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	4,083,328	4,363,282	8,446,610
2009 Supplemental *	-272,806	325,058	52,252
Total 2007-09 Biennium	3,810,522	4,688,340	8,498,862
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2009-11 Maintenance Level	4,787,155	4,831,161	9,618,316
Policy Changes - Non-Comp			
1. Reduce Alien Emergency Medical	-13,868	0	-13,868
2. Eliminate GA-U Mental Health Pilot	-3,378	0	-3,378
3. Eliminate Foster Care Pilot	-574	-594	-1,168
4. Reduce Maternity Support Services	-8,208	-8,538	-16,746
5. Reduce Funding for DME	-14,924	-20,219	-35,143
6. Eliminate Medicare Part C Premiums	-1,232	0	-1,232
7. Enhanced Match for Pregnancy Svcs	-317	317	0
8. Children's Mental Health	19	-169	-150
9. Reduce CPE Baseline	-5,600	0	-5,600
10. DSH Program Reductions	-24,607	-11,068	-35,675
11. Health Navigator Pilot	-1,308	-1,390	-2,698
12. Adult Office Visit Rate Reduction	-4,053	-4,305	-8,358
13. Apple Health Outreach	850	1,580	2,430
14. Enhanced Match for Interpreters	-3,382	3,382	0
15. Federal Stimulus Package - FMAP Inc	-746,359	690,131	-56,228
16. Administrative Reductions	-20,086	-20,086	-40,172
17. 90-Day Supplies For Low-Risk Drugs	-6,106	-7,232	-13,338
18. Reduce Costs For Hemophilia Drugs	-8,299	-9,831	-18,130
19. Emphasize Use of Generic Drugs	-40,534	-47,604	-88,138
20. Drug Purchasing Initiatives	-7,358	-8,696	-16,054
21. Reduce Proton Pump Inhibitors	-5,992	-7,097	-13,089
22. Reduce Over-the-Counter Drugs	-15,851	-18,775	-34,626
23. Prorated Inpatient Payment Policy	-7,030	-9,321	-16,351
24. Claim FMAP For Transportation Admin	-44	44	0
25. Higher FMAP For 133-200% FPL Kids	-46,515	46,515	0
26. Move All Hospitals to OPPS	-3,627	-5,381	-9,008
27. Equalize Rates Paid For Childbirth	-1,744	-2,312	-4,056
28. Reduce Enhancement For FQHCs	-25,000	-37,380	-62,380
29. Pediatric Rate Decrease	-17,881	-24,838	-42,719
30. Offender Medical Placement	646	864	1,510
31. Medical Support Obligations	55	53	108
32. IGT for Tribal CD Services	0	10,900	10,900
33. ProviderOne Implementation	17,663	20,371	38,034
34. Dental Reduction	-7,304	-9,187	-16,491
35. Eliminate Small Rural DSH	-3,000	-3,000	-6,000
36. Graduate Medical Education Payments	-19,600	0	-19,600
37. Reduce GA-U Medical	-36,742	-5,789	-42,531
38. Healthy Options Premium Rates	-32,604	-44,193	-76,797
39. Cost Control in Other Services	-3,943	-5,485	-9,428
40. Medicaid Match for Legal Immigrants	-3,919	3,919	0
41. Increase DSH Payments	2,500	2,500	5,000
42. Hospice Rate Adjustment	-796	-1,128	-1,924
43. Inpatient & Outpatient Reductions	-64,309	-56,836	-121,145
44. GA-U Outpatient DSH Program	-10,892	10,892	0
45. Washington Health Partnership	93	93	186
46. Governor-Directed Freeze	-8,092	-8,092	-16,184
47. Governor-Directed 1% Cut	-934	-310	-1,244
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Policy -- Non-Comp Total	-1,204,186	412,705	-791,481

**Department of Social and Health Services
Medical Assistance Payments**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
Policy Changes - Comp			
48. Employee Health Insurance	303	579	882
49. Actuarial Method Changes-State	-1,088	-2,028	-3,116
Policy -- Comp Total	-785	-1,449	-2,234
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Total 2009-11 Biennium	3,582,184	5,242,417	8,824,601
Fiscal Year 2010 Total	1,597,387	2,690,757	4,288,144
Fiscal Year 2011 Total	1,984,797	2,551,660	4,536,457

Comments:

- Reduce Alien Emergency Medical** - Funding is reduced for non-emergent services provided to individuals otherwise eligible for Medicaid but for their citizenship status. Services are retained for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.
- Eliminate GA-U Mental Health Pilot** - Funding is eliminated for a pilot project that added a mental health service component to the General Assistance-Unemployable (GA-U) medical care services care management pilot project in King and Pierce Counties.
- Eliminate Foster Care Pilot** - Funding is eliminated for the implementation of the Center for Foster Care Health Services pilot project, which sought to provide care coordination services and maintain individual health histories for approximately 2,000 children in foster care. (General Fund-State, General Fund-Federal)
- Reduce Maternity Support Services** - Maternity Support Services (MSS) provide preventive health care services for pregnant and postpartum women that include professional observation, assessment, education, intervention, and counseling as provided by interdisciplinary teams comprised of community health nurses, nutritionists, and behavioral health specialists. Funding for MSS services is reduced by 20 percent and the Health and Recovery Services Administration (HRSA) is directed to prioritize funding for women with high-risk pregnancies. (General Fund-State, General Fund-Federal)
- Reduce Funding for DME** - Funding for durable medical equipment (DME) is reduced by approximately 12 percent of total expenditures. Coverage for bath support equipment is eliminated and supplies of non-sterile gloves, incontinence supplies, diabetic supplies, and enteral nutrition are reduced. (General Fund-State, General Fund-Federal)
- Eliminate Medicare Part C Premiums** - Funding is eliminated for premium co-payments for dual-eligible (Medicaid and Medicare) clients enrolled in Medicare Part C Advantage Plans.
- Enhanced Match for Pregnancy Svcs** - Approximately 200 pregnant women on the Medicaid caseload who cannot verify citizenship will be transferred to the non-citizen pregnant program which receives enhanced federal match. (General Fund-State, General Fund-Federal)
- Children's Mental Health** - Funding is provided to maintain the expansion of mental health visits for children from 12 to 20 visits pursuant to Chapter 388, Laws of 2009 (2SHB 1373), which removes the July 1, 2010, expiration date for the expansion that was authorized in the 2007-09 biennium. (General Fund-State, General Fund-Federal)
- Reduce CPE Baseline** - Under the Certified Public Expenditure (CPE) Program, if payments are less than a baseline amount based on the total payment for claims for services rendered during the year as calculated according to the methodology and Disproportionate Share Hospital (DSH) amounts paid to hospitals and retained in 2005, then hospitals receive a state grant equal to the difference between payments during the year and the related baseline amount. HRSA will remove non-existent Intergovernmental Transfer programs from the CPE baseline, which will reduce these "hold harmless" payments.
- DSH Program Reductions** - Funding for Indigent Assistance DSH payments and Indigent Assistance state grants are suspended for FY 2010, and all but the state grants are restored for FY 2011. CPE hospitals are held harmless to half of the amount of their Indigent Assistance DSH payments made in 2005 in the CPE baseline calculation. (General Fund-State, General Fund-Federal)
- Health Navigator Pilot** - Funding is eliminated for the Health Navigator pilot project, which sought to improve service coordination and evidence-based care for approximately 1,000 children at disproportionate risk of receiving poor health care due to language and cultural barriers. (General Fund-State, General Fund-Federal)
- Adult Office Visit Rate Reduction** - The 12 percent rate increase provided during the 2007-09 biennium for adult office visits is discontinued. Savings are calculated effective July

Department of Social and Health Services Medical Assistance Payments

2009 for fee-for-service providers and January 2010 for managed care providers. (General Fund-State, General Fund-Federal)

13. **Apple Health Outreach** - Funding is provided to continue outreach activities to increase the enrollment of eligible children in the Apple Health for Kids program. (General Fund-State, General Fund-Federal)
14. **Enhanced Match for Interpreters** - The federal Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 provides an enhanced matching rate of 75 percent in Medicaid and the Children's Health Insurance Program for translation and interpretation services for families for whom English is not the primary language. (General Fund-State, General Fund-Federal)
15. **Federal Stimulus Package - FMAP Inc** - Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP), which is the share of Medicaid costs that the federal government provides, will increase to 62.94 percent from the average of 50.33 percent originally budgeted for FY 2010 and to 56.53 percent from the average of 50.12 percent originally budgeted for FY 2011. This results in reduced state expenditures. (General Fund-State, General Fund-Federal)
16. **Administrative Reductions** - Efficiencies are achieved through administrative reductions that were initiated during FY 2009. Reductions include travel, hiring, contracts, and other administrative changes. (General Fund-State, General Fund-Federal)
17. **90-Day Supplies For Low-Risk Drugs** - Savings will be achieved by requiring pharmacy providers to dispense a 90-day supply of drugs for patients who require maintenance prescriptions of low-risk pharmaceuticals, which will reduce pharmacy dispensing charges. (General Fund-State, General Fund-Federal)
18. **Reduce Costs For Hemophilia Drugs** - HRSA will pursue a competitive procurement process for the purchase of Antihemophilic Factor products, emphasizing evidence-based medicine and protection of patient access. (General Fund-State, General Fund-Federal).
19. **Emphasize Use of Generic Drugs** - HRSA will achieve savings by emphasizing the use of generic drugs through multiple strategies, including evaluating the reimbursement amount based on Average Wholesale Price (AWP). Other strategies include limiting off-label usage and promoting generic drugs as the first course of treatment. The budget assumes a gradual phase-in to a 20 percentage point increase in generic utilization by FY 2011, and funds are provided for the additional staff required to achieve these savings. (General Fund-State, General Fund-Federal)
20. **Drug Purchasing Initiatives** - HRSA will pursue drug purchasing initiatives aimed at achieving greater cost effectiveness, including establishing medical necessity criteria for long-acting opioid drugs for clients with multiple prescribers, establishing medical necessity criteria for off-label prescriptions, implementing step therapy for appropriate use of certain drugs, making a maximum daily dose limit for Acetaminophen of four grams, and stopping coverage of products that are not approved by the Centers for Medicare and Medicaid Services (CMS). (General Fund-State, General Fund-Federal)
21. **Reduce Proton Pump Inhibitors** - Savings will be achieved by requiring prior authorization when a prescription for a Proton Pump Inhibitor, which reduces gastric acid production, has been continued for more than 90 consecutive days. (General Fund-State, General Fund-Federal)
22. **Reduce Over-the-Counter Drugs** - Savings will be achieved by eliminating reimbursement for selected over-the-counter (OTC) drugs. HRSA will continue reimbursement for those OTC medications that can replace more costly prescription medications. (General Fund-State, General Fund-Federal)
23. **Prorated Inpatient Payment Policy** - HRSA will implement a prorated inpatient payment policy for hospitals. Savings will be achieved by conducting reviews of facility-based billings to identify when hospitals inappropriately bill for inpatient services on days when patients are transferred to other facilities with lower costs. In determining the level of reductions needed, HRSA will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. (General Fund-State, General Fund-Federal)
24. **Claim FMAP For Transportation Admin** - Reimbursement for contracted administration of transportation services will be at the standard FMAP instead of the lower administrative FMAP. Additional savings from this change are reflected under the item "Federal Stimulus Package - FMAP Inc." (General Fund-State, General Fund-Federal)
25. **Higher FMAP For 133-200% FPL Kids** - The federal CHIPRA provides enhanced federal matching funds of two dollars for every one dollar of state spending for Medicaid-eligible children in families with incomes between 133 and 200 percent of the federal poverty level (FPL). Savings are achieved because the enhanced match applies to claims that were previously matched at the Medicaid matching rate. Before the enactment of CHIPRA, Washington State received enhanced federal matching funds for children between 150 and 200 percent of the federal poverty level but only up to 20 percent of the Washington's State Children's Health Insurance Program (SCHIP) allotment. (General Fund-State, General Fund-Federal)
26. **Move All Hospitals to OPDS** - Savings will be achieved by shifting all hospitals except critical access hospitals to the Outpatient Prospective Payment System (OPPS) methodology for the reimbursement of outpatient hospital services. Currently

Department of Social and Health Services Medical Assistance Payments

- in-state children's and specialty hospitals are reimbursed using a ratio of cost-to-charges methodology that is more costly than OPPS overall. (General Fund-State, General Fund-Federal)
27. **Equalize Rates Paid For Childbirth** - Savings will be achieved by adjusting hospital reimbursement rates for childbirth so that the rate paid for C-section procedures without complications will be lower than the rate paid for natural deliveries with complicating diagnoses. (General Fund-State, General Fund-Federal)
28. **Reduce Enhancement For FQHCs** - Adjustments to Healthy Options enhanced payments for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics in response to a 2006 federal audit will result in lower payments. (General Fund-State, General Fund-Federal)
29. **Pediatric Rate Decrease** - In the 2007 legislative session, pediatric office visit rates were increased by 48 percent or to 90 percent of the Uniform Medical Plan (UMP) rate. This rate increase is reduced from a 48 percent increase to a 15 percent increase, and savings are calculated effective July 2009 for fee-for-service providers and January 2010 for managed care providers. (General Fund-State, General Fund-Federal)
30. **Offender Medical Placement** - The Department of Corrections (DOC) will implement a policy of early release for offenders who are chronically or terminally ill, pursuant to Chapter 441, Laws of 2009 (EHB 2194). Offenders serving time on violent or sex offense charges are not eligible for release. DOC expects to release 44 inmates during the 2009-11 biennium to an Extraordinary Medical Placement in the community. Savings for no longer serving these individuals in DOC are used to pay for long-term care placements and medical services in the community. (General Fund-State, General Fund-Federal)
31. **Medical Support Obligations** - Funding is provided pursuant to Chapter 476, Laws of 2009 (SHB 1845), which enacts federal regulations allowing courts to obligate parents to pay medical support equal to the obligated parent's proportionate share of the health insurance premium paid by the other parent or the state. The medical support payments shall not exceed 25 percent of the basic child support obligation. Savings are assumed beginning in FY 2011. (General Fund-State, General Fund-Federal)
32. **IGT for Tribal CD Services** - In March 2008, CMS directed the state to discontinue using certified public expenditures for the tribal expenditures eligible for Medicaid funding for chemical dependency (CD) services. Tribes are required to use an intergovernmental transfer (IGT) to shift revenue to the state for use in claiming federal match. This IGT, along with the federal funds, will be transferred back to the tribes. Local expenditure authority is provided to recognize the transfer of revenue from the tribes to the state for use in claiming federal match. (General Fund-Private/Local)
33. **ProviderOne Implementation** - Funding is provided for the continued implementation of ProviderOne, the system scheduled to replace the Medicaid Management Information System (MMIS) as the Department's primary payment system. When fully operational, the system will pay more than 100,000 providers, support the delivery of services to more than one million clients, and manage roughly \$4 billion per year in Medicaid and other payments. (General Fund-State, General Fund-Federal)
34. **Dental Reduction** - HRSA is directed to reduce dental expenditures by approximately 4 percent of total expenditures during the 2009-11 biennium. These reductions will prioritize rolling back some of the dental rate increases provided during the 2007 legislative session and measures to control utilization rather than terminating any dental services. (General Fund-State, General Fund-Federal)
35. **Eliminate Small Rural DSH** - The Small Rural DSH program, which was established before small rural hospitals attained federal Critical Access Hospital status, is eliminated. (General Fund-State, General Fund-Federal)
36. **Graduate Medical Education Payments** - Funding is discontinued for supplemental Graduate Medical Education (GME) payments to Harborview Medical Center and the University of Washington Medical Center. GME is a component in the fee-for-service and managed care inpatient rates these facilities receive. Eliminating this supplemental payment also reduces state-funded hold-harmless grants under the CPE program.
37. **Reduce GA-U Medical** - Savings in the GA-U medical program are expected from transitioning clients from fee-for-service reimbursement to managed care and initiatives within the Economic Services Administration to reduce the GA-U caseload. These initiatives include emphasizing facilitation of GA-U clients to the federal Supplemental Security Income program, referring eligible veterans to the Department of Veterans' Affairs, expediting referrals to mental health and chemical services, changing the earned income policy to align with the Temporary Assistance to Needy Families program, and evaluating clients who have been receiving GA-U services for 12 months or more to verify eligibility. (General Fund-State, General Fund-Federal)
38. **Healthy Options Premium Rates** - HRSA will reduce premiums for Healthy Options managed care by 1 percent in calendar year 2009, and premiums will not be increased for the 2009-11 biennium. The maintenance level forecast assumed no growth in these premiums in calendar year 2009 and a 2.5 percent annual growth rate for calendar years 2010 and 2011. (General Fund-State, General Fund-Federal)
39. **Cost Control in Other Services** - Funding is reduced for transportation, laboratory, and X-ray services by approximately 4 percent of total expenditures for the 2009-11 biennium. HRSA may reduce rates or take measures to control utilization

Department of Social and Health Services Medical Assistance Payments

or a combination of both in order to achieve these savings. HRSA will prioritize controlling costs and utilization of advanced imaging services. (General Fund-State, General Fund-Federal)

for improving access to dental care for seniors and providing in-home care for asthmatic children. (General Fund-State, General Fund-Federal)

40. **Medicaid Match for Legal Immigrants** - The federal CHIPRA of 2009 allows for federal Medicaid matching funds for legal immigrants who would otherwise be eligible for Medicaid but have resided in the country for less than five years. Washington will receive federal matching funds for approximately 3,600 legal immigrants in the Children's Health Program, which is currently approximately 90 percent state-funded. (General Fund-State, General Fund-Federal)
41. **Increase DSH Payments** - In order to mitigate the transition to OPPS, a one-time increase in funding is provided for the Low-Income DSH program. (General Fund-State, General Fund-Federal)
42. **Hospice Rate Adjustment** - Hospice rates that are tied to nursing home rates are reduced to reflect nursing home rate reductions for the 2009-11 biennium. (General Fund-State, General Fund-Federal)
43. **Inpatient & Outpatient Reductions** - Inpatient and outpatient hospital expenditures are reduced by approximately 4 percent of total expenditures for the 2009-11 biennium, and HRSA will adjust rates in order to meet this target. HRSA will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. These reductions will not apply to payments for psychiatric inpatient services or payments to critical access hospitals. (General Fund-State, General Fund-Federal)
44. **GA-U Outpatient DSH Program** - During FY 2010, HRSA will provide DSH payments to hospitals for providing outpatient services to low-income patients who are eligible for medical assistance under the GA-U program. (General Fund-State, General Fund-Federal)
45. **Washington Health Partnership** - Funding is provided for HRSA to pursue a federal Medicaid waiver pursuant Chapter 545, Laws of 2009, Partial Veto (2SSB 5945). (General Fund-State, General Fund-Federal)
46. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium. (General Fund-State, General Fund-Federal)
47. **Governor-Directed 1% Cut** - In October 2008, the Governor directed agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium. This reduction includes the elimination of a foster care nurse hotline, chronic care management contracts, and pilot projects
48. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
49. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Medical Assistance Payments

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Categorically Needy	788,931	823,343	815,257	810,363	840,971	843,188	878,383	926,668	967,945	1,000,498
AFDC/TANF	272,388	275,716	283,973	293,185	283,290	267,492	251,827	258,678	267,403	274,673
Elderly	53,091	53,819	54,573	55,544	56,467	57,037	57,620	58,646	59,816	61,024
Disabled	114,587	118,466	123,248	126,868	129,667	132,358	135,894	140,093	144,297	148,361
Non-AFDC Children	319,793	343,521	319,772	298,548	329,580	332,430	363,363	392,506	416,535	430,696
Non-AFDC Pregnant Women	23,937	25,707	26,366	27,121	27,589	28,488	29,176	29,482	30,126	30,820
Undocumented Children	0	0	0	0	2,528	10,126	23,564	28,970	30,085	33,897
Medicare Beneficiaries	5,036	5,850	7,066	8,563	10,689	13,781	15,214	16,318	17,533	18,722
Breast & Cervical Cancer	69	121	0	56	375	495	566	645	719	780
Medicaid Buy-In	30	143	261	479	787	981	1,158	1,328	1,433	1,526
Medically Needy	14,528	15,949	16,972	17,849	16,536	13,593	13,574	13,073	13,061	13,078
Elderly	6,005	6,382	6,510	6,592	6,150	5,233	5,165	5,038	5,052	5,069
Disabled	8,523	9,567	10,462	11,257	10,385	8,360	8,409	8,035	8,009	8,009
Childrens Health Insurance Program	6,049	7,320	9,516	13,303	11,786	11,409	11,957	14,540	17,691	18,974
General Assistance/ADATSA										
# Persons/Month	11,671	10,169	11,651	14,109	15,982	17,147	17,948	20,133	21,767	23,062
State Medically Indigent										
# Persons/Month	3,331	3,997	0	0	0	0	0	0	0	0
Refugees										
# Persons/Month	933	677	684	685	754	739	674	704	688	688
Total Eligibles per Month	825,443	861,455	854,080	856,310	886,028	886,076	922,536	975,118	1,021,152	1,056,300
% Change from prior year		4.4%	-0.9%	0.3%	3.5%	0.0%	4.1%	5.7%	4.7%	3.4%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	23,982	94,950	118,932
2009 Supplemental *	-4,153	7,546	3,393
Total 2007-09 Biennium	19,829	102,496	122,325
<hr/>			
2009-11 Maintenance Level	26,404	95,035	121,439
Policy Changes - Non-Comp			
1. Leveraging Federal Revenue	-4,240	-10,000	-14,240
2. Grant Levels & Match Requirement	-267	-4,060	-4,327
3. Federal Stimulus	0	4,559	4,559
4. Governor-Directed Freeze	-268	0	-268
5. Governor-Directed 1% Cut	-348	0	-348
Policy -- Non-Comp Total	-5,123	-9,501	-14,624
Policy Changes - Comp			
6. Employee Health Insurance	286	2	288
7. Actuarial Method Changes-State	-988	-4	-992
Policy -- Comp Total	-702	-2	-704
<hr/>			
Total 2009-11 Biennium	20,579	85,532	106,111
Fiscal Year 2010 Total	10,452	44,976	55,428
Fiscal Year 2011 Total	10,127	40,556	50,683

Comments:

- | | |
|--|--|
| <p>1. Leveraging Federal Revenue - Unspent federal Basic Support Grant funds for vocational rehabilitation services will be used to offset state spending in the 2009-11 biennium. In addition, excess federal funding authority is removed to align appropriation levels with previous actual expenditures. (General Fund-State, General Fund-Federal)</p> | <p>Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)</p> |
| <p>2. Grant Levels & Match Requirement - Federal expenditure authority for the Division of Vocational Rehabilitation is reduced. This reduces state expenditures required to match federal funds. (General Fund-State, General Fund-Federal)</p> | <p>7. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> |
| <p>3. Federal Stimulus - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provided additional one-time funding for Vocational Rehabilitation and Independent Living state grants. (General Fund-Federal)</p> | |
| <p>4. Governor-Directed Freeze - Funding is reduced to reflect continued savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)</p> | <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
| <p>5. Governor-Directed 1% Cut - Funding is reduced to continue the 1 percent program reduction that started in FY 2009.</p> | |
| <p>6. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011.</p> | |

**Department of Social and Health Services
Special Commitment Center**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	106,972	0	106,972
2009 Supplemental *	-2,988	0	-2,988
Total 2007-09 Biennium	103,984	0	103,984
2009-11 Maintenance Level	113,445	0	113,445
Policy Changes - Non-Comp			
1. Residential Staffing Reductions	-3,204	0	-3,204
2. Reduce SCC Contracts	-1,824	0	-1,824
3. Governor-Directed Freeze	-268	0	-268
4. Governor-Directed 1% Cut	-154	0	-154
Policy -- Non-Comp Total	-5,450	0	-5,450
Policy Changes - Comp			
5. Employee Health Insurance	399	0	399
6. Actuarial Method Changes-State	-1,230	0	-1,230
Policy -- Comp Total	-831	0	-831
Total 2009-11 Biennium	107,164	0	107,164
Fiscal Year 2010 Total	54,027	0	54,027
Fiscal Year 2011 Total	53,137	0	53,137

Comments:

- 1. Residential Staffing Reductions** - Funding is reduced to reflect a decrease in the number of residential rehabilitation counselors assigned to lower acuity housing units.
- 2. Reduce SCC Contracts** - Funding is eliminated for select Special Commitment Center (SCC) contracts for education and nursing services.
- 3. Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
- 4. Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
- 5. Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
- 6. Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed

information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Special Commitment Center**

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	<u>Estimated</u>		
								2009	2010	2011
Special Commitment Center - Main Facility										
Avg Daily Population/Month	151	167	189	211	232	251	271	279	291	303
% Change from prior year		10.6%	13.2%	11.6%	10.0%	8.2%	8.0%	3.0%	4.3%	4.1%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	7	9	10	11	11	12	14	15	17	17
% Change from prior year		28.6%	11.1%	10.0%	0.0%	9.1%	16.7%	7.1%	13.3%	0.0%

⁽¹⁾ *Includes persons in less restrictive alternative placements on McNeil Island and other locations. Beginning in FY 2002, funding for County Commitment program beds was eliminated.*

Data Sources :

FY 2002 through FY 2007 from the Department of Social and Health Services Juvenile Rehabilitation Administration Division of Research and Data Analysis reports.

FY 2008 through FY 2011 data are by legislative fiscal staff.

**Department of Social and Health Services
Administration & Supporting Services**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	87,268	66,331	153,599
2009 Supplemental *	-3,203	-2,068	-5,271
Total 2007-09 Biennium	84,065	64,263	148,328
2009-11 Maintenance Level	87,129	65,765	152,894
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-11,458	-8,902	-20,360
2. Family Policy Council Reduction	-3,847	0	-3,847
3. Council Child & Family Reduction	-1,492	0	-1,492
4. Juvenile Justice Advisory Cmte	-314	0	-314
5. ProviderOne Implementation	980	611	1,591
6. Washington State Mentors Pgm	300	0	300
7. I-1029 Costs (Training)	-79	-79	-158
8. DIS Rate Reductions	-4	-4	-8
Policy -- Non-Comp Total	-15,914	-8,374	-24,288
Policy Changes - Comp			
9. Employee Health Insurance	580	147	727
10. Actuarial Method Changes-State	-2,403	-605	-3,008
Policy -- Comp Total	-1,823	-458	-2,281
Total 2009-11 Biennium	69,392	56,933	126,325
Fiscal Year 2010 Total	34,549	28,412	62,961
Fiscal Year 2011 Total	34,843	28,521	63,364

Comments:

- Admin Consolidations & Efficiencies** - Overall administrative funding is reduced. All spending reductions will be targeted at administrative staffing and expenses. (General Fund-State, General Fund-Family Support, General Fund-Medicaid, General Fund-Federal)
- Family Policy Council Reduction** - Funding for the Family Policy Council and its associated grant programs is reduced. To the extent possible, the Council shall strive to achieve savings through administrative reductions and efficiencies and limit the impact on client services and the Community Public Health and Safety Networks. (General Fund-State, Violence Reduction and Drug Enforcement Account, Public Safety and Education Account)
- Council Child & Family Reduction** - Funding for the Council on Children and Families is reduced. To the extent possible, the Council shall strive to achieve savings through administrative reductions and efficiencies and limit the impact on client services and supports. (General Fund-State)
- Juvenile Justice Advisory Cmte** - Administrative funding for the Governor's Juvenile Justice Advisory Committee is reduced.
- ProviderOne Implementation** - Funding is provided for activities in specific programs to implement ProviderOne. Of this amount, \$1,591,000 (\$980,000 General Fund-State) is funded through Administration and Supporting Services. These costs are in addition to, and not duplicative of, the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Family Support, General Fund-Medicaid)
- Washington State Mentors Pgm** - Funding is provided for an expansion of the Washington State Mentors program that provides technical assistance and training to mentoring programs that serve at-risk youth. This funding will help secure private matching funds.
- I-1029 Costs (Training)** - Initiative 1029, passed by voters in November 2008, adds additional continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (SSB 6180). Funding is provided for the development of the training infrastructure and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Administration & Supporting Services

8. **DIS Rate Reductions** - Funding is reduced due to the Department of Information Services (DIS) rate reduction for certain data processing services. (General Fund-State, General Fund-Federal)
9. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
10. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Department of Social and Health Services
 Payments to Other Agencies**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	119,206	57,438	176,644
2009 Supplemental *	-6,501	-3,574	-10,075
Total 2007-09 Biennium	112,705	53,864	166,569
2009-11 Maintenance Level	128,195	60,890	189,085
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-22,306	-11,726	-34,032
2. ProviderOne Implementation	1,014	330	1,344
Policy -- Non-Comp Total	-21,292	-11,396	-32,688
Total 2009-11 Biennium	106,903	49,494	156,397
Fiscal Year 2010 Total	53,431	24,739	78,170
Fiscal Year 2011 Total	53,472	24,755	78,227

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced for services provided to the Department of Social and Health Services by other state agencies. In addition, funding is reduced by assumed continuation of savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
- ProviderOne Implementation** - Funding is provided for activities in specific programs essential to the implementation of ProviderOne. Of this amount, \$1,344,000 (\$1,014,000 General Fund-State) is included in Payments to Other Agencies. These costs are in addition to, and not duplicative of, the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Federal)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Other Human Services

Department of Corrections

A total of \$1.8 billion is provided for the Department of Corrections (DOC) to incarcerate and supervise offenders in the 2009-11 biennium. This represents an increase of \$12.5 million (0.7 percent) in corrections spending from the 2007-09 biennium, and savings of \$134.3 million (7.0 percent) from the 2009-11 maintenance level. The savings are primarily related to policy changes that reduce the offender populations in prisons and community supervision. The major policy changes include:

- \$47.8 million in savings from changes to the supervision of offenders. Chapter 375, Laws of 2009, Partial Veto (ESSB 5288), removes the requirement that DOC supervise certain felony offenders whose risk assessment places them in a category of low or moderate risk; eliminates supervision of certain misdemeanor offenders; and replaces the community custody ranges with fixed terms of 36 months for serious violent offenders and sex offenders, 18 months for violent offenders, and 12 months for other offenders.
- \$11.2 million in assumed savings by offering home detention instead of jail as an alternative sanction for community custody violators. The savings are based on the assumption that 25 percent of violators in jails would be sanctioned to home detention instead of jail. The budget assumes reduced demand for 331 jail beds for violators.
- \$11.1 million in savings from the expansion of the Drug Offender Sentencing Alternative (DOSA) program. The budget assumes reduced demand for 386 prison beds in fiscal year 2010 and 507 beds in fiscal year 2011 is achieved by expansion of the DOSA program.
- \$8.3 million in savings from the Offender Re-entry Program. In the 2007-09 biennium, the Legislature provided an additional investment of \$30.5 million for programs that prepare adult offenders for re-entry. The budget reduced total funding but maintains funding for the investments in evidence-based programs that target education, chemical dependency treatment, and mental health treatment.
- \$3.3 million in savings related to Chapter 431, Laws of 2009 (SB 6167), which increases the dollar threshold values for property crimes. The budget assumes reduced demand for 385 prison beds is achieved from the property threshold changes.
- \$4.1 million net savings from implementation of Chapter 455, Laws of 2009, Partial Veto (SB 5525), which provides for housing vouchers or partial confinement for offenders that are held in prison beyond their earned release date due to the lack of an approved release plan. The budget assumes reduced demand for 278 prison beds.
- \$1.9 million in savings from the implementation of Chapter 441, Laws of 2009 (EHB 2194), related to the expansion of the offender medical placement program. The budget assumes reduced demand for 44 prison beds. Savings from no longer serving these individuals in DOC are used to pay for long-term care placements and medical services in the community.
- \$8.3 million in savings from the early deportation of all eligible non-citizen drug and property offenders, consistent with Substitute House Bill 2188 and Engrossed Senate Bill 6183 (Early Deportation of Offenders). The budget assumes reduced demand for 362 prison beds. *These bills did not pass in the 2009 regular session.*
- \$375,000 in savings from changes to the sentence grid consistent with Substitute Senate Bill 6160 (Sentence Discretion). The budget assumes reduced demand for 134 prison beds. *This bill did not pass in the 2009 regular session.*

The Office of Financial Management will conduct a study of the feasibility of closing DOC institutions/facilities, Juvenile Rehabilitation Administration institutions, and residential habilitation centers operated by DSHS. With the declining prison population as a result of sentencing legislation, DOC is assumed to be able to close a major institution, minor institutions, or housing units. The study assumes closures to result in the elimination of 1,580 prison beds. The budget for DOC assumes savings in the 2009-11 biennium of \$12 million from facility closures. The report is due to the Governor and the Legislature on November 1, 2009.

Department of Employment Security

The budget suspends the development of the Family Leave Insurance program computer system as a result of the program's suspension. This saves the state \$6 million over the next two years.

The budget makes available \$32 million in federal unemployment monies to replace the existing insurance tax information system with modern tax administration technology.

Department of Veterans' Affairs

The Washington Department of Veterans' Affairs (DVA) operates three homes that provide long-term health care for honorably discharged veterans – and in some instances, their spouses – who are disabled and indigent, or likely to become indigent due to the cost of their health care. The homes are: the Washington Veterans' Home at Retsil, the Washington Soldiers' Home and Colony at Orting, and the Spokane Veterans' Home. In addition, the agency manages several state and federal programs providing support and services to service men and women. The 2009-11 budget provides \$20.1 million General Fund-State (\$110.2 million all funds) for DVA operations.

Several budget items reduce state funding for DVA programs, but, with the exception of reductions in administrative operations, the reductions are a funding shift between state and federal resources.

Additional funding is provided for several items:

- \$261,000 General Fund-State (\$642,000 all funds) is provided to support the Eastern Washington Veterans' Cemetery. The Cemetery will open Memorial Day 2010.
- \$500,000 General Fund-State is provided in one-time support of the Veterans Innovations Program.

The amount of \$200,000 General Fund-State is provided in one-time support of the replacement of the phone system at the Washington Soldiers' Home and Colony at Orting.

Department of Labor and Industries

The budget provides \$10.9 million for an early workers' compensation claims computer system and services intended to reduce claim processing time from the date of an occupational injury to the workers' receipt of their first time-loss check by 15 percent.

Health Care Authority

The budget reduces Basic Health Plan program expenditures by \$255.2 million or 43 percent for the 2009-11 biennium. The Health Care Authority will streamline administrative procedures and adjust benefit design and cost sharing in order to maximize enrollment within the funding provided. Enrollment is reduced to approximately 65,000 people by January 1, 2010, and for the remainder of the biennium. Reductions in enrollment levels will be carried out in accordance with the disenrollment criteria developed pursuant to Chapter 568, Laws of 2009 (SHB 2341).

A savings of \$11.8 million in state funds is achieved through the discontinuation of funding for the Health Insurance Partnership (HIP). HIP was created during the 2007 legislative session as a public-private partnership

to promote small employers' participation in funding health care for their employees, including the provision of state subsidies. In accordance with Chapter 257, Laws of 2009 (SHB 2052), enrollment in HIP is delayed until no earlier than January 2011 contingent upon sufficient state or federal funding for the program.

Department of Health

A savings of \$55.3 million in state funds is achieved through changes to the state's immunization program. State funding for universal coverage of the human papillomavirus (HPV) vaccine is discontinued effective July 1, 2009. State funding to support the universal purchase program for all other vaccines is discontinued as of May 1, 2010, or earlier if state funds are exhausted before this date. At this time, the vaccine program will transfer to Vaccines for Children (VFC) + Underinsured status that allows federal funds to cover low-income children in Medicaid and other state-funded health care programs. The Department of Health will use existing 317 Direct Assistance (DA) funds as well as those that may become available pursuant to the American Recovery and Reinvestment Act of 2009 to provide continued coverage of those low-income children who do not qualify for the VFC program.

A savings of \$4.0 million in state funds is achieved through a reduction to the local public health enhancement funding provided in the 2007 legislative session. Tobacco Prevention and Control Account funds are used on a one-time basis to fund the remaining \$16 million of this public health enhancement. In order to fund this enhancement, tobacco prevention public awareness campaigns, such as television and radio advertisements, are suspended for the 2009-11 biennium. An additional one-time savings of \$6 million is achieved by reducing tobacco prevention expenditure authority to the level of actual spending in fiscal year 2008.

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	575,310	194,924	770,234
2009 Supplemental *	-13,208	-49	-13,257
Total 2007-09 Biennium	562,102	194,875	756,977
<hr/>			
2009-11 Maintenance Level	664,476	215,004	879,480
Policy Changes - Non-Comp			
1. Moore Case Litigation	25	0	25
2. Reduce Basic Health Plan	-222,438	-13,668	-236,106
3. Health Insurance Partnership Elim	-11,834	0	-11,834
4. Quality Forum - Elimination	-1,288	0	-1,288
5. Domestic Partners/WSPRS	0	200	200
6. LEOFF 2 Domestic Partners	0	200	200
7. Dental Residency Program	-1,204	0	-1,204
8. Federal COBRA Subsidy Admin	0	207	207
9. Health Data Information Technology	600	1,802	2,402
10. Program Support Account Alignment	-3,782	3,443	-339
11. Discontinue Dual Medicaid	-32,728	-4,821	-37,549
12. Basic Health Plan Adm Reduction	-3,600	0	-3,600
13. Community Collaboratives Grants	500	0	500
Policy -- Non-Comp Total	-275,749	-12,637	-288,386
Policy Changes - Comp			
14. Employee Health Insurance	134	144	278
15. Actuarial Method Changes-State	-428	-464	-892
Policy -- Comp Total	-294	-320	-614
<hr/>			
Total 2009-11 Biennium	388,433	202,047	590,480
Fiscal Year 2010 Total	206,295	104,308	310,603
Fiscal Year 2011 Total	182,138	97,739	279,877

Comments:

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| <p>1. Moore Case Litigation - Funding is provided to pay for Attorney General legal services for the Moore v. Health Care Authority (HCA) case concerning part-time employees' health benefit eligibility.</p> <p>2. Reduce Basic Health Plan - Funding for the Basic Health Plan (BHP) is reduced by 37 percent in the 2009-11 biennium. HCA will streamline administrative procedures and adjust benefit design and cost sharing to allow for the enrollment of as many people as possible with the reduced funds. Enrollment is reduced to approximately 65,000 people by January 1, 2010, and for the remainder of the biennium. Reductions in enrollment levels shall be carried out in accordance with the disenrollment criteria developed pursuant to Chapter 568, Laws of 2009 (SHB 2341). (General Fund-State, Basic Health Plan Trust Account)</p> <p>3. Health Insurance Partnership Elim - The Health Insurance Partnership (HIP) was created during the 2007 legislative session as a public-private partnership to promote small employers' participation in funding health care for their employees. Both low-income and non-low-income employees and their dependents were to receive coverage, but most of the</p> | <p>state costs would have come from subsidies for low-income workers and their dependents. In accordance with Chapter 257, Laws of 2009 (SHB 2052), enrollment in HIP is delayed until no earlier than January 2011 contingent upon sufficient state or federal funding for the program.</p> <p>4. Quality Forum - Elimination - Funding for the Quality Forum is eliminated. The Quality Forum was established pursuant to Chapter 259, Laws of 2007, Partial Veto (E2SSB 5930), for the purpose of facilitating the collection, evaluation, and dissemination of health care data.</p> <p>5. Domestic Partners/WSPRS - Funding is provided for HCA to make revisions to the administrative systems and train staff as necessary to implement changes to the rights of domestic partners of members of the Washington State Patrol Retirement System (WSPRS) pursuant to Chapter 522, Laws of 2009 (ESHB 1445). (Health Care Authority Administrative Account-State)</p> <p>6. LEOFF 2 Domestic Partners - Funding is provided for HCA to make revisions to the administrative systems and train staff as necessary to implement changes to the rights of domestic</p> |
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Washington State Health Care Authority

partners of members of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System pursuant to Chapter 523, Laws of 2009 (EHB 1616). (Health Care Authority Administrative Account-State)

plan design in order to provide benefits within available funding. (various funds)

15. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

7. **Dental Residency Program** - Funding for the dental residency program is reduced by eliminating initial implementation costs. The program will continue to maintain statewide operations. The dental residency program funds residencies in non-teaching hospital settings that treat low-income patients.
8. **Federal COBRA Subsidy Admin** - Funding is provided for the management of the federal subsidy program for COBRA health benefits. (Health Care Authority Administrative Account-State)
9. **Health Data Information Technology** - During the 2007-09 biennium, HCA implemented two health technology projects: Health Record Banks (HRB) pilot project and Electronic Medical Records (EMR) grants. State funds are provided for the HRB pilot project and the EMR grants for FY 2010. HCA is encouraged to seek federal funding through the American Recovery and Reinvestment Act of 2009, the federal stimulus act, for the program for FY 2011. (General Fund-State, General Fund-Federal)
10. **Program Support Account Alignment** - A maintenance level increase in Near General Fund-State to support increased workload due to activities related to HIP and the Quality Forum is eliminated since these programs are either delayed or eliminated for the 2009-11 biennium. (General Fund-State, Health Care Authority Administrative Account-State)
11. **Discontinue Dual Medicaid** - HCA will no longer allow individuals to be simultaneously enrolled in both Department of Social and Health Services Medical Assistance and BHP coverage, pursuant to Chapter 568, Laws of 2009 (SHB 2341).
12. **Basic Health Plan Adm Reduction** - BHP administrative expenditures are reduced in accordance with reductions to the BHP caseload.
13. **Community Collaboratives Grants** - Funding is provided pursuant to Chapter 299, Laws of 2009, Partial Veto (SSB 5360), which continues the Community Health Care Collaborative grant program. The grant program is intended to further efforts of community-based coalitions that address access to medical treatment, the efficient use of health care resources, and/or quality of care. Organizations will provide at least two dollars in matching funds for each community health care collaborative grant dollar awarded.
14. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated			
	2009	2010	2011								
Basic Health Plan											
Subsidized Enrollees	123,730	128,937	103,452	99,807	100,444	102,118	104,792	103,762	71,449	65,000	
% Change from prior year		4.2%	-19.8%	-3.5%	0.6%	1.7%	2.6%	-1.0%	-31.1%	-9.0%	

These numbers do not include home care workers receiving state-subsidized coverage through the Basic Health Plan as this group has dropped almost to zero nearing the end of the 2005-07 biennium. This drop is due to the availability of other coverage options. For historical purposes, the home care workers continue to be included in past fiscal year totals.

Data Sources :

FY 2002 through FY 2008 from the Health Care Authority.

FY 2009 through FY 2011 are estimates from legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	7,076	1,523	8,599
2009 Supplemental *	-119	200	81
Total 2007-09 Biennium	6,957	1,723	8,680
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2009-11 Maintenance Level	7,109	1,336	8,445
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-1,192	0	-1,192
2. Governor-Directed Freeze	-230	0	-230
Policy -- Non-Comp Total	-1,422	0	-1,422
Policy Changes - Comp			
3. Employee Health Insurance	25	13	38
4. Actuarial Method Changes-State	-96	-50	-146
Policy -- Comp Total	-71	-37	-108
<hr/>			
Total 2009-11 Biennium	5,616	1,299	6,915
Fiscal Year 2010 Total	2,802	668	3,470
Fiscal Year 2011 Total	2,814	631	3,445

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings achieved by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	35,953	35,953
2009 Supplemental *	0	158	158
Total 2007-09 Biennium	0	36,111	36,111
<hr/>			
2009-11 Maintenance Level	0	37,362	37,362
Policy Changes - Comp			
1. Employee Health Insurance	0	128	128
2. Actuarial Method Changes-State	0	-564	-564
Policy -- Comp Total	0	-436	-436
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Total 2009-11 Biennium	0	36,926	36,926
Fiscal Year 2010 Total	0	18,436	18,436
Fiscal Year 2011 Total	0	18,490	18,490

Comments:

1. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

2. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	37,450	12,930	50,380
2009 Supplemental *	-144	0	-144
Total 2007-09 Biennium	37,306	12,930	50,236
<hr/>			
2009-11 Maintenance Level	40,020	14,652	54,672
Policy Changes - Non-Comp			
1. Drug TF Funds Shifted to Commerce	-3,150	0	-3,150
2. Mandatory Workload Adjustments	3,796	0	3,796
3. Eliminate Crackdown Program	-400	0	-400
4. Reduce Criminal Street Gangs	-1,500	0	-1,500
5. Crisis Intervention Reduction	-576	0	-576
6. Reduction to Auto Theft Prevention	0	-8,000	-8,000
7. Developmentally Disabled Offenders	30	0	30
8. National Incident Based Reporting	54	0	54
9. Basic Law Enforcement Academy	750	0	750
10. Corrections Personnel	-26	0	-26
11. Administrative Reduction	-475	0	-475
12. WASPC Admin Reduction	-100	0	-100
Policy -- Non-Comp Total	-1,597	-8,000	-9,597
Policy Changes - Comp			
13. Employee Health Insurance	31	0	31
14. Actuarial Method Changes-State	-132	0	-132
Policy -- Comp Total	-101	0	-101
<hr/>			
Total 2009-11 Biennium	38,322	6,652	44,974
Fiscal Year 2010 Total	19,146	3,326	22,472
Fiscal Year 2011 Total	19,176	3,326	22,502

Comments:

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|---|---|
| <p>1. Drug TF Funds Shifted to Commerce - Funding for drug task forces (TF) is transferred to the Department of Commerce and will be combined with current funding for competitive grants to fund multi-jurisdictional drug task forces.</p> | <p>Chiefs (WASPC) to administer local law enforcement grant programs that target gang violence and graffiti abatement efforts.</p> |
| <p>2. Mandatory Workload Adjustments - Funding is provided to train peace officers through the Basic Law Enforcement Academy (BLEA). State law mandates that all officers, deputies, and agents must begin basic training within six months of hiring by their respective agencies. Funding is provided to conduct ten additional academies in each fiscal year, for a total of 19 academies each fiscal year.</p> | <p>5. Crisis Intervention Reduction - Funding is reduced to reflect elimination of funding for backfill pay for participants of the crisis intervention training program.</p> |
| <p>3. Eliminate Crackdown Program - Funding is reduced to reflect elimination of the Operation Crackdown Program. The program began in 2008 and provides funding for local law enforcement to work with the Department of Corrections (DOC) in apprehending offenders who violate the terms of their community supervision.</p> | <p>6. Reduction to Auto Theft Prevention - Funding is reduced for the Washington Auto Theft Prevention Authority from the Auto Theft Prevention Account. The amount of \$1.8 million is appropriated in DOC, \$7.7 million is appropriated in the Department of Social and Health Services, and \$300,000 is appropriated in the Department of Commerce.</p> |
| <p>4. Reduce Criminal Street Gangs - Funding is reduced for criminal street gangs intervention grants and for graffiti abatement grants. Funding of \$1.2 million is retained to contract with Washington Association of Sheriffs and Police</p> | <p>7. Developmentally Disabled Offenders - Funding is provided to implement Chapter 447, Laws of 2009 (E2SHB 2078), which requires the developmental disabilities council and WASPC to jointly develop a screening tool, model policies for its use, and to develop recommendations for accommodating persons with developmental disabilities during their confinement in a correctional facility.</p> |

Washington State Criminal Justice Training Commission

8. **National Incident Based Reporting** - Funding is provided for WASPC to process the data collected from the crime mapping component of the National Incident Based Reporting System and to prepare information so law enforcement agencies can use the data.
9. **Basic Law Enforcement Academy** - Funding is provided for increased costs of BLEA, related to Emergency Vehicle Operations Course training (administered by the Washington State Patrol) and the cost of ammunition used in firearms training.
10. **Corrections Personnel** - The budget assumes savings associated with Chapter 146, Laws of 2009 (SSB 5987). The bill eliminates the requirement for DOC prison staff to obtain basic corrections officer training through the Criminal Justice Training Commission.
11. **Administrative Reduction** - An administrative reduction for the Criminal Justice Training Commission is taken.
12. **WASPC Admin Reduction** - An administrative reduction is taken for WASPC; it is assumed that additional contributions from local law enforcement agencies will cover the reduction in state funds.
13. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
14. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	49,948	548,611	598,559
2009 Supplemental *	-690	285	-405
Total 2007-09 Biennium	49,258	548,896	598,154
<hr/>			
2009-11 Maintenance Level	51,492	564,057	615,549
Policy Changes - Non-Comp			
1. Community Ag Worker Safety Grant	0	500	500
2. General Fund Reductions	-2,659	0	-2,659
3. Industrial Insurance Appeals	0	1,153	1,153
4. Shifting Funding for PT/OT Review	0	-1,893	-1,893
5. Accounts Receivable Collections ARC	0	814	814
6. Prevailing Wage Program Services	0	1,248	1,248
7. Maintain Prevailing Wage System	0	531	531
8. SHIP Program Adjustment	0	-3,150	-3,150
9. Improving Independent Medical Exams	0	650	650
10. Self Insurance Laptop Audit System	0	1,252	1,252
11. Detecting Unregistered Employers	0	7,987	7,987
12. Underwriting Services	0	1,044	1,044
13. Construction Ind Safety Initiative	0	253	253
14. Early Claims Solution Services	0	1,382	1,382
15. Early Claims Solution Technology	0	9,562	9,562
16. Residential Construction	420	0	420
17. Health Care Admin Procedures	0	386	386
18. Stop Work Orders	0	259	259
19. Registered Domestic Partners	0	597	597
20. Apprenticeship Utilization	0	467	467
21. Residential Real Property	520	0	520
22. Retrospective Rating Plans	0	788	788
23. Retrospective Rating Plan Recommend	0	500	500
24. Underground Economy	0	1,069	1,069
25. DIS Rate Reductions	-10	-980	-990
26. Governor Veto	-972	-788	-1,760
Policy -- Non-Comp Total	-2,701	23,631	20,930
Policy Changes - Comp			
27. Employee Health Insurance	113	2,170	2,283
28. Actuarial Method Changes-State	-415	-7,784	-8,199
Policy -- Comp Total	-302	-5,614	-5,916
<hr/>			
Total 2009-11 Biennium	48,489	582,074	630,563
Fiscal Year 2010 Total	23,618	290,680	314,298
Fiscal Year 2011 Total	24,871	291,394	316,265

Comments:

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| <p>1. Community Ag Worker Safety Grant - Funding is provided for the Community Agricultural Worker Safety Grant Program. The Department of Agriculture will administer the grant. (Medical Aid Fund-State, Accident Fund-State)</p> <p>2. General Fund Reductions - Funding for General Fund-State programs is reduced. Reductions will be implemented at the discretion of the Department.</p> | <p>3. Industrial Insurance Appeals - Funding is provided for Chapter 391, Laws of 2009 (SHB 1402). (Accident Account-State, Medical Aid Account-State)</p> <p>4. Shifting Funding for PT/OT Review - Funding for physical and occupational therapy (PT/OT) utilization reviews is shifted from appropriated funds to non-appropriated direct claim costs. Costs will now be charged directly to the claim expense, which is paid out of non-appropriated funds. (Medical Aid Account-State)</p> |
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Department of Labor and Industries

5. **Accounts Receivable Collections ARC** - Funding is provided for additional information technology (IT) to support the Accounts Receivable and Collections (ARC) system for the collection of outstanding debt. The IT enhancements are scheduled for completion by 2011. (Accident Account-State, Medical Aid Account-State)
6. **Prevailing Wage Program Services** - Funding is provided for compliance efforts and backlog reduction in the prevailing wage program. (Public Works Administration Account-State)
7. **Maintain Prevailing Wage System** - Funding is provided for the Prevailing Wage Program to replace two data systems. Program efficiencies will be gained by replacing both systems with one system that will integrate the functions of the wage update system and prevailing wage intents and affidavits system. (Public Works Administration Account-State)
8. **SHIP Program Adjustment** - Appropriation authority is reduced based on actual and projected grant activity for the 2009-11 biennium. The Safety and Health Investments Project (SHIP) program funds grant projects that address workplace hazards, safety and health training, and education programs. (Accident Account-State, Medical Aid Account-State)
9. **Improving Independent Medical Exams** - Funding is provided for new staff to improve the process and quality of independent medical examinations of injured workers who have filed workers' compensation claims. The Department will implement a centralized program to improve the quality of exams, exam reports, and increase injured workers' satisfaction. (Medical Aid Account-State)
10. **Self Insurance Laptop Audit System** - Funding is provided for the development of a new self insurance laptop audit system to replace the existing system. The laptop system is used in the audit process to identify and direct payments of unpaid or underpaid benefits to self-insured workers. The system is to be completed by the end of the 2009-11 biennium. (Accident Account-State, Medical Aid Account-State)
11. **Detecting Unregistered Employers** - Funding is provided for the third and final phase of a multi-biennia plan to detect and stop fraud in the workers' compensation system. Software, contracted programming, project staff, and two permanent staff are funded to identify the most significant employer fraud cases and avoid auditing employers who are in compliance. (Accident Account-State, Medical Aid Account-State)
12. **Underwriting Services** - Funding is provided for six new underwriter FTEs to manage workers' compensation risk class rates, premium payments due, and provide additional customer service to employers. (Accident Account-State, Medical Aid Account-State)
13. **Construction Ind Safety Initiative** - Funding is provided to address the occupational safety and health needs of workers who speak and read only Spanish. New staff will coordinate bilingual safety and health services and assist with interviews and translating publications. (Accident Account-State, Medical Aid Account-State)
14. **Early Claims Solution Services** - Funding is provided to reduce the time needed to process the initial report of accident (ROA) for workers' compensation claims. New staff will implement: (1) a triage team to evaluate incoming ROAs, obtain required missing information by contacting employers, workers, and medical providers as necessary, refer appropriate cases for immediate assistance to appropriate agency services, and make initial allowance decisions and begin benefits; and (2) financial incentives to medical providers who file the ROA within two days. This initiative is expected to reduce claim handling time from the date of injury to workers' receipt of the first time-loss check by 15 percent. (Accident Account-State, Medical Aid Account-State)
15. **Early Claims Solution Technology** - Funding is provided for contract programming, hardware, software, and new staff. These resources will be used to: design and build a phone and Internet claim filing system; create displays of consolidated claim and account information; and provide analytical tools that will be used to expedite claims decisions and referrals. (Accident Account-State, Medical Aid Account-State)
16. **Residential Construction** - Funding is provided to implement E2SHB 1393 (Residential Construction). This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item). (General Fund-State, Accident Account-State, Medical Aid Account-State)
17. **Health Care Admin Procedures** - Funding is provided to implement Chapter 298, Laws of 2009 (2SSB 5346). The legislation requires the Department to cooperate with the Insurance Commissioner and adopt the processes and guidelines to streamline health care administration. (Accident Account-State, Medical Aid Account-State)
18. **Stop Work Orders** - Funding is provided to implement Chapter 196, Laws of 2009 (SSB 5613 - Stop Work Orders). (Accident Account-State, Medical Aid Account-State)
19. **Registered Domestic Partners** - Funding is provided to implement Chapter 521, Laws of 2009 (E2SSB 5688 - Registered Domestic Partners). The legislation requires the Department to treat state-registered domestic partners the same as married spouses. The Department will extend benefits to domestic partners related to the workers' compensation program and the crime victims' compensation program. (Accident Account-State, Accident Account-Non-Appropriated, Medical Aid Account-State)
20. **Apprenticeship Utilization** - Funding is provided to implement Chapter 197, Laws of 2009 (ESSB 5873). The legislation increases the apprenticeship hours required for public works projects at the state's institutions of higher education. Contractors found to be out of compliance with apprenticeship

Department of Labor and Industries

laws will not be allowed to bid on public works contracts.
(Accident Account-State, Medical Aid Account-State)

information about this item is provided in Agency 713 - State
Employee Compensation Adjustments. (various funds)

21. **Residential Real Property** - Funding is provided to implement E2SSB 5895 (Residential Real Property). This bill did not pass the Legislature. The legislation would require the Department to collect a \$100 fee at the time of contractor registration, collect additional information from contractor applications, revoke registration if the Department obtains information about contractor violations in another state and would require contractors to notify the Department when bankruptcy is filed. The Governor vetoed this appropriation (see Governor Veto Item).
22. **Retrospective Rating Plans** - Funding is provided to implement ESSB 6035 (Rating Plans). This bill did not pass the Legislature. The legislation would require the Department to make changes to the retrospective rating program requirements for how sponsoring entities or associations use retrospective rating refunds. The Governor vetoed this appropriation (see Governor Veto item). (Accident Account-State, Medical Aid Account-State)
23. **Retrospective Rating Plan Recommend** - Funding is provided for the Department to contract with an actuarial firm to assess and validate the impact of the recommendations from the 2007-09 Retrospective Rating Plan study. (Accident Account-State)
24. **Underground Economy** - Funding is provided to implement Chapter 432, Laws of 2009 (SHB 1555 - Underground Economy). (Accident Account-State, Medical Aid Account-State)
25. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates. (General Fund-State, Electrical License Account-State, Accident Account-State, Medical Aid Account-State)
26. **Governor Veto** - The Governor vetoed Section 218 (12), (13), and (14) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which appropriated \$1.7 million for residential real property, retrospective rating plans, and residential construction.
27. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
28. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,888	0	3,888
2009 Supplemental *	-75	0	-75
Total 2007-09 Biennium	3,813	0	3,813
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2009-11 Maintenance Level	4,104	0	4,104
Policy Changes - Non-Comp			
1. Governor-Directed Freeze	-236	0	-236
Policy -- Non-Comp Total	-236	0	-236
Policy Changes - Comp			
2. Employee Health Insurance	15	0	15
3. Actuarial Method Changes-State	-53	0	-53
Policy -- Comp Total	-38	0	-38
<hr/>			
Total 2009-11 Biennium	3,830	0	3,830
Fiscal Year 2010 Total	1,913	0	1,913
Fiscal Year 2011 Total	1,917	0	1,917

Comments:

1. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.

2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	29,055	81,827	110,882
2009 Supplemental *	-1,484	1,378	-106
Total 2007-09 Biennium	27,571	83,205	110,776
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2009-11 Maintenance Level	24,011	87,643	111,654
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-822	0	-822
2. Eastern WA Cemetery Opening	261	381	642
3. Federal Stimulus Package - FMAP Inc	-1,610	1,610	0
4. Vulnerable Children Outreach-King	0	150	150
5. Reducing Administrative Projects	-210	0	-210
6. Federal Funding from GI Bill Change	-1,000	0	-1,000
7. Veterans Innovation Program	0	500	500
8. Orting Phone System Replacement	200	0	200
9. Transitional Housing Expansion	-412	659	247
Policy -- Non-Comp Total	-3,593	3,300	-293
Policy Changes - Comp			
10. Employee Health Insurance	121	394	515
11. Actuarial Method Changes-State	-416	-1,221	-1,637
Policy -- Comp Total	-295	-827	-1,122
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Total 2009-11 Biennium	20,123	90,116	110,239
Fiscal Year 2010 Total	10,436	44,530	54,966
Fiscal Year 2011 Total	9,687	45,586	55,273

Comments:

1. **Admin Consolidations & Efficiencies** - Funding is reduced to reflect administrative savings and efficiencies.
2. **Eastern WA Cemetery Opening** - Funding is provided for the Eastern Washington Veterans Cemetery which will start operation on Memorial Day 2010. (General Fund-State, General Fund-Federal, Veterans Stewardship Account-Non-Appropriated)
3. **Federal Stimulus Package - FMAP Inc** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides a one-time enhancement to the state's Federal Medical Assistance Percentage (FMAP). This reduces the state-funded portion of FMAP programs. The average federal FMAP share for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent and from 50.12 percent to 56.53 percent for FY 2011. (General Fund-State, General Fund-Federal)
4. **Vulnerable Children Outreach-King** - Local spending authority is provided for the Operation Military Kids initiative in King County that will assist school districts in identifying children whose families are affected by deployment. It will offer school staff in-service training and counseling to children and parents in those families. (General Fund-Private/Local)
5. **Reducing Administrative Projects** - Funding is eliminated for a temporary staff position assigned to work on projects such as the Veterans Policy Academy and long-term planning for the Orting Soldiers' Home campus.
6. **Federal Funding from GI Bill Change** - Funding is reduced to reflect savings as a result of a federal change to federal education benefits available through the GI Bill. Currently, Veteran Conservation Corps participants may receive a stipend of \$1,000 per month. The U.S. Department of Veterans' Affairs new GI Bill will include monthly stipends for eligible veterans. The Department will maintain the program at current levels with less state funding.
7. **Veterans Innovation Program** - Funding is provided for the continued support of the Veterans Innovation Program. (Veterans Innovation Account-Non-Appropriated)
8. **Orting Phone System Replacement** - Funding is provided for the replacement of the Orting veterans' home phone system which has experienced failure over the last year.
9. **Transitional Housing Expansion** - Funding is provided to expand the homeless veterans transitional housing facility at Retsil from 40 beds to 60 beds. This facility provides temporary shelter and employment assistance to veterans.

Department of Veterans' Affairs

(General Fund-State, General Fund-Federal, General Fund-Private/Local)

10. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
11. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Home Care Quality Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,452	0	3,452
2009 Supplemental *	-194	0	-194
Total 2007-09 Biennium	3,258	0	3,258
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2009-11 Maintenance Level	3,457	0	3,457
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-195	0	-195
2. Close Registry Sites	-545	0	-545
3. Consumer Training Reduction	-60	0	-60
4. Eliminate Peer Mentor Program	-192	0	-192
Policy -- Non-Comp Total	-992	0	-992
Policy Changes - Comp			
5. Employee Health Insurance	3	0	3
6. Actuarial Method Changes-State	-18	0	-18
Policy -- Comp Total	-15	0	-15
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Total 2009-11 Biennium	2,450	0	2,450
Fiscal Year 2010 Total	1,229	0	1,229
Fiscal Year 2011 Total	1,221	0	1,221

Comments:

1. **Admin Consolidations & Efficiencies** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
2. **Close Registry Sites** - Funding for Individual Provider (IP) registry sites is reduced. Currently, the Home Care Quality Authority manages 14 registry sites that are responsible for the registry and referral of 3,000 IPs. About 3,500 requests are made by clients for IP referrals each year. Typically, the clients that use the registry are higher acuity clients with few informal supports that prefer to manage their own care. The registry helps clients find IPs based on personal care needs, personal preferences, geographic location, language, and preferences on schedule. The Registry Coordinator makes sure that all IPs on the registry have completed an interview with the Registry Coordinators and passed the background checks. They also make sure all IP personal contact information is updated. This reduction is expected to close three or four registry sites.
3. **Consumer Training Reduction** - Funding for consumer training is reduced.
4. **Eliminate Peer Mentor Program** - The peer mentor program run by the Home Care Quality Authority is eliminated.
5. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
6. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Health

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	264,369	769,075	1,033,444
2009 Supplemental *	-9,940	10,619	679
Total 2007-09 Biennium	254,429	779,694	1,034,123
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2009-11 Maintenance Level	293,410	795,686	1,089,096
Policy Changes - Non-Comp			
1. Storman's Litigation	0	672	672
2. Eliminate Senior Falls Program	-750	0	-750
3. Eliminate Cord Blood Pilot Project	-300	0	-300
4. Eliminate Rare Blood and Marrow	-200	0	-200
5. Eliminate Lead Poisoning Screening	-576	0	-576
6. Reduce State Family Planning Grants	-4,000	0	-4,000
7. Cap HIV Early Intervention Program	-1,000	0	-1,000
8. Reduce Group B Water Standards	-1,160	0	-1,160
9. Reduce Health Directive Registry	-282	0	-282
10. Reduce State WIC Funds	-1,015	0	-1,015
11. Reduce Poison Control Center	-1,500	0	-1,500
12. Reduce Drug Lab Cleanup Assistance	-136	0	-136
13. Reduce AIDSNETS Grants	-1,067	0	-1,067
14. Pesticide Incident Reporting	-842	0	-842
15. Suspend Health Impact Review Funds	-238	0	-238
16. Reduce Office of EMS	-500	0	-500
17. Reduce Office of Rural Health	-300	0	-300
18. Reduce Tobacco Prevention Funds	0	-22,000	-22,000
19. Health Care Assistants	0	100	100
20. Medical Commission Staffing	0	764	764
21. Emergency Preparedness State Match	0	917	917
22. Birth Certificates	12	67	79
23. Reduce Hlth Care Construction Cost	0	1,280	1,280
24. Dental License Issuance	0	42	42
25. Retired Active Physicians	0	23	23
26. Human Trafficking	0	31	31
27. Dentists Cost Recovery	0	282	282
28. Speech Language Assistants	0	106	106
29. Colon Screening	-1,700	0	-1,700
30. Suspend Collaboratives Pilot	-953	0	-953
31. Vaccine Program Transition	-55,300	6,800	-48,500
32. Reduce Public Health Enhancement	-20,000	16,000	-4,000
33. Miscarriage Management	-708	0	-708
34. Midwifery Fees	115	0	115
35. Drinking Water Stimulus Funding	0	3,338	3,338
36. HIV and Syphilis Testing	694	0	694
37. Homecare Training	86	-2,676	-2,590
38. Governor-Directed Freeze	-5,695	0	-5,695
39. Governor-Directed 1% Cut	-2,064	0	-2,064
Policy -- Non-Comp Total	-99,379	5,746	-93,633
Policy Changes - Comp			
40. Employee Health Insurance	316	920	1,236
41. Actuarial Method Changes-State	-1,299	-3,696	-4,995
Policy -- Comp Total	-983	-2,776	-3,759
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Total 2009-11 Biennium	193,048	798,656	991,704
Fiscal Year 2010 Total	108,879	399,001	507,880
Fiscal Year 2011 Total	84,169	399,655	483,824

Department of Health

Comments:

1. **Storman's Litigation** - One-time funding is provided for litigation related to Board of Pharmacy dispensing rules. (Health Professions Account-State)
2. **Eliminate Senior Falls Program** - The Senior Falls Prevention Program combines education, exercise, and risk identification and reduction to reduce the risk of falls among seniors. Funding provided in the 2008 supplemental budget to support the participation of four counties in this demonstration pilot is eliminated.
3. **Eliminate Cord Blood Pilot Project** - Funding for increasing cord blood collection activities is discontinued. The funding had been provided in the 2008 supplemental budget to support a pilot project to expand cord blood collection practices in Eastern Washington to increase diversity in the cord blood banking system.
4. **Eliminate Rare Blood and Marrow** - Funding provided in the 2008 supplemental budget to increase outreach efforts to achieve a more ethnically diverse blood and bone marrow supply is eliminated.
5. **Eliminate Lead Poisoning Screening** - Funding for education and screening activities related to elevated blood lead levels, particularly in children under six, is eliminated.
6. **Reduce State Family Planning Grants** - Enhanced funding provided during the 2007-09 biennium for family planning clinics and local health jurisdictions to provide family planning services is reduced by 10 percent for FY 2010 and 70 percent for FY 2011 in anticipation of increased federal funding to support Medicaid-eligible clients through the Department of Social and Health Services.
7. **Cap HIV Early Intervention Program** - The HIV Early Intervention Program, which pays for certain HIV-related medications and medical care, as well as assistance with insurance premiums for specific HIV-positive individuals, is capped at 98 percent of current expenditures.
8. **Reduce Group B Water Standards** - Funding to local health jurisdictions for Group B drinking water systems (those which provide drinking water to between 2 and 14 households and serve less than 25 people per day) is eliminated.
9. **Reduce Health Directive Registry** - Funding is reduced for outreach activities associated with the Living Will Registry, established pursuant to Chapter 108, Laws of 2006 (2SHB 2342). The Registry allows individuals to submit their advance directives to a statewide database that can be accessed by health care providers. The Registry will continue at a level to support basic entry functions and the current contract level.
10. **Reduce State WIC Funds** - State funding support for administrative functions of the federal Women, Infants, and Children (WIC) program is reduced.
11. **Reduce Poison Control Center** - State funding for the statewide poison and drug information service is reduced. The Poison Control Center is encouraged to explore long-term alternative funding and efficiency options, including the regionalization of services with other poison control agencies, as well as short-term options through public safety services funds that may become available through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.
12. **Reduce Drug Lab Cleanup Assistance** - Funding for technical assistance to local health jurisdictions for the assessment and cleanup of contamination at properties used as clandestine drug laboratories is decreased to reflect a reduction in workload.
13. **Reduce AIDSNETS Grants** - Funding for the six regional AIDS networks (AIDSNETS) is reduced by 7 percent of total expenditures. The AIDSNETS conduct planning activities for coordinating community services for individuals who are HIV-positive or have AIDS.
14. **Pesticide Incident Reporting** - Funding for pesticide investigations conducted by the Department of Health (DOH) is reduced. DOH is directed to continue the duties of the Pesticide Incident Reporting and Tracking review panel within existing appropriations.
15. **Suspend Health Impact Review Funds** - Chapter 239, Laws of 2006 (2SSB 6197), established a program for the State Board of Health to conduct reviews of budget and policy proposals for their expected impact on health disparities facing certain populations in Washington. The program has had fewer requests than anticipated. Funding for conducting the reviews is suspended for the duration of the 2009-11 biennium, and the cost of conducting the reviews during that period shall be absorbed by the Board.
16. **Reduce Office of EMS** - Funding for the Office of Emergency Medical Services (EMS) and Trauma Systems is reduced, and the reductions shall be managed through administrative efficiencies and reductions to community activities and support.
17. **Reduce Office of Rural Health** - Funding for the Office of Community and Rural Health is reduced, and DOH will manage reductions through administrative efficiencies and reductions to community activities and support.
18. **Reduce Tobacco Prevention Funds** - DOH's expenditure authority for tobacco prevention and awareness activities is reduced to the level of actual spending in FY 2008. Funding for tobacco prevention public awareness campaigns, such as television and radio advertisements, is suspended during the 2009-11 biennium. The program is directed to identify additional savings through administrative and programmatic reductions, and these funding reductions are one-time. (Tobacco Prevention and Control Account-State)

Department of Health

19. **Health Care Assistants** - Funds are provided to implement Chapter 43, Laws of 2009 (SHB 1414), which expands the scope of practice of health care assistants to include administering certain medications. (Health Professions Account-State)
20. **Medical Commission Staffing** - Funding is provided to the Medical Quality Assurance Commission to maintain disciplinary staff and associated costs sufficient to reduce the backlog of disciplinary cases and to continue to manage the disciplinary caseload of the Commission. (Health Professions Account-State)
21. **Emergency Preparedness State Match** - The Public Health Emergency Preparedness and Response Program allows for the preparation and response to major acute threats and emergencies, including terrorism, that impact human health. This program is funded through the U.S. Department of Health and Human Services. The federal Pandemic and All Hazards Preparedness Act now requires grantees to match federal funding allocations in order for the federal funding to continue. Funding is provided for the necessary 5 percent state match for FY 2010. (Emergency Medical Services and Trauma Care Systems Trust Account-State)
22. **Birth Certificates** - Funding is provided to implement Chapter 44, Laws of 2009 (SHB 1510), relating to the disclosure of confidential information on birth certificates. (General Fund-State, General Fund Private/Local)
23. **Reduce Hlth Care Construction Cost** - DOH's Construction Review Services program is responsible for the review of all health facility construction plans in Washington. Funding is provided for staff to account for increases in the number of plans submitted to DOH. (General Fund-Private/Local)
24. **Dental License Issuance** - Funding is provided to implement Chapter 327, Laws of 2009 (SHB 1740), which allows for limited dental licenses for dental residents. (Health Professions Account-State)
25. **Retired Active Physicians** - Funding is provided to implement Chapter 403, Laws of 2009 (2SHB 1899), which exempts certain retired active physicians from the payment of licensing fees. (Health Professions Account-State)
26. **Human Trafficking** - One-time funding is provided for the implementation of Chapter 492, Laws of 2009, Partial Veto (E2SSB 5850), to deter human trafficking. (Health Professions Account-State)
27. **Dentists Cost Recovery** - Funding is provided to implement Chapter 177, Laws of 2009 (SSB 5752), which allows DOH to perform additional cost recovery in disciplinary procedures against dentists. (Health Professions Account-State)
28. **Speech Language Assistants** - Funding is provided pursuant to Chapter 301, Laws of 2009 (ESSB 5601), which requires DOH to create a Speech-Language Pathology Assistants credential. (Health Professions Account-State)
29. **Colon Screening** - The Washington Colon Health Program provides free colorectal cancer exams to individuals between ages 50 and 64 who are below 250 percent of the federal poverty level. Funding initially provided in the 2008 supplemental budget to support the loss of federal funding to the Washington Colon Health Program and to expand the program from three counties to nine is reduced to support a pilot program in one county.
30. **Suspend Collaboratives Pilot** - Funding provided in accordance with Chapter 295, Laws of 2008 (E2SHB 2549), to establish a medical home collaborative pilot project is discontinued.
31. **Vaccine Program Transition** - State funding for universal coverage of the human papillomavirus (HPV) vaccine is discontinued effective July 1, 2009. Federal 317 Direct Assistance (DA) funds may be used to cover this vaccine for low-income children in state funded programs that are not eligible for Medicaid. State funding to support the universal purchase program for all other vaccines will be discontinued as of May 1, 2010, or earlier if state funds are exhausted before this date. Washington State will then transfer to "VFC + Underinsured" status which will allow federal Vaccines for Children (VFC) and 317 DA funds to cover low-income children in Medicaid and other state-funded health care programs. DOH will use existing 317 DA funds as well as those that come available per the American Recovery and Reinvestment Act of 2009, the federal stimulus act, to provide continued coverage of those low-income children who do not qualify for the VFC program. (General Fund-State, General Fund-Federal)
32. **Reduce Public Health Enhancement** - In the 2007-09 biennial budget, \$20 million was provided to local health jurisdictions to be spent on core public health functions of statewide significance as defined in Chapter 259, Laws of 2007, Partial Veto (E2SSB 5930). Funding for those purposes is decreased. (General Fund-State, Tobacco Prevention and Control Account-State)
33. **Miscarriage Management** - Funding provided during the 2008 legislative session to support training and residency programs to manage early pregnancy loss in office-based settings is reduced. Sufficient one-time funding is provided to complete training for two family practice residencies.
34. **Midwifery Fees** - One-time funding is provided to maintain the fees charged to midwives for initial and renewed licenses to \$450 per year for the 2009-11 biennium.
35. **Drinking Water Stimulus Funding** - The Drinking Water Program is authorized to spend funds associated with conducting administrative and technical assistance activities pursuant to the allowable purposes of the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (Drinking Water Assistance-Federal)

Department of Health

36. **HIV and Syphilis Testing** - In Washington, new infections of HIV and syphilis are concentrated in King County. Local health jurisdictions offer testing for syphilis and HIV, and most send their specimens to the Washington State Public Health Laboratories for testing. King County has historically done most testing for these diseases in their own laboratories but will no longer do so beginning in June 2009. The public health laboratory can absorb 30 percent of additional HIV and syphilis test requests expected from King County, so funding is provided to cover the other 70 percent of tests.
37. **Homecare Training** - Initiative 1029, passed by voters in November 2008, adds additional basic training, continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (ESSB 6180). Funding is provided for the development of the training infrastructure (rules, procedures, information technology systems, staffing, and curriculum development) and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)
38. **Governor-Directed Freeze** - In August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium.
39. **Governor-Directed 1% Cut** - In October 2008, the Governor directed agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium.
40. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
41. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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Department of Corrections

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,754,943	11,123	1,766,066
2009 Supplemental *	16,723	-216	16,507
Total 2007-09 Biennium	1,771,666	10,907	1,782,573
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2009-11 Maintenance Level	1,904,431	11,071	1,915,502
Policy Changes - Non-Comp			
1. Home Detention for Violators	-11,129	0	-11,129
2. Offender Deportation	-8,326	-1,352	-9,678
3. Reduce Offender Re-Entry	-10,624	2,336	-8,288
4. Utilize Auto Theft Prev Acct Funds	-4,000	4,000	0
5. Reduce Sentence Lengths	-18,937	0	-18,937
6. Dept of Labor Litigation	327	0	327
7. Increased DOSA Beds	-3,434	0	-3,434
8. Housing Voucher for ERD	-4,090	0	-4,090
9. Eliminate Neighborhood Partnership	-337	0	-337
10. Supervision of Offenders	-28,901	0	-28,901
11. Offender Medical Placement	-1,948	0	-1,948
12. Fiscal Stabilization Block Grant	-182,433	182,433	0
13. Facility/Unit Reduction	-12,000	0	-12,000
14. Health Services Staffing	738	0	738
15. Crimes Against Property	-4,360	0	-4,360
16. Training of Corrections Staff	-100	0	-100
17. Second Chance Reentry Grant	375	750	1,125
18. Security Threat Mitigation	-1,200	1,200	0
19. Sentence Discretion	-375	0	-375
20. DIS Rate Reductions	-1,402	0	-1,402
21. Governor-Directed 1% Cut	-14,770	0	-14,770
Policy -- Non-Comp Total	-306,926	189,367	-117,559
Policy Changes - Comp			
22. Employee Health Insurance	7,524	3	7,527
23. Actuarial Method Changes-State	-24,296	-12	-24,308
Policy -- Comp Total	-16,772	-9	-16,781
<hr/>			
Total 2009-11 Biennium	1,580,733	200,429	1,781,162
Fiscal Year 2010 Total	710,348	192,404	902,752
Fiscal Year 2011 Total	870,385	8,025	878,410

Comments:

1. **Home Detention for Violators** - Funding is reduced by offering home detention instead of jail as an alternative sanction for community custody violators. The savings are based on the assumption that 25 percent of violators in jails would be sanctioned to home detention instead of jail. The savings from reduced demand for jail beds exceeds the increased costs associated with supervision of offenders in the community.
2. **Offender Deportation** - Savings are attributed to deporting all non-citizen drug and property offenders, consistent with the provisions of SHB 2188/ESB 6183 (Illegal Alien Offenders). The proposal assumes that all qualifying non-citizen offenders are deported in FY 2010 and that qualifying newly-sentenced non-citizen offenders are deported as soon as they come to

prison. Note: Neither bill passed during the 2009 regular session of the Legislature.

3. **Reduce Offender Re-Entry** - Funding is reduced for the Offender Re-Entry Programs. Funding was provided as part of the 2007-09 biennial budget for additional re-entry programs. The total funding provided for the 2009-11 biennium will continue evidence-based programs such as chemical dependency treatment, basic education, vocational education, and mental health services. (General Fund-State, General Fund-Local)
4. **Utilize Auto Theft Prev Acct Funds** - Funding from the Washington Auto Theft Prevention Account is shifted to the Department of Corrections (DOC). (Washington Auto Theft Prevention Account-State)

Department of Corrections

5. **Reduce Sentence Lengths** - Funding is reduced to reflect savings created by Chapter 375, Laws of 2009, Partial Veto (ESSB 5288). The bill replaces community custody ranges with fixed terms of 36 months for sex offenders and those convicted of a serious violent offense, 18 months for offenders convicted of a violent offense that is not a serious violent offense, and 12 months for other offenses; periods of community custody for certain special offender sentencing alternatives remain unchanged.
6. **Dept of Labor Litigation** - One-time funding is provided to the Attorney General's Office to respond to United States Department of Labor complaints regarding possible violations of the Fair Labor Standards Act at DOC and the Department of Social and Health Services. A portion of this funding will be used to engage the services of a Special Assistant Attorney General for a detailed investigation of timekeeping practices at the client agencies.
7. **Increased DOSA Beds** - Savings are assumed for an additional 115 Drug Offender Sentencing Alternative (DOSA) beds. The savings from reduced demand for prison beds exceeds the increased costs associated with supervision of offenders in the community.
8. **Housing Voucher for ERD** - Some offenders in DOC are held beyond their Earned Release Date (ERD) due to the lack of an approved release plan. Most often the release plans are not approved due to the lack of housing. Funding is reduced to reflect a policy of providing housing vouchers of \$15 per day and/or partial confinement for offenders who have passed their ERD and who do not have an approved release plan due to a lack of housing. The savings from reduced demand for prison beds exceeds the increased costs associated with supervision of offenders in the community.
9. **Eliminate Neighborhood Partnership** - Funding is reduced to reflect savings from eliminating the neighborhood partnership program. The program funded five community corrections officers to work in partnership with local law enforcement officers.
10. **Supervision of Offenders** - The budget assumes savings associated with Chapter 375, Laws of 2009, Partial Veto (ESSB 5288). Funding is reduced to reflect savings from the elimination of community supervision for misdemeanor offenders, except sex offenders and certain other misdemeanor offenders, and to reflect savings from discontinuing supervision of offenders assessed as low-risk offenders, excluding sex offenders.
11. **Offender Medical Placement** - DOC will implement a policy of early release for offenders who are chronically or terminally ill consistent with Chapter 441, Laws of 2009 (EHB 2194). Offenders serving time on violent or sex offense charges are not eligible for release. DOC expects to release 44 inmates during the 2009-11 biennium to an Extraordinary Medical Placement in the community. Savings from no longer serving these individuals in DOC is used to pay for long-term care placements and medical services in the community.
12. **Fiscal Stabilization Block Grant** - Funds provided in the American Recovery and Reinvestment Act of 2009, the federal stimulus act, are used to offset reductions which would have otherwise been required in the state operating budget.
13. **Facility/Unit Reduction** - Savings are taken to reflect anticipated institution closure as a result of the study of the feasibility of closing state institutional facilities and plan on eliminating beds in the state institutional facility inventory. The study is funded in the Office of Financial Management.
14. **Health Services Staffing** - Cost control measures will be implemented and enforced in the health services program. Funding is sufficient for these functions to create cost control and utilization management functions, to monitor and enforce staffing levels, and to enable electronic payment of outside medical bills. A 35 percent reduction in outside medical services is assumed as a result of these measures.
15. **Crimes Against Property** - The budget assumes savings consistent with Chapter 431, Laws of 2009 (SB 6167). The bill increases the dollar threshold for certain property felonies. The Sentencing Guidelines Commission and DOC have projected savings in FY 2011, ranging from 62 beds and \$240,000 to 310 beds and \$4.255 million.
16. **Training of Corrections Staff** - The budget assumes savings associated with implementation of Chapter 146, Laws of 2009 (SSB 5987). The bill eliminates the requirement for DOC prison staff to obtain basic corrections officer training through the Criminal Justice Training Commission.
17. **Second Chance Reentry Grant** - Funding is provided for DOC, along with the Departments of Commerce, Veterans' Affairs, Social and Health Services, and Employment Security, to apply for the federal Second Chance Act Reentry Demonstration Grant. The state funds are to be matched by \$375,000 in in-kind services and \$750,000 in federal funding. (General Fund-State, General Fund-Federal)
18. **Security Threat Mitigation** - Federal Justice Assistance Grants funding is provided for security threat teams at Washington Corrections Center and the Washington State Penitentiary to identify offenders involved in gang relations and to mitigate the gang-related violence. (General Fund-Local)
19. **Sentence Discretion** - The budget assumes savings associated with the implementation of SSB 6160 (Sentencing Discretion). The bill expands the sentencing grid and is projected to result in prison bed savings of 12 in FY 2010, 90 in FY 2011, and 134 in FY 2012. Note: This bill did not pass in the 2009 regular session of the Legislature.
20. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates.

Department of Corrections

21. **Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
22. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
23. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Corrections

WORKLOAD HISTORY By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Community Supervision ^{(1) (2)}										
# Active (Non-Monetary) Offenders	33,831	36,765	32,685	29,190	26,466	27,057	28,212	29,093	18,781	20,163
% Change from prior year		8.7%	-11.1%	-10.7%	-9.3%	2.2%	4.3%	3.1%	-35.4%	7.4%
Work Release										
Avg Daily Population/Month	654	642	675	657	684	663	674	674	674	674
% Change from prior year		-1.8%	5.1%	-2.7%	4.1%	-3.1%	1.7%	0.0%	0.0%	0.0%
Institutions ⁽³⁾										
Avg Daily Population/Month	14,808	15,702	16,061	16,732	17,144	17,747	17,714	18,605	18,081	17,773
% Change from prior year		6.0%	2.3%	4.2%	2.5%	3.5%	-0.2%	5.0%	-2.8%	-1.7%
Average Cost Per Inmate ^{(4) (5)}										
Annual	25,447	25,924	26,736	27,193	29,055	31,071	34,043	36,340	35,393	35,503
% Change from prior year		1.9%	3.1%	1.7%	6.8%	6.9%	9.6%	6.7%	-2.6%	0.3%

⁽¹⁾ Data reflect average monthly caseloads. These data are not comparable with caseloads published in prior editions of the Legislative Budget Notes, which measured end-of-year caseloads.

⁽²⁾ Accounting issues at the Department of Corrections may have overcounted active caseloads.

⁽³⁾ For FY 2004 through FY 2009, institutional counts include beds rented from other jurisdictions.

⁽⁴⁾ The FY 2005 average cost per inmate does not include funds paid toward the Stamey and Arrasmith lawsuit settlements.

⁽⁵⁾ FY 2005 through FY 2009 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center, the Washington State Penitentiary, the Coyote Ridge Correctional Center, the Cedar Creek Correctional Center, the Larch Correctional Center, or the Mission Creek Corrections Center for Women

Data Sources :

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

Department of Services for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	5,174	19,445	24,619
2009 Supplemental *	-233	1,173	940
Total 2007-09 Biennium	4,941	20,618	25,559
<hr/>			
2009-11 Maintenance Level	5,293	18,940	24,233
Policy Changes - Non-Comp			
1. Federal Stimulus	0	1,173	1,173
2. Governor-Directed Freeze	-151	0	-151
Policy -- Non-Comp Total	-151	1,173	1,022
Policy Changes - Comp			
3. Employee Health Insurance	16	48	64
4. Actuarial Method Changes-State	-64	-150	-214
Policy -- Comp Total	-48	-102	-150
<hr/>			
Total 2009-11 Biennium	5,094	20,011	25,105
Fiscal Year 2010 Total	2,544	10,584	13,128
Fiscal Year 2011 Total	2,550	9,427	11,977

Comments:

1. **Federal Stimulus** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provided additional one-time funding for Vocational Rehabilitation, Independent Living, and Services for Older Individuals Who Are Blind state grants. (General Fund-Federal)

2. **Governor-Directed Freeze** - Funding is reduced to reflect continued savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Sentencing Guidelines Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	2,170	0	2,170
2009 Supplemental *	-82	0	-82
Total 2007-09 Biennium	2,088	0	2,088
<hr/>			
2009-11 Maintenance Level	2,563	0	2,563
Policy Changes - Non-Comp			
1. Administrative Reduction	-512	0	-512
2. Governor-Directed Freeze	-68	0	-68
Policy -- Non-Comp Total	-580	0	-580
Policy Changes - Comp			
3. Employee Health Insurance	9	0	9
4. Actuarial Method Changes-State	-38	0	-38
Policy -- Comp Total	-29	0	-29
<hr/>			
Total 2009-11 Biennium	1,954	0	1,954
Fiscal Year 2010 Total	978	0	978
Fiscal Year 2011 Total	976	0	976

Comments:

1. **Administrative Reduction** - Funding is reduced to reflect an administrative reduction of 20 percent.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Employment Security Department

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	342	617,809	618,151
2009 Supplemental *	-10	67,565	67,555
Total 2007-09 Biennium	332	685,374	685,706
<hr/>			
2009-11 Maintenance Level	120	592,439	592,559
Policy Changes - Non-Comp			
1. Trsf Old Age Survivors Insurance	0	-282	-282
2. Suspend Family Leave Program	0	-6,095	-6,095
3. State Choice UI Program	0	12,348	12,348
4. Next Generation Tax System	0	32,067	32,067
5. Enterprise Licensing	0	2,584	2,584
6. Evergreen Jobs Act	0	879	879
7. Administrative Reductions	-13	0	-13
8. Opportunity Internship	0	-230	-230
9. WorkForce Employment & Training	7,000	0	7,000
10. Federal Recession and Stimulus	0	93,514	93,514
11. Leaving PT Work Voluntarily	0	110	110
12. Unemployment Insurance	0	1,263	1,263
13. WorkFirst Employment & Training	0	1,484	1,484
14. Underground Economy	0	159	159
15. DIS Rate Reductions	0	-1,386	-1,386
Policy -- Non-Comp Total	6,987	136,415	143,402
Policy Changes - Comp			
16. Employee Health Insurance	0	1,594	1,594
17. Actuarial Method Changes-State	0	-5,670	-5,670
Policy -- Comp Total	0	-4,076	-4,076
<hr/>			
Total 2009-11 Biennium	7,107	724,778	731,885
Fiscal Year 2010 Total	7,054	367,413	374,467
Fiscal Year 2011 Total	53	357,365	357,418

Comments:

1. **Trsf Old Age Survivors Insurance** - Funding for the Old Age and Survivors Insurance (OASI) Program is transferred from the Employment Security Department (ESD) to the Department of Retirement Systems (DRS). Both agencies requested this transfer, as the majority of states house administration of the OASI Program within their public pension agency. Although ESD will be able to reimburse DRS for the cost to transfer and operate the program through June 30, 2009, DRS needs appropriation authority for program operations in future biennia. (General Fund-Private/Local)
2. **Suspend Family Leave Program** - Funding is removed for The Family Leave Insurance Act. Chapter 357, Laws of 2007 (E2SSB 5659), requires ESD to develop a computer system capable of accepting, processing, and paying benefits by October 1, 2009. Development of the system is suspended; Chapter 544, Laws of 2009 (ESB 6158), delayed implementation of this program until 2012. (Family Leave Insurance Account-State)
3. **State Choice UI Program** - Funding is provided for one-time costs to administer state policy-driven unemployment insurance (UI) programs. This item funds specific programs that are in place as a result of state requirements such as state monitoring of job search programs, alternative base year options, shared work programs, and other state-specific programs. (Unemployment Compensation Administration Account-Federal)
4. **Next Generation Tax System** - Funding is provided for the second phase of a project to replace the mainframe unemployment insurance tax information system (TAXIS) and its ancillary subsystems. ESD has completed the requirements and feasibility study for the computing systems supporting unemployment insurance tax. The study recommended replacement of TAXIS. (Unemployment Compensation Administration Account-Federal)
5. **Enterprise Licensing** - Funding is provided to institute an agency enterprise software licensing agreement for Microsoft products by utilizing the Department of Information Services'

Employment Security Department

- (DIS) negotiated pricing structure. (Employment Services Administrative Account-State)
6. **Evergreen Jobs Act** - Funding is provided to implement Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227 - Evergreen Jobs Act). This bill authorizes statewide workforce training agencies to give funding and outreach priority to workforce training programs that lead to a credential, certificate, degree, or apprenticeship program in green economy jobs. (Administrative Contingency Account-State, Unemployment Compensation Administration Account-Federal)
 7. **Administrative Reductions** - Funding for General Fund-State programs is reduced. Reductions will be made at the discretion of the Department.
 8. **Opportunity Internship** - Federal Workforce Investment Act statewide discretionary funds available for disadvantaged youth under the American Recovery and Reinvestment Act of 2009, the federal stimulus act, are transferred to the Workforce Training and Education Coordinating Board to implement Chapter 238, Laws of 2009 (2SHB 1355). (General Fund-Federal)
 9. **WorkForce Employment & Training** - Funding is provided to implement Chapter 566, Laws of 2009, Partial Veto (E2SSB 5809 - Workforce Employment and Training). This bill provides that funds be used to create incentives for education and training for certain individuals who are enrolled in training for high-demand occupations.
 10. **Federal Recession and Stimulus** - As part of the American Recovery and Reinvestment Act of 2009, the federal stimulus act, the state is anticipated to receive \$93,514,000 in unemployment stimulus and recession funding for increased unemployment rates. This item increases the Department's federal authority. (General-Fund Federal, Unemployment Compensation Administration Account-Federal)
 11. **Leaving PT Work Voluntarily** - Expenditure authority is provided to implement Chapter 247, Laws of 2009 (SB 5804). The legislation provides for circumstances in which quitting part-time (PT) employment does not disqualify an individual from receiving unemployment benefits for a subsequent loss of full-time employment. Funding is for one-time information technology costs for staff to complete systems analysis, business requirements, application and technical design, construction, testing, and implementation. (Unemployment Compensation Administration Account-Federal)
 12. **Unemployment Insurance** - Funding is provided to implement Chapter 493, Laws of 2009 (SSB 5963 - Unemployment Insurance). The legislation addresses the potential conformity issue with federal law by altering the present provisions to "pay benefits at 2 quarter averaging, charge benefits at 4 quarter averaging." Funding is for information technology costs, tax rate adjustments, communications, and rule making. (Unemployment Compensation Administration Account-Federal)
 13. **WorkFirst Employment & Training** - Funding is transferred to the Economic Services Administration of the Department of Social and Health Services for the WorkFirst program to fund employment and training activities for unemployed persons participating in WorkFirst. (Administrative Contingency Account-State, Unemployment Compensation Administration Account-Federal)
 14. **Underground Economy** - Funding is provided for the implementation of Chapter 432, Laws of 2009 (SHB 1555 - Underground Economy). The bill implements some of the recommendations of the Underground Economy Task Force. (Unemployment Compensation Administration Account-Federal)
 15. **DIS Rate Reductions** - This item reflects a decrease in the DIS central service rates. (General Fund-Federal, General Fund-Local, Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State, Employment Services Administrative Account-State)
 16. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
 17. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

Natural Resources

Environmental Protection

Toxic Cleanup

Approximately \$7.4 million in state funds are provided for toxic abatement and cleanup by the Department of Ecology (DOE) including \$4.5 million for cleanup at sites that will be paid for by potentially liable parties and for pre-paid remediation technical assistance and oversight work of cleanup in collaboration with the City and Port of Tacoma and several oil companies. In addition, \$1.9 million is provided for costs associated with cleanup at the U.S. Department of Energy's Hanford Site.

Standby Emergency Response Tug

A total of \$3.6 million in state funds is provided in fiscal year 2010 for a standby rescue tug stationed at Neah Bay to reduce the risk of a destructive oil spill. Beginning in fiscal year 2011, a permanent, industry-funded tug will be provided as a result of Chapter 11, Laws of 2009 (ESSB 5344), which was signed into law by the Governor on March 24, 2009.

Climate Change

A total of \$1.3 million in state funds is provided for climate change initiatives. The sum of \$696,000 will be used for ongoing support of the emissions report program enacted in 2008, pursuant to Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560); and \$612,000 from the state general fund will support development of a comprehensive and coordinated climate change adaptation strategy and establishment of state agency climate leadership goals.

Savings

A total of \$6.0 million in savings is achieved in DOE by: reducing spending by \$2.0 million for public participation grants that support public involvement in monitoring the cleanup of contaminated sites and pollution prevention through waste reduction and elimination; and an additional \$4.0 million in state funds are transferred from the Waste Reduction and Recycling Account to the state general fund by reducing litter pick-up activities throughout the state.

Water Resources and Watershed Protection

Puget Sound Shorelines

Pursuant to a negotiated legal settlement in 2003, \$3.6 million in one-time funding is provided to DOE to support the update of local shoreline master programs for the protection of shoreline habitat and water quality that affect Puget Sound health.

Water Discharge Fees

Pursuant to Chapter 249, Laws of 2009 (SHB 1413), DOE is authorized to increase, by three cents per month, the annual fee charged to municipalities for domestic wastewater facility permits and to raise all other permit fees by the fiscal growth factor during the 2009-11 biennium. Revenue is anticipated to be approximately \$3.2 million per biennium and will allow the Department to recover the costs of administering the National Pollution Discharge Elimination System as required by the federal Clean Water Act.

Water Adjudication and Management

A total of \$878,000 from the state general fund is provided to DOE in order to begin the adjudication process of water rights in the Spokane area and for the ongoing management of groundwater exempt wells in Kittitas County.

Savings

Approximately \$9.7 million in state general fund savings are achieved by reducing grants and technical assistance to local groups for watershed planning. DOE will prioritize the allocation of remaining funds to assist groups that are ready to implement their watershed plans. Additional savings are achieved by removing funding for a watershed data pilot project, a water adjudication feasibility study, and water resource-related data collection. A one-time reduction in funding for water rights processing will also produce savings and the remaining resources will be concentrated in watershed basins where the greatest impact can be realized.

State Parks

Continued Operation and Maintenance of State Parks

Chapter 512, Laws of 2009 (SHB 2339), facilitates a voluntary five dollar donation at the time of vehicle registration initial applications or renewals. Revenue from this program is estimated to be \$26.0 million for the 2009-11 biennium, which will allow state parks to remain open and will produce an additional \$1.7 million investment to address ongoing maintenance needs such as camp site improvements; dock and boat launch maintenance; fencing, signage, and trail improvements. Funds collected from this source will be used solely for the operation and maintenance of state parks.

Savings

Approximately \$5.5 million in state general fund savings are achieved by closing one regional office, decreasing the subsidy of concession revenue, reducing funding for equipment replacement and maintenance, and the reduction of electricity usage and other expenditures associated with the seasonal closure of parks to be determined by the Commission.

Land and Species Management

Fish and Wildlife Management

Approximately \$10.0 million in new revenue to support the Washington Department of Fish and Wildlife (WDFW) is anticipated via Chapter 333, Laws of 2009, Partial Veto (SHB 1778), from various changes made to hunting and fishing regulations, including allowing recreational anglers to purchase a stamp for fishing with two poles and a 10 percent transaction fee increase for the 2009-11 biennium on all recreational licenses, permits, tags, stamps, or raffles.

This new revenue will backfill an anticipated shortfall in the State Wildlife Account. In addition, approximately \$1.2 million in state funds are provided to: enhance recreational shellfish opportunities; provide enhancements to permanent and temporary pheasant habitat in Grant, Franklin, and Adams Counties; and disseminate information about grizzly bears in the North Cascades.

Hatcheries

WDFW is authorized to dispose of the following hatcheries, within the constraints of legally binding tribal agreements if sufficient new revenues are not identified to continue operations: McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock. Any proceeds from sales, leases, reversion, or transfer of ownership will be deposited in the State Wildlife Account.

The sum of \$294,000 in state funds are appropriated to WDFW to implement the Hatchery Scientific Review Group's (HSRG's) priority recommendations to improve the protection of wild salmon through modifications to hatchery programs, including the collection of wild fish stocks and the development of recovery indicators for salmon and steelhead populations.

Additionally, prior to developing 2011-13 biennial operating and capital budget requests, WDFW is directed to contract with HSRG to review them.

Land Management

A total of \$1.1 million in state funds are provided to the Department of Natural Resources (DNR) to expand silvicultural activities on state lands. This funding equalizes the harvest rate on agricultural lands with other school trusts and produces additional revenue for the school trusts. In addition, \$487,000 is provided to the Department of Agriculture (Ag) to eradicate spartina, an invasive aquatic weed, in Willapa Bay.

Savings

A total of \$22.7 million in state general fund savings are achieved through a variety of reductions as follows:

- \$10.2 million is saved by reducing DNR's forest practices technical assistance, Geology program staffing and studies, forest health implementation, access to natural resources areas and a reduction of funding provided to local governments via Ag to combat invasive weeds.
- \$6.7 million is saved in WDFW by reducing hunter and other outreach and educational programs, by reducing the collection of harvest and non-harvest related data, and by reducing the number of enforcement officers.
- \$3.7 million is decreased due to efficiencies anticipated in the DNR's preparedness and emergency fire suppression activities and by reducing the Department's Correctional Camps program.
- \$2.1 million is decreased in WDFW by reducing technical assistance, including policy development and negotiation, to improve opportunities for fish, wildlife, and habitat protection.

General Reductions and Efficiencies

Approximately \$28.3 million in additional state general fund savings are achieved by general administrative reductions and efficiencies, including:

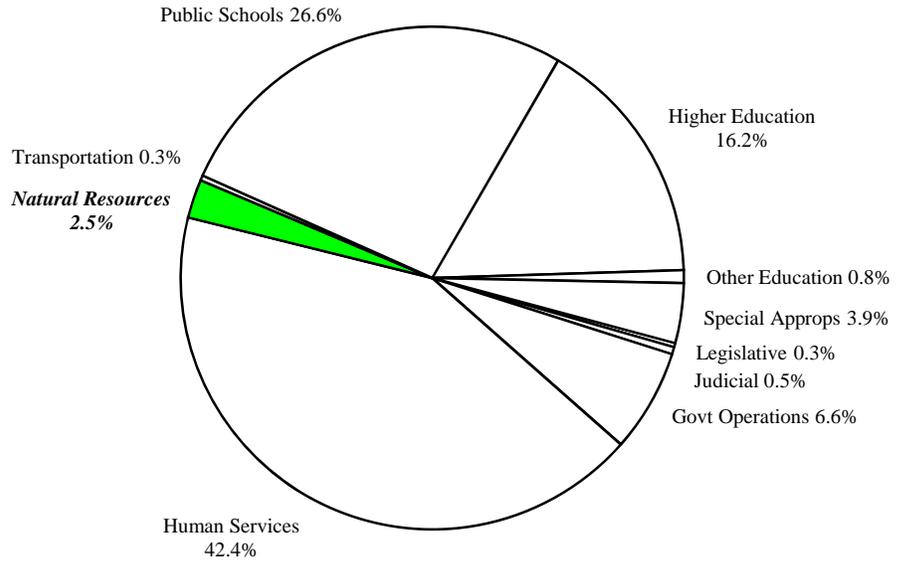
- Reducing funding for the Business Services Division at WDFW (\$3.8 million);
- Reducing the state general fund subsidization of fee-based programs in Ag (\$1.2 million);
- Reducing communication funding for the Puget Sound Partnership (PSP) (\$500,000);
- Transferring the Puget Sound Monitoring Consortium from DOE to PSP (\$400,000); and
- Reduced funding for Resource Conservation Districts and for lead entities involved in salmon recovery (\$340,000).

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

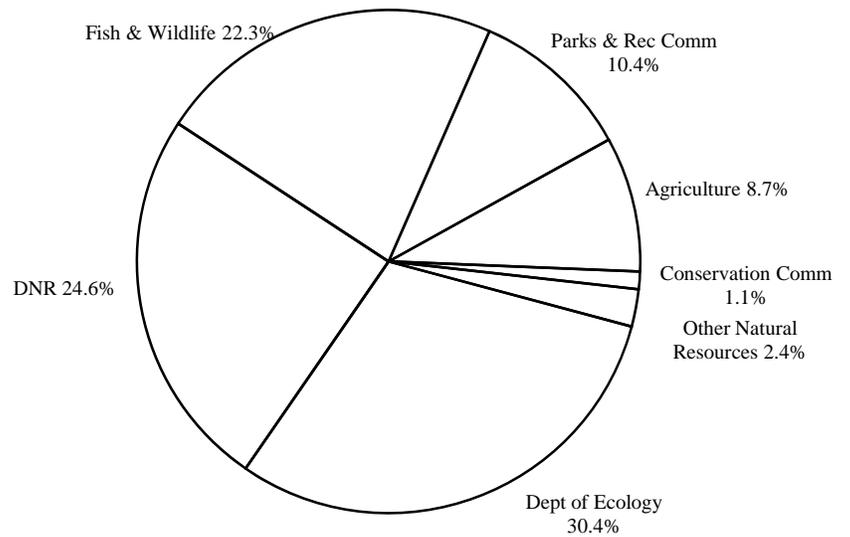
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

Dept of Ecology	445,627
Dept of Natural Resources	360,354
Dept of Fish & Wildlife	326,765
Parks & Recreation Comm	151,981
Dept of Agriculture	126,975
Conservation Commission	16,578
Other Natural Resources	35,220
Natural Resources	1,463,500

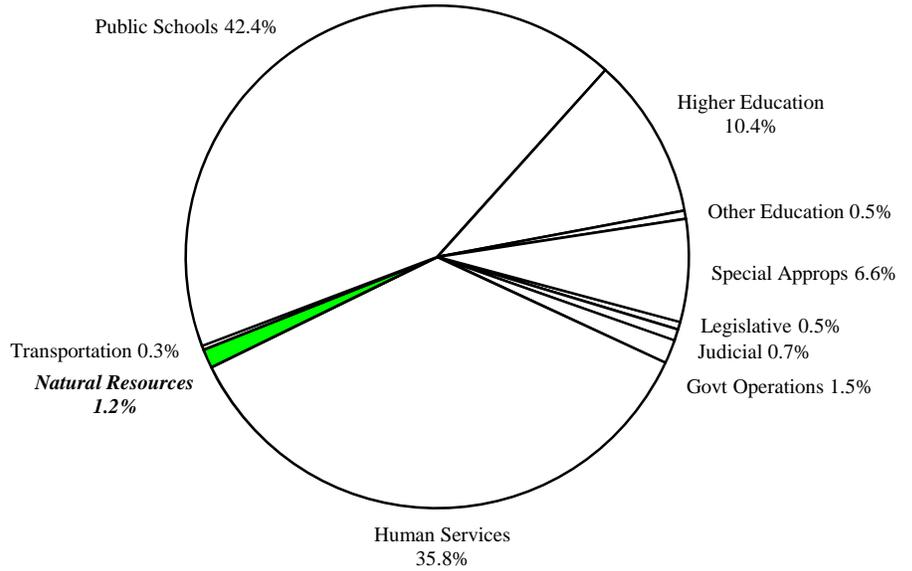


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Natural Resources

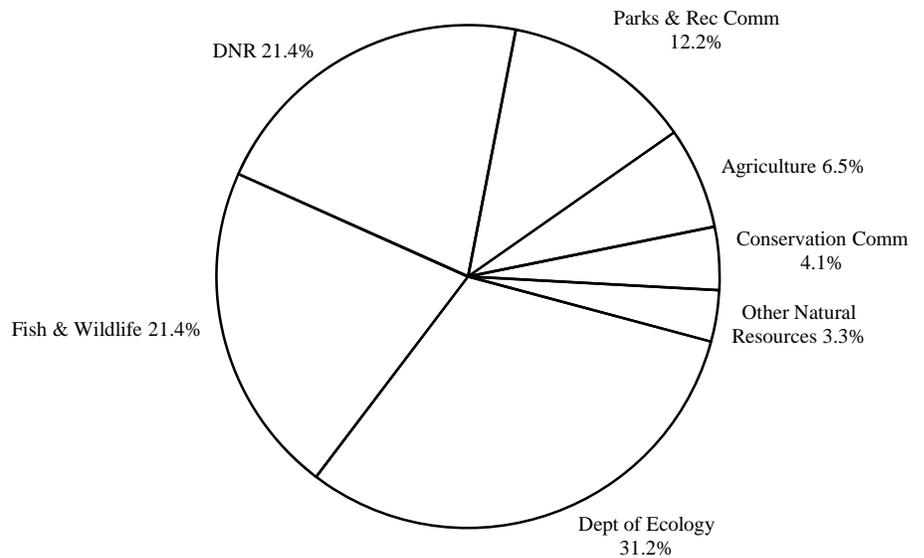
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Dept of Ecology	118,356
Dept of Fish & Wildlife	81,173
Dept of Natural Resources	81,132
Parks & Recreation Comm	46,485
Dept of Agriculture	24,848
Conservation Commission	15,399
Other Natural Resources	12,525
Natural Resources	379,918



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,061	1,054	2,115
2009 Supplemental *	-28	-28	-56
Total 2007-09 Biennium	1,033	1,026	2,059
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2009-11 Maintenance Level	1,096	1,074	2,170
Policy Changes - Non-Comp			
1. Land Use Planning	-80	-80	-160
2. Federal Funds Expenditure Authority	0	30	30
3. Administrative Reductions	-54	-54	-108
4. Governor-Directed Freeze	-62	-62	-124
Policy -- Non-Comp Total	-196	-166	-362
Policy Changes - Comp			
5. Employee Health Insurance	4	4	8
6. Actuarial Method Changes-State	-18	-18	-36
Policy -- Comp Total	-14	-14	-28
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Total 2009-11 Biennium	886	894	1,780
Fiscal Year 2010 Total	441	444	885
Fiscal Year 2011 Total	445	450	895

Comments:

- | | |
|---|---|
| <p>1. Land Use Planning - Savings are achieved by eliminating one land use planner position.</p> <p>2. Federal Funds Expenditure Authority - The Commission has established a partnership with the U.S. Forest Service to partially fund a geographic information services position. Historically, the Commission has waited for receipt of the grant prior to requesting an unanticipated receipt to gain expenditure authority. This item eliminates the need for an unanticipated receipt. (General Fund-Federal)</p> <p>3. Administrative Reductions - Agencies are directed to reduce general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.</p> <p>4. Governor-Directed Freeze - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.</p> <p>5. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)</p> | <p>6. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
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Department of Ecology

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	133,540	338,518	472,058
2009 Supplemental *	-6,240	-7,879	-14,119
Total 2007-09 Biennium	127,300	330,639	457,939
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2009-11 Maintenance Level	132,766	326,639	459,405
Policy Changes - Non-Comp			
1. Reduce Water Resource Data Activity	-400	0	-400
2. Reduce Litter Pickup Activity	0	-4,000	-4,000
3. Red. Watershed Grants/Assist/Study	-6,167	0	-6,167
4. Drought Relief Funding (One-Time)	0	-390	-390
5. Reduce Water Rights Processing	-2,880	0	-2,880
6. Balance to Available Revenue	0	-5,720	-5,720
7. Transfer Monitoring from PSP	0	950	950
8. Water Quality Fed Funds Reduction	0	-360	-360
9. Funding Greenhouse Gas Reporting	0	696	696
10. Toxics Private/Local Exp Authority	0	3,000	3,000
11. Standby Emergency Response Tug	0	3,600	3,600
12. Accelerate Toxic Cleanups	0	811	811
13. Toxic Cleanup Pre-Payment Agreement	0	1,456	1,456
14. Hanford Tank Waste Litigation	0	1,287	1,287
15. Illegal Dam Compliance	391	0	391
16. Determine Spokane Area Water Rights	586	0	586
17. Kittitas County Groundwater Support	292	0	292
18. Treating Hanford Tank Waste Early	0	616	616
19. Reducing Toxic Smoke in Communities	0	240	240
20. Protect Puget Sound Shorelines	0	3,558	3,558
21. Oil Spill Account Shortfall	0	-1,928	-1,928
22. Drought Preparedness Acct Reduction	0	-118	-118
23. Flood Control Grants Assistance Pgm	0	-1,985	-1,985
24. Bisphenol A (BPA)	0	22	22
25. Public Participation Grant Reductn	0	-2,000	-2,000
26. Salmon Recovery Office	-24	0	-24
27. Water Discharge Fees	0	3,173	3,173
28. Maintenance of Water Rights System	0	116	116
29. Administration Reduction	-3,067	0	-3,067
30. Transfer Monitoring Consortium	-400	-400	-800
31. Climate Change Response	418	0	418
32. Solid Waste Handling Permits	0	63	63
33. Reducing Greenhouse Gas Emissions	0	862	862
34. Hazardous Waste Service Charges	0	462	462
35. Governor-Directed Freeze	-743	0	-743
36. Governor-Directed 1% Cut	-1,106	0	-1,106
37. Governor Veto	0	-884	-884
Policy -- Non-Comp Total	-13,100	3,127	-9,973
Policy Changes - Comp			
38. Employee Health Insurance	472	862	1,334
39. Actuarial Method Changes-State	-1,782	-3,357	-5,139
Policy -- Comp Total	-1,310	-2,495	-3,805
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Total 2009-11 Biennium	118,356	327,271	445,627
Fiscal Year 2010 Total	60,166	163,365	223,531
Fiscal Year 2011 Total	58,190	163,906	222,096

Department of Ecology

Comments:

1. **Reduce Water Resource Data Activity** - Funding and staff are reduced on an ongoing basis for water resource-related data collection, management, and sharing, both inside and outside the Department.
2. **Reduce Litter Pickup Activity** - The Waste Reduction, Recycling, and Litter Control Account funds litter prevention and pickup activity within the Department of Ecology (DOE). Funding for this activity is reduced on a one-time basis. The remaining funding will allow DOE to operate a scaled-back litter pickup program. (Waste Reduction, Recycling, and Litter Control Account-State)
3. **Red. Watershed Grants/Assist/Study** - In 1998, the Watershed Planning Act established a framework for state, local, and tribal governments to collaboratively create watershed plans that address water needs, reduce water pollution, and protect fish habitat. DOE supports watershed planning and implementation by providing staff support, technical and financial assistance to local groups, and by providing technical studies. Funding and staff are reduced on an ongoing basis for grants to local governments, technical assistance, and a groundwater study. Remaining funding will focus assistance on watershed groups that are ready to implement their watershed plans.
4. **Drought Relief Funding (One-Time)** - The State Emergency Water Projects Revolving Account supports drought relief activities at DOE and other agencies. The account was not used during the 2007-09 biennium; therefore, the residual fund balance is transferred into the state general fund. (State Emergency Water Projects Revolving Account-State)
5. **Reduce Water Rights Processing** - DOE is responsible for making decisions on applications for new water rights and requests for changes and transfers to existing water rights. Funding is reduced on a one-time basis for processing water rights decisions during the 2009-11 biennium. DOE will concentrate its remaining resources in those basins where they can make the greatest impact.
6. **Balance to Available Revenue** - Expenditure authority is reduced in selected dedicated accounts to match anticipated revenues. Water discharge regulation and assistance, waste reduction activities, well construction regulation, management of underground storage tanks, regulation of large stationary air pollution sources, and natural resource restoration will be impacted by these reductions. (Underground Storage Tank Account-State, Reclamation Account-State, various other accounts)
7. **Transfer Monitoring from PSP** - Ongoing funding is provided to implement a statewide watershed health monitoring system that includes monitoring of toxins, aquatic insects, and stream habitat. In FY 2011, the program transfers permanently to DOE from the Puget Sound Partnership (PSP). (State Toxics Control Account-State)
8. **Water Quality Fed Funds Reduction** - Federal expenditure authority is reduced on an ongoing basis to match an anticipated reduction in federal funding for administration of capital project loans for wastewater treatment facilities managed during the 2009-11 biennium. (Water Pollution Control Account-Federal)
9. **Funding Greenhouse Gas Reporting** - Legislation enacted in 2008 requires certain entities in Washington to begin reporting their greenhouse gas emissions to DOE in 2010 and authorizes the collection of fees to support the reporting program. Fee revenue will be collected starting in late 2010 and will be deposited into the Air Pollution Control Account. Ongoing expenditure authority is provided to spend the projected fee revenue in support of the new emissions reporting program. (Air Pollution Control Account-State)
10. **Toxics Private/Local Exp Authority** - Periodically, DOE is approached by liable parties and asked to contract for toxic-site cleanup actions at sites where there are multiple potentially liable parties (PLPs). These contracted services are fully paid for by the PLPs but require DOE to act as a contracting agent and to pass PLP payment money through to the contractor. Ongoing General Fund-Private/Local expenditure authority is provided to allow DOE to enter into and do work under PLP-funded agreements as such opportunities occur. (General Fund-Private Local)
11. **Standby Emergency Response Tug** - The standby rescue tug stationed at Neah Bay is a preventive measure that reduces the risk of a destructive oil spill. Since 1999, the tug has responded 40 times to ships losing power or steering or experiencing other problems. One-time funding is provided for a year-round, standby rescue tug for FY 2010. Beginning in FY 2011, a permanent, industry-funded tug will be provided at the entrance of the Strait of Juan de Fuca as a result of passage of Chapter 11, Laws of 2009 (ESSB 5344). (Local Toxics Control Account-State)
12. **Accelerate Toxic Cleanups** - DOE oversees cleanup at 34 facilities that treat, store, and dispose of hazardous wastes in Washington. All of these sites, the majority of which are near Puget Sound, have documented soil and groundwater contamination and potential or actual impact to surface waters. Funding is provided for two more staff positions and engineering consultant time to meet the 2020 deadline for completing Puget Sound restoration. An estimated 75 percent of these costs are recoverable from property owners. (State Toxics Control Account-State)
13. **Toxic Cleanup Pre-Payment Agreement** - The Model Toxics Control Act (MTCA) provides for pre-payment agreements whereby willing parties with toxic sites provide funding to DOE to get the toxic sites cleaned up. DOE is negotiating with the City and Port of Tacoma and several oil companies for pre-paid remediation technical assistance and oversight work. The agency expects more of this pre-payment type work to materialize during the 2009-11 biennium. DOE is provided

Department of Ecology

one-time expenditure and FTE authority to negotiate and carry out these agreements, which will be paid for by the parties who request them. (State Toxics Control Account-State)

14. **Hanford Tank Waste Litigation** - The U.S. Department of Energy (USDOE) has missed significant Hanford cleanup milestones, the largest being startup of the Hanford Waste Treatment Plant, originally required to begin treatment operations in 2011. As a result, the state filed a federal lawsuit to compel USDOE to meet new cleanup deadlines. One-time funding is provided for legal services from the Attorney General's Office (AGO) and DOE staff resources needed to pursue litigation related to the cleanup at the Hanford Nuclear Reservation. (State Toxics Control Account-State)
15. **Illegal Dam Compliance** - DOE has identified 594 dams statewide that have been built illegally and that have not been permitted, reviewed for safety, nor inspected regularly. Ongoing funding and staff are provided to inspect unregulated dams and bring them into compliance with safety requirements.
16. **Determine Spokane Area Water Rights** - DOE is proposing an adjudication process to determine the validity and extent of water rights and claims in one of four Spokane watersheds. The state of Idaho is also proceeding with a large-scale general adjudication of the Spokane River and tributaries in Idaho. A Spokane area adjudication will provide the factual basis to support interstate negotiation or, if necessary, litigation regarding regional water resources. Ongoing funding and staff are provided for this multi-year effort. During the 2009-11 biennium, funding will be used to map and document water use and resources in support of the first phase of adjudication. One-time funding of \$100,000 is also provided for certified mailing of summons to affected parties.
17. **Kittitas County Groundwater Support** - In 2008, DOE signed an agreement with Kittitas County and implemented an emergency rule to temporarily manage groundwater exempt wells in the county. One-time funding and staff are provided for enforcement, metering compliance, State Environmental Policy Act review of land use applications, and hydrogeologic technical assistance needed to implement the rule and agreement. This package will complement the groundwater study initiated during the 2007-09 biennium and guide local and state actions related to the management of groundwater exempt wells.
18. **Treating Hanford Tank Waste Early** - DOE and AGO are negotiating with USDOE to address delays in the Hanford tank waste treatment plant. To mitigate the delays, a new facility, the interim pretreatment system, will be built to begin treatment of some tank waste in advance of final construction of the primary treatment facility. Ongoing funding and staff are provided for additional permitting and engineering work related to this facility. (State Toxics Control Account-State)
19. **Reducing Toxic Smoke in Communities** - The 2007 Legislature directed DOE to convene a work group to develop and recommend ways to reduce dangerous smoke from woodstoves and to reduce the risk of nonattainment due to recently lowered federal air quality standards. Among the work group's recommendations were updating the burning curtailment law and increasing public understanding of health hazards, burning restrictions, and proper use of wood stoves. Ongoing funding is provided to increase local outreach efforts to reduce public health risk in high smoke communities. (Woodstove Education and Enforcement Account-State)
20. **Protect Puget Sound Shorelines** - Pursuant to a negotiated legal settlement in 2003, DOE and local governments are in the process of updating local shoreline master programs. Current funding is insufficient to complete shoreline master program updates in time to meet statutory and legal settlement deadlines. One-time funding and staff are provided to speed up completion of Puget Sound-jurisdiction shoreline master program updates. (State Toxics Control Account-State, Local Toxics Control Account-State)
21. **Oil Spill Account Shortfall** - DOE's Spill Prevention, Preparedness, and Response program provides services to protect Puget Sound, the outer coast, and inland waters from the effects of oil spills. Because of cost increases and flat-to-declining revenues, the Oil Spill Prevention Account is facing a projected \$7.5 million shortfall during the 2009-11 biennium. The shortfall will be addressed through a combination of ongoing expenditure and staffing reductions, as well as a one-time revenue transfer into the account. As a result, the agency will do less prevention and preparedness work, including fewer vessel boardings and response readiness drills, and review and approval of fewer prevention and contingency plans. (Oil Spill Prevention Account-State)
22. **Drought Preparedness Acct Reduction** - In the 2007-09 biennium, emergency drought relief funding was not used, and there are early indications that they will not be needed again in the 2009-11 biennium. Savings are achieved by removing these funds. (State Drought Preparedness Account-State)
23. **Flood Control Grants Assistance Pgm** - The Flood Control Assistance Program provides grants for local flood control planning and maintenance. For the 2009-11 biennium, funding is reduced for these local grants. (Flood Control Assistance Account-State)
24. **Bisphenol A (BPA)** - Funding is provided to implement SSB 5282, which bans the manufacture and sale of containers made with bisphenol A that hold food and beverages used by children under the age of three beginning July 1, 2010. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item). (State Toxics Control Account-State)
25. **Public Participation Grant Reductn** - Public Participation Grants provide funding to not-for-profit public interest organizations and citizen groups to encourage public involvement in monitoring the cleanup of contaminated sites and pollution prevention through waste reduction and elimination. Funding is reduced for these grants during the 2009-11 biennium. (State Toxics Control Account-State, Local Toxics Control Account-State)

Department of Ecology

26. **Salmon Recovery Office** - The Governor's Salmon Recovery Office is transferred to the Recreation and Conservation Office (RCO) pursuant to Chapter 345, Laws of 2009 (SHB 2157). Reporting on salmon recovery activities will be consolidated, and programmatic efficiencies will be realized. DOE and the Department of Fish and Wildlife will continue to participate in salmon recovery through interagency agreements with RCO.
27. **Water Discharge Fees** - Funding is provided to implement Chapter 249, Laws of 2009 (SHB 1413). This legislation authorizes DOE to charge an annual fee for domestic wastewater facility permits up to 18 cents per month per residence or residential equivalent that is contributing to the wastewater system and allows DOE to increase fees up to the fiscal growth factor for FY 2010 and FY 2011. DOE is authorized to adjust the fee schedule annually through December 31, 2011, and is required to evaluate the existing fee structure. (Water Quality Permit Account-State)
28. **Maintenance of Water Rights System** - DOE is completing a system enhancement to the Water Rights Database funded during the 2007-09 biennium. The enhanced system will allow the public to access water rights information over the Internet instead of calling DOE staff directly to get the information. A combination of one-time and ongoing funding and staff are provided to maintain the new database. (Water Rights Tracking System Account-State)
29. **Administration Reduction** - Agencies are directed to reduce general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
30. **Transfer Monitoring Consortium** - Responsibility to integrate ongoing monitoring efforts for stormwater, water quality, watershed health, and other functions of the Puget Sound Monitoring Consortium are transferred to PSP. Existing PSP staff and base funding will be used to support this function. (General Fund-State, Water Quality Permit Account-State)
31. **Climate Change Response** - Funding is provided to implement Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560), which requires all state agencies to meet statewide greenhouse gas emission reduction limits. The legislation also requires the Departments of Ecology, Agriculture, Natural Resources, Commerce, Fish and Wildlife, and Transportation to develop an integrated climate change response strategy to better enable Washington State to prepare for and adapt to the impacts of climate change.
32. **Solid Waste Handling Permits** - Funding is provided to implement Chapter 178, Laws of 2009 (SSB 5797), which exempts certain anaerobic digesters from solid waste permitting. DOE, in collaboration with the Department of Agriculture, is to issue guidelines for anaerobic codigestion of livestock manure and organic waste-derived material. (State Toxics Control Account-State)
33. **Reducing Greenhouse Gas Emissions** - Funding is provided to implement E2SSB 5735 (Reducing Greenhouse Gas Emissions), which would require DOE to recommend a greenhouse gas emissions reduction program that sets statewide and sector emission caps, including recommending criteria for issuing and accepting offset credits and developing the state's policy for forestry offset projects within the state. The Department would also collaborate with the states of Oregon and California to develop a multi-state electric vehicle infrastructure initiative. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item). (Air Pollution Control Account-State, Emissions Reduction Assistance Account-State)
34. **Hazardous Waste Service Charges** - DOE is authorized to assess reasonable service charges against mixed waste facilities for the costs of public participation grants. (State Toxics Control Account-State)
35. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
36. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
37. **Governor Veto** - The Governor vetoed Section 302 (11) and (18) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244). Section 302(11) included an appropriation for the implementation of E2SSB 5735 (Reducing Greenhouse Gas Emissions), which did not pass the Legislature. Section 302 (18) included an appropriation for SSB 5282 (Bisphenol A Use), which did not pass the Legislature.
38. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
39. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Parks and Recreation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	98,104	51,804	149,908
2009 Supplemental *	-3,579	2,050	-1,529
Total 2007-09 Biennium	94,525	53,854	148,379
<hr/>			
2009-11 Maintenance Level	100,491	50,710	151,201
Policy Changes - Non-Comp			
1. Potlatch/Minerva Beach Operation	0	205	205
2. Op Costs for Completed Capital Proj	-1,015	3,075	2,060
3. Reduce IT Services	-500	0	-500
4. Parks Operations and Maintenance	0	3,000	3,000
5. Balance to Available Revenue	0	-27	-27
6. Decrease Concessions Subsidy	-500	0	-500
7. Equipment Savings	-2,000	0	-2,000
8. Federal Spending Authority	0	1,000	1,000
9. Regional Consolidation	-1,000	0	-1,000
10. State Park Land Revenue Leases	0	1,500	1,500
11. Land Leases	0	396	396
12. Fort Worden Plan Implementation	0	350	350
13. Funding for State Parks	-22,979	27,035	4,056
14. Parks Maint and Access Improvements	-19,362	19,362	0
15. Seasonal Parks Maintenance	-2,000	0	-2,000
16. Seashore Conservation	0	490	490
17. Governor-Directed Freeze	-2,218	0	-2,218
18. Governor-Directed 1% Cut	-1,182	0	-1,182
19. Governor Veto	0	-1,500	-1,500
Policy -- Non-Comp Total	-52,756	54,886	2,130
Policy Changes - Comp			
20. Employee Health Insurance	494	34	528
21. Actuarial Method Changes-State	-1,744	-134	-1,878
Policy -- Comp Total	-1,250	-100	-1,350
<hr/>			
Total 2009-11 Biennium	46,485	105,496	151,981
Fiscal Year 2010 Total	23,541	49,956	73,497
Fiscal Year 2011 Total	22,944	55,540	78,484

Comments:

1. **Potlatch/Minerva Beach Operation** - The State Parks and Recreation Commission (State Parks) operates Minerva Beach as a residential trailer court intermixed with conventional overnight camping. Funding is provided to maintain residential units and associated infrastructure to operate the park. (Parks Renewal and Stewardship Account-State)
4. **Parks Operations and Maintenance** - Additional revenue was generated above the forecasted amount from camping and other fees, leases, and concessions. This additional revenue will be used for parks operations and maintenance costs. (Parks Renewal and Stewardship Account-State)
2. **Op Costs for Completed Capital Proj** - Operation and maintenance impacts for capital projects funded in the 2007-09 biennium are shifted from the general fund to the Parks Renewal Stewardship Account in response to Chapter 512, Laws of 2009 (SHB 2339), that facilitates a voluntary donation of \$5 at the time of vehicle registration to fund state parks. (Parks Renewal Stewardship Account-State)
5. **Balance to Available Revenue** - Expenditure authority is reduced to match expected revenue. (Boating Safety Education Certification Account-State, Outdoor Education and Recreation Account-Non-Appropriated)
3. **Reduce IT Services** - Funding is reduced for certain information technology (IT) services, including nonessential servers and Department of Information Services' charges.
6. **Decrease Concessions Subsidy** - Various recreational opportunities such as the St. Edward's swimming pool and cultural center at Blake Island are supported through concession revenue. The state, however, subsidizes the concessions revenue. The subsidy is reduced by 70 percent.

State Parks and Recreation Commission

7. **Equipment Savings** - State Parks owns and operates a fleet of vehicles and construction, landscaping, maintenance, and other equipment. During the 2007-09 biennium, funding of \$2.0 million was provided to replace vehicles and equipment. This funding is removed for the 2009-11 biennium.
8. **Federal Spending Authority** - The Clean Vessel and Recreational Boating Programs have received additional federal resources. These funds are provided to conduct pump-out inspections, boater education, a marketing campaign to increase boater awareness of boater sewage issues, and increased coordination with nonprofit environmental groups. (General Fund-Federal)
9. **Regional Consolidation** - Funding for headquarters administration is reduced. State Parks will close one regional office.
10. **State Park Land Revenue Leases** - Additional revenue to the Parks Revenue and Stewardship Account is assumed pursuant to SHB 2109 (State Parks and Recreation Funding). The bill would require State Parks to review and determine the fair market value for all existing leases for telecommunications service facilities. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item).
11. **Land Leases** - State Parks holds 650 second-party, term-lease agreements authorizing non-recreational uses. Approximately 40 percent of the leases are either in default or have expired, creating trespasses on state land. Pursuant to 2004 and 2006 state audit recommendations, funding is provided for State Parks to manage its leasing program, generate new revenue, and identify and resolve an estimated 100 trespasses. New revenues from leases and trespass resolutions will offset the costs. (Parks Renewal and Stewardship Account-State)
12. **Fort Worden Plan Implementation** - In 2007, State Parks adopted a strategic plan to transition Fort Worden from its current operations as a historic fort and conference center into a lifelong learning center. The cost will be offset by enhanced conference revenue via nonprofit and for-profit business activities and programs. (Parks Renewal and Stewardship Account-State)
13. **Funding for State Parks** - Funding for state parks is shifted from the general fund to the Parks Renewal Stewardship Account pursuant to Chapter 512, Laws of 2009 (SHB 2339), that facilitates a voluntary donation of \$5 at the time of vehicle registration to fund state parks. Revenue collected from these donations will be used solely for the operation and maintenance of state parks. (Parks Renewal Stewardship Account-State)
14. **Parks Maint and Access Improvements** - Funds are provided for maintenance and operation and to improve accessibility to recreational activities in parks that provide opportunities for boaters and off-road vehicle users. Costs are shifted from the state general fund to the Recreation Resources Account and the Nonhighway and Off-Road Vehicle Activities Program Account for this purpose. (Recreation Resources Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)
15. **Seasonal Parks Maintenance** - Savings will be realized from reduced electricity and other costs as a result of the seasonal use of some parks.
16. **Seashore Conservation** - State Parks has jurisdiction and management responsibilities for more than 60 miles of beaches located within the Seashore Conservation Area. By court order and as a legality of recorded deeds of dedication, the Seashore Conservation Line Survey is mandatory every ten years. One-time funding is provided for a survey to verify public ownership; to define clear management responsibilities for the agency, the public, and local governments; and to provide geographic information system mapping. (Parks Renewal and Stewardship Account-State)
17. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
18. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
19. **Governor Veto** - The Governor vetoed Section 303 (2) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which included an appropriation for the implementation of SHB 2109 (State Parks and Recreation Funding), which did not pass the Legislature.
20. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
21. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Recreation and Conservation Funding Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,349	24,721	28,070
2009 Supplemental *	-78	-1	-79
Total 2007-09 Biennium	3,271	24,720	27,991
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2009-11 Maintenance Level	3,421	23,293	26,714
Policy Changes - Non-Comp			
1. Balance to Available Revenue	0	-109	-109
2. Biodiversity Council Savings	-100	0	-100
3. Aquatic and Other Monitoring	-100	0	-100
4. SRFB Administration	-100	0	-100
5. Lead Entity Savings	-140	0	-140
6. Washington Forum on Monitoring	-11	0	-11
7. SRFB Operating Budget Shift to Cap	-150	0	-150
8. Salmon Recovery Office	448	0	448
9. Adjust Federal Funds	0	-8,000	-8,000
10. Governor-Directed Freeze	-178	0	-178
Policy -- Non-Comp Total	-331	-8,109	-8,440
Policy Changes - Comp			
11. Employee Health Insurance	5	12	17
12. Actuarial Method Changes-State	-26	-58	-84
Policy -- Comp Total	-21	-46	-67
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Total 2009-11 Biennium	3,069	15,138	18,207
Fiscal Year 2010 Total	1,511	7,492	9,003
Fiscal Year 2011 Total	1,558	7,646	9,204

Comments:

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|--|---|
| <p>1. Balance to Available Revenue - Expenditure authority is adjusted to match expected revenue. (Youth Athletic Facility Account-Non-Appropriated)</p> <p>2. Biodiversity Council Savings - The Biodiversity Council developed recommendations for a unified, landscape approach to identify conservation priorities for local governments to use for land-use planning. Biodiversity Council funding is reduced, which will decrease the number of eco-regional maps produced illustrating areas of high conservation priority and biodiversity value.</p> <p>3. Aquatic and Other Monitoring - Funding is reduced for aquatic and other monitoring activities used to benchmark progress toward environmental conservation and remediation projects.</p> <p>4. SRFB Administration - Funding for the Salmon Recovery Funding Board (SRFB) administrative support is reduced.</p> <p>5. Lead Entity Savings - The state supports 27 lead entities that consist of community groups that play a role in Washington's bottom-up approach to salmon recovery project funding prioritization and implementation. Funding is reduced for these entities, which will decrease salmon recovery project coordination with local communities.</p> | <p>6. Washington Forum on Monitoring - Funding is reduced for the Washington Forum on Monitoring, reducing the statewide monitoring effort.</p> <p>7. SRFB Operating Budget Shift to Cap - The SRFB review panel operating budget is shifted to the capital budget.</p> <p>8. Salmon Recovery Office - The Governor's Salmon Recovery Office is transferred to the Recreation and Conservation Office (RCO) pursuant to Chapter 345, Laws of 2009 (SHB 2157). Reporting on salmon recovery activities will be consolidated, and programmatic efficiencies will be realized. The Departments of Ecology and Fish and Wildlife will continue to participate in salmon recovery through interagency agreements with RCO.</p> <p>9. Adjust Federal Funds - Funding is reduced to match the Department of Natural Resources' (DNR's) expenditure authority for implementation of the Forest and Fish Agreements. RCO anticipates that the current expenditure authority is greater than needed for the 2009-11 biennium. The revised amount reflects DNR's anticipated expenditures for these federal funds, which will be used to implement specific elements of the Forest and Fish Report. (General Fund-Federal)</p> |
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Recreation and Conservation Funding Board

10. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Environmental Hearings Office

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	2,286	0	2,286
2009 Supplemental *	-33	0	-33
Total 2007-09 Biennium	2,253	0	2,253
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2009-11 Maintenance Level	2,295	0	2,295
Policy Changes - Non-Comp			
1. Administrative Efficiencies	-39	0	-39
2. Governor-Directed Freeze	-76	0	-76
Policy -- Non-Comp Total	-115	0	-115
Policy Changes - Comp			
3. Employee Health Insurance	7	0	7
4. Actuarial Method Changes-State	-34	0	-34
Policy -- Comp Total	-27	0	-27
<hr/>			
Total 2009-11 Biennium	2,153	0	2,153
Fiscal Year 2010 Total	1,079	0	1,079
Fiscal Year 2011 Total	1,074	0	1,074

Comments:

1. **Administrative Efficiencies** - Savings are achieved by reducing administration.
2. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Conservation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	16,613	1,178	17,791
2009 Supplemental *	-45	0	-45
Total 2007-09 Biennium	16,568	1,178	17,746
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2009-11 Maintenance Level	16,676	1,179	17,855
Policy Changes - Non-Comp			
1. Reduce Administration	-82	0	-82
2. Reduce Grants to Local Districts	-200	0	-200
3. Cease Conservation Market Pilot	-115	0	-115
4. Cease Watershed Data Pilot Project	-235	0	-235
5. Cease Pioneers in Conservation	-500	0	-500
6. Governor-Directed Freeze	-98	0	-98
Policy -- Non-Comp Total	-1,230	0	-1,230
Policy Changes - Comp			
7. Employee Health Insurance	19	0	19
8. Actuarial Method Changes-State	-66	0	-66
Policy -- Comp Total	-47	0	-47
<hr/>			
Total 2009-11 Biennium	15,399	1,179	16,578
Fiscal Year 2010 Total	7,692	590	8,282
Fiscal Year 2011 Total	7,707	589	8,296

Comments:

- | | |
|---|--|
| <p>1. Reduce Administration - Funding for Commission staff is reduced in addition to ongoing savings realized from the hiring freeze.</p> <p>2. Reduce Grants to Local Districts - Fourteen local conservation districts receive capacity grants to compensate for lower local revenue sources. Since most of the Commission's funding is pass through in nature, some cuts will affect local partners.</p> <p>3. Cease Conservation Market Pilot - The Conservation Markets Act was enacted in 2008. The Commission will complete the feasibility study required by the Act with FY 2009 funding. The two pilot projects that were to be initiated in FY 2010 are suspended until funding is available.</p> <p>4. Cease Watershed Data Pilot Project - One-time funding for the data pilot project provided in the 2007-09 biennial budget is removed.</p> <p>5. Cease Pioneers in Conservation - State funding for Pioneers in Conservation, a competitive grant program for agricultural projects that benefit fish and wildlife, is eliminated.</p> <p>6. Governor-Directed Freeze - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.</p> | <p>7. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)</p> <p>8. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
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Department of Fish and Wildlife

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	111,268	236,888	348,156
2009 Supplemental *	-5,105	-340	-5,445
Total 2007-09 Biennium	106,163	236,548	342,711
<hr/>			
2009-11 Maintenance Level	110,748	241,565	352,313
Policy Changes - Non-Comp			
1. Eliminate Aviation Facility	-300	0	-300
2. Balance to Available Revenue	0	-5,155	-5,155
3. Reduce Wildlife Management	-2,311	0	-2,311
4. Oper Costs for Newly Acquired Lands	0	243	243
5. Oil Spill Account Shortfall	0	-223	-223
6. Reduce Habitat Protection	-2,100	0	-2,100
7. Enhance Rec Shellfish Opportunities	0	880	880
8. Reduce Enforcement Officers	-1,600	0	-1,600
9. Reduce Outreach and Education	-2,744	0	-2,744
10. Business Services Reduction	-3,800	0	-3,800
11. Outdoor Recreation	0	66	66
12. Salmon Recovery Office	-24	0	-24
13. Fish and Wildlife Title 77 RCW	-1,062	9,334	8,272
14. Colville Partnership Initiative	250	0	250
15. Implement Hatchery Reform Actions	0	294	294
16. Forest Health GF-S Reduction	-178	0	-178
17. Climate Change Response	120	0	120
18. Electron Dam Fish Passage	50	0	50
19. Eastern WA Pheasant Habitat	0	100	100
20. General Fund Reductions	-8,100	0	-8,100
21. Grizzly Bear Outreach Project	150	0	150
22. Governor-Directed Freeze	-5,204	0	-5,204
23. Governor-Directed 1% Cut	-1,188	0	-1,188
24. Governor Veto	0	-66	-66
Policy -- Non-Comp Total	-28,041	5,473	-22,568
Policy Changes - Comp			
25. Employee Health Insurance	604	604	1,208
26. Actuarial Method Changes-State	-2,138	-2,050	-4,188
Policy -- Comp Total	-1,534	-1,446	-2,980
<hr/>			
Total 2009-11 Biennium	81,173	245,592	326,765
Fiscal Year 2010 Total	41,234	121,663	162,897
Fiscal Year 2011 Total	39,939	123,929	163,868

Comments:

1. **Eliminate Aviation Facility** - The Department of Fish and Wildlife's (WDFW's) aviation facility has been consolidated with the Washington State Patrol (WSP) and the Department of Natural Resources (DNR). Funding is therefore eliminated for the Department's aviation activities. WDFW will contract with WSP or another provider for future aviation needs.
2. **Balance to Available Revenue** - Expenditure authority for two dedicated accounts is reduced to match available revenue. A lower State Wildlife Account fund balance for 2009-11 will result in reductions in engineering, policy, business administration, enforcement, outreach and education, wildlife land management, and growth management technical assistance to local governments. (Warm Water Game Fish Account-State, State Wildlife Account-State)
3. **Reduce Wildlife Management** - Funding is reduced for routine or ongoing collection of non-harvest related data to monitor the status and trend of known species populations and habitats, including an inventory of fish, wildlife, and habitats. There will be a reduction of data collected to determine whether elk and deer population levels meet recreational needs. In addition, the number of habitat conservation and species management and recovery plans are reduced.

Department of Fish and Wildlife

4. **Oper Costs for Newly Acquired Lands** - Capital projects add new or additional operating responsibilities to the Department through acquisition, development, construction, and renovation of facilities. Ongoing funding is provided for maintenance and operations of approximately 12,900 acres of new lands that were acquired and developed through the capital budget during the 2007-09 biennium. This funding will support new water systems, boat launches, access areas, and graveling of parking areas. (State Wildlife Account-State)
5. **Oil Spill Account Shortfall** - WDFW's Oil Spill Team provides technical support to the Department of Ecology's (DOE's) oil spill planning and preparedness efforts. Because of cost increases and flat to declining revenues, the account supporting this activity is facing a projected \$7.5 million shortfall during the 2009-11 biennium. The Department will participate in fewer oil spill response drills and conduct less response preparedness planning. (Oil Spill Prevention Account-State)
6. **Reduce Habitat Protection** - The Department shares knowledge and expertise by providing technical assistance, guidelines, and recommendations internally and to outside sources such as watershed steward lead entity groups. Funding is reduced for technical assistance, including policy development and negotiation, to improve opportunities for fish, wildlife, and habitat protection.
7. **Enhance Rec Shellfish Opportunities** - The Department has historically received capital funding to purchase Manila clam and Pacific oyster seed to maintain and increase recreational harvest opportunities as part of an intertidal shellfish program. The program supports recreational harvest opportunities on approximately 20 public beaches. Funding for the purchase of clam and oyster seeds is moved from the capital budget to the operating budget. In addition, expenditure authority is provided from the Oyster Reserve Land Account to maintain shellfish opportunities. (Aquatic Lands Enhancement Account-State, Oyster Reserve Land Account-State)
8. **Reduce Enforcement Officers** - The Department's officers are responsible for protecting the state's resources and endangered species. Of the 137 active commissioned enforcement officers, approximately seven positions will be eliminated during the 2009-11 biennium.
9. **Reduce Outreach and Education** - The Department currently receives \$5.6 million per biennia from license fees to support hunter education, youth sport fishing, and other educational opportunities. The subsidy of state general funds to help support hunter and other educational programs is removed.
10. **Business Services Reduction** - Funding is reduced in the Business Services Division. Savings are realized through reductions in the following: printing and Attorney General costs, decreased warehouse functions, central purchasing and contracts management, communication, fleet management, and support for the Director's office. Meeting and travel costs for the Commission are reduced. Management and maintenance of facilities is reduced. Management of policy related to salmon, the Columbia River, the Federal Energy Regulatory Commission, and water issues is reduced. Department information technology expenditures and customer service support are reduced.
11. **Outdoor Recreation** - Funding is provided for SHB 1972, which would authorize the Department to collect and display information relating to outdoor recreational access on a page of its website that is only accessible to license holders. The cost of a vehicle use permit issued by the the Department would be increased in steps from \$10 to \$30. Individuals who purchase a wildlife-themed or personalized license plate would be permitted to park at land access sites managed by the WDFW without having to display a vehicle use permit. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item). (State Wildlife Account-State)
12. **Salmon Recovery Office** - The Governor's Salmon Recovery Office is transferred to the Recreation and Conservation Office (RCO) pursuant to Chapter 345, Laws of 2009 (SHB 2157). Reporting on salmon recovery activities will be consolidated, and programmatic efficiencies will be realized. DOE and WDFW will continue to participate in salmon recovery through interagency agreements with RCO.
13. **Fish and Wildlife Title 77 RCW** - Funding is provided pursuant to Chapter 333, Laws of 2009, Partial Veto (SHB 1778). The legislation makes a number of changes to Title 77 RCW by updating statutory references and eliminating antiquated references. Additionally, the legislation: allows recreational anglers to purchase a stamp allowing them to use two fishing poles at one time; increases from 15 to 30 the number of big game and turkey raffles the Department may offer each year; creates a Western Washington Pheasant permit in order to hunt pheasants in Western Washington; and during the 2009-11 biennium, allows the Department to charge an additional 10 percent transaction fee on recreational licenses, permits, tags, stamps, or raffles. Approximately \$10.0 million in additional revenue to the State Wildlife Account will be received from the two-pole stamp, the big game and turkey raffles, and the additional transaction fee. (General Fund-State, State Wildlife Account-State)
14. **Colville Partnership Initiative** - The state of Washington and Colville Tribes are partners in the Columbia River Water Program and have signed an agreement regarding water resources management for Lake Roosevelt. WDFW and the Colville Tribes agreed to a pilot project to resolve licensing and enforcement conflicts. The Department received funding, but funding was not included for Tribal enforcement costs, per the agreement. This appropriation provides pass-through funding to the Colville Tribes for enforcement expenditures only.
15. **Implement Hatchery Reform Actions** - According to the Hatchery Scientific Review Group (HSRG), modifications to hatchery programs are needed to restore wild salmon and steelhead and to maintain fishing opportunities. While hatchery

Department of Fish and Wildlife

programs provide the majority of fishing opportunities, they have also been identified as a factor contributing to the decline of many of the salmon and steelhead listed under the federal Endangered Species Act. Funding is provided to implement HSRG's priority recommendations to improve protection of wild salmon through modifications to hatchery programs, including the collection of wild fish stocks and development of recovery indicators for salmon and steelhead populations. (Aquatic Lands Enhancement Account-State)

16. **Forest Health GF-S Reduction** - Savings are achieved by eliminating funding from General Fund-State (GF-S) for technical assistance to DNR's forest health program.
17. **Climate Change Response** - Funding is provided to implement Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560), which requires all state agencies to meet statewide greenhouse gas emission reduction limits. The legislation also requires the Departments of Ecology, Agriculture, Natural Resources, Commerce, Fish and Wildlife, and Transportation to develop an integrated climate change response strategy to better enable Washington State to prepare for and adapt to the impacts of climate change.
18. **Electron Dam Fish Passage** - One-time funding is provided for additional study of the Electron Dam fish passage consistent with the recommendations and protocols contained in the 2008 Electron Project Downstream Fish Passage Final Report.
19. **Eastern WA Pheasant Habitat** - Funding is provided for enhancements to permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams Counties. These funds may also be used to support the efforts of other entities, including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide an in-kind or monetary match to the state funds. (Eastern Washington Pheasant Enhancement Account-State)
20. **General Fund Reductions** - The Department will achieve general fund savings through a combination of efficiencies and reductions in administration, business services, and other programs.
21. **Grizzly Bear Outreach Project** - One-time funding is provided to a community-based organization to disseminate information about grizzly bears in the North Cascades.
22. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
23. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.

24. **Governor Veto** - The Governor vetoed Section 307 (5) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which included an appropriation for the implementation of SHB 1972 (Outdoor Recreation Info), which did not pass the Legislature.
25. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
26. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Natural Resources

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	104,370	285,845	390,215
2009 Supplemental *	14,374	131	14,505
Total 2007-09 Biennium	118,744	285,976	404,720
<hr/>			
2009-11 Maintenance Level	101,436	308,528	409,964
Policy Changes - Non-Comp			
1. Efficient Fire Suppression	-2,719	0	-2,719
2. General Fund Reductions	-7,016	0	-7,016
3. Increased Derelict Vessel Removal	0	600	600
4. Manage Agricultural Trust Lands	566	566	1,132
5. Spotted Owl Legal Settlement	160	0	160
6. Department Administration Reduction	-1,637	0	-1,637
7. Board of Geographic Names Support	-33	0	-33
8. Correction Camps Program Reduction	-600	0	-600
9. Forest Biomass Energy Project	0	666	666
10. Fire Prevention Reduction	-341	0	-341
11. Forest Practices Reduction	-560	0	-560
12. Interagency Payments	-250	0	-250
13. Natural Areas Reductions	-1,225	0	-1,225
14. Natural Heritage Reduction	-302	0	-302
15. Specialized Forest Products	10	0	10
16. Recreation Site Closures	-200	0	-200
17. Travel Reduction	-477	0	-477
18. Forest Health GF-S Reduction	-652	0	-652
19. Climate Change Response	60	0	60
20. Balance to Available Revenue	0	-29,331	-29,331
21. Surface Mine Reclamation	0	190	190
22. Governor-Directed Freeze	-3,470	0	-3,470
23. Governor-Directed 1% Cut	-836	0	-836
Policy -- Non-Comp Total	-19,522	-27,309	-46,831
Policy Changes - Comp			
24. Employee Health Insurance	345	857	1,202
25. Actuarial Method Changes-State	-1,127	-2,854	-3,981
Policy -- Comp Total	-782	-1,997	-2,779
<hr/>			
Total 2009-11 Biennium	81,132	279,222	360,354
Fiscal Year 2010 Total	40,275	135,523	175,798
Fiscal Year 2011 Total	40,857	143,699	184,556

Comments:

1. **Efficient Fire Suppression** - In anticipation of program efficiencies, funding for fire preparedness and emergency fire suppression is reduced.
2. **General Fund Reductions** - Ongoing funding is reduced for work in the following programs: Small Forest Landowner Office, Geology, Adaptive Management Program, forest practices rules and implementation, Urban Forestry, and the Natural Areas Program.
3. **Increased Derelict Vessel Removal** - Ongoing funding is provided to remove derelict and abandoned vessels that pose a public nuisance and/or safety hazard. Funding will come from the \$1 derelict vessel fee placed on vessel registration. (Derelict Vessel Removal Account-State)
4. **Manage Agricultural Trust Lands** - Expenditure authority and staffing are increased on an ongoing basis to expand silvicultural activities on state lands in pursuit of the 2004 Sustainable Harvest Plan's conservation, ecological, and forest structure goals. This funding equalizes the harvest rate on agricultural lands with other school trusts and produces additional revenue for the school trusts. (General Fund-State, Agricultural Trust Management Account-State)
5. **Spotted Owl Legal Settlement** - One-time funding is provided to implement the legal settlement between the Department and environmental and forest organizations to avoid further litigation concerning the spotted owl. The agreement requires the Department to form and staff a work group that will identify

Department of Natural Resources

- forest management incentives to create and protect habitat for the owls.
6. **Department Administration Reduction** - Funding for Department administration will be reduced in the following areas: executive management, information technology services and equipment reductions, streamlined administrative functions, and reduced attorney use.
 7. **Board of Geographic Names Support** - Funding for the Board of Geographic Names is eliminated.
 8. **Correction Camps Program Reduction** - Funding is reduced for the Department's Correctional Camps program. This program provides work opportunities for state inmates in forest management and fire suppression. Reductions are taken from camps in lower fire risk areas and some camps will only operate during fire season.
 9. **Forest Biomass Energy Project** - Funding is provided for Chapter 163, Laws of 2009 (HB 2165). The bill authorizes the Department to conduct forest biomass energy demonstration projects. (General Fund-Federal)
 10. **Fire Prevention Reduction** - Funding is reduced for fire prevention activities.
 11. **Forest Practices Reduction** - Funding is reduced for forest practices activities. Reductions will impact policy development and operational support capabilities.
 12. **Interagency Payments** - Overall reductions in staffing will allow savings in Attorney General use and central service employee costs.
 13. **Natural Areas Reductions** - Funding is eliminated for natural area planning, and all non-core maintenance and operations are eliminated.
 14. **Natural Heritage Reduction** - Funding is reduced for the Natural Heritage Program that manages site specific information on species and ecosystems that are rare or have limited distribution.
 15. **Specialized Forest Products** - Funding is provided for the design and printing of specialized forest product permits pursuant to Chapter 245, Laws of 2009 (SHB 1038). The bill implements the recommendations of the Specialized Forest Practices Work Group, including the creation of a dual permitting system and a change in the scope of products that require a permit under the specialized forest products permitting system.
 16. **Recreation Site Closures** - Funding is reduced for the support of the Department's 143 recreation sites.
 17. **Travel Reduction** - Funding is reduced for travel. This reduction assumes that fuel efficiency measures will be adopted.
 18. **Forest Health GF-S Reduction** - The Department's Forest Health Program is funded with both state and federal funds. Savings are achieved by reducing the General Fund-State (GF-S) appropriation.
 19. **Climate Change Response** - Funding is provided to implement Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560), which requires all state agencies to meet statewide greenhouse gas emission reduction limits. The legislation also requires the Departments of Ecology, Agriculture, Natural Resources, Commerce, Fish and Wildlife, and Transportation to develop an integrated climate change response strategy to better enable Washington State to prepare for and adapt to the impacts of climate change.
 20. **Balance to Available Revenue** - Due to continued declines in the timber market, adjustments are made to align expenditures with revenue. (Resource Management Cost Account-State, Forest Development Account-State)
 21. **Surface Mine Reclamation** - Ongoing funding is provided for an additional mine inspector to conduct about 200 inspections each year to ensure that surface mining activities comply with federal and state water quality standards. (Surface Mining Reclamation Account-State)
 22. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
 23. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
 24. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 25. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Agriculture

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	29,837	90,802	120,639
2009 Supplemental *	-1,758	-86	-1,844
Total 2007-09 Biennium	28,079	90,716	118,795
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2009-11 Maintenance Level	29,155	101,350	130,505
Policy Changes - Non-Comp			
1. Biofuels Quality Assurance Savings	-200	0	-200
2. Reduce Invasive Weed Funding	-400	0	-400
3. Replace GF-S in Fee-Based Programs	-1,162	1,162	0
4. Eliminate IPM Committee	-28	0	-28
5. Eradicate Spartina in Willapa Bay	0	487	487
6. Naturally-Raised Beef Cattle Certif	63	0	63
7. Solid Waste Handling Permits	0	25	25
8. DIS Rate Reductions	-19	-64	-83
9. Governor-Directed Freeze	-1,862	0	-1,862
10. Governor-Directed 1% Cut	-346	0	-346
11. Governor Veto	-63	0	-63
Policy -- Non-Comp Total	-4,017	1,610	-2,407
Policy Changes - Comp			
12. Employee Health Insurance	99	413	512
13. Actuarial Method Changes-State	-389	-1,246	-1,635
Policy -- Comp Total	-290	-833	-1,123
<hr/>			
Total 2009-11 Biennium	24,848	102,127	126,975
Fiscal Year 2010 Total	12,553	52,111	64,664
Fiscal Year 2011 Total	12,295	50,016	62,311

Comments:

1. **Biofuels Quality Assurance Savings** - Funding is reduced for the Biofuels Quality Assurance Program. Initial technical and policy issues concerning quality assurance of this new fuel source have been addressed. Existing staff will absorb the ongoing quality assurance workload.
2. **Reduce Invasive Weed Funding** - Ongoing funding for local governments to respond to invasive weeds, such as Japanese Knotweed, is reduced by 20 percent.
3. **Replace GF-S in Fee-Based Programs** - The Department's programs are mostly fee based, with agricultural businesses requesting services that help market their products by ensuring their quality. Some programs are partially supported by the state general fund even though the Department administers fees for the work. General Fund-State (GF-S) support for commercial feed regulation, pesticide regulation programs, and a portion of administrative support is replaced with agricultural fee expenditure authority. (General Fund-State, various other funds)
4. **Eliminate IPM Committee** - The state Integrated Pest Management (IPM) Committee was created in the 1990s to assist agencies in developing pest management strategies that were not wholly reliant upon poisons. That purpose has been accomplished, and state agencies have generally gone beyond the statutory requirements in implementing their plans. Funding for this committee is eliminated.
5. **Eradicate Spartina in Willapa Bay** - Spartina (cordgrass) is an invasive weed that destroys native saltwater estuaries. State, local, and federal partners have virtually eliminated Spartina meadows, lowering infested acres statewide from over 9,200 to about 200. However, \$2.0 million of federal in-kind support to eradicate the remaining acres expired in 2008. One-time funding of \$350,000 will allow Pacific County to assume treatment of remnant Spartina populations in Willapa Bay and maintain early detection and rapid response eradication efforts. One-time funding of \$125,000 will allow the Department to contract for similar work in Grays Harbor in FY 2011. (Aquatic Lands Enhancement Account-State)
6. **Naturally-Raised Beef Cattle Certif** - One-time funding from the general fund is provided to implement SSB 5005 (Naturally Raised Beef Cattle), which would create a program to certify and market beef cattle from Washington as either Washington-certified natural beef cattle or Washington-certified natural grass-fed beef cattle. Beginning in FY 2011, this program would be fee supported. This bill did not pass the Legislature.

Department of Agriculture

The Governor vetoed this appropriation (see Governor Veto item).

7. **Solid Waste Handling Permits** - Funding is provided to implement Chapter 178, Laws of 2009 (SSB 5797), which exempts certain anaerobic digesters from solid waste permitting. The Department, in collaboration with the Department of Ecology, is to issue guidelines for anaerobic codigestion of livestock manure and organic waste-derived material. (State Toxics Control Account-State)
8. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates.
9. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
10. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
11. **Governor Veto** - The Governor vetoed Section 309 (5) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which included an appropriation for SSB 5005 (Naturally Raised Beef Cattle), which did not pass the Legislature.
12. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
13. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	1,858	1,858
2009 Supplemental *	0	-60	-60
Total 2007-09 Biennium	0	1,798	1,798
<hr/>			
2009-11 Maintenance Level	0	1,574	1,574
Policy Changes - Non-Comp			
1. Connect to State Technology Network	0	42	42
2. Oil Heat: Online Pgm Registration	0	17	17
3. Agency Website Redesign & Updates	0	28	28
Policy -- Non-Comp Total	0	87	87
Policy Changes - Comp			
4. Employee Health Insurance	0	5	5
5. Actuarial Method Changes-State	0	-22	-22
Policy -- Comp Total	0	-17	-17
<hr/>			
Total 2009-11 Biennium	0	1,644	1,644
Fiscal Year 2010 Total	0	841	841
Fiscal Year 2011 Total	0	803	803

Comments:

1. **Connect to State Technology Network** - A combination of one-time and ongoing funding is provided to connect the Pollution Liability Insurance Agency (PLIA) to the Department of Information Services' (DIS') centralized e-mail and server-hosting services. Connection to the centralized technology network will enable PLIA to better meet Information Services Board standards for technology security and other functions. It will also allow PLIA to use a variety of services that are increasingly being provided on a statewide basis. (Pollution Liability Insurance Program Trust Account-State, Heating Oil Pollution Liability Trust Account-Non-Appropriated)
2. **Oil Heat: Online Pgm Registration** - The Heating Oil Pollution Liability Insurance Program provides cleanup insurance coverage and technical assistance to over 60,000 owners of heating oil tanks. Currently, applicants must register for the program by mail. Creation of a registration function on the agency's website will provide greater choice and convenience for applicants and shorten registration turnaround time. A combination of one-time and ongoing funding is provided to design and operate a new online registration tool for program applicants. (Heating Oil Pollution Liability Trust Account-Non-Appropriated)
3. **Agency Website Redesign & Updates** - A combination of one-time and ongoing funding is provided for DIS to redesign and host PLIA's official website. The new design will meet state guidelines for web presentation, and DIS hosting will ensure greater reliability. (Pollution Liability Insurance Program Trust Account-State, Heating Oil Pollution Liability Trust Account-Non-Appropriated)
4. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
5. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Puget Sound Partnership

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	8,758	7,365	16,123
2009 Supplemental *	-270	0	-270
Total 2007-09 Biennium	8,488	7,365	15,853
<hr/>			
2009-11 Maintenance Level	8,174	3,650	11,824
Policy Changes - Non-Comp			
1. Reduce Action Agenda Planning	-102	0	-102
2. Air Deposition Study	0	71	71
3. Puget Sound Coastal Monitoring	-305	475	170
4. Administrative Reduction	-455	0	-455
5. Administration Fund Shift	-170	170	0
6. Communication Reduction	-550	0	-550
7. Oil Spill Prevention & Preparedness	0	150	150
8. Puget Sound Research	0	500	500
9. Governor-Directed Freeze	-108	0	-108
Policy -- Non-Comp Total	-1,690	1,366	-324
Policy Changes - Comp			
10. Employee Health Insurance	23	5	28
11. Actuarial Method Changes-State	-90	-2	-92
Policy -- Comp Total	-67	3	-64
<hr/>			
Total 2009-11 Biennium	6,417	5,019	11,436
Fiscal Year 2010 Total	3,223	2,775	5,998
Fiscal Year 2011 Total	3,194	2,244	5,438

Comments:

- | | |
|--|---|
| <p>1. Reduce Action Agenda Planning - Funding is reduced for the Puget Sound Partnership's (PSP's) planning process and for updates to the Action Agenda.</p> <p>2. Air Deposition Study - Funding is shifted from FY 2009 to FY 2010 to accommodate delays in completing an air deposition study. (State Toxics Control Account-State)</p> <p>3. Puget Sound Coastal Monitoring - Funding is reduced for Puget Sound coastal monitoring and will affect the development of a statewide watershed health monitoring system.</p> <p>4. Administrative Reduction - Funding is reduced for PSP's administrative activities. Savings are anticipated from staff reductions.</p> <p>5. Administration Fund Shift - Administration expenses are shifted from the state general fund to the State Toxics Control Account.</p> <p>6. Communication Reduction - Funding is reduced for communication expenditures, such as web design, public affairs, and media activities.</p> <p>7. Oil Spill Prevention & Preparedness - Funding is provided for PSP to provide independent advice and assessment of the</p> | <p>state's oil spill prevention, preparedness, and response programs. (State Toxics Control Account-State)</p> <p>8. Puget Sound Research - Additional federal spending authority is provided for the PSP's Science Panel to manage a competitive, peer-reviewed research project selection process to complete research needs identified in the Biennial Science Workplan. This work will focus on: understanding the processes that drive ecosystem change in Puget Sound; evaluating the effectiveness of restoration actions; evaluating the impacts of storm water on aquatic life; and increasing understanding of forage fish in the nearshore environment. (General Fund-Federal)</p> <p>9. Governor-Directed Freeze - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. Additionally, within existing funds, PSP will assume responsibilities of the Oil Spill Advisory Council and the Puget Sound Monitoring Consortium.</p> <p>10. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees'</p> |
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Puget Sound Partnership

Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

11. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act only includes a portion of the total funding for the Washington State Patrol (WSP) and the Department of Licensing.

Washington State Patrol

Firefighting

A total of \$8 million state general fund is provided to WSP for costs related to fighting wildfires. In previous biennia, this funding was allocated to WSP through the fire contingency pool.

Efficiencies and Savings

The budget reduces the general fund appropriation by \$7.6 million. The savings are achieved through reductions in agency administration, license fraud enforcement, criminal records processing, the Narcotics Unit, and local fire prevention funding.

Justice Assistance Grant

An additional \$1.96 million in federal funding is provided to WSP due to increased Justice Assistance Grant (JAG) funding as part of the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The JAG funds are managed by the Department of Commerce.

Department of Licensing

Fee Increases

The Department will be increasing fees for several professions in order to maintain self support for the regulation of these industries. Fees will be increased for licensing and regulation of the following businesses and professions: cemeteries, funeral directors, and real estate appraisers.

New Professional Regulation

The budget increases expenditure authority for several pieces of legislation that established new regulations or expanded existing regulation for businesses and professions, including tattoo and body piercing, architects, and landscape architects.

Firearms Data Entry

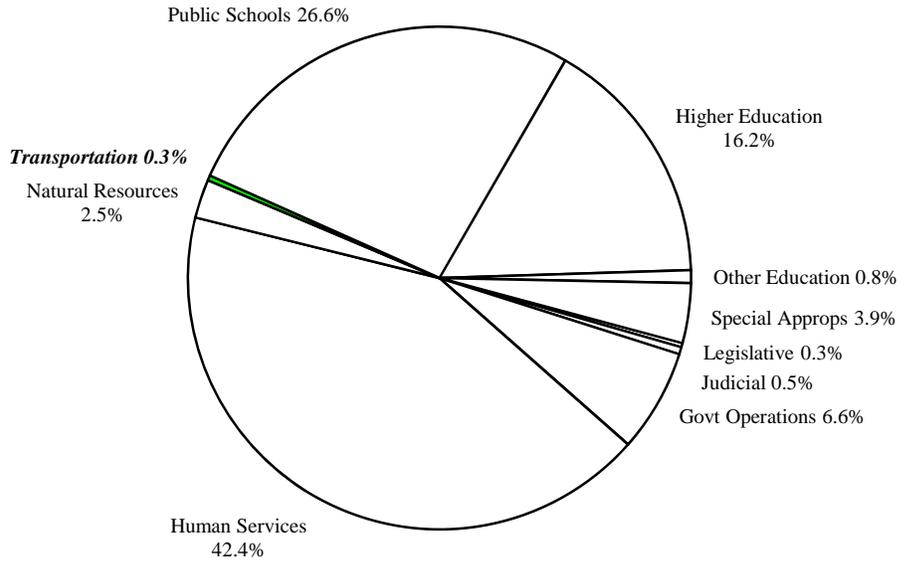
Funding is provided for additional staff to improve the turnaround time necessary to enter firearms registration data into the database used by WSP and local law enforcement agencies.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

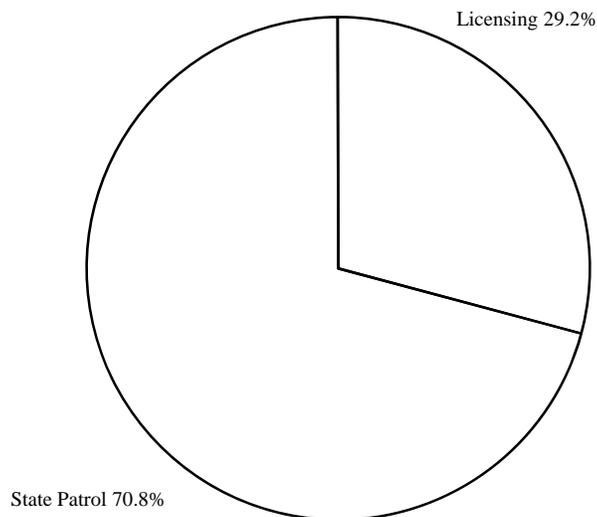
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

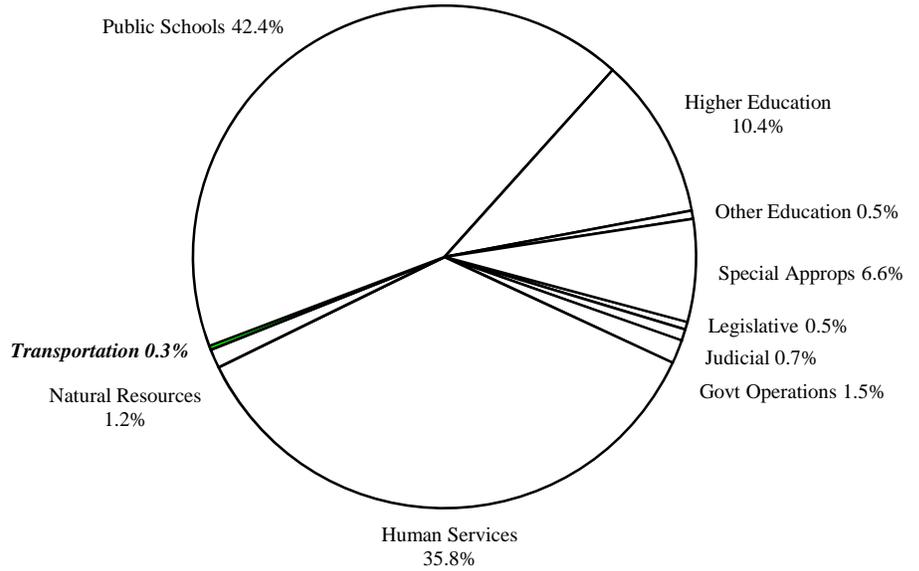
Washington State Patrol	136,475
Dept of Licensing	56,296
Transportation	192,771



Transportation

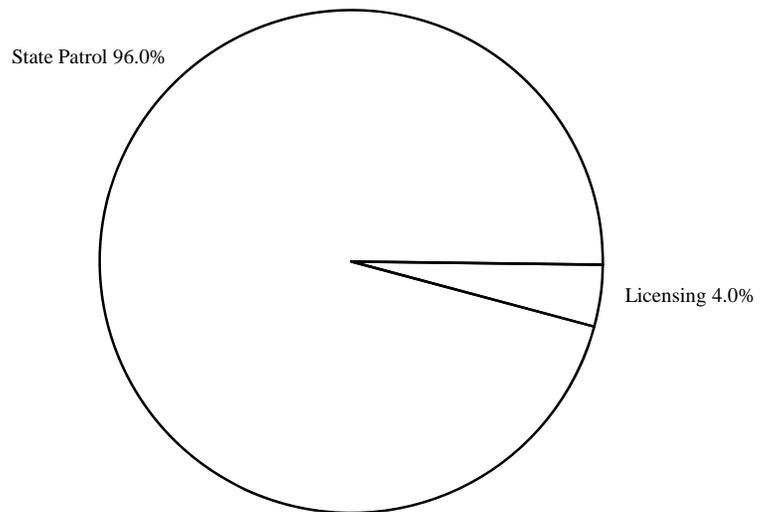
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Washington State Patrol	81,834
Dept of Licensing	3,380
Transportation	85,214



Transportation

Department of Licensing

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,785	45,992	49,777
2009 Supplemental *	-369	-479	-848
Total 2007-09 Biennium	3,416	45,513	48,929
<hr/>			
2009-11 Maintenance Level	3,772	49,331	53,103
Policy Changes - Non-Comp			
1. Engineer & Surveyor Exam System	0	60	60
2. Firearms Workload Increase	260	0	260
3. Business Software Maintenance	9	94	103
4. Teak Surfing	-146	0	-146
5. Real Estate Fingerprinting	0	507	507
6. Professional Athletics Monitoring	-350	358	8
7. Fee Increases	0	1,359	1,359
8. Tattoo and Body Piercing	0	1,352	1,352
9. Landscape Architecture	0	222	222
10. Licensing Architects	0	289	289
11. License Requirements Reduction	-53	0	-53
12. Governor-Directed Freeze	-50	0	-50
13. Governor-Directed 1% Cut	-46	0	-46
14. Governor Veto	0	-289	-289
Policy -- Non-Comp Total	-376	3,952	3,576
Policy Changes - Comp			
15. Employee Health Insurance	8	212	220
16. Actuarial Method Changes-State	-24	-579	-603
Policy -- Comp Total	-16	-367	-383
<hr/>			
Total 2009-11 Biennium	3,380	52,916	56,296
Fiscal Year 2010 Total	1,668	26,439	28,107
Fiscal Year 2011 Total	1,712	26,477	28,189

Comments:

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| <p>1. Engineer & Surveyor Exam System - Funding is provided for the Department of Licensing (DOL) to create an online examination system for professional engineers, land surveyors, and on-site wastewater designers. (Professional Engineers Account-State)</p> <p>2. Firearms Workload Increase - Ongoing funding is provided for two additional FTEs to address the current backlog and future workload for data entry into the firearms database. Funding is expected to reduce backlog to a one-day turnaround time.</p> <p>3. Business Software Maintenance - Funding is provided for DOL to reprogram systems built on programming languages that have either become obsolete and/or are no longer supported by any vendors. (Highway Safety Fund-State, Motor Vehicle Account-State, various other funds)</p> <p>4. Teak Surfing - Funding is eliminated for the teak surfing program. Teak surfing is the practice of hanging on to the stern of a moving motor boat in order to platform drag and body surf in the vessel's wake. The Department was required</p> | <p>to produce a carbon monoxide warning sticker to be displayed by motor driven boats and vessels in the state.</p> <p>5. Real Estate Fingerprinting - Funding is provided to implement Chapter 23, Laws of 2008 (HB 2778), which requires all real estate professionals to submit their fingerprints to DOL for a background check, effective July 1, 2010. (Real Estate Commission Account-State)</p> <p>6. Professional Athletics Monitoring - Funding is provided for Chapter 429, Laws of 2009 (SB 6126). This legislation eliminates the state general fund support for regulation of boxing, wrestling, and extreme fighting events and authorizes DOL to charge increased fees in this program to be deposited into the Business and Professions Account and requires the program to be self-supporting. (General Fund-State, Business and Professions Account)</p> <p>7. Fee Increases - DOL is authorized to increase fees for a variety of business and professional licenses. The increased fees will allow DOL to keep up with growing workloads and increasing costs. (Business and Professions Account, Cemetery Account,</p> |
|--|---|

Department of Licensing

Funeral Directors and Embalmers Account, Real Estate Appraiser Commission Account)

plan design in order to provide benefits within available funding. (various funds)

8. **Tattoo and Body Piercing** - Additional expenditure authority is provided for activities related to regulating tattooing and body piercing, which becomes a licensed profession under Chapter 412, Laws of 2009 (SSB 5391). (Business and Professions Account)
9. **Landscape Architecture** - Chapter 370, Laws of 2009 (SSB 5273), changes the current registration program for Landscape Architects into a professional licensing program and authorizes additional fees. Spending authority is provided in the newly-created Landscape Architects' Licenses Account to run this licensing program. Spending authority is based on the assumption of revenue from the additional fees approved in the bill. (Landscape Architects' Licenses Account)
10. **Licensing Architects** - ESSB 5529 (Architects) would change the licensing requirements for architect firms from corporation to business entity, expanding the number of businesses required to get a license. Additional fees would be collected and additional expenditures would be authorized to support the increased workload. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item). (Architects' License Account)
11. **License Requirements Reduction** - Funding is reduced for the processing of business licenses through the Master License Service program.
12. **Governor-Directed Freeze** - Funding is reduced by assuming savings related to the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
13. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 through the 1 percent cut enacted by the Governor in October 2008.
14. **Governor Veto** - The Governor vetoed the Cemetery Account-State and Funeral Directors and Embalmers Account-State appropriations and Section 401(3) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), because Chapter 102, Laws of 2009 (ESHB 2126), eliminated these accounts and replaced them with the non-appropriated Funeral and Cemetery Account. Appropriation authority from the Architects' License Account was also eliminated because ESSB 5529 did not pass the Legislature.
15. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or
16. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Patrol

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	81,829	39,837	121,666
2009 Supplemental *	1,026	1	1,027
Total 2007-09 Biennium	82,855	39,838	122,693
<hr/>			
2009-11 Maintenance Level	90,513	44,605	135,118
Policy Changes - Non-Comp			
1. Fire Mobilization	0	8,000	8,000
2. Reduce Executive Protection	-190	0	-190
3. Local Spending Authority	0	374	374
4. License Fraud	-500	0	-500
5. Meth Response Team	-1,360	0	-1,360
6. Crime Lab	-600	0	-600
7. Criminal Records Division	-613	0	-613
8. Narcotics Unit	-436	0	-436
9. Administrative Efficiencies	-2,750	0	-2,750
10. Regional Fire Funding	-722	0	-722
11. NFIRS Grant	-100	0	-100
12. Interoperability Efforts	-378	0	-378
13. Additional Federal Funds	0	1,960	1,960
14. Consumer Loan Companies	0	48	48
15. DIS Rate Reductions	-4	0	-4
Policy -- Non-Comp Total	-7,653	10,382	2,729
Policy Changes - Comp			
16. Employee Health Insurance	351	133	484
17. Actuarial Method Changes-State	-1,377	-479	-1,856
Policy -- Comp Total	-1,026	-346	-1,372
<hr/>			
Total 2009-11 Biennium	81,834	54,641	136,475
Fiscal Year 2010 Total	41,468	27,143	68,611
Fiscal Year 2011 Total	40,366	27,498	67,864

Comments:

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|--|---|
| <p>1. Fire Mobilization - Funds previously provided via an allocation from the fire contingency pool are now appropriated directly the Washington State Patrol (WSP). As part of this change, WSP is to provide a report quarterly to the Office of Financial Management and the legislative fiscal committees detailing fire-related expenditures, current and future. (Disaster Recovery Account-State)</p> <p>2. Reduce Executive Protection - Funding for executive protection is reduced.</p> <p>3. Local Spending Authority - Local spending authority is provided for WSP unanticipated receipts received in FY 2009 that continue in FY 2010. (General Fund-Private/Local)</p> <p>4. License Fraud - Funding for two license fraud enforcement positions is eliminated. Funding was provided in FY 2007 to support increased enforcement activities associated with Chapter 323, Laws of 2005 (EHB 1241), which increased penalties for failure to register a vehicle and created a penalty for registering a vehicle in another state to avoid in-state fees.</p> | <p>5. Meth Response Team - Funding for the meth response team activity is reduced. WSP provides tactical response with the certified meth response team.</p> <p>6. Crime Lab - Funding for the state crime lab, which provides a variety of forensic services for criminal justice agencies, is reduced.</p> <p>7. Criminal Records Division - Funding is reduced for the criminal records division to reflect savings from efficiencies.</p> <p>8. Narcotics Unit - Funding is reduced for the Narcotics Unit.</p> <p>9. Administrative Efficiencies - Funding to WSP is reduced for agency administration and overhead.</p> <p>10. Regional Fire Funding - Funding is reduced for grants to local fire districts for training and technical assistance.</p> <p>11. NFIRS Grant - Funding is eliminated for grants to local fire districts for computers, training, data entry services, and other costs associated with using the National Fire Incident Reporting System (NFIRS).</p> |
|--|---|

Washington State Patrol

12. **Interoperability Efforts** - Funding is reduced for FTEs supporting work on interoperability between state, local, federal, tribal, and other first responder and emergency response agencies.
13. **Additional Federal Funds** - Additional funds are provided to WSP from increases in the Justice Assistance Grant from the American Recovery and Reinvestment Act of 2009, the federal stimulus act. These funds are going to the Department of Commerce and will then be provided to WSP. (General Fund-Private/Local)
14. **Consumer Loan Companies** - Funding is provided to implement Chapter 120, Laws of 2009 (SHB 1621), which requires WSP to conduct additional background checks. (Fingerprint ID Account-State)
15. **DIS Rate Reductions** - Funding is reduced due to a decrease in the Department of Information Services' (DIS) central service rates.
16. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
17. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

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

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget

	2007-09 Biennium through the 2009 Supplemental Budget	2009-11 Biennium	Difference	Percent Change
NGF-S*	\$13,297,765,000	\$13,311,962,000	\$14,197,000	0.1%
NGF-S Per Pupil Funding	\$6,798	\$6,737	-\$61	-0.9%
NGF-S plus Federal Stimulus**	\$13,659,762,000	\$14,099,106,000	\$439,344,000	3.2%
NGF-S + Fed. Stimulus, Per Pupil Funding	\$6,983	\$7,136	\$153	2.2%

* Near-General Fund-State: General Fund, Student Achievement Fund, Education Legacy Trust Account, Pension Funding Stabilization Account.

** Budgeted federal stimulus funding provided under the American Recovery and Reinvestment Act of 2009 including fiscal stabilization, Individuals with Disabilities Education Act (IDEA), Title I, Title I School Improvement, Education Technology, and Food Equipment funding.

Maintenance Level Changes

Enrollment, Workload and Inflation

State funds in the amount of \$325 million are provided for student enrollment increases, inflation of non-employee related costs, and other workload adjustments. During the 2009-11 biennium, the number of full-time equivalent (FTE) students is expected to increase by about 8,500 students, or just less than 1 percent.

Pension Rate Changes

Increases in employer contribution rates for employee pensions total \$158 million in state near-general fund costs at the maintenance level. However, changes are made at the policy level to actuarial assumptions and the method used for many of the Washington State retirement systems that result in offsetting savings of \$339 million for public schools. The net reduction is \$181 million in state funds.

Initiative 732 Cost-of-Living Increases

Initiative 732, approved by voters in 2000, provides an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 4.2 percent for the 2009-10 school year and 0 percent for the 2010-11 school year. The annual cost-of-living requirement, which would have totaled \$369 million for public school employees, is suspended for the 2009-11 biennium and the associated costs are reduced at policy level.

Policy Level Changes

State funds reductions totaling \$1.8 billion are included in the 2009-11 biennial budget. Budgeted federal stimulus funds, provided under the American Recovery and Reinvestment Act (ARRA) of 2009, added \$787 million in 2009-11 – \$376 million in general fiscal stabilization and \$411 million in dedicated program funds. In addition, \$362 million in general fiscal stabilization funds were made available in state fiscal year 2009. Over three fiscal years, one-time federal stimulus funds total \$1.1 billion for K-12 public schools. The following table displays ARRA funds for each fiscal year.

	Dollars in Thousands			
	FY 2009	FY 2010	FY 2011	Total
Federal Fiscal Stabilization	362,000	376,579	0	738,579
Title I	0	51,970	77,955	129,925
Title I School Improvement	0	19,592	29,389	48,981
IDEA	0	88,543	132,814	221,357
Education Technology	0	3,311	4,967	8,278
Food Equipment	0	1,588	0	1,588
Ed Technology for State Basic Ed Data System	0	174	261	435
Total Budgeted ARRA Funds	362,000	541,757	245,386	1,149,143

Major Reductions in the 2009-11 K-12 Operating Budget Include:

Reduce Levy Equalization

Levy equalization payments are reduced by \$236.6 million in state funds, offset by the addition of \$176.3 million in federal fiscal stabilization funds, for a net reduction of \$60.3 million. The net budget reduction in levy equalization payments of approximately 16 percent for calendar years 2010 and 2011 is dependent on enactment of Engrossed Substitute House Bill (ESHB) 1776, or similar legislation. ESHB 1776 was not passed by the Legislature in the 2009 Regular legislative session.

Reduce Student Achievement Program

Student Achievement Fund payments are reduced by \$800.3 million in state funds, offset by the addition of \$200.3 million in federal fiscal stabilization funds, for a net reduction of \$600.0 million. Net funding levels reflect per-student allocations of \$131 per student in the 2009-10 school year and \$99 per student in the 2010-11 school year. This represents a 71.4 percent reduction and a 78.6 percent reduction in the two school years, respectively. Funding levels also include a one-time expenditure of \$8 million in deferred Student Achievement Program payments from the 2009 supplemental budget.

Professional Development Changes

Funding for professional development in the areas of math and science is discontinued. This funding supported additional learning improvement days for middle and high school math and science teachers to receive professional development on new math and science curriculum standards and best practices. Sufficient funds are left to cover the remaining costs for the last two months of the 2008-09 school year (July and August), which fall in fiscal year 2010. In addition, funding is eliminated for after-school math programs and paraprofessional employee development. Superintendent and principal internship funding is decreased by 25 percent and funding for math and science instructional coaches is decreased by 50 percent. Together, reductions to professional development programs total \$45 million.

Remove Learning Improvement Day

Funding is discontinued for one learning improvement day, allocated through the general apportionment formulae, reducing \$36 million in state funds.

Education Reform Reductions

A number of education reform programs are decreased or eliminated, resulting in state fund reductions of \$36 million. Examples of programs that are eliminated include the school librarian allocation, Summer Accountability Institutes, the English Language Learner project, Math Helping Corps, and a math initiative. Examples of programs that are reduced include the recent expansion of the Leadership and Assistance Science Education Reform program, focused assistance to schools, and the Leadership Academy.

WASL Changes

Funding for the assessment system is reduced by \$8.5 million to reflect projected savings from implementing recommendations from the legislative Washington Assessment of Student Learning (WASL) work group. Budget amounts assume revisions will be made to reduce the number of open-ended questions and extended responses, as well as further examination and probable adjustment of alternative assessments and the appeals process. Based on

the provisions of Chapter 556, Laws of 2009, (ESSB 5889), collections of evidence will be limited to only the content areas in which a student has to pass the high school WASL to graduate (reading and writing).

National Board for Professional Teaching Standards Program Changes

The inflationary increase for the National Board bonus program is temporarily suspended for school years 2009-10 and 2010-11. The program continues throughout the 2009-11 biennium with bonus amounts paid at the same level as provided in school year 2008-09. Suspending inflationary increases translates to an expenditure reduction of \$4.6 million. State funds in the amount of \$3.0 million – to be supplemented by federal and private funds – will be available for conditional payments of \$2,000 per teacher to support staff in managing the costs of application for certification. The pre-payments will be limited to certificated instructional staff who have met the eligibility requirements and have applied for certification from the Board, within the funds available for this purpose. If the certification is not earned within three years, the teacher will reimburse the state for the conditional funding. Together, the two changes yield a net reduction of \$1.6 million.

Administrative Reduction

The Office of the Superintendent of Public Instruction (OSPI) operations budget is reduced by \$2.0 million, and the Educational Service Districts' budgets are reduced by \$1.2 million, for a total reduction of \$3.2 million as part of statewide administrative reductions.

Policy Level Additions

Health Benefit Changes

Funding for school employee health benefits is increased by 1.8 percent for school year 2009-10 and 3.1 percent for school year 2010-11 to \$745 per employee per month in school year 2009-10 and \$768 in school year 2010-11 for total additional funding of \$44.2 million.

Basic Education Bill

The Legislature passed Chapter 548, Laws of 2009, Partial Veto (ESHB 2261), which outlines a new definition of basic education to take effect September 1, 2011, subject to phase-in schedules for various components of the program. A new school funding structure is substantially defined in the legislation and scheduled to take effect beginning in the 2011-2012 school year, subject to technical formulas being adopted by the Legislature. The Legislature and the Quality Education Council (QEC), which is created in the legislation, are tasked with monitoring and overseeing the development of the funding formulas by various technical working groups also established in the bill. QEC is required to report to the Legislature by January 1, 2010, making recommendations concerning the concurrent phase-in of any changes in the Basic Education Program and requisite funding with full implementation to be completed by September 1, 2018. An amount of \$4.4 million is provided in the budget for ESHB 2261, the majority of which supports the work of the QEC and technical working groups, as well as preparing for the implementation of new data system requirements, during the 2009-11 biennium.

2009 Session Bills

A net amount of \$6.5 million is added to the budget for the costs and savings associated with legislation enacted in the 2009 Legislative session. The following is a list of bills and the associated changes in state funding:

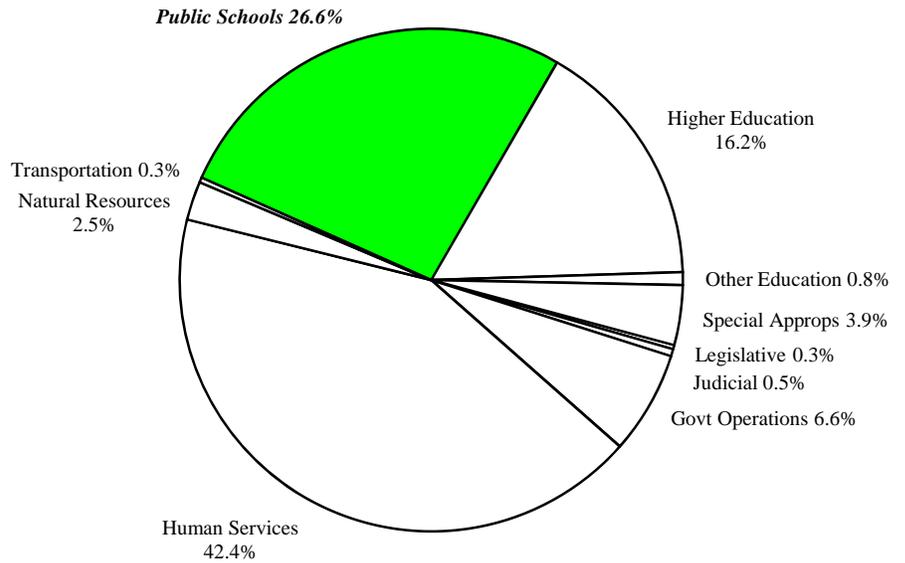
Bill Number	Dollars in Thousands Brief Title	Change in State Funding
SHB 1292	180-day school year waiver	-154
SSB 5248	Interstate compact on educational opportunity for military children	89
SHB 2003	Changing professional educator standards board provisions	176
ESSB 5414	Statewide assessments and curricula	70
2SSB 5973	Closing the achievement gap in K-12 schools	102
ESHB 2261	State's education system	4,388
HB 1562	Changing requirements for graduation without a certificate	-1,072
SSB 5410	Relating to online learning	1,400
2SSB 5676	Career and technical education opportunities for middle school students	1,458
Total		6,457

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

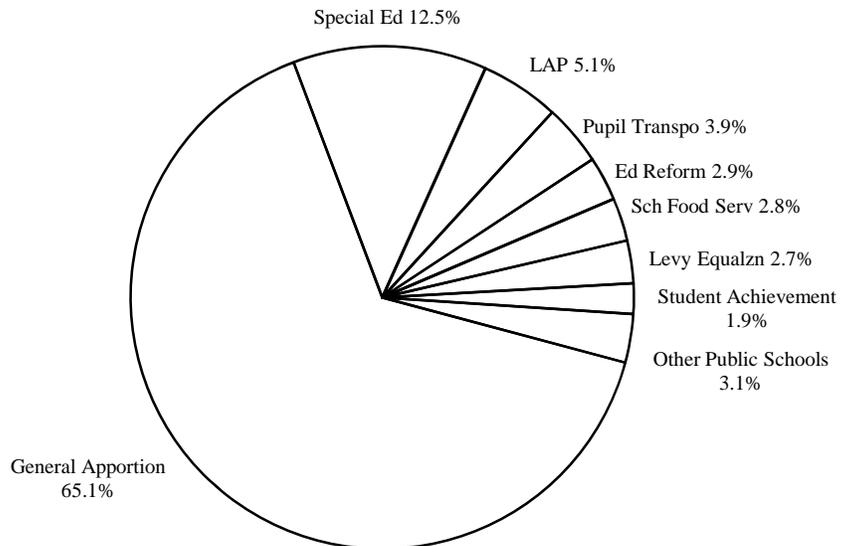
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

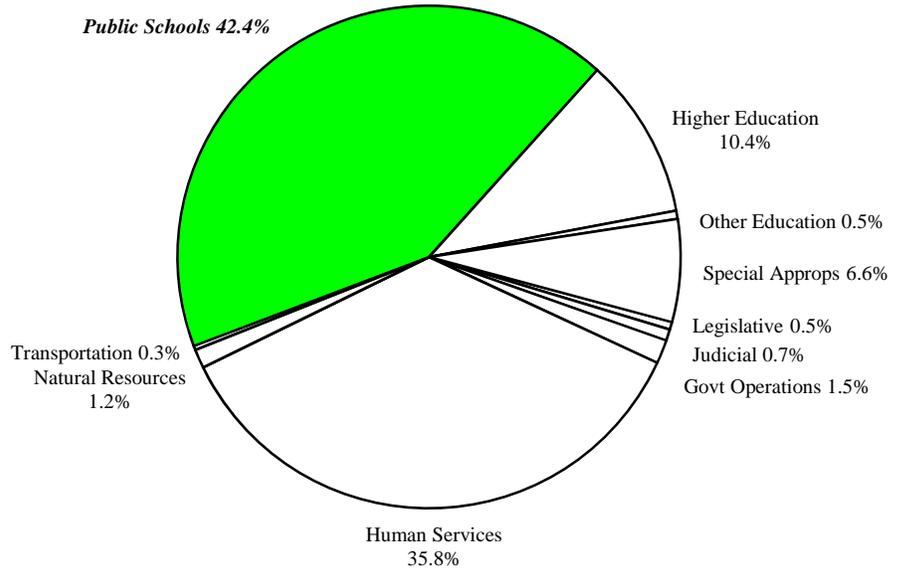
General Apportionment	10,186,760
Special Education	1,950,155
Learning Assist Pgm (LAP)	795,209
Pupil Transpo	614,427
Education Reform	446,393
School Food Services	433,318
Levy Equalization	429,202
Student Achievement	304,396
Other Public Schools	489,182
Public Schools	15,649,042



Public Schools

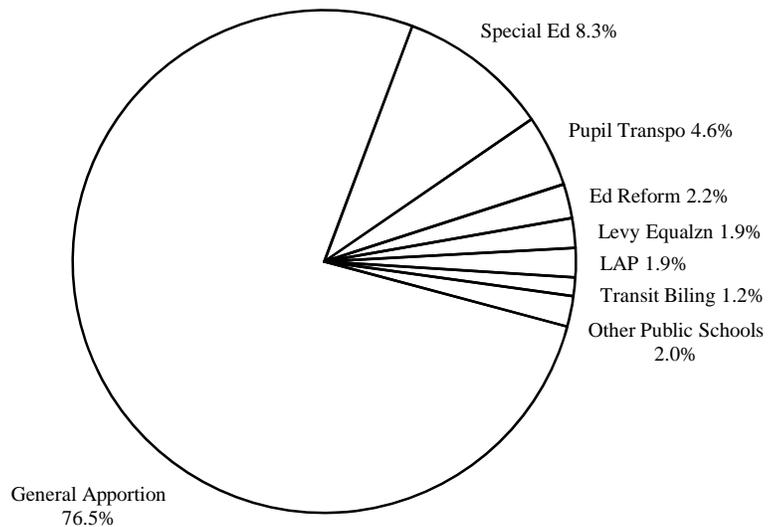
2009-11 Washington State Omnibus Operating Budget Near General Fund-State (Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

General Apportionment	10,186,760
Special Education	1,294,103
Pupil Transpo	614,427
Education Reform	292,805
Levy Equalization	252,918
Learning Assist Pgm (LAP)	251,284
Transit Bilingual Inst	158,931
Other Public Schools	260,734
Public Schools	13,311,962



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Estimated		
							2008-09	2009-10	2010-11
General Apportionment									
FTE Enrollment	958,846	962,294	966,246	972,079	973,612	975,540	980,771	986,484	989,304
% Change from prior year		0.4%	0.4%	0.6%	0.2%	0.2%	0.5%	0.6%	0.3%
Special Education									
Funded Enrollment ⁽¹⁾	119,272	119,887	121,342	115,485	121,750	126,248	127,766	129,206	130,548
% Change from prior year		0.5%	1.2%	-4.8%	5.4%	3.7%	1.2%	1.1%	1.0%
Bilingual Education									
Headcount Enrollment	66,258	70,908	75,255	76,716	76,505	80,689	82,944	86,921	90,451
% Change from prior year		7.0%	6.1%	1.9%	-0.3%	5.5%	2.8%	4.8%	4.1%
Learning Assistance Program (LAP)									
Entitlement Units ⁽²⁾	170,157	161,864	157,935	N/A	N/A	N/A	N/A	N/A	N/A
Funded Student Units ⁽³⁾	N/A	N/A	N/A	408,477	419,033	413,797	432,269	436,691	439,235
% Change from prior year		-4.9%	-2.4%		2.6%	-1.2%	4.5%	1.0%	0.6%

⁽¹⁾ For the 2002-03, 2003-04, and 2004-05 school years a portion of the special education enrollment was funded with federal dollars.

⁽²⁾ In the 2005 legislative session, the Legislature made significant changes to the allocation formula for LAP. For this reason, the workload amounts for the 2005-07 biennium and beyond are not comparable to prior years.

⁽³⁾ Beginning in the 2008-09 school year, additional LAP units are provided to school districts with concentrations of bilingual students exceeding 20 percent of enrollment pursuant to RCW 28A.165.055, making year-to-year comparisons of total LAP units before and after this change non-comparable.

Data Sources :

Caseload Forecast Council, March 2009 forecast, and legislative budgets from the 2009 session.

**Public Schools
OSPI & Statewide Programs**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	76,916	81,791	158,707
2009 Supplemental *	-1,764	1,300	-464
Total 2007-09 Biennium	75,152	83,091	158,243
2009-11 Maintenance Level	74,347	82,504	156,851
Policy Changes - Non-Comp			
1. Federal Recovery Ed Technology	0	8,278	8,278
2. Apportionment and Financial Systems	839	0	839
3. Cispus	-62	0	-62
4. Staff Recognition Award	-84	0	-84
5. Administrative Reduction	-2,006	0	-2,006
6. Washington Achievers Scholar	-500	0	-500
7. Alternate Routes	-1,716	0	-1,716
8. Building Bridges Grants	-3,650	0	-3,650
9. School Safety Plans	-1,600	0	-1,600
10. Anti-Bias Training	-650	0	-650
11. Dyslexia Pilot Project	-298	0	-298
12. Non-Violence Leadership Training	-442	0	-442
13. LEAP Bilingual Pilot	-150	0	-150
14. Civil Liberties Education	-292	0	-292
15. Legislative Youth Advisory Council	-228	0	-228
16. Youth Suicide Prevention	-60	0	-60
17. Classified Staff Training	-200	0	-200
18. WWII Oral History Project	-100	0	-100
19. Compana Quetzal	-50	0	-50
20. Mentoring Advanced Placement	-140	0	-140
21. Financial Literacy	50	0	50
22. Internet Safety	-80	0	-80
23. Civics Education	-72	0	-72
24. Incarcerated Family Programs	-62	0	-62
25. College Bound Scholarship Coord.	-54	0	-54
26. Discontinued Studies	-148	0	-148
27. Military Compact	89	0	89
28. PESB/OSPI Reorganization	176	0	176
29. Project Citizen	50	0	50
30. Student Achievement Gap	102	0	102
31. Comprehensive Ed Data System	2,520	435	2,955
32. State Education System	1,868	0	1,868
33. Online Learning	1,400	0	1,400
Policy -- Non-Comp Total	-5,550	8,713	3,163
Policy Changes - Comp			
34. Employee Health Insurance	327	0	327
35. Actuarial Method Changes-State	-1,357	0	-1,357
Policy -- Comp Total	-1,030	0	-1,030
Total 2009-11 Biennium	67,767	91,217	158,984
Fiscal Year 2010 Total	34,798	44,053	78,851
Fiscal Year 2011 Total	32,969	47,164	80,133

Comments:

1. **Federal Recovery Ed Technology** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides funds for education technology. This amount

represents 95 percent of the estimated allocation to Washington State for distribution to school districts, half by formula and half by competitive grant. (General Fund-Federal)

Public Schools OSPI & Statewide Programs

2. **Apportionment and Financial Systems** - The apportionment and student enrollment information technology system is in the process of being converted to a new platform. The project will improve the capacity of the system and align the data collection and processing with internal budgeting and expenditure systems. Funding is provided for the end of Phase 2 and all of Phase 3, which will complete the project.
3. **Cispus** - Funding for the Cispus Environmental Learning Center is discontinued. The Center provides facilities for outdoor environmental and science education for elementary school students.
4. **Staff Recognition Award** - The classified staff recognition award, implemented in 2007 to recognize the work of school and district classified staff, is eliminated.
5. **Administrative Reduction** - The Office of the Superintendent of Public Instruction (OSPI) operations budget is reduced by \$2.006 million, and the Educational Service Districts' budgets are reduced by \$1.216 million as part of statewide administrative reductions.
6. **Washington Achievers Scholar** - The Washington Achievers Scholars program is reduced by 25 percent. The program was implemented in school year 2005-06 to provide mentorship to low-income high school students in their junior and senior years of high school and as they transition into the first year of college.
7. **Alternate Routes** - Alternative certification routes are teacher-training programs that serve as alternatives to traditional teacher-preparation programs. The program is reduced in the 2009-11 fiscal period by 20 percent.
8. **Building Bridges Grants** - Funding for the Building Bridges program is reduced by 73 percent. The program was first funded in FY 2008 to award grants to local school and community partnerships for drop-out prevention and reduction activities.
9. **School Safety Plans** - Grants to school districts for developing safety plans and conducting drills are eliminated.
10. **Anti-Bias Training** - Anti-bias training is eliminated. This demonstration project was first funded in school year 2006-07 to provide anti-bias and cultural-competency training to a select number of district personnel to increase their ability to provide non-discriminatory services for students.
11. **Dyslexia Pilot Project** - Recommendations from the dyslexia pilot project are implemented. The program will provide curricula, materials, and teacher support to improve the reading skills of students with dyslexia. Funding for the assessment phase of the pilot project in the amount of \$588,000 is eliminated and replaced with \$290,000 in funding for the implementation phase, yielding a net decrease of \$298,000.
12. **Non-Violence Leadership Training** - The non-violence leadership program, which provides training to school staff and students regarding non-violence, is funded at 18.5 percent of the 2007-09 level.
13. **LEAP Bilingual Pilot** - The Latino/a Educational Achievement Project (LEAP) bilingual pilot, first funded in FY 2008, is reduced by 50 percent. The program was designed to encourage bilingual high school students to pursue public-school teaching as a profession and provides funds for a contract with LEAP to identify and mentor bilingual students in their junior year and encourage them to become school teachers.
14. **Civil Liberties Education** - Funding for a civil liberties education program is discontinued. The program was designed to provide grants for developing educational materials on the World War II exclusion and detention of individuals of Japanese ancestry.
15. **Legislative Youth Advisory Council** - The Legislative Youth Advisory Council, first funded in FY 2008, is eliminated. The Council of 22 statewide members advises legislators on issues of importance to youth.
16. **Youth Suicide Prevention** - The youth suicide prevention program was created to develop pilot projects to assist schools in implementing suicide prevention activities. The program is funded at 70 percent of its 2007-09 level.
17. **Classified Staff Training** - Classified instructional assistants' training, implemented in 2008 to provide professional development opportunities to instructional assistants, is eliminated.
18. **WWII Oral History Project** - Funding for the World War II oral history project coordinated by OSPI and the WWII memorial education foundation is reduced by two-thirds. The project was established to provide oral history presentations, documentation, and other materials to OSPI for curriculum development.
19. **Compana Quetzal** - Funding for Compana Quetzal is reduced by one-third. Compana Quetzal is a community-based organization in Seattle providing various support programs focused on the Latino/a community, including early-childhood programs, secondary to post-secondary transition guidance, and parent leadership.
20. **Mentoring Advanced Placement** - This program was funded for FY 2008 and FY 2009 to provide mentoring in 35 southwest Washington classrooms in a range of advanced placement subjects. The program is discontinued as of FY 2010.
21. **Financial Literacy** - Funding is provided to implement Chapter 443, Laws of 2009 (SHB 1347 - Financial Education). The funding will support the work of the Financial Education Public-Private Partnership supporting financial education instruction in public schools.

Public Schools OSPI & Statewide Programs

22. **Internet Safety** - Funding is discontinued for developing and distributing a pamphlet promoting Internet safety for children.
23. **Civics Education** - Funding is discontinued for a program that provides competitive grants to school districts, used primarily to give teachers time to plan, implement, and score civics classroom-based assessments.
24. **Incarcerated Family Programs** - Funding for this program is eliminated. OSPI has reviewed policies and programs, worked to improve data systems, surveyed educators, provided training, and created a toolkit for school districts to provide educators with a better understanding of how to support students with an incarcerated parent.
25. **College Bound Scholarship Coord.** - Funding is discontinued for OSPI to generate flyers and other promotional materials for the College Bound Scholarship program.
26. **Discontinued Studies** - Funding for a study of labor market supply for math and science teachers by the Professional Educator Standards Board (PESB) is discontinued. Additionally, \$6,000 in funding for administrative activities by OSPI associated with the implementation of Chapter 265, Laws of 2007 (ESSB 5297 - Sexual Health Education), is discontinued.
27. **Military Compact** - Funding is provided to implement Chapter 380, Laws of 2009 (SSB 5248 - Military Children).
28. **PESB/OSPI Reorganization** - Funding is provided to implement Chapter 531, Laws of 2009 (SHB 2003 - Professional Educator Standards Board). The fiscal impact has two components: 1) projected savings of \$44,000 are based on cost reductions associated with reducing the membership of PESB from 20 members to 12 members; and 2) a cost of \$220,000 to support the work of PESB in assuming new responsibilities for educator certification. The net impact is \$176,000 for 2009-11.
29. **Project Citizen** - Funding is provided for Project Citizen, a program presented by the National Conference of State Legislatures and the Center for Civic Education to promote participation in government by middle-school students.
30. **Student Achievement Gap** - Funding is provided for implementation of Chapter 468, Laws of 2009 (2SSB 5973 - Student Achievement Gap).
31. **Comprehensive Ed Data System** - Funding is provided to implement the data requirements of Chapter 548, Laws of 2009, Partial Veto (ESHB 2261 - State's Education System), including assessment of a comprehensive data system that will include financial, student, and educator data. OSPI will convene a data-governance group to create a comprehensive needs requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections. A preliminary report shall be submitted to the fiscal committees and the education policy committees of the House of Representatives and Senate by November 2009.
32. **State Education System** - Funding is provided for implementation of Chapter 548, Laws of 2009, Partial Veto (ESHB 2261), including research and development of options for new school finance systems, participating in work groups, funding technical staff, reprogramming, and analysis of alternative student funding formulae. Within this amount is \$150,000 for the State Board of Education for further development of accountability systems and \$150,000 for PESB for continued development of teacher certification and evaluation systems.
33. **Online Learning** - Funding is provided for implementation of Chapter 542, Laws of 2009 (SSB 5410 - Online Learning).
34. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
35. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 General Apportionment**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	9,265,714	0	9,265,714
2009 Supplemental *	32,435	0	32,435
Total 2007-09 Biennium	9,298,149	0	9,298,149
2009-11 Maintenance Level	10,458,266	0	10,458,266
Policy Changes - Non-Comp			
1. Adjust K-4 Allocation	692	0	692
Policy -- Non-Comp Total	692	0	692
Policy Changes - Comp			
2. Pension Rate Adjustments	-272,198	0	-272,198
Policy -- Comp Total	-272,198	0	-272,198
Total 2009-11 Biennium	10,186,760	0	10,186,760
Fiscal Year 2010 Total	5,083,217	0	5,083,217
Fiscal Year 2011 Total	5,103,543	0	5,103,543

Comments:

1. **Adjust K-4 Allocation** - School districts that fail to maintain the targeted staffing ratio established in the omnibus operating budget for the purpose of allocating class-size reductions have historically forfeited the additional allocated funds. Eligible school districts will now be able to retain those funds.
2. **Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
Compensation Adjustments**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	566,508	275	566,783
2009 Supplemental *	2,250	1	2,251
Total 2007-09 Biennium	568,758	276	569,034
2009-11 Maintenance Level	365,112	161	365,273
Policy Changes - Non-Comp			
1. Adjust K-4 Allocation	65	0	65
Policy -- Non-Comp Total	65	0	65
Policy Changes - Comp			
2. Health Benefit Changes	44,188	20	44,208
3. Remove Learning Improvement Day	-35,668	-16	-35,684
4. Pension Rate Adjustments	-13,676	-2	-13,678
5. Suspend Initiative 732 COLA	-350,064	-157	-350,221
Policy -- Comp Total	-355,220	-155	-355,375
Total 2009-11 Biennium	9,957	6	9,963
Fiscal Year 2010 Total	-4,215	-2	-4,217
Fiscal Year 2011 Total	14,172	8	14,180

Comments:

1. **Adjust K-4 Allocation** - Funding is provided for compensation adjustments for the increased number of certificated instructional staff units associated with removing certain conditions on K-4 certificated instructional staff allocations.
2. **Health Benefit Changes** - Funding for school employee health benefits is increased by 1.8 percent for school year 2009-10 and 3.1 percent for school year 2010-11 to \$745 per employee per month in school year 2009-10 and \$768 in school year 2010-11. (General Fund-State, various other funds)
3. **Remove Learning Improvement Day** - Funding is discontinued for one learning improvement day allocated through the general apportionment formula.
4. **Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
5. **Suspend Initiative 732 COLA** - Costs associated with the annual cost-of-living adjustments (COLAs) for implementation of Initiative 732 are suspended for the 2009-11 biennium and, therefore, eliminated at policy level.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
Pupil Transportation**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	574,919	0	574,919
2009 Supplemental *	14,989	0	14,989
Total 2007-09 Biennium	589,908	0	589,908
2009-11 Maintenance Level	620,936	0	620,936
Policy Changes - Non-Comp			
1. Four-Day Week Pilot	-154	0	-154
2. Choice Transportation	-10	0	-10
Policy -- Non-Comp Total	-164	0	-164
Policy Changes - Comp			
3. Pension Rate Adjustments	-6,345	0	-6,345
Policy -- Comp Total	-6,345	0	-6,345
Total 2009-11 Biennium	614,427	0	614,427
Fiscal Year 2010 Total	307,357	0	307,357
Fiscal Year 2011 Total	307,070	0	307,070

Comments:

- Four-Day Week Pilot** - Funding is provided to implement Chapter 543, Laws of 2009 (SHB 1292 - 180-Day School Year Waivers). The bill limits the waivers to five school districts, each with fewer than 500 students. The amount reflects the projected ongoing savings to the state resulting from five school districts receiving the waiver to implement a four-day school-week calendar. Savings are anticipated primarily in transportation and food service formula allocations.
- Choice Transportation** - Funding for the Choice Transportation program is removed. This program provided transportation services to low-income students who transfer to "choice" programs solely for educational reasons and has been under-utilized in recent years.
- Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 School Food Services**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	6,318	425,410	431,728
2009-11 Maintenance Level	6,318	425,412	431,730
Policy Changes - Non-Comp			
1. Federal Recovery Food Equipment	0	1,588	1,588
Policy -- Non-Comp Total	0	1,588	1,588
Total 2009-11 Biennium	6,318	427,000	433,318
Fiscal Year 2010 Total	3,159	214,294	217,453
Fiscal Year 2011 Total	3,159	212,706	215,865

Comments:

- Federal Recovery Food Equipment** - Federal funds under the American Recovery and Reinvestment Act (ARRA) of 2009, the federal stimulus act, are provided for equipment assistance to school food authorities (SFAs) participating in the National School Lunch Program. Local SFAs may apply to the Office of the Superintendent of Public Instruction to receive grants in accordance with provisions of ARRA. As stipulated in ARRA, priority will be given to SFAs for equipment for schools in which at least 50 percent of the students are eligible for free or reduced-priced meals.

**Public Schools
Special Education**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,139,955	435,692	1,575,647
2009 Supplemental *	-1,613	3,160	1,547
Total 2007-09 Biennium	1,138,342	438,852	1,577,194
2009-11 Maintenance Level	1,326,955	434,695	1,761,650
Policy Changes - Non-Comp			
1. Federal Recovery Special Ed (IDEA)	0	221,357	221,357
Policy -- Non-Comp Total	0	221,357	221,357
Policy Changes - Comp			
2. Pension Rate Adjustments	-32,852	0	-32,852
Policy -- Comp Total	-32,852	0	-32,852
Total 2009-11 Biennium	1,294,103	656,052	1,950,155
Fiscal Year 2010 Total	641,337	305,907	947,244
Fiscal Year 2011 Total	652,766	350,145	1,002,911

Comments:

1. **Federal Recovery Special Ed (IDEA)** - Federal funds under the American Recovery and Reinvestment Act (ARRA) of 2009, the federal stimulus act, are provided from the Individuals with Disabilities Education Act (IDEA), Part B. These recovery funds will be distributed to school districts in each fiscal year, by formula, in accordance with guidelines of ARRA.
2. **Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 Educational Service Districts**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	16,049	0	16,049
2009-11 Maintenance Level	18,433	0	18,433
Policy Changes - Non-Comp			
1. Administrative Reduction	-1,216	0	-1,216
Policy -- Non-Comp Total	-1,216	0	-1,216
Policy Changes - Comp			
2. Pension Rate Adjustments	-428	0	-428
Policy -- Comp Total	-428	0	-428
Total 2009-11 Biennium	16,789	0	16,789
Fiscal Year 2010 Total	8,394	0	8,394
Fiscal Year 2011 Total	8,395	0	8,395

Comments:

1. **Administrative Reduction** - The Educational Service Districts' budgets are reduced by \$1.216 million as part of statewide administrative reductions.
2. **Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

**Public Schools
 Levy Equalization**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	423,655	0	423,655
2009 Supplemental *	4,414	0	4,414
Total 2007-09 Biennium	428,069	0	428,069
2009-11 Maintenance Level	489,494	0	489,494
Policy Changes - Non-Comp			
1. Reduce Levy Equalization	-60,292	0	-60,292
2. Fiscal Stabilization Grant	-176,284	176,284	0
Policy -- Non-Comp Total	-236,576	176,284	-60,292
Total 2009-11 Biennium	252,918	176,284	429,202
Fiscal Year 2010 Total	42,921	176,284	219,205
Fiscal Year 2011 Total	209,997	0	209,997

Comments:

1. **Reduce Levy Equalization** - The budget reduction in state levy equalization payments of approximately 16 percent for calendar years 2010 and 2011 is dependent on enactment of SHB 1776, or similar legislation. SHB 1776 was not passed by the Legislature in the 2009 regular legislative session.
2. **Fiscal Stabilization Grant** - Fiscal stabilization funding from the American Recovery and Reinvestment Act of 2009 (the federal stimulus act) is used to restore, in part, General Fund-State reductions to levy-equalization payments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 Institutional Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	38,869	0	38,869
2009 Supplemental *	1,900	0	1,900
Total 2007-09 Biennium	40,769	0	40,769
2009-11 Maintenance Level	37,964	0	37,964
Policy Changes - Comp			
1. Pension Rate Adjustments	-1,029	0	-1,029
Policy -- Comp Total	-1,029	0	-1,029
Total 2009-11 Biennium	36,935	0	36,935
Fiscal Year 2010 Total	18,943	0	18,943
Fiscal Year 2011 Total	17,992	0	17,992

Comments:

- Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	17,171	0	17,171
2009 Supplemental *	-12	0	-12
Total 2007-09 Biennium	17,159	0	17,159
2009-11 Maintenance Level	19,372	0	19,372
Policy Changes - Comp			
1. Pension Rate Adjustments	-505	0	-505
Policy -- Comp Total	-505	0	-505
Total 2009-11 Biennium	18,867	0	18,867
Fiscal Year 2010 Total	9,430	0	9,430
Fiscal Year 2011 Total	9,437	0	9,437

Comments:

- Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Public Schools
Elementary & Secondary School Improvement

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	0	43,450	43,450
2009-11 Maintenance Level	0	43,450	43,450
Total 2009-11 Biennium	0	43,450	43,450
Fiscal Year 2010 Total	0	21,725	21,725
Fiscal Year 2011 Total	0	21,725	21,725

Comments:

There were no policy level changes.

**Public Schools
Education Reform**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	276,477	153,529	430,006
2009 Supplemental *	-7,652	5,931	-1,721
Total 2007-09 Biennium	268,825	159,460	428,285
2009-11 Maintenance Level	386,189	153,588	539,777
Policy Changes - Non-Comp			
1. After School Math Prgs	-400	0	-400
2. Diagnostic Testing	-500	0	-500
3. Reading Diagnostic Assessments	-250	0	-250
4. Focused Assistance to Schools	-2,000	0	-2,000
5. Principal Assessment/Mentorships	-976	0	-976
6. Second Grade Reading Assessment	-140	0	-140
7. Leadership Academy	-400	0	-400
8. Math/Science Standards Review	-1,030	0	-1,030
9. LASER	-5,000	0	-5,000
10. Bremerton Lighthouse Program	-130	0	-130
11. Robotics	-300	0	-300
12. Accountability Institutes	-1,000	0	-1,000
13. Paraprofessional Training	-1,096	0	-1,096
14. ELL Pilot Project	-1,368	0	-1,368
15. Administrator Internships	-350	0	-350
16. Pacific Science Center	-2,448	0	-2,448
17. 21st Century After School Programs	-3,000	0	-3,000
18. Math Helping Corps	-3,528	0	-3,528
19. Library Services	-8,000	0	-8,000
20. Professional Development Changes	-39,736	0	-39,736
21. Segmented Math	-2,828	0	-2,828
22. Local Farms & Healthy Kids	-600	0	-600
23. Ctr for Improv of Student Learning	-216	0	-216
24. Halt K-3 Demonstration Projects	-2,062	0	-2,062
25. Assessments and Curricula	70	0	70
26. Conditional Funding Natnl Bd Bonus	3,000	0	3,000
27. Graduation Without a Certificate	-1,072	0	-1,072
28. Math & Science Instructional Coach	-3,855	0	-3,855
29. Natl Bd Prog at Current Bonus Level	-4,621	0	-4,621
30. Career & Tech Ed for Middle School	1,458	0	1,458
31. WASL Changes	-8,454	0	-8,454
Policy -- Non-Comp Total	-90,832	0	-90,832
Policy Changes - Comp			
32. Suspend Initiative 732 COLA	-2,552	0	-2,552
Policy -- Comp Total	-2,552	0	-2,552
Total 2009-11 Biennium	292,805	153,588	446,393
Fiscal Year 2010 Total	144,769	76,765	221,534
Fiscal Year 2011 Total	148,036	76,823	224,859

Comments:

- After School Math Prgs** - Grant funds are eliminated for the after-school math programs. Grants have been allocated, since 2008, to Community Learning Centers to provide an array of programs and activities to students in high-poverty areas or low-performing schools. Academic enrichment activities focus on core academic subjects, such as mathematics and reading. (Education Legacy Trust Account-State).
- Diagnostic Testing** - Funding for allocations to districts for diagnostic assessment tools is reduced by \$500,000.

Public Schools Education Reform

3. **Reading Diagnostic Assessments** - Funding is discontinued for the development of reading models and identification of aligned diagnostic assessment tools.
4. **Focused Assistance to Schools** - State funding for the focused assistance program is reduced by \$2 million in the 2009-11 biennium. The remaining state-funded program totals \$6.092 million for the biennium. The focused assistance program provides technical assistance to schools and school districts struggling to meet adequate yearly progress benchmarks established by the federal government and who do not qualify for Title I federal funds for this purpose.
5. **Principal Assessment/Mentorships** - Funding is eliminated for this program, which provided assistance, assessment, and mentoring to participants in their first three years of serving as principals.
6. **Second Grade Reading Assessment** - Funding for second grade reading assessments is discontinued. The funding supported training for teachers in administering a second grade oral reading assessment designed to gauge early literacy levels.
7. **Leadership Academy** - Funding for the Washington Leadership Academy is reduced by 20 percent. The remaining funding is \$1.6 million for the 2009-11 biennium. The Academy supports professional development and training for school administrators.
8. **Math/Science Standards Review** - Funding for math and science standards review is discontinued. The funding supported the Office of the Superintendent of Public Instruction's (OSPI's) process for evaluating mathematics, science, and reading instructional materials for alignment with state standards.
9. **LASER** - The enhanced level of Leadership & Assistance for Science Education Reform (LASER) program funding, expanded in the 2007 legislative session and supported by the Pacific Science Center, is reduced by 83 percent. The LASER program is a statewide project to implement hands-on science curriculum through ten regional school district alliances.
10. **Bremerton Lighthouse Program** - Bremerton School District was designated to serve as a mentor to ten full-day kindergarten districts as they implement state-funded full-day kindergarten programs. Funding for the project is eliminated.
11. **Robotics** - The robotics grants to school districts help them offset the costs associated with participation in the robotics program and statewide competition. Funding for the grants is eliminated.
12. **Accountability Institutes** - Funding for summer accountability institutes is eliminated. The funding supported conference-style professional development retreats and seminars covering a broad range of issues such as curriculum planning, assessment issues, and research.
13. **Paraprofessional Training** - Funding for paraprofessionals training programs is eliminated. The funding supported regional coordination of instructional aid training opportunities including in-service training, conferences, and online training.
14. **ELL Pilot Project** - Funding for an English language learner (ELL) pilot project is discontinued. The funding supported the participation of select districts in piloting curriculum and professional development models in collaboration with a college, university, or other technical assistance provider.
15. **Administrator Internships** - Funding for administrator internships is reduced. The funding supports the Washington State Educational Leadership Intern Program, which provides partial release time for district employees to participate in programs designed to mentor future school administrators.
16. **Pacific Science Center** - Funding for educational programs at the Pacific Science Center is reduced by about 50 percent.
17. **21st Century After School Programs** - Funding for the 21st Century After School Program is suspended. Grants have been allocated, since 2008, to Community Learning Centers to provide programs and activities to students in high-poverty areas or in low-performing schools. Academic enrichment activities focus on core academic subjects, such as mathematics and reading.
18. **Math Helping Corps** - Funding for the Math Helping Corps is discontinued. The funding supported the work of teams of coaches providing technical assistance to schools struggling in math.
19. **Library Services** - Funding for the school library services allocation is discontinued. The allocation supported per-student allocations to school districts for library-related materials and expenses.
20. **Professional Development Changes** - Funding for professional development in the areas of math and science is discontinued. Funding supported additional learning improvement days for middle and high school math and science teachers to receive professional development on new math and science curriculum standards and best practices. The remaining amount in the budget for this item reflects the remaining costs for the last two months of the 2008-09 school year (July and August), which fall in FY 2010. (Education Legacy Trust Account-State)
21. **Segmented Math** - During the 2008 legislative session, the Legislature replaced the 10th grade Washington Assessment of Student Learning (WASL) test with high school end-of-course examinations covering the subjects of algebra and geometry. Because of this change, funding for the segmented math program, which offered an end-of-course examination approach for some students, is no longer needed.
22. **Local Farms & Healthy Kids** - Funding for the Washington Grown Fresh Fruits and Vegetables program, which was

Public Schools Education Reform

established in the 2008 legislative session, is reduced by 50 percent. The program provides funding to schools to purchase Washington-grown fresh and fresh-frozen fruits and vegetables to offer to children as snacks.

23. **Ctr for Improv of Student Learning** - Funding for the Center for Improving Student Learning is reduced.

24. **Halt K-3 Demonstration Projects** - Funding is eliminated for three schools to serve as demonstration projects for full-day kindergarten and class-size ratio of 18:1 from kindergarten through third grade. (Education Legacy Trust Account-State)

25. **Assessments and Curricula** - Funding is provided for implementation of Chapter 310, Laws of 2009, Partial Veto (ESSB 5414 - Assessments and Curricula).

26. **Conditional Funding Natnl Bd Bonus** - During the 2009-10 and 2010-11 school years, certificated instructional staff who have met the eligibility requirements and have applied for certification from the National Board for Professional Teaching Standards (NBPTS) receive a conditional \$2,000 or the amount set by OSPI for the current assessment fee, not including the initial up-front candidacy payment, to support staff in managing the costs of application for certification. The program is limited to the funding appropriated by the state plus available private or local contributions. If the certification is not earned within three years, the teacher will reimburse the state for the conditional funding.

27. **Graduation Without a Certificate** - Savings are assumed from the implementation of Chapter 17, Laws of 2009 (HB 1562 - Graduating Without Certificate), which removes the requirement that high school students must continue to take the mathematics WASL, or another appropriate assessment, each year in order to graduate without a Certificate of Academic Achievement.

28. **Math & Science Instructional Coach** - Funding for the math and science instructional coach program is reduced by 50 percent. (Education Legacy Trust Account-State)

29. **Natl Bd Prog at Current Bonus Level** - The inflationary increase in the value of the NBPTS bonus program is temporarily suspended. The bonus program is continued during the 2009-11 fiscal period at the current per-teacher payment level.

30. **Career & Tech Ed for Middle School** - Funding is provided to support education programs in middle schools that focus on science, technology, engineering, and math as described in Chapter 212, Laws of 2009 (2SSB 5676).

31. **WASL Changes** - Funding for the assessment system is reduced to reflect projected savings from implementing recommendations from the legislative WASL work group. It is expected that revisions will be made to reduce the number of open-ended questions and extended responses, as well as revisit alternative assessments and the appeals process. Based

on the provisions of Chapter 556, Laws of 2009 (ESSB 5889), collections of evidence will be limited to only the content areas in which a student has to pass the high school WASL to graduate (reading and writing).

32. **Suspend Initiative 732 COLA** - Initiative 732 salary increases are suspended for the 2009-11 biennium; therefore, programs that receive inflationary increases linked to the Initiative 732 salary adjustments will not receive those adjustments in the 2009-11 biennium. (General Fund-State, Education Legacy Trust Account-State)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	135,155	45,243	180,398
2009 Supplemental *	-636	0	-636
Total 2007-09 Biennium	134,519	45,243	179,762
2009-11 Maintenance Level	164,174	45,263	209,437
Policy Changes - Comp			
1. Pension Rate Adjustments	-5,243	0	-5,243
Policy -- Comp Total	-5,243	0	-5,243
Total 2009-11 Biennium	158,931	45,263	204,194
Fiscal Year 2010 Total	77,994	22,627	100,621
Fiscal Year 2011 Total	80,937	22,636	103,573

Comments:

- Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
 Learning Assistance Program (LAP)**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	198,988	360,660	559,648
2009 Supplemental *	1,614	0	1,614
Total 2007-09 Biennium	200,602	360,660	561,262
2009-11 Maintenance Level	258,443	365,019	623,462
Policy Changes - Non-Comp			
1. Title I Federal Recovery	0	129,925	129,925
2. Fed Recovery Title I School Improve	0	48,981	48,981
Policy -- Non-Comp Total	0	178,906	178,906
Policy Changes - Comp			
3. Pension Rate Adjustments	-7,159	0	-7,159
Policy -- Comp Total	-7,159	0	-7,159
Total 2009-11 Biennium	251,284	543,925	795,209
Fiscal Year 2010 Total	125,057	254,070	379,127
Fiscal Year 2011 Total	126,227	289,855	416,082

Comments:

- Title I Federal Recovery** - The American Recovery and Reinvestment Act of 2009 (ARRA - the federal stimulus act) Title I, Improving the Academic Achievement of the Disadvantaged, Part A funds will be distributed to school districts by formula in accordance with ARRA requirements.
- Fed Recovery Title I School Improve** - Under ARRA, Washington State will receive funding for school improvement. The total is made up of a required 4 percent set-aside from the Title I, Part A recovery funds for school improvement, as well as \$43.6 million in additional school improvement funds.
- Pension Rate Adjustments** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**Public Schools
Student Achievement Program**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	868,339	0	868,339
2009 Supplemental *	-370,060	362,000	-8,060
Total 2007-09 Biennium	498,279	362,000	860,279
2009-11 Maintenance Level	904,397	0	904,397
Policy Changes - Non-Comp			
1. Reduce Student Achievement Program	-600,001	0	-600,001
2. Fiscal Stabilization Grant	-200,295	200,295	0
Policy -- Non-Comp Total	-800,296	200,295	-600,001
Total 2009-11 Biennium	104,101	200,295	304,396
Fiscal Year 2010 Total	0	200,295	200,295
Fiscal Year 2011 Total	104,101	0	104,101

Comments:

- 1. Reduce Student Achievement Program** - Funding for the Student Achievement Program is reduced. Funding levels reflect allocations of \$131 per student in the 2009-10 school year, and \$99 per student in the 2010-11 school year. This represents a 71.4 percent reduction and a 78.6 percent reduction in the two school years, respectively. Funding levels also include \$8 million in deferred Student Achievement Program payments from the 2009 supplemental budget.
- 2. Fiscal Stabilization Grant** - Fiscal stabilization funding provided from the American Recovery and Reinvestment Act of 2009 (the federal stimulus act) is used to restore, in part, General Fund-State reductions to the Student Achievement Program.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Higher Education

Overview

Despite allocation of \$81.5 million of federal stimulus funding (American Recovery and Reinvestment Act of 2009), total 2009-11 state and federal appropriations to the public colleges and universities are \$556 million (17 percent) below the amount needed to continue the current level of programs and activities, as shown below. Approximately \$230 million of these reductions in public funding are offset by tuition increases, which are expected to total 14 percent per year for resident undergraduates at the public baccalaureate institutions and 7 percent per year at the community and technical colleges. After accounting for tuition increases, the University of Washington (UW) and Washington State University (WSU) will have about 7 percent less revenue for their core educational missions in 2009-11 than they do in fiscal year 2009; the four public comprehensive universities will each have about 6.5 percent less; and the community and technical colleges will experience a 6.0 percent reduction.

(Dollars in Millions)

	UW	WSU	EWU	CWU	TESC	WWU	CTCs	Total
Public \$ Reduction	-189.4	-96.6	-26.6	-29.9	-14.1	-34.9	-164.8	-556.4
<i>Change from State Funds Base</i>	-22.7%	-18.5%	-21.5%	-24.1%	-21.6%	-22.8%	-10.8%	-16.6%
Net Reduction After Tuition Increase	-99.8	-54.2	-12.8	-12.7	-7.2	-16.6	-121.5	-324.7
<i>Change from State + Tuition Base</i>	-7.0%	-7.0%	-6.5%	-6.5%	-6.5%	-6.5%	-6.0%	-6.5%

The 2009-11 higher education budget attempts to strike a balance, in difficult economic times, among three competing goals:

- Keeping college affordable
- Maintaining access to higher education
- Emphasizing high economic demand fields

Affordability

Tuition would ideally increase little, if at all, given the current recessionary job losses, wage reductions, and diminished college savings. On the other hand, if they are to maintain access to public higher education, preserve the quality of current high-demand programs, and assure that there are sufficient course offerings for students to graduate in a timely fashion, the public colleges need additional tuition revenue to partially offset the reductions in state tax support.

The 2009-11 higher education budget balances these goals in part by authorizing the public four-year institutions to increase resident undergraduate tuition by a maximum of 14 percent each year and the community and technical colleges to increase tuition by up to 7 percent each year. The costs of these tuition increases will be largely offset for many students and families by two factors:

- A \$57 million increase in state funding for need-based financial aid that, together with \$13 million of increased federal Pell Grant and work-study funding, will offset all of the cost of the tuition increases for students and families with incomes below 50 percent of the state median (\$37,500 for a family of four) and most of the cost for those with incomes up to 70 percent of the median (\$52,500 for a family of four).

- The new federal American Opportunity Tax Credit, which provides additional refundable educational tax credits of \$700-\$2,500 per year for married persons with incomes up to \$180,000 per year. In addition, families with little or no personal income tax liability may be able to claim up to \$1,000 in refundable tax credits per eligible student each year.

Access to Higher Education

To provide as much opportunity for current and prospective students as possible, the Legislature anticipates that colleges and universities will reduce expenditures in other areas in order to preserve capacity for direct student instruction and academic support services. Expenditures on institutional and academic administration are expected to be reduced by \$118 million, and other non-instructional activities – such as extension and other public service programs, state-sponsored research, library hours and acquisitions, and plant operations – are likely to be reduced by about \$127 million. As a result of these actions, coupled with increased tuition revenue, and with increased productivity in the delivery of instructional services through methods such as online learning, fewer small-course offerings, and more faculty time in the classroom, the public colleges and universities are budgeted to enroll an average of 231,000 full-time-equivalent students each year. As shown below, averaged over the biennium, this is 3,500 (1.5 percent) fewer students than budgeted for the current academic year, and 14,000 (5.7 percent) fewer than are actually enrolled.

	Current FY 2009 Enrollment		2009-11 Budgeted Enrollment		
	Budgeted	Projected Actual	FY 2010	FY 2011	Biennial Average
University of Washington	38,526	39,729	36,546	37,162	36,854
Washington State University	22,250	23,316	22,250	22,250	22,250
Central Washington University	9,322	9,082	8,469	8,808	8,639
Eastern Washington University	9,184	9,287	8,477	8,734	8,606
The Evergreen State College	4,213	4,470	4,213	4,213	4,213
Western Washington University	12,175	12,408	11,373	11,762	11,568
<i>Sub-Total, 4-Year Institutions</i>	<i>95,670</i>	<i>98,292</i>	<i>91,328</i>	<i>92,929</i>	<i>92,129</i>
Community & Technical Colleges	139,237	147,137	139,237	139,237	139,237
TOTAL Public Higher Education	234,907	245,429	230,565	232,166	231,366

High-Demand Fields

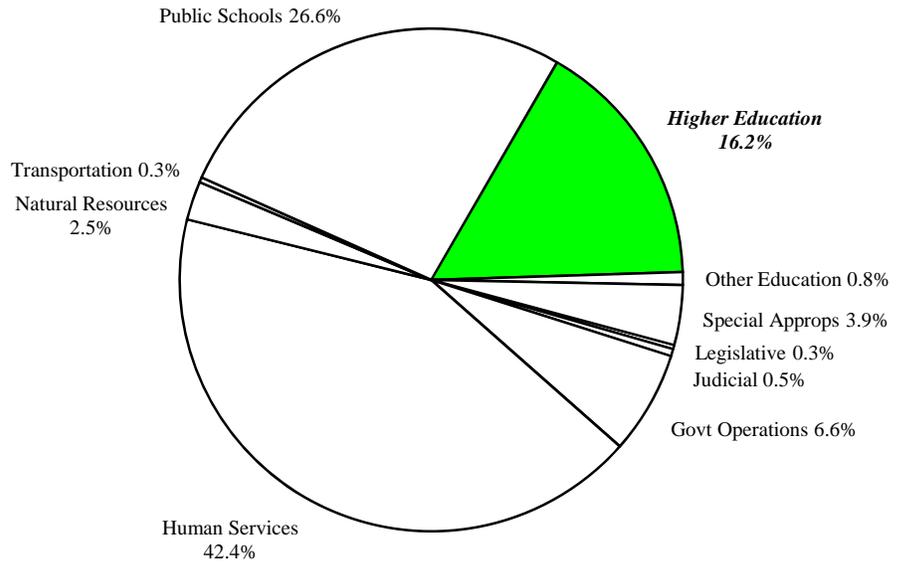
Because higher education is an essential driver of economic recovery and development, the budget, therefore, requires the public colleges and universities to maintain, and to the extent possible expand, their current enrollment levels and degree production in computer science, technology, engineering, math, health care innovation and delivery, and related high-demand fields.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

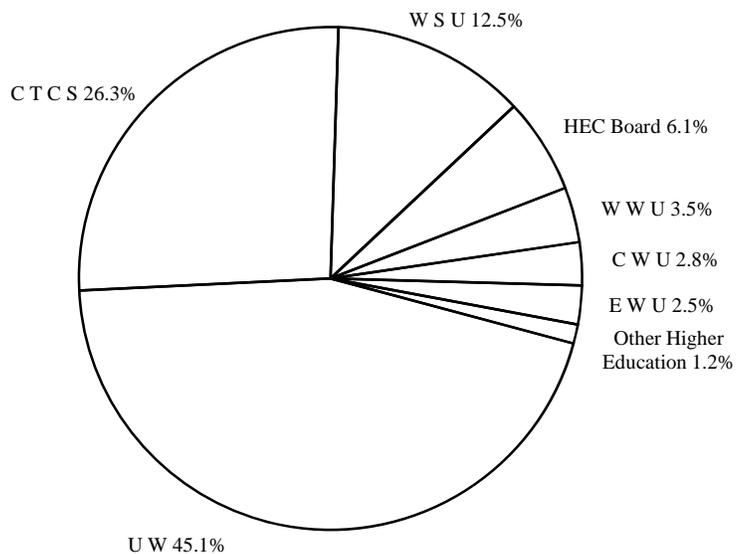
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

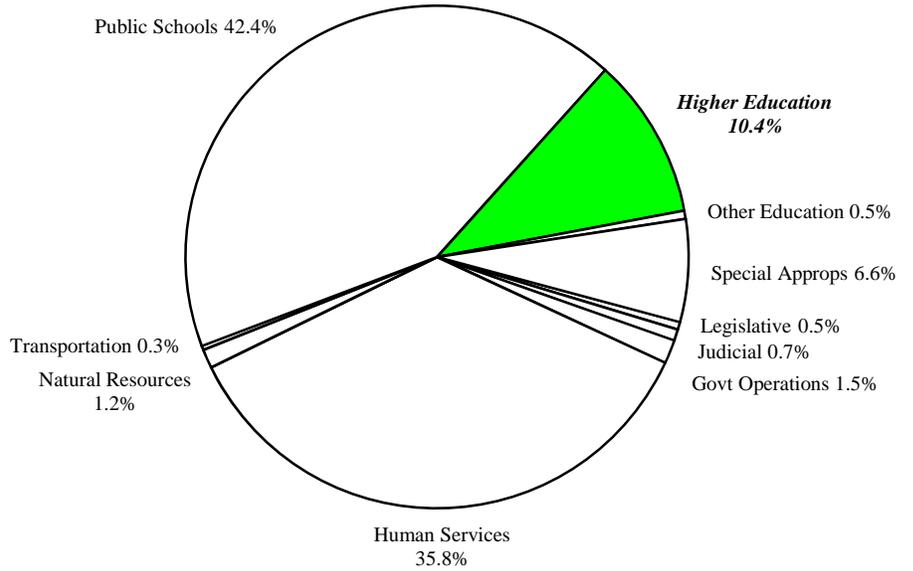
Univ of Washington	4,278,377
C T C S	2,493,520
Washington State Univ	1,185,606
Higher Ed Coord Bd	582,489
Western Washington Univ	336,544
Central Washington Univ	262,122
Eastern Washington Univ	235,883
Other Higher Education	117,185
Higher Education	9,491,726



Higher Education

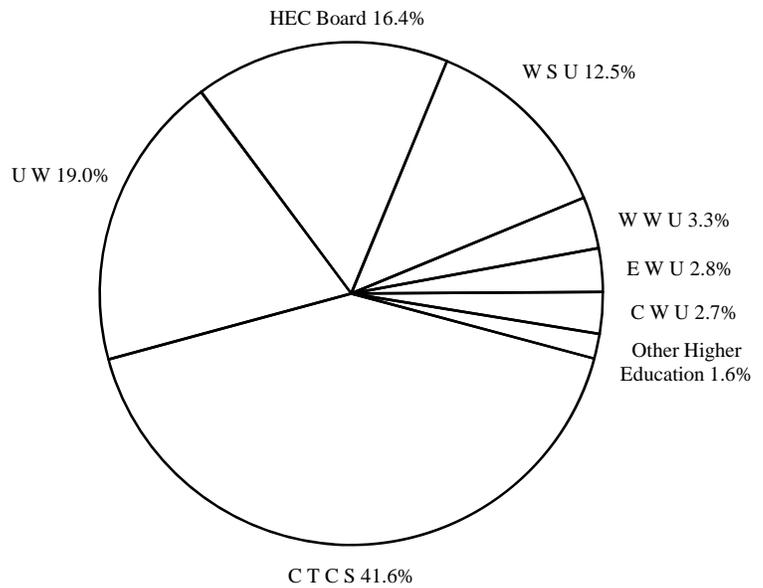
2009-11 Washington State Omnibus Operating Budget Near General Fund-State (Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

C T C S	1,357,705
Univ of Washington	621,090
Higher Ed Coord Bd	534,919
Washington State Univ	409,437
Western Washington Univ	108,929
Eastern Washington Univ	91,568
Central Washington Univ	86,940
Other Higher Education	52,036
Higher Education	3,262,624



Higher Education

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment						Projected	Budgeted	
	<u>2002-03</u> ⁽¹⁾	<u>2003-04</u> ⁽¹⁾	<u>2004-05</u> ⁽¹⁾	<u>2005-06</u> ⁽¹⁾	<u>2006-07</u> ⁽¹⁾	<u>2007-08</u> ⁽¹⁾	<u>2008-09</u> ⁽¹⁾	<u>2009-10</u>	<u>2010-11</u>
Community & Technical Colleges	148,760	147,774	141,283	141,217	143,019	147,908	158,695	150,795	150,795
Adult Students	139,753	138,241	131,489	130,933	132,176	136,723	147,137	139,237	139,237
Running Start Students ⁽²⁾	9,007	9,533	9,794	10,284	10,843	11,185	11,558	11,558	11,558
Four-Year Schools	89,511	90,075	91,358	91,547	92,182	94,310	98,292	91,328	92,929
University of Washington ⁽³⁾	36,963	36,316	36,357	36,022	36,647	37,525	39,729	36,546	37,162
Washington State University	20,311	20,542	21,157	21,301	21,244	22,334	23,316	22,250	22,250
Eastern Washington University	8,700	8,956	9,126	9,281	9,189	9,111	9,287	8,477	8,734
Central Washington University	8,106	8,657	8,885	9,057	9,204	8,931	9,082	8,469	8,808
The Evergreen State College	4,054	4,099	4,120	4,131	4,114	4,269	4,470	4,213	4,213
Western Washington University	11,377	11,505	11,713	11,755	11,784	12,140	12,408	11,373	11,762
Total Higher Education ⁽²⁾	229,264	228,316	222,847	222,480	224,358	231,033	245,429	230,565	232,166

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

⁽²⁾ Beginning with school year 2009-10, Community and Technical Colleges budgeted enrollment targets include Running Start students. For comparability with previous years, Running Start students are excluded from the "All Higher Education" total.

⁽³⁾ University of Washington enrollment for 2008-09 and subsequent years includes: a) 445 FTEs for the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) medical school partnership; and b) 148 FTEs for the Molecular and Cellular Biology program. Enrollments for these programs were reported as self-sustaining from 2003-04 through 2007-08 and as state-supported both before and after that period.

Higher Education
Budgeted Enrollment Increases
 By Academic Year

	FTE Student Enrollment				
	Budgeted Level 2008-09	Increase for 2009-10	Total Budgeted 2009-10	Increase for 2010-11	Total Budgeted 2010-11
Community & Technical Colleges	139,237	0	139,237	0	139,237
Four-Year Schools	95,670	-4,342	91,328	1,601	92,929
University of Washington ⁽¹⁾	38,526	-1,980	36,546	616	37,162
Seattle	34,197				
Bothell	1,980				
Tacoma	2,349				
Washington State University ⁽¹⁾	22,250	0	22,250	0	22,250
Pullman/Spokane	19,272				
Tri-Cities	865				
Vancouver	2,113				
Eastern Washington University	9,184	-707	8,477	257	8,734
Central Washington University	9,322	-853	8,469	339	8,808
The Evergreen State College	4,213	0	4,213	0	4,213
Western Washington University	12,175	-802	11,373	389	11,762
Total Higher Education	234,907	-4,342	230,565	1,601	232,166

⁽¹⁾ Enrollment targets are not specified by branch campus for 2009-11. The operating budget directs the University of Washington and Washington State University to maintain, and to the extent possible to increase, enrollment levels at the branch campuses.

Community & Technical College System

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	1,436,724	1,060,217	2,496,941
2009 Supplemental *	-32,104	0	-32,104
Total 2007-09 Biennium	1,404,620	1,060,217	2,464,837
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2009-11 Maintenance Level	1,567,896	1,077,374	2,645,270
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-35,990	0	-35,990
2. Other Non-Instructional Reductions	-27,500	0	-27,500
3. Student Services and Instruction	-101,359	0	-101,359
4. Tuition Increase	0	43,367	43,367
5. Health Care Career Advancement	1,500	0	1,500
6. Running Start Student Fee	0	2,996	2,996
7. Fiscal Stabilization Grant	-17,171	17,171	0
8. New Facilities Maintenance	869	0	869
9. Customized Training Adjustment	0	-2,900	-2,900
10. Technology Transformation	2,225	0	2,225
Policy -- Non-Comp Total	-177,426	60,634	-116,792
Policy Changes - Comp			
11. Suspend I-732 COLA Funding	-35,039	-2,431	-37,470
12. Employee Health Insurance	12,943	2,548	15,491
13. Actuarial Method Changes-State	-10,669	-2,310	-12,979
Policy -- Comp Total	-32,765	-2,193	-34,958
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Total 2009-11 Biennium	1,357,705	1,135,815	2,493,520
Fiscal Year 2010 Total	667,657	565,751	1,233,408
Fiscal Year 2011 Total	690,048	570,064	1,260,112

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the Community and Technical College System (CTCS) is expected to reduce expenditures on institutional and academic administration by at least 7 percent.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, CTCS expects to reduce expenditures on other non-instructional services by approximately 8 percent. Major reductions will likely include: library hours and acquisitions; facility and grounds maintenance; and energy usage.
3. **Student Services and Instruction** - Funding to CTCS is reduced by approximately 6 percent from the 2009-11 base level after accounting for anticipated tuition increases and federal stimulus assistance. Sixty percent of the reductions are likely to impact direct instructional and student services, which comprise approximately 63 percent of the colleges' state- and tuition-funded activities. As a result, an average of almost 8,000 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - CTCS is authorized to raise resident undergraduate tuition by up to 7 percent per year. This will result in an increase of up to \$175 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Health Care Career Advancement** - Funds are provided to expand a partnership under which hospitals, labor unions, and community colleges are providing customized training and constructing career ladders for current employees to progress to more skilled health care occupations.
6. **Running Start Student Fee** - Running Start is a dual enrollment program under which high school students are able to simultaneously earn credits toward both a high school and a college degree through enrollment in participating public colleges and universities. Chapter 450, Laws of 2009 (2SHB 2119), allows community and technical colleges to collect certain fees from these students. The State Board for Community and Technical Colleges (SBCTC) estimates this allowance will result in \$2.9 million in new revenues in 2009-11. (Higher Education Dedicated Account-Non-Appropriated)

Community & Technical College System

7. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
8. **New Facilities Maintenance** - Funds are provided for the maintenance and operations (M&O) of 250,000 gross square feet of new or renovated permanent facilities authorized in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 - 2009-11 Capital Budget), that are scheduled to be occupied before July 1, 2011. M&O funding covers utilities, maintenance, and janitorial services. The funds authorized here are in addition to \$3.3 million of increased funding provided in the maintenance level budget for 625,000 gross square feet of space authorized in previous capital budgets that will also come online during the 2009-11 biennium.
9. **Customized Training Adjustment** - Budget authority is adjusted to correspond to the \$175,000 remaining for continued customized training program operations after transfer of excess account balances back to the state general fund. (Employment Training Finance Account)
10. **Technology Transformation** - Funding is provided for SBCTC to enhance online distance learning and open courseware technology.
11. **Suspend I-732 COLA Funding** - Initiative 732, approved by voters in 2000, requires an annual cost-of-living adjustment (COLA) for selected community and technical college staff based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 4.2 percent for the 2009-10 school year and 0.1 percent for the 2010-11 school year. The cost-of-living requirement is suspended for the 2009-11 biennium. (General Fund-State, various other funds)
12. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
13. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

University of Washington

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	792,417	3,284,960	4,077,377
2009 Supplemental *	-16,783	50	-16,733
Total 2007-09 Biennium	775,634	3,285,010	4,060,644
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2009-11 Maintenance Level	834,370	3,540,329	4,374,699
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-43,500	0	-43,500
2. Other Non-Instructional Reductions	-31,723	0	-31,723
3. Student Services and Instruction	-114,226	0	-114,226
4. Tuition Increase	0	89,676	89,676
5. Fiscal Stabilization Grant	-24,730	24,730	0
6. Ruckelshaus Nurse Staffing	150	0	150
7. Geoduck Research Account	0	365	365
8. CINTRAFOR	102	0	102
Policy -- Non-Comp Total	-213,927	114,771	-99,156
Policy Changes - Comp			
9. Employee Health Insurance	5,437	19,502	24,939
10. Actuarial Method Changes-State	-4,790	-17,315	-22,105
Policy -- Comp Total	647	2,187	2,834
<hr/>			
Total 2009-11 Biennium	621,090	3,657,287	4,278,377
Fiscal Year 2010 Total	295,897	1,820,658	2,116,555
Fiscal Year 2011 Total	325,193	1,836,629	2,161,822

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University of Washington (UW) expects to reduce expenditures on institutional and academic administration by approximately 11 percent, after accounting for tuition increases and federal stimulus funding.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University is expected to reduce expenditures on other non-instructional services by at least 8 percent, after accounting for tuition increases and federal stimulus funding. Major activities in this category include: libraries; facility and grounds maintenance; utilities; the relatively small amount of state-sponsored research conducted at the University; and public service activities such as University radio and television, museums and galleries, sponsored lectures and conferences, and environmental and other community service centers.
3. **Student Services and Instruction** - Funding for the University's core academic services is reduced by approximately 7 percent after accounting for anticipated tuition increases and federal stimulus assistance. Half of the reductions are likely to impact direct instructional and student services, which comprise approximately 63 percent of the University's state and tuition funded activities. As a result, an average of 2,900 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - UW is authorized to increase resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$930 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
6. **Ruckelshaus Nurse Staffing** - Funding is provided for the William D. Ruckelshaus center for facilitation, support, and analysis to support the Nurse Staffing Steering Committee in its work to apply best practices related to patient safety.
7. **Geoduck Research Account** - Approximately \$365,000 of the \$750,000 transferred into this account from the general fund in 2007-09 was unexpended during that biennium and is available for expenditure in FY 2010.
8. **CINTRAFOR** - Funding for the Center for International Trade in Forest Products (CINTRAFOR) in the College of Forest

University of Washington

Products is transferred from the Department of Commerce to the University.

9. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
10. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	503,371	677,381	1,180,752
2009 Supplemental *	-11,017	0	-11,017
Total 2007-09 Biennium	492,354	677,381	1,169,735
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2009-11 Maintenance Level	521,820	717,971	1,239,791
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-16,813	0	-16,813
2. Other Non-Instructional Reductions	-48,435	0	-48,435
3. Student Services and Instruction	-31,314	0	-31,314
4. Tuition Increase	0	42,405	42,405
5. Fiscal Stabilization Grant	-15,772	15,772	0
6. New Facilities Maintenance	28	0	28
Policy -- Non-Comp Total	-112,306	58,177	-54,129
Policy Changes - Comp			
7. Employee Health Insurance	3,256	1,174	4,430
8. Actuarial Method Changes-State	-3,333	-1,153	-4,486
Policy -- Comp Total	-77	21	-56
<hr/>			
Total 2009-11 Biennium	409,437	776,169	1,185,606
Fiscal Year 2010 Total	196,277	388,188	584,465
Fiscal Year 2011 Total	213,160	387,981	601,141

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, Washington State University (WSU) is expected to reduce expenditures on institutional and academic administration by approximately 9 percent, after accounting for tuition increases and federal stimulus assistance.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University is expected to reduce expenditures on other non-instructional services by up to 17 percent, after accounting for tuition increases and federal stimulus assistance. The University anticipates reductions of up to 50 percent in extension services such a support to 4-H and master gardeners, small business development centers, and agricultural extension, though reductions to the latter are to be minimized to the extent possible. Other major activities likely to experience significant reductions include: library hours and acquisitions; facility and grounds maintenance; and state-sponsored agricultural research.
3. **Student Services and Instruction** - Funding for the University's core academic and state-funded research services is reduced by approximately 7 percent after accounting for anticipated tuition increases and federal stimulus assistance. Thirty percent of the reductions are likely to impact direct instructional and student services, which comprise approximately 53 percent of the University's state- and tuition-funded activities. As a result, an average of 1,100 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - WSU is authorized to raise resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$930 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
6. **New Facilities Maintenance** - Funding is provided for maintenance and operations costs for the Global Animal Health Facility Phase 1. Construction funding for this building was provided by the Gates Foundation and by bonds financed by WSU trust land and student building fee revenues.
7. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan

Washington State University

design in order to provide benefits within available funding.
(General Fund-State, various other funds)

8. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Eastern Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	117,301	121,351	238,652
2009 Supplemental *	-3,113	0	-3,113
Total 2007-09 Biennium	114,188	121,351	235,539
<hr/>			
2009-11 Maintenance Level	123,861	124,926	248,787
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-5,848	0	-5,848
2. Other Non-Instructional Reductions	-4,972	0	-4,972
3. Student Services and Instruction	-15,824	0	-15,824
4. Tuition Increase	0	13,838	13,838
5. Fiscal Stabilization Grant	-5,522	5,522	0
Policy -- Non-Comp Total	-32,166	19,360	-12,806
Policy Changes - Comp			
6. Employee Health Insurance	816	196	1,012
7. Actuarial Method Changes-State	-943	-167	-1,110
Policy -- Comp Total	-127	29	-98
<hr/>			
Total 2009-11 Biennium	91,568	144,315	235,883
Fiscal Year 2010 Total	42,731	72,344	115,075
Fiscal Year 2011 Total	48,837	71,971	120,808

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, Eastern Washington University (EWU) is expected to reduce expenditures on institutional and academic administration by at least 9 percent, after accounting for tuition increases and federal stimulus assistance.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University is expected to reduce expenditures on other non-instructional services by approximately 8 percent after accounting for tuition increases and federal stimulus assistance. Major activities in this category include: libraries; facility and grounds maintenance; utilities; the very small amount of state-sponsored research conducted at the University; and public service activities such as University radio, sponsored lectures and conferences, and community research and service centers.
3. **Student Services and Instruction** - Funding for the University is reduced by approximately 6.5 percent after accounting for anticipated tuition increases and federal stimulus assistance. Half of the reductions are likely to impact direct instructional and student services, which comprise approximately 58 percent of the University's state- and tuition-funded activities. As a result, an average of 680 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - EWU is authorized to raise resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$630 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
6. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Central Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	116,138	135,407	251,545
2009 Supplemental *	-2,623	0	-2,623
Total 2007-09 Biennium	113,515	135,407	248,922
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2009-11 Maintenance Level	123,832	151,135	274,967
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-5,648	0	-5,648
2. Other Non-Instructional Reductions	-3,531	0	-3,531
3. Student Services and Instruction	-20,697	0	-20,697
4. Tuition Increase	0	17,154	17,154
5. Fire Contract	250	0	250
6. Fiscal Stabilization Grant	-6,975	6,975	0
Policy -- Non-Comp Total	-36,601	24,129	-12,472
Policy Changes - Comp			
7. Employee Health Insurance	902	82	984
8. Actuarial Method Changes-State	-1,193	-164	-1,357
Policy -- Comp Total	-291	-82	-373
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Total 2009-11 Biennium	86,940	175,182	262,122
Fiscal Year 2010 Total	39,822	86,713	126,535
Fiscal Year 2011 Total	47,118	88,469	135,587

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, Central Washington University (CWU) expects to reduce expenditures on institutional and academic administration by approximately 10 percent after accounting for tuition increases and federal stimulus assistance.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University expects to reduce expenditures on other non-instructional services by approximately 9 percent after accounting for tuition increases and federal stimulus assistance. Major activities in this category include: libraries; facility and grounds maintenance; utilities; the very small amount of state-sponsored research conducted at the University; and public service activities such as sponsored lectures and conferences, and community research and service centers.
3. **Student Services and Instruction** - Funding for the University is reduced by approximately 6.5 percent after accounting for anticipated tuition increases and federal stimulus assistance. Sixty percent of the reductions are likely to impact direct instructional and student services, which comprise approximately two-thirds of the University's state- and tuition-funded activities. As a result, an average of 450 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - CWU is authorized to raise resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$640 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Fire Contract** - Funding is provided for continuation of fire and emergency medical service protection for all students, staff, faculty, and invited guests to the Ellensburg campus. Service has changed from the city of Ellensburg to Kittitas Valley Fire and Rescue due to a consolidation of the two agencies. Rate increases are due to a change in methodology whereby rates are based on the assessed value of the properties protected.
6. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
7. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

Central Washington University

8. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

The Evergreen State College

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	63,773	53,009	116,782
2009 Supplemental *	-1,328	0	-1,328
Total 2007-09 Biennium	62,445	53,009	115,454
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2009-11 Maintenance Level	65,141	53,537	118,678
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-3,495	0	-3,495
2. Other Non-Instructional Reductions	-6,773	0	-6,773
3. Student Services and Instruction	-3,834	0	-3,834
4. Tuition Increase	0	6,951	6,951
5. Fiscal Stabilization Grant	-2,366	2,366	0
6. Racial Disproportionality	77	0	77
7. GA-U Assessment and Review	75	0	75
8. Passport Pipeline Study	75	0	75
9. Contracted Childhood Welfare	59	0	59
10. Non-Food Items for the Needy	15	0	15
Policy -- Non-Comp Total	-16,167	9,317	-6,850
Policy Changes - Comp			
11. Employee Health Insurance	464	43	507
12. Actuarial Method Changes-State	-611	-26	-637
Policy -- Comp Total	-147	17	-130
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Total 2009-11 Biennium	48,827	62,871	111,698
Fiscal Year 2010 Total	23,237	31,384	54,621
Fiscal Year 2011 Total	25,590	31,487	57,077

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, The Evergreen State College (TESC) expects to reduce expenditures on institutional and academic administration by at least 9 percent, after accounting for tuition increases and federal stimulus assistance.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, The Evergreen State College expects to reduce expenditures on other non-instructional services by up to 17 percent, after accounting for tuition increases and federal stimulus assistance. The College anticipates reductions of close to 50 percent in its public service centers that provide applied research and education in areas such as labor relations, undergraduate education techniques, Pacific Northwest Native American culture and issues, community-based student learning and engagement, and Washington State public policy. Other major activities likely to experience significant reductions include: library hours and acquisitions; energy usage; and facility and grounds maintenance.
3. **Student Services and Instruction** - Funding for the College is reduced by approximately 6.5 percent after accounting for anticipated tuition increases and federal stimulus assistance. Less than one-quarter of the reductions will impact direct instructional and student services, which comprise approximately 46 percent of its total state- and tuition-funded activities. Consequently, an average of 250 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - TESC is authorized to increase resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$640 per year for resident undergraduate students, which will be fully or partially offset for many students by financial aid and federal tax credits.
5. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
6. **Racial Disproportionality** - Funding is provided for the Washington State Institute for Public Policy (WSIPP) to implement Chapter 213, Laws of 2009 (SSB 5882). An analysis on the impacts of family team decision making and structured decision making on racial disproportionality in the child welfare system shall be conducted by WSIPP.

The Evergreen State College

7. **GA-U Assessment and Review** - Funding is provided for WSIPP to conduct an assessment of the General Assistance-Unemployable (GA-U) program. The assessment shall include a review of programs in other states that provide similar services and will include recommendations on promising approaches that both improve client outcomes and reduce state costs. The assessment is to be provided to the Legislature by December 1, 2009.
8. **Passport Pipeline Study** - Funding is provided for WSIPP to evaluate the adequacy of and access to financial aid and independent living programs for youth in foster care. WSIPP is to report its findings and recommendations to the Legislature by December 1, 2009.
9. **Contracted Childhood Welfare** - As provided in Chapter 520, Laws of 2009, Partial Veto (2SHB 2106), WSIPP is to evaluate the implementation and outcomes of performance-based contracting for evidence-based child welfare services in two regions of the state.
10. **Non-Food Items for the Needy** - WSIPP is to study and report to the Governor and Legislature by December 2009 on methods for increasing the availability of non-food items such as personal hygiene supplies for needy state residents.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Western Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	146,392	182,420	328,812
2009 Supplemental *	-3,323	0	-3,323
Total 2007-09 Biennium	143,069	182,420	325,489
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2009-11 Maintenance Level	152,892	200,473	353,365
Policy Changes - Non-Comp			
1. Academic & Institutional Support	-7,171	0	-7,171
2. Other Non-Instructional Reductions	-4,564	0	-4,564
3. Student Services and Instruction	-23,159	0	-23,159
4. Tuition Increase	0	18,264	18,264
5. Fiscal Stabilization Grant	-8,885	8,885	0
Policy -- Non-Comp Total	-43,779	27,149	-16,630
Policy Changes - Comp			
6. Employee Health Insurance	1,118	231	1,349
7. Actuarial Method Changes-State	-1,302	-238	-1,540
Policy -- Comp Total	-184	-7	-191
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Total 2009-11 Biennium	108,929	227,615	336,544
Fiscal Year 2010 Total	49,659	113,378	163,037
Fiscal Year 2011 Total	59,270	114,237	173,507

Comments:

1. **Academic & Institutional Support** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, Western Washington University (WWU) is expected to reduce expenditures on institutional and academic administration by at least 10 percent, after accounting for tuition increases and federal stimulus assistance.
2. **Other Non-Instructional Reductions** - In order to prioritize as much state and tuition funding for direct instructional and student services as possible, the University is expected to reduce expenditures on other non-instructional services by at least 7 percent, after accounting for tuition increases and federal stimulus assistance. Major activities in this category include: libraries; facility and grounds maintenance; utilities; the relatively small amount of state-sponsored research conducted at the University; and public service activities such as sponsored lectures and conferences, and community research and service centers.
3. **Student Services and Instruction** - Funding for the University is reduced by approximately 6.5 percent after accounting for anticipated tuition increases and federal stimulus assistance. Over 60 percent of the reductions may impact direct instructional and student services, which comprise approximately 63 percent of the University's state- and tuition-funded activities. As a result, an average of 850 fewer students are budgeted for 2009-11 than are actually enrolled this year.
4. **Tuition Increase** - WWU is authorized to raise resident undergraduate tuition by up to 14 percent per year. This will result in an increase of up to \$640 per year for resident undergraduates, which will be partially or fully offset for many students by financial aid and federal tax credits. (Higher Education Tuition Account-Non-Appropriated)
5. **Fiscal Stabilization Grant** - Federal fiscal stabilization funds are used to avoid the additional reductions in state-supported enrollment and programs that would otherwise be necessary due to the state's budget situation.
6. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Higher Education Coordinating Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	474,167	43,034	517,201
2009 Supplemental *	-2,254	-1	-2,255
Total 2007-09 Biennium	471,913	43,033	514,946
<hr/>			
2009-11 Maintenance Level	487,405	47,643	535,048
Policy Changes - Non-Comp			
1. Budget Reduction	-2,381	0	-2,381
2. Passport to College Reduction	-800	0	-800
3. Promote Rural Health Care	800	0	800
4. Adjust WA Scholars Awards	-668	0	-668
5. Maintain Current Fin Aid Policy	82,193	0	82,193
6. Limit SNG Levels at Private Schools	-1,755	0	-1,755
7. Limit SWS Subsidy Increases	-3,344	0	-3,344
8. Adjust SNG Award Amounts	-9,654	0	-9,654
9. Suspend College Bound Pre-Payments	-7,400	0	-7,400
10. Suspend Washington Center Awards	-120	0	-120
11. Adjust Need Grant for Extra Pell	-9,614	0	-9,614
12. Branding Financial Aid and SWS	211	0	211
13. Technology Transformation	238	0	238
Policy -- Non-Comp Total	47,706	0	47,706
Policy Changes - Comp			
14. Employee Health Insurance	60	27	87
15. Actuarial Method Changes-State	-252	-100	-352
Policy -- Comp Total	-192	-73	-265
<hr/>			
Total 2009-11 Biennium	534,919	47,570	582,489
Fiscal Year 2010 Total	260,919	24,410	285,329
Fiscal Year 2011 Total	274,000	23,160	297,160

Comments:

1. **Budget Reduction** - Funding for system planning and coordination, financial aid administration, and general agency administration is reduced by approximately 17 percent.
2. **Passport to College Reduction** - The Passport to College Promise is a new program that provides grants, counseling, and other support services to former foster care recipients who enroll in a Washington State college or university. This item adjusts funding to correspond to actual estimated expenditures because not as many young people as originally budgeted are entering college. (Education Legacy Trust Account-State)
3. **Promote Rural Health Care** - Funding is provided for the Higher Education Coordinating Board (HECB) to contract with the Pacific Northwest University of Health Sciences to provide training and education of health care professionals to promote osteopathic physicians services in rural and underserved areas of the state.
4. **Adjust WA Scholars Awards** - Washington scholars awards will cover 90 percent of full tuition and fees at the the public colleges and universities, rather than 100 percent.
5. **Maintain Current Fin Aid Policy** - This item represents the cost of increasing financial aid awards under the State Need Grant (SNG), the State Work Study (SWS), the Washington Scholars, and the Washington Award for Vocational Excellence programs sufficiently to offset the cost to recipients of resident undergraduate tuition increases of 14 percent each year at the public four-year institutions and 7 percent each year at the community and technical colleges.
6. **Limit SNG Levels at Private Schools** - Approximately 7,200 Washington residents receive SNG to help offset the cost of attendance at a private baccalaureate college or university in the state. Because of the higher tuition and fees charged by private colleges, the maximum grant award for these students is presently about 4 percent greater than the maximum available for students studying at a public college or university. Under this policy change, maximum grant awards at private colleges and universities will be the same as the student would receive if attending a public research university.
7. **Limit SWS Subsidy Increases** - State subsidies for the SWS program are adjusted so that wages will average approximately \$3,100 per student per year during the 2009-11 biennium,

Higher Education Coordinating Board

compared to \$2,900 per student this year. If state subsidies were instead increased commensurate with projected increases in tuition and other costs of attendance, subsidized wages would instead average approximately \$3,300 per student in 2009-11. This state reduction will be offset by a projected \$3.3 million increase in federal work study funding for Washington colleges and universities under the recently-enacted American Recovery and Reinvestment Act of 2009, the federal stimulus act.

8. **Adjust SNG Award Amounts** - This item represents a change to the maximum amount of SNG award available to students in different income groups. Students with incomes of 50 percent or below the state median family income continue to receive 100 percent of the SNG award. Students with incomes between 51-55 percent of the state median family income will receive 70 percent of the maximum SNG (instead of 75 percent). Students with incomes between 56-60 percent of the state median family income will receive 65 percent of the maximum (instead of 75 percent). Students with incomes between 61-65 percent of the state median family income will receive 60 percent of the maximum (instead of 75 percent). Finally, students with incomes between 66-70 percent of the state median family income will continue to receive 50 percent of the maximum.
9. **Suspend College Bound Pre-Payments** - Beginning in academic year 2012-13, the Washington College Bound program will provide four-year, full tuition and fee scholarships for lower-income students who enroll in the program during the seventh or eighth grade, graduate high school with at least a "C" average and no felony convictions, and enroll at a Washington public college or university. During the 2007-09 biennium, the state invested \$7.4 million toward meeting this future scholarship obligation. Similar pre-payments will not be made in 2009-11. As guaranteed by RCW Chapter 28B.118, the state's College Bound Scholarship commitment will be fulfilled and is not dependent upon, nor diminished by, this action. (Education Legacy Trust Account-State)
10. **Suspend Washington Center Awards** - The state will no longer provide grants for 15 college juniors and seniors each year to participate in semester-long public affairs internships in the nation's capital.
11. **Adjust Need Grant for Extra Pell** - Under recently enacted federal fiscal stimulus legislation (the American Recovery and Reinvestment Act of 2009), federal Pell Grants are expected to increase by more than the cost of attending college. This item reduces SNG award levels by an average of 2 percent to account for that extra federal increase. Approximately 82 percent of SNG recipients also receive a maximum Pell Grant award.
12. **Branding Financial Aid and SWS** - Funding is provided to implement the financial aid rebranding and SWS program requirements of Chapter 215, Laws of 2009, Partial Veto

(E2SHB 2021). Of this amount, \$20,000 is available for implementing rebranding of financial aid to "Opportunity Pathways"; \$51,000 is provided to support four-year institutions in the rebranding effort; and \$140,000 is provided to manage all aspects of the SWS off-campus high-demand project sub-program.

13. **Technology Transformation** - Funding is provided to implement Chapter 407, Laws of 2009 (2SHB 1946). HECB is to convene a workgroup to improve the use of technology in higher education.
14. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
15. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	3,463	1,409	4,872
2009 Supplemental *	-77	0	-77
Total 2007-09 Biennium	3,386	1,409	4,795
2009-11 Maintenance Level	3,658	2,278	5,936
Policy Changes - Non-Comp			
1. Budget Reduction	-402	0	-402
Policy -- Non-Comp Total	-402	0	-402
Policy Changes - Comp			
2. Employee Health Insurance	13	0	13
3. Actuarial Method Changes-State	-60	0	-60
Policy -- Comp Total	-47	0	-47
Total 2009-11 Biennium	3,209	2,278	5,487
Fiscal Year 2010 Total	1,598	1,112	2,710
Fiscal Year 2011 Total	1,611	1,166	2,777

Comments:

1. **Budget Reduction** - The Spokane Intercollegiate Research and Technology Institute, which originated as the Spokane Intercollegiate Research and Training Institute, provides business incubator and technology commercialization services for eastern Washington start-up businesses. State funding for such activities is reduced by approximately 11 percent.
2. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
3. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Other Education

Department of Early Learning

Funding for the Early Childhood Education and Assistance Program (ECEAP) is reduced by \$3.1 million. The savings are based on a reduction in ECEAP slots by 2 percent, saving \$2.3 million over two years. The reduction is expected to be offset through the increase in federal Head Start funding. The Department's administrative expenditures for the program are also reduced by \$818,000.

The budget reduces funding for a number of small programs by \$6.6 million state general fund. The savings are achieved through the following reductions: Parent, Family, Caregiver Support (\$1.2 million); Early Childhood Apprenticeships (\$200,000); Rule Making (\$150,000); Child Care Quality Improvement Specialists (\$870,000); and administrative reductions (\$4.2 million).

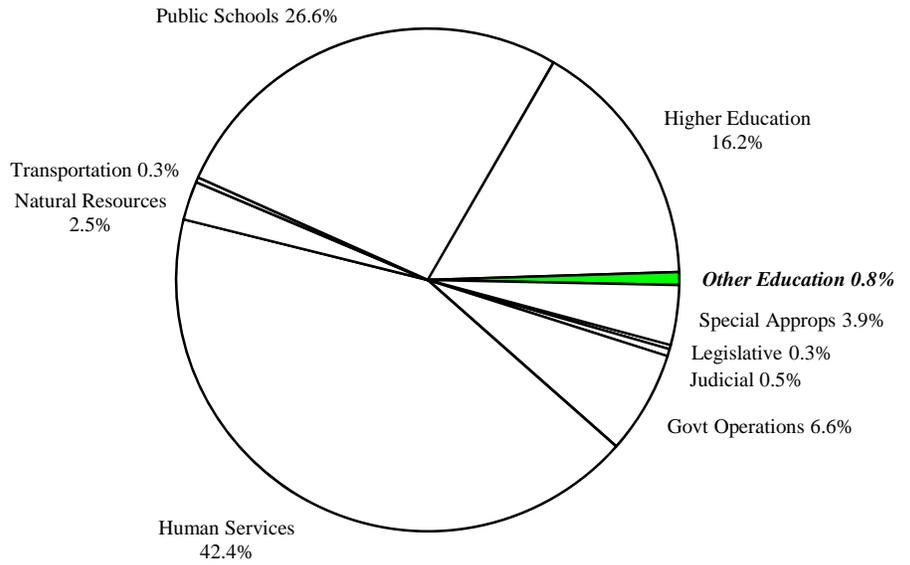
The budget provides \$1 million for the Department to contract with Thrive by Five Washington to pilot a Quality Rating and Improvement System. Funding is provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

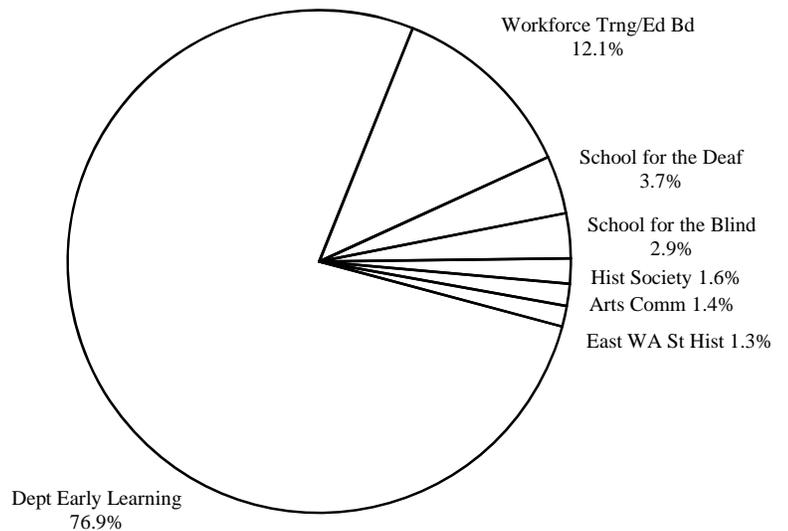
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

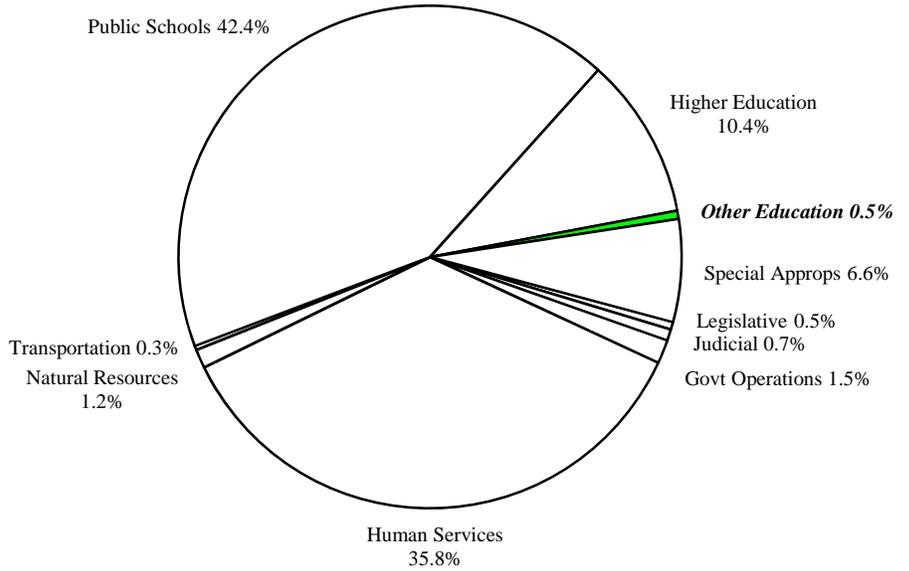
Dept Early Learning	366,182
Workforce Trng/Ed Bd	57,678
School for the Deaf	17,774
School for the Blind	13,738
Historical Society	7,737
State Arts Comm	6,736
East WA State Hist Society	6,355
Other Education	476,200



Other Education

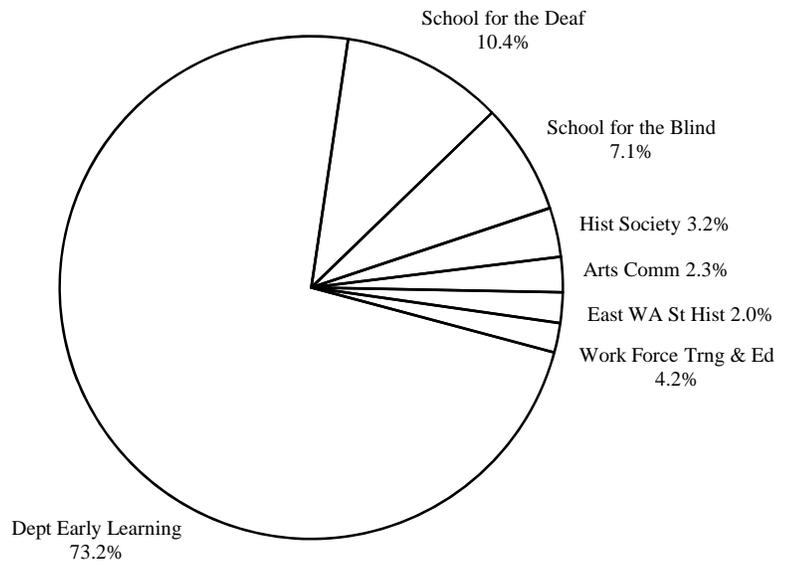
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Dept Early Learning	121,323
School for the Deaf	17,248
School for the Blind	11,810
Historical Society	5,228
State Arts Comm	3,759
East WA State Hist Society	3,267
Workforce Trng/Ed Bd	3,143
Other Education	165,778



Other Education

Workforce Training & Education Coordinating Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,493	54,494	57,987
2009 Supplemental *	-38	-1	-39
Total 2007-09 Biennium	3,455	54,493	57,948
<hr/>			
2009-11 Maintenance Level	3,655	54,567	58,222
Policy Changes - Non-Comp			
1. Budget Reduction	-560	0	-560
2. Evergreen Jobs Act	120	0	120
3. Opportunity Internship	0	230	230
4. Governor Veto	0	-230	-230
Policy -- Non-Comp Total	-440	0	-440
Policy Changes - Comp			
5. Employee Health Insurance	13	6	19
6. Remove Merit Increments	-25	-14	-39
7. Actuarial Method Changes-State	-60	-24	-84
Policy -- Comp Total	-72	-32	-104
<hr/>			
Total 2009-11 Biennium	3,143	54,535	57,678
Fiscal Year 2010 Total	1,587	25,713	27,300
Fiscal Year 2011 Total	1,556	28,822	30,378

Comments:

1. **Budget Reduction** - State funding for program planning, research, and coordination activities is reduced by approximately 15 percent.
 2. **Evergreen Jobs Act** - Funding is provided to implement Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227). Funding is provided for the Workforce Training and Education Coordinating Board, in cooperation with the Department of Commerce, to create a pilot green industry skills panel, coordinate efforts to ensure federal training and education funds are secured, recommend strategies to leverage funding, and implement a variety of other green job related tasks.
 3. **Opportunity Internship** - Funding is provided to implement Chapter 238, Laws of 2009 (2SHB 1355). The Workforce Training and Education Coordinating Board is to create and administer the Opportunity Internship Program. New administrative activities include: facilitating development of the local consortia that will implement the program; coordinating state need grant (SNG) eligibility with the Higher Education Coordinating Board (HECB); tracking program participants; and evaluating program outcomes. These activities are to be funded from the increased federal Workforce Investment Act statewide discretionary funds available for disadvantaged youth under the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The Workforce Board is to transfer \$110,000 of the amount provided to the HECB to offset the new costs it will incur in developing and administering the special SNG provisions of the program. See Governor Veto item. (General Fund-Federal)
 4. **Governor Veto** - The Governor vetoed Section 614 (1) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which appropriated federal Workforce Investment Act funds for implementation of the Opportunity Internship program. (General Fund-Federal)
 5. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 6. **Remove Merit Increments** - Funding provided at maintenance level for costs associated with providing merit increments for employees in smaller agencies is eliminated.
 7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Early Learning

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	138,666	195,248	333,914
2009 Supplemental *	-7,184	7,024	-160
Total 2007-09 Biennium	131,482	202,272	333,754
<hr/>			
2009-11 Maintenance Level	133,432	222,209	355,641
Policy Changes - Non-Comp			
1. Child Care Resource and Referral	-850	850	0
2. Career and Wage Ladder	-1,500	1,500	0
3. Reading Achievement Account	0	-2,000	-2,000
4. Parent, Family, Caregiver Support	-1,200	0	-1,200
5. Quality Rating Improvement System	0	1,000	1,000
6. Negotiated Rule Making	-150	0	-150
7. Early Childhood Apprenticeships	-200	0	-200
8. Licensing Staff	-870	0	-870
9. Child Care Collective Bargaining	200	0	200
10. Child Care Federal Stimulus	0	19,901	19,901
11. Infant/Toddler Care	0	1,600	1,600
12. Homeless Care Subsidy Increase	0	141	141
13. Kindergarten Readiness	100	0	100
14. Family Child Care Provider Agree	-1,025	0	-1,025
15. ECEAP Administration	-818	0	-818
16. Head Start and ECEAP	-2,300	0	-2,300
17. Governor-Directed Freeze	-1,282	0	-1,282
18. Governor-Directed 1% Cut	-1,850	0	-1,850
19. Governor Veto	-200	0	-200
Policy -- Non-Comp Total	-11,945	22,992	11,047
Policy Changes - Comp			
20. Employee Health Insurance	46	128	174
21. Actuarial Method Changes-State	-210	-470	-680
Policy -- Comp Total	-164	-342	-506
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Total 2009-11 Biennium	121,323	244,859	366,182
Fiscal Year 2010 Total	60,378	132,380	192,758
Fiscal Year 2011 Total	60,945	112,479	173,424

Comments:

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| <p>1. Child Care Resource and Referral - Funding is provided for the Child Care Resource and Referral Network through the federal stimulus Child Care Development Fund quality set-aside and General Fund-State. The Child Care Resource and Referral Network provides parents with information on child care providers in their area. (General Fund-State, General Fund-Federal)</p> <p>2. Career and Wage Ladder - Funding is provided for the Child Care Career and Wage Ladder through state general funds and federal stimulus funds. The Career and Wage Ladder provides funding for participating, licensed child care centers that base wages on education, experience, and training. (General Fund-State, General Fund-Federal)</p> <p>3. Reading Achievement Account - The spending authority is adjusted for the Reading Achievement Account to match available revenue deposits. (Reading Achievement Account)</p> | <p>4. Parent, Family, Caregiver Support - Funding for the parent, family, and caregiver support program is reduced. These funds are for play and learn resources, parent education workshops, parent resource and referral hotline, and other services.</p> <p>5. Quality Rating Improvement System - Funding is provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act, for the Department of Early Learning (DEL) to contract with Thrive by Five Washington to pilot a quality rating and improvement system in multiple locations. Funds shall be utilized at both Thrive by Five Washington and state-operated demonstration sites for professional development, coaching, and mentoring. (General Fund-Federal)</p> <p>6. Negotiated Rule Making - Funding for negotiated rule making and redrafting of rules is discontinued after December 31, 2009.</p> |
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Department of Early Learning

7. **Early Childhood Apprenticeships** - Funding is discontinued for the early childhood apprenticeship program. The apprenticeship program provided training for child care specialists and education paraprofessionals based at the Clover Park Technical College.
8. **Licensing Staff** - Funding provided for five licensing quality improvement specialists is discontinued. The item was funded in the 2007-09 biennium to establish consistency statewide in licensing actions.
9. **Child Care Collective Bargaining** - Funding is provided to implement SHB 1329 (Child Care Center Collective Bargaining). The bill would: provide collective bargaining between child care center directors and workers and the Governor; require the Director of DEL to engage in negotiated rule making with child care center directors and workers; and require the Department of Social and Health Services to adjust subsidy rates paid to child care centers in particular regions to reflect subsidy rates in collective bargaining agreements for those regions. This bill did not pass the Legislature. The Governor vetoed this appropriation (see Governor Veto item).
10. **Child Care Federal Stimulus** - As part of the American Recovery and Reinvestment Act of 2009 (ARRA), the federal stimulus act, the state is expected to receive additional child care development fund monies in FY 2010 and FY 2011. The Department shall use the stimulus funding to assist low-income families, families receiving temporary public assistance, and those transitioning from public assistance in obtaining child care so they can work or attend training/education. (General Fund-Federal)
11. **Infant/Toddler Care** - Funding is provided specifically for infant and toddler care through ARRA. Funds shall be used for training, technical assistance, and child care consultation. (General Fund-Federal)
12. **Homeless Care Subsidy Increase** - Funding is provided to increase the Homeless Child Care subsidy rate. (General Fund-Federal)
13. **Kindergarten Readiness** - Funding is provided to work with the Office of the Superintendent of Public Instruction and stakeholders to develop and pilot a kindergarten readiness assessment process. School districts may participate in the pilot on a voluntary basis. The Department shall report to the Legislature on the assessment process by January 15, 2011.
14. **Family Child Care Provider Agree** - Funding is reduced for DEL's portion of the family child care collective bargaining implementation costs.
15. **ECEAP Administration** - Funding and staff for the administration of the Early Childhood Education and Assistance Program (ECEAP) is reduced.
16. **Head Start and ECEAP** - As part of ARRA, Head Start providers in Washington are anticipated to receive \$10.0 million in enhanced Head Start and Early Head Start funding. Several providers anticipated to receive enhanced Head Start funding also serve children in ECEAP. This one-time item temporarily reduces the number of slots in 2009-11 by 2.1 percent statewide to achieve the \$2.3 million General Fund-State savings.
17. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
18. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009.
19. **Governor Veto** - The Governor vetoed Section 616 (8) of Chapter 564, Laws of 2009, Partial Veto (ESHB 1244), which appropriated \$200,000 for collective bargaining between child care center directors and workers and the Governor.
20. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
21. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State School for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	12,074	1,561	13,635
2009 Supplemental *	30	0	30
Total 2007-09 Biennium	12,104	1,561	13,665
<hr/>			
2009-11 Maintenance Level	12,909	1,747	14,656
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-593	0	-593
2. Short Course Program	0	271	271
3. Governor-Directed Freeze	-68	0	-68
Policy -- Non-Comp Total	-661	271	-390
Policy Changes - Comp			
4. Suspend Initiative 732 COLA	-116	-48	-164
5. Employee Health Insurance	64	10	74
6. Remove Merit Increments	-126	0	-126
7. Actuarial Method Changes-State	-260	-52	-312
Policy -- Comp Total	-438	-90	-528
<hr/>			
Total 2009-11 Biennium	11,810	1,928	13,738
Fiscal Year 2010 Total	5,902	954	6,856
Fiscal Year 2011 Total	5,908	974	6,882

Comments:

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| <p>1. Agency Wide Reduction - The School for the Blind is directed to reduce near general fund spending by 4 percent. Savings will be achieved and managed by the School.</p> <p>2. Short Course Program - Funding is provided for the School to offer short course programs. These short courses will allow blind or visually impaired youth to leave their home school for short periods of time to receive intensive training at the School. Service delivery to students will be funded through contracts with local school districts. (General Fund-Private/Local)</p> <p>3. Governor-Directed Freeze - Funding is reduced due to savings assumed through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.</p> <p>4. Suspend Initiative 732 COLA - Funding is reduced due to annual cost-of-living adjustment (COLA) requirements in Initiative 732 being suspended for the 2009-11 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 4.2 percent for the 2009-10 school year and 0.1 percent for the 2010-11 school year. (General Fund-State, General Fund-Private/Local)</p> <p>5. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any</p> | <p>applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)</p> <p>6. Remove Merit Increments - Funding for merit increments in salary for employees of smaller state agencies is reduced.</p> <p>7. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
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Center for Childhood Deafness & Hearing Loss

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	17,773	316	18,089
2009 Supplemental *	-123	0	-123
Total 2007-09 Biennium	17,650	316	17,966
<hr/>			
2009-11 Maintenance Level	18,473	316	18,789
Policy Changes - Non-Comp			
1. Reading Outreach Program	0	210	210
2. Center for Childhood Deafness	50	0	50
3. Agency Wide Reduction	-760	0	-760
4. Governor-Directed Freeze	-116	0	-116
Policy -- Non-Comp Total	-826	210	-616
Policy Changes - Comp			
5. Suspend Initiative 732 COLA	-160	0	-160
6. Employee Health Insurance	104	0	104
7. Actuarial Method Changes-State	-343	0	-343
Policy -- Comp Total	-399	0	-399
<hr/>			
Total 2009-11 Biennium	17,248	526	17,774
Fiscal Year 2010 Total	8,592	242	8,834
Fiscal Year 2011 Total	8,656	284	8,940

Comments:

The Washington State Center for Childhood Deafness & Hearing Loss, formerly called the State School for the Deaf (CDHL), was created in Chapter 381, Laws of 2009 (E2SHB 1879).

1. **Reading Outreach Program** - The Shared Reading Video Outreach Project (SRVOP) is administered CDHL. SRVOP utilizes video technology to enhance literacy and language development for deaf students throughout the state. This item replaces the Office of the Superintendent of Public Instruction funding for FY 2010 and FY 2011. Service delivery to students will be funded through contracts with local school districts. (General Fund-Private/Local)
2. **Center for Childhood Deafness** - Funding is provided for Chapter 381, Laws of 2009 (E2SHB 1879). The law establishes the Washington State Center for Childhood Deafness and Hearing Loss, abolishes the School for the Deaf, and transfers all of the funding and functions from the School to the Center. The bill also establishes two demonstration communities in geographically separate areas of the state for service delivery.
3. **Agency Wide Reduction** - The Center is directed to reduce near general fund spending by 4 percent. Savings will be achieved and managed by the Center.
4. **Governor-Directed Freeze** - Funding is reduced do to savings assumed through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.

5. **Suspend Initiative 732 COLA** - Funding is reduced due to annual cost-of-living adjustment (COLA) requirements in Initiative 732 being suspended for the 2009-11 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 4.2 percent for the 2009-10 school year and 0.1 percent for the 2010-11 school year.
6. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding.
7. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Arts Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	5,089	1,566	6,655
2009 Supplemental *	-107	136	29
Total 2007-09 Biennium	4,982	1,702	6,684
<hr/>			
2009-11 Maintenance Level	5,223	2,674	7,897
Policy Changes - Non-Comp			
1. Federal Spending Authority	0	303	303
2. Agency Reductions	-1,235	0	-1,235
3. DIS Rate Reductions	-2	0	-2
4. Governor-Directed Freeze	-196	0	-196
Policy -- Non-Comp Total	-1,433	303	-1,130
Policy Changes - Comp			
5. Employee Health Insurance	15	0	15
6. Actuarial Method Changes-State	-46	0	-46
Policy -- Comp Total	-31	0	-31
<hr/>			
Total 2009-11 Biennium	3,759	2,977	6,736
Fiscal Year 2010 Total	1,876	1,438	3,314
Fiscal Year 2011 Total	1,883	1,539	3,422

Comments:

1. **Federal Spending Authority** - Federal expenditure authority is increased due to potential availability of federal stimulus grant funds through the National Endowment for the Arts. Funds are to be used for subgranting to eligible nonprofit organizations in their state or region for supporting jobs that have been reduced or lost as a result of the current economic climate. The agency must apply for these grants, which do not require a state match. (General Fund-Federal)
2. **Agency Reductions** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
3. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates.
4. **Governor-Directed Freeze** - Funding is reduced by assuming savings due to the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
5. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or

plan design in order to provide benefits within available funding. (various funds)

6. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Washington State Historical Society

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	7,356	2,910	10,266
2009 Supplemental *	-102	0	-102
Total 2007-09 Biennium	7,254	2,910	10,164
<hr/>			
2009-11 Maintenance Level	6,688	2,518	9,206
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-1,175	0	-1,175
2. Governor-Directed Freeze	-214	0	-214
Policy -- Non-Comp Total	-1,389	0	-1,389
Policy Changes - Comp			
3. Employee Health Insurance	27	3	30
4. Actuarial Method Changes-State	-98	-12	-110
Policy -- Comp Total	-71	-9	-80
<hr/>			
Total 2009-11 Biennium	5,228	2,509	7,737
Fiscal Year 2010 Total	2,592	1,212	3,804
Fiscal Year 2011 Total	2,636	1,297	3,933

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.

2. **Governor-Directed Freeze** - Funding is reduced by assuming savings achieved by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.

3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)

4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Eastern Washington State Historical Society

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	3,987	3,087	7,074
2009 Supplemental *	-53	0	-53
Total 2007-09 Biennium	3,934	3,087	7,021
<hr/>			
2009-11 Maintenance Level	4,222	3,110	7,332
Policy Changes - Non-Comp			
1. Agency Wide Reduction	-798	0	-798
2. Governor-Directed Freeze	-118	0	-118
Policy -- Non-Comp Total	-916	0	-916
Policy Changes - Comp			
3. Employee Health Insurance	21	8	29
4. Actuarial Method Changes-State	-60	-30	-90
Policy -- Comp Total	-39	-22	-61
<hr/>			
Total 2009-11 Biennium	3,267	3,088	6,355
Fiscal Year 2010 Total	1,612	1,574	3,186
Fiscal Year 2011 Total	1,655	1,514	3,169

Comments:

1. **Agency Wide Reduction** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Governor-Directed Freeze** - Funding is reduced by assuming savings achieved by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
3. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (various funds)
4. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Special Appropriations

Employee compensation related changes are displayed in individual agency budgets including institutions of higher education. The amounts displayed below summarize those items and are in addition to those included in the public schools section of this document.

State Employee Health Benefits – \$53.7 Million General Fund-State, \$43.7 Million Other Funds

Employee health benefit funding rates are increased by 3 percent each year, to \$745 per employee per month in fiscal year 2010 and \$768 in fiscal year 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point-of-service payments, or plan design in order to provide benefits within available funding. Similar increases to funding rates for health benefit costs in the K-12 system are incorporated into the school funding portions of the budget.

State Employee Pension Funding Method Changes – \$106.5 Million General Fund-State Savings, \$14.3 Million Other Fund Savings

Consistent with the adoption of Chapter 561, Laws of 2009 (SSB 6161 – Pension Systems Funding), funding for employer contributions to the state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), School Employees' Retirement System (SERS), Public Safety Employees' Retirement System (PSERS), and the Washington State Patrol Retirement System (WSPRS). The funding policy changes are: reduction of the assumed rate of salary growth from 4.25 percent to 4 percent; delay of the adoption of new mortality tables until the 2011-13 biennium; suspension of contribution rate minimums for the 2009-11 biennium; a revised contribution rate floor for WSPRS; and the phased adoption of a new funding method for the Plan 1 unfunded liabilities.

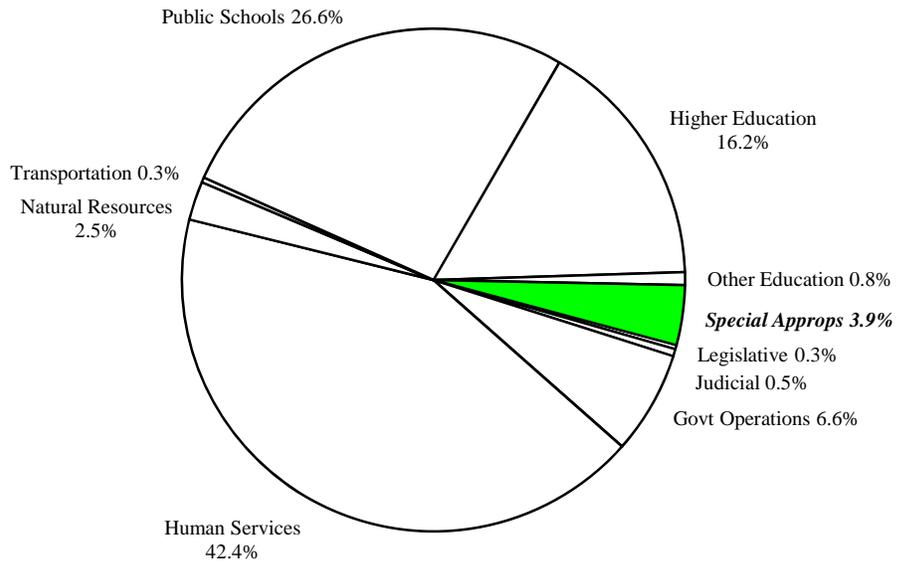
As a result of these changes, total employer contribution rates for the biennium are reduced from the Pension Funding Council's adopted rates of 7.84 percent for PERS, 10.79 percent for TRS, 8.12 percent for SERS, 10.06 percent for PSERS, and 8.57 percent for WSPRS to 5.13 percent for PERS, 5.98 percent for TRS, 5.27 percent for SERS, 7.68 percent for PSERS, and 6.17 percent for WSPRS. Employee contribution rates are also reduced from 4.61 percent for PERS 2, 4.93 percent for TRS 2, 4.00 percent for SERS 2, 6.94 percent for PSERS, and 6.95 percent for WSPRS to 3.89 percent for PERS 2, 3.36 percent for TRS 2, 3.14 percent for SERS 2, 6.55 percent for PSERS, and 4.85 percent for WSPRS. The effect of the reductions in contribution rates for pension costs in the K-12 system are incorporated into the school funding portions of the budget.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

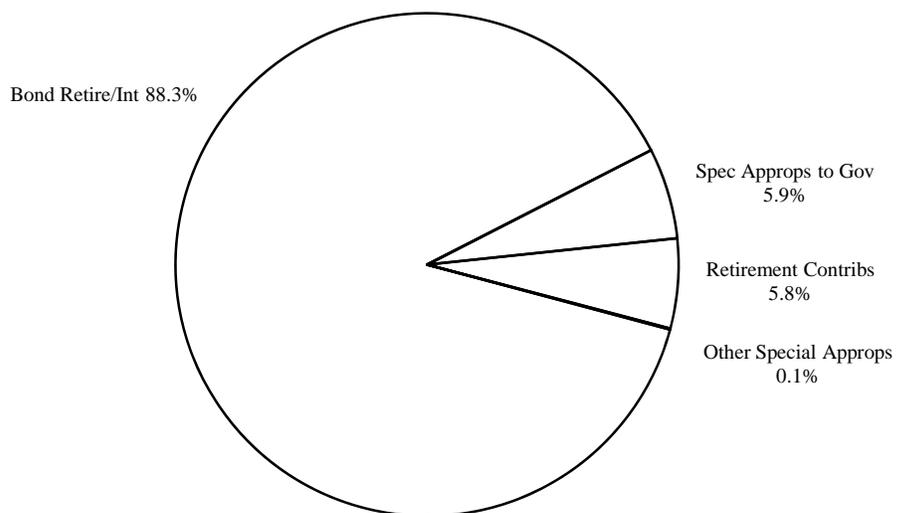
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
Human Services	24,874,866
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
<i>Special Appropriations</i>	<i>2,261,860</i>
Statewide Total	58,725,869



Washington State

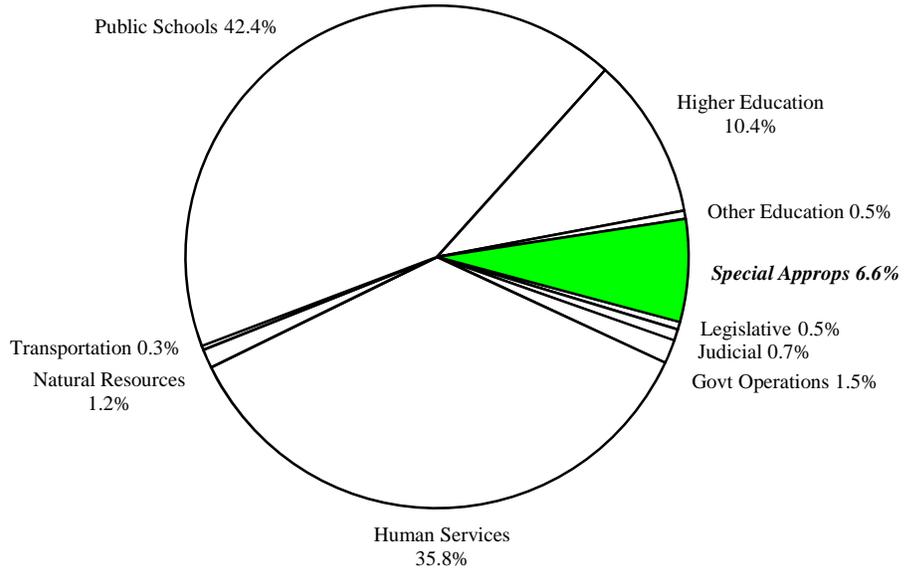
Bond Retire/Int	1,997,338
Spec Approps to Gov	132,492
Retirement Contributions	130,230
Other Special Approps	1,800
<i>Special Appropriations</i>	<i>2,261,860</i>



Special Appropriations

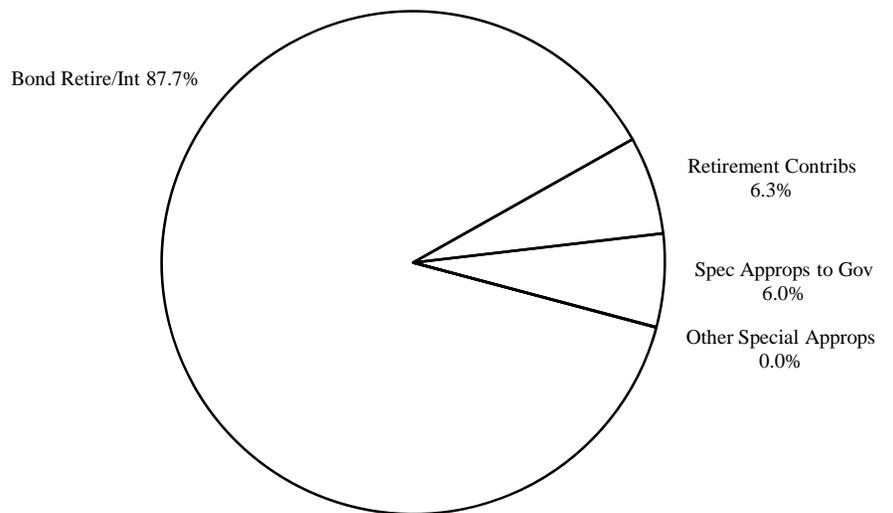
2009-11 Washington State Omnibus Operating Budget Near General Fund-State (Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
Human Services	11,250,814
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
<i>Special Appropriations</i>	<i>2,068,266</i>
Statewide Total	31,388,596



Washington State

Bond Retire/Int	1,813,244
Retirement Contributions	130,230
Spec Approps to Gov	123,992
Other Special Approps	800
<i>Special Appropriations</i>	<i>2,068,266</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	1,575,674	188,057	1,763,731
2009 Supplemental *	-6,099	242	-5,857
Total 2007-09 Biennium	1,569,575	188,299	1,757,874
2009-11 Maintenance Level	1,758,319	174,355	1,932,674
Policy Changes - Non-Comp			
1. 2009-11 Debt Service	54,925	9,739	64,664
Policy -- Non-Comp Total	54,925	9,739	64,664
Total 2009-11 Biennium	1,813,244	184,094	1,997,338
Fiscal Year 2010 Total	882,811	90,748	973,559
Fiscal Year 2011 Total	930,433	93,346	1,023,779

Comments:

- 2009-11 Debt Service** - Funding is provided for debt service and underwriting costs for bonds issued for the enacted capital and transportation budgets for the 2009-11 biennium. (General Fund-State, various other funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest's budget is shown in the Transportation Budget Section of this document.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Special Appropriations to the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	163,845	63,103	226,948
2009 Supplemental *	12,041	-1,939	10,102
Total 2007-09 Biennium	175,886	61,164	237,050
<hr/>			
2009-11 Maintenance Level	105,145	0	105,145
Policy Changes - Non-Comp			
1. Water Pollution Control Revol Acct	9,200	0	9,200
2. GF-S to Cap Bldg Construction Acct	5,927	0	5,927
3. Community Pres & Develop Acct	350	0	350
4. Transitional Housing Operating Rent	0	8,500	8,500
5. COP Repayment	2,870	0	2,870
6. Veterans' Innovation Program	500	0	500
Policy -- Non-Comp Total	18,847	8,500	27,347
<hr/>			
Total 2009-11 Biennium	123,992	8,500	132,492
Fiscal Year 2010 Total	62,155	4,250	66,405
Fiscal Year 2011 Total	61,837	4,250	66,087

Comments:

1. **Water Pollution Control Revol Acct** - Funding is appropriated to the Water Pollution Control Revolving Account to provide the required 20 percent state match for water pollution control projects.

2. **GF-S to Cap Bldg Construction Acct** - General Fund-State (GF-S) funds are provided to backfill the decreased timber revenues to meet debt obligations. The Capitol Building Construction Account is used to pay debt service on the Natural Resources Building and the Legislative Building rehabilitation. Timber sales, which are the primary source of revenue for this account, have decreased and are not generating sufficient revenues to cover the debt service.

3. **Community Pres & Develop Acct** - Funding is appropriated to the Community Preservation and Development Authority Account. These funds are for the Department of Commerce to provide a grant to a community development authority established under RCW 43.167.

4. **Transitional Housing Operating Rent** - Funding is provided for the Transitional Housing Operating and Rent program, consistent with Chapter 256, Laws of 2008 (ESSB 5959). The Housing Trust Account and the Home Security Fund are appropriated for deposit into the Transitional Housing Operating and Rent Account. (Home Security Fund Account-State, Housing Trust Account-State)

5. **COP Repayment** - Funding is provided for certificate of participation (COP) debt repayment to the General Administration Services Account for the O'Brien Building rehabilitation, project number, 20081007, authorized during the 2007-09 biennium.

6. **Veterans' Innovation Program** - Funding is provided for the Veterans' Innovation program. This program provides support, including financial assistance, to veterans who are experiencing hardships.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Special Appropriations to the Governor's budget is shown in the Transportation Budget Section of this document.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Contributions to Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	116,400	0	116,400
2009 Supplemental *	722	0	722
Total 2007-09 Biennium	117,122	0	117,122
<hr/>			
2009-11 Maintenance Level	130,230	0	130,230
<hr/>			
Total 2009-11 Biennium	130,230	0	130,230
Fiscal Year 2010 Total	63,070	0	63,070
Fiscal Year 2011 Total	67,160	0	67,160

Comments:

There were no policy level changes.

* Please see the 2009 Supplemental Operating Budget Section for additional information.

State Employee Compensation Adjustments

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Expenditure Authority	0	0	0
2009-11 Maintenance Level	0	0	0
Policy Changes - Comp			
1. Final Average Compensation	800	1,000	1,800
Policy -- Comp Total	800	1,000	1,800
Total 2009-11 Biennium	800	1,000	1,800
Fiscal Year 2010 Total	400	500	900
Fiscal Year 2011 Total	400	500	900

Comments:

Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), School Employees' Retirement System (SERS), Public Safety Employees' Retirement System (PSERS), and the Washington State Patrol Retirement System (WSPRS). The funding policy changes are: reduction of the assumed rate of salary growth from 4.25 percent to 4 percent, delay of the adoption of new mortality tables until the 2011-13 biennium, suspension of contribution rate minimums for the 2009-11 biennium, a revised contribution rate floor for WSPRS, and the phased adoption of a new funding method for the Plan 1 unfunded liabilities. As a result of these changes, total employer contribution rates for the biennium are reduced from the Pension Funding Council's adopted rates of 7.84 percent for PERS, 10.79 percent for TRS, 8.12 percent for SERS, 10.06 percent for PSERS, and 8.57 percent for WSPRS to 5.13 percent for PERS, 5.98 percent for TRS, 5.27 percent for SERS, 7.68 percent for PSERS, and 6.17 percent for WSPRS. Employee contribution rates are also reduced from 4.61 percent for PERS 2, 4.93 percent for TRS 2, 4.00 percent for SERS 2, 6.94 percent for PSERS, and 6.95 percent for WSPRS to 3.89 percent for PERS 2, 3.36 percent for TRS 2, 3.14 percent for SERS 2, 6.55 percent for PSERS, and 4.85 percent for WSPRS. (various funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the State Employee Compensation Adjustments' budget is shown in the Transportation Budget Section of this document.

1. **Final Average Compensation** - Funding is provided for increased employer contributions in PERS and SERS as a result of including in PERS members' final average compensation any pay that is foregone by the member during the 2009-11 biennium as a result of reduced work hours, voluntary leave without pay, or temporary furloughs that are a part of the employer's efforts to reduce expenditures, pursuant to Chapter 430, Laws of 2009 (SB 6157). (General Fund-State, other funds)

