

Governmental Operations

Department of Enterprise Services

The Department of General Administration, along with the State Printer, and portions of the Department of Information Services, the Office of Financial Management, and the Department of Personnel will merge into the new Department of Enterprise Services, pursuant to Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931). The new Department of Enterprise Services will handle facilities and lease management, fleet management, purchasing and contracts, information systems, printing, accounting, and human resources, which are all central services provided to all state agencies. A transition team will work on identifying efficiencies by consolidating back-office functions, such as internal human resources, accounting, purchasing, contracts, and facilities management.

Office of the Chief Information Officer and Consolidated Technology Agency

The Office of the Chief Information Officer (OCIO) is created and is responsible for the development and implementation of state strategic information technology (IT) initiatives and oversight of IT resources. The Information Services Board is eliminated, and the staff is transferred to the OCIO. The Technology Services Board is created and is staffed by the OCIO. Delivery of IT services to state agencies is transferred from the Department of Information Services to the newly created Consolidated Technology Services (CTS) agency pursuant to ESSB 5931. Services offered by CTS include mainframe computing, network operations, telecommunications, and managing the consolidated State Data Center.

Consolidated State Data Center

Funds are provided for the infrastructure to set up and operate the new consolidated State Data Center. Once the move is complete, the Department of Information Services' current data center will be decommissioned.

Liquor Control Board

Customer Service Initiatives

Funding is provided to implement customer service initiatives to improve convenience to customers and generate additional revenues. Initiatives include: adding six contract and two new state stores to keep pace with population growth; two high-volume specialty stores; standardizing hours of operation; selling retail gift cards; and providing optional delivery to restaurants and other licensed locations.

Secretary of State

Presidential Primary

Funding for costs associated with the 2012 Presidential Primary are eliminated, and the primary is suspended. No Presidential Primary will be held in Washington in 2012.

State Auditor

Performance Audit Funding

In the 2011-13 biennium, the Performance Audits of Government Account is reduced to allow the shifting of expenditure authority to four audit-related activities: (1) the Division of Fraud Investigations within the Department of Social and Health Services; (2) the Fraud Ombudsman in the State Auditor's Office; (3) school apportionment audits in the State Auditor's Office; and (4) a portion of the enhanced revenue auditor and collection functions of the Department of Revenue.

The Governor vetoed Section 26 of Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5921), which related to creation of the Office of the Fraud Ombudsman in the Office of the State Auditor. The funding for this office was vetoed in Section 123(4) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087).

Department of Commerce

The Department of Commerce (COM) administers a variety of state programs focused on enhancing and promoting sustainable community and economic vitality in Washington. Key activities of COM include support for economic development, affordable housing and homeless programs, growth management, and a variety of services to support local communities. The 2011-13 operating budget provides COM with \$513.7 million in total funds (\$129.8 million General Fund-State) to maintain support for these activities.

Reductions:

The operating budget makes several reductions across various programs of COM. The largest reductions (\$18.4 million) fall in the arena of economic development and include elimination of all state funding for tourism promotion and a 75 percent reduction for grants to support global health technology. There is a reduction of \$8.4 million for support of affordable housing and homelessness programs, which are primarily funded by document recording fees. Funding for a variety of programs that support local communities is reduced by \$3.6 million, including a 50 percent reduction for state drug task forces and a 25 percent reduction for Community Service Block Grants. COM's funding for administration and operation of its programs is reduced by \$1.8 million. Funding for growth management grants is reduced by \$0.8 million.

Increases:

Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082), directs the termination of the Disability Lifeline-Unemployable (DL-U) program that provides a cash benefit to eligible needy individuals who do not qualify for other federal assistance programs. Effective November 1, 2011, \$64.1 million of funds previously provided for cash grants to DL-U clients is transferred from the Department of Social and Health Services to COM to be used to provide support for essential needs and housing of these individuals. COM shall utilize the funds to provide grants to local governments and community-based organizations. Assistance to individuals will be provided within available resources and cannot be provided in the form of cash grants.

Chapter 58, Laws of 2011 (2SHB 1362), authorizes expenditures of \$14.2 million for COM to implement provisions of the act. COM will use revenues from newly-authorized fees on financial institutions issuing notices of defaults to implement provisions including increasing the number of housing counselors and attorneys available to assist individuals at risk of default and establishing a foreclosure mediation program.

The budget also includes increased federal expenditure authority of \$13.4 million for COM in a variety of areas. The largest of these are authority to expend a \$6.1 million federal grant for a program to install renewable energy systems and energy efficiency technologies and a \$5 million federal grant for a program to stabilize neighborhoods with abandoned homes.

Department of Revenue

Revenue Enhancement

Funding is provided to continue efforts that began in the early action bill in December 2010 to collect additional revenue from out-of-state audits. Funding is also provided and for additional staff in 2011-13 to collect state tax revenues. The additional tax collection staff includes taxpayer account administrators, compliance staff, and auditors. On average, each employee is estimated to bring in \$420,000 per fiscal year in revenue. The continuations of the early action efforts are estimated to generate an additional \$39 million, and the additional staff is estimated to generate \$14.5 million, for a total of \$53.5 million in additional revenues.

Business Licensing Transfer

Expenditure authority of \$14.4 million and the administration of the Master License Service (MLS) program are transferred from the Department of Licensing to the Department of Revenue (DOR). Over 500,000 state and city business licenses and endorsements are issued and renewed annually through a one-page application system via the MLS program. By building upon existing processes to administer the MLS program, DOR is expected to achieve expenditure savings of over \$1 million annually.

Military Department

Enhanced 911

Expenditure authority of nearly \$7 million is provided from the Enhanced 911 Account to continue upgrading the current 911 telephone system. The upgrades support the second of a three-phase process to develop a modern Internet protocol system that allows the 911 dispatchers and authorities to accept information from a wide variety of communication devices during emergencies.

Department of Financial Institutions

Mortgage Fraud Prosecution

Expenditure authority of \$1 million is provided to the Department of Financial Institutions to continue administering the Mortgage Lending Fraud Prosecution Account (MLFPA). Funded by a \$1 surcharge at the recording of a deed of trust, MLFPA is used to reimburse county prosecutors for costs related to the investigation and prosecution of mortgage fraud cases. The program was set to expire in July 2011, but legislation extended MLFPA for five additional years.

Other

Heritage Agencies

The budget redistributes over \$3.5 million from the Washington State Heritage Center Account to supplant all or a portion of the Near General Fund-State support for the Department of Archaeology and Historic Preservation and State Library's operating expenses. The Account consists of fee revenue previously collected for the Heritage Center project, a new facility in the planning stages of construction on the Capitol Campus that would house the State Library and Archives. The redistribution of funds is one-time and ongoing fee revenue remains dedicated to the Heritage Center project.

Juvenile and Adult Sentencing Database and Caseload Forecasts

The Sentencing Guidelines Commission (SGC) and the Sex Offender Policy Board are transferred to the Office of Financial Management. Some SGC functions, managing the adult and juvenile sentencing database and preparing criminal justice fiscal notes, are transferred to the Caseload Forecast Council. The Council will maintain the records database and publish an annual statistical summary for both juvenile dispositions and adult felony sentences, along with adult felony and juvenile sentencing manuals.

Innovate Washington

Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764), creates Innovate Washington as the successor agency to the Washington Technology Center (WTC) and the Spokane Intercollegiate Research and Technology Institute (SIRTI). Innovate Washington is identified as the primary state agency responding to the technology transfer needs of existing businesses in the state. The role of Innovate Washington includes: facilitating research supportive of state industries; providing mechanisms for collaboration between technology-based industries and higher education institutions; helping businesses secure research funds; developing and integrating technology into new products; offering technology transfer and commercialization training opportunities; serving as the lead entity for coordinating clean energy initiatives; and administering technology and innovation grant and loan programs.

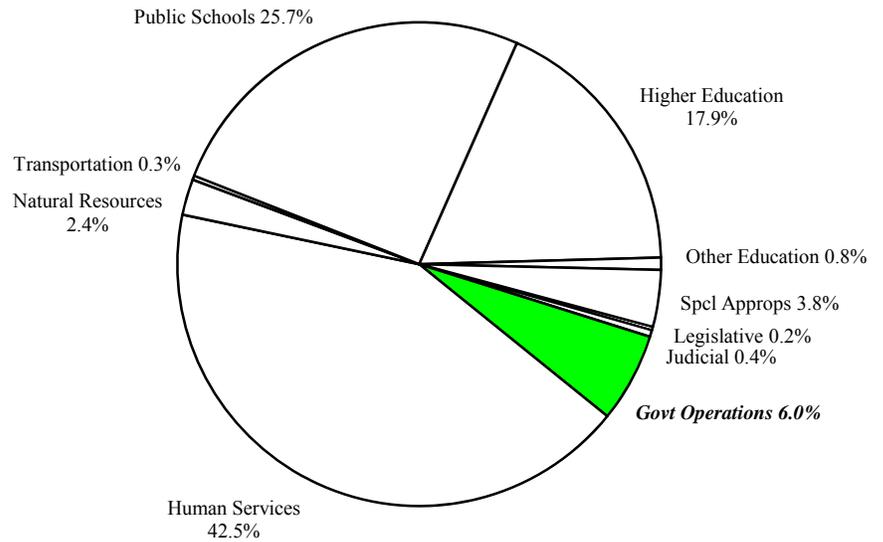
The 2011-13 operating budget provides Innovate Washington with \$8.2 million in total funds (\$6.0 million General Fund-State) to maintain support for these activities. This is a reduction in General Fund-State of \$1.5 million (20 percent) from the prior combined funding levels of WTC and SIRTI.

2011-13 Washington State Omnibus Operating Budget

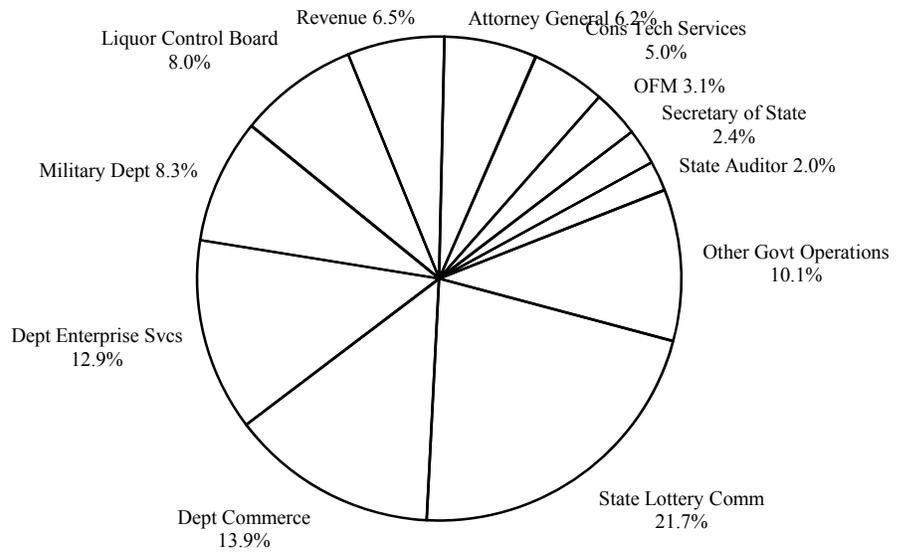
Total Budgeted Funds

(Dollars in Thousands)

Legislative	149,429
Judicial	274,987
Governmental Operations	3,707,655
Human Services	26,344,252
Natural Resources	1,490,117
Transportation	176,473
Public Schools	15,915,437
Higher Education	11,126,495
Other Education	503,435
Special Appropriations	2,355,947
Statewide Total	62,044,227



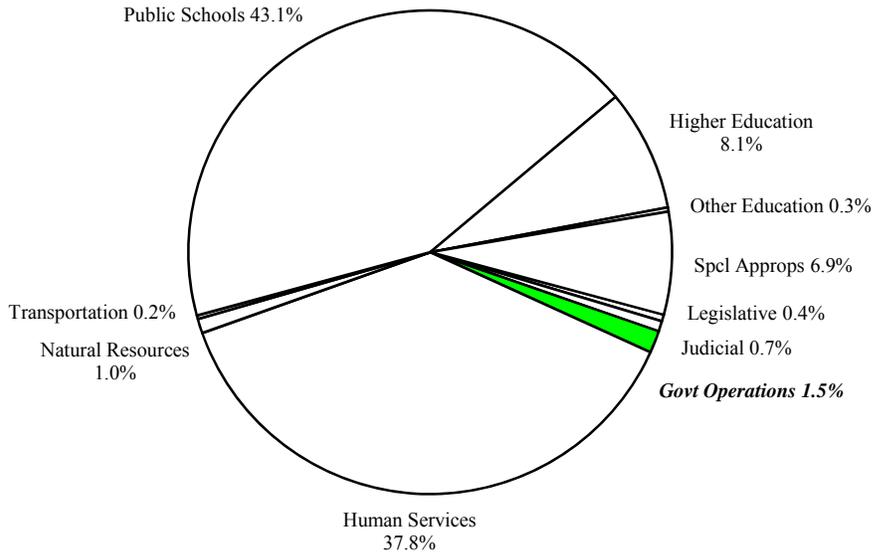
Lottery Commission	802,742
Dept Commerce	513,688
Dept Enterprise Svcs	477,217
Military Department	308,727
Liquor Control Board	296,326
Revenue	240,425
Attorney General	229,237
Cons Tech Services	184,048
OFM	116,142
Secretary of State	88,864
State Auditor	74,333
Other Govt Operations	375,906
Governmental Operations	3,707,655



Governmental Operations

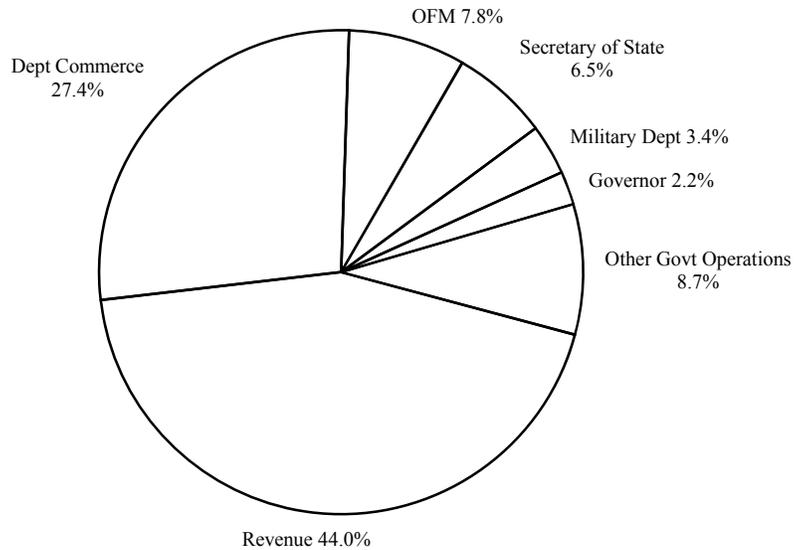
2011-13 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	142,344
Judicial	221,808
Governmental Operations	474,248
Human Services	12,080,537
Natural Resources	309,303
Transportation	78,272
Public Schools	13,783,321
Higher Education	2,602,642
Other Education	86,323
Special Appropriations	2,194,154
Statewide Total	31,972,952



Washington State

Revenue	208,612
Dept Commerce	129,750
OFM	37,135
Secretary of State	30,845
Military Department	16,011
Office of the Governor	10,605
Other Govt Operations	41,290
Governmental Operations	474,248



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	11,182	1,500	12,682
2011-13 Maintenance Level	11,906	1,500	13,406
Policy Changes - Non-Comp			
1. Staff Reduction	-635	0	-635
2. Reduce Hood Canal Coordination Coun	-20	0	-20
3. Administrative Reduction	-266	0	-266
4. Interagency Charges - AG	-6	0	-6
Policy -- Non-Comp Total	-927	0	-927
Policy Changes - Comp			
5. Average Final Compensation Adjust	2	0	2
6. 3% Salary Cut for State Employees	-236	0	-236
7. Suspend Plan 1 Uniform COLA	-140	0	-140
Policy -- Comp Total	-374	0	-374
Total 2011-13 Biennium	10,605	1,500	12,105
Fiscal Year 2012 Total	5,312	1,500	6,812
Fiscal Year 2013 Total	5,293	0	5,293

Comments:

- Staff Reduction** - Funding and FTE authority within the Office of the Governor are reduced. One part-time position in the Governor's Mansion is eliminated. The Offices of the Family and Children Ombudsman and the Education Ombudsman will each eliminate one position. In addition, funding for goods, services, and travel is also reduced.
- Reduce Hood Canal Coordination Coun** - Funding for projects, reports, and other activities of the Hood Canal Aquatic Rehabilitation Program under RCW 90.88.030 is reduced by 11 percent.
- Administrative Reduction** - Funding for executive operations is reduced. This represents a 3 percent reduction to the General Fund-State administrative budget for the Office of the Governor.
- Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
- Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
- 3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 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>
2009-11 Expenditure Authority	1,434	95	1,529
2011-13 Maintenance Level	1,582	95	1,677
Policy Changes - Non-Comp			
1. Administrative Reductions	-154	0	-154
Policy -- Non-Comp Total	-154	0	-154
Policy Changes - Comp			
2. 3% Salary Cut for State Employees	-26	0	-26
3. Suspend Plan 1 Uniform COLA	-17	0	-17
Policy -- Comp Total	-43	0	-43
Total 2011-13 Biennium	1,385	95	1,480
Fiscal Year 2012 Total	687	45	732
Fiscal Year 2013 Total	698	50	748

Comments:

1. **Administrative Reductions** - The Office of the Lieutenant Governor will achieve savings by reducing FTE levels and through a reduction in travel, equipment, training and development, goods and services, and other operating expenditures.
2. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
3. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

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Public Disclosure Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	4,461	0	4,461
2011 Supplemental *	-243	0	-243
Total 2009-11 Biennium	4,218	0	4,218
2011-13 Maintenance Level	4,660	0	4,660
Policy Changes - Non-Comp			
1. Staff Reductions	-412	0	-412
2. State Data Center Rate Increase	32	0	32
3. Campaign Disclosure - ESSB 5021	125	0	125
4. Interagency Charges - AG	-24	0	-24
Policy -- Non-Comp Total	-279	0	-279
Policy Changes - Comp			
5. 3% Salary Cut for State Employees	-92	0	-92
6. Suspend Plan 1 Uniform COLA	-52	0	-52
Policy -- Comp Total	-144	0	-144
Total 2011-13 Biennium	4,237	0	4,237
Fiscal Year 2012 Total	2,107	0	2,107
Fiscal Year 2013 Total	2,130	0	2,130

Comments:

1. **Staff Reductions** - The Public Disclosure Commission (PDC) will achieve savings through a combination of reducing FTE levels and not filling vacancies.
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Campaign Disclosure - ESSB 5021** - Chapter 145, Laws of 2011 (ESSB 5021), enhances election campaign disclosure by lowering thresholds on reporting requirements and changing naming requirements for political committees and their sponsors. Funding is provided to PDC to implement and enforce the provisions of the bill.
4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
5. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation

expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

6. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

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Office of the Secretary of State

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	34,800	71,560	106,360
2011 Supplemental *	77	0	77
Total 2009-11 Biennium	34,877	71,560	106,437
2011-13 Maintenance Level	44,880	59,057	103,937
Policy Changes - Non-Comp			
1. Charitable Organization Education	0	300	300
2. Archives Service Reduction	0	-890	-890
3. TVW savings	-993	0	-993
4. Administrative Reduction	-204	0	-204
5. State Library	-1,703	1,028	-675
6. Presidential Primary State Costs	-10,032	0	-10,032
7. Productivity Board	0	-781	-781
8. Interagency Charges - AG	-20	-26	-46
9. Management Efficiency	-144	0	-144
Policy -- Non-Comp Total	-13,096	-369	-13,465
Policy Changes - Comp			
10. Average Final Compensation Adjust	4	0	4
11. 3% Salary Cut for State Employees	-597	-417	-1,014
12. Suspend Plan 1 Uniform COLA	-344	-252	-596
13. Retire-Rehire Changes (State)	-2	0	-2
Policy -- Comp Total	-939	-669	-1,608
Total 2011-13 Biennium	30,845	58,019	88,864
Fiscal Year 2012 Total	16,710	28,807	45,517
Fiscal Year 2013 Total	14,135	29,212	43,347

Comments:

- Charitable Organization Education** - Chapter 29, Laws of 2010, 1st sp.s. (2SHB 2576), was enacted to implement a Charitable Organization Education Program supported by the Charitable Organization Education Account. A technical adjustment is made to increase the program's expenditure authority to cover the personal service costs of hiring trainers with expertise in areas of fiduciary responsibility, board management, and other areas of education identified by the charitable and nonprofit community. (Charitable Organization Education Account-State)
- Archives Service Reduction** - Funding for the Archives and Records Management Account and FTE authority is reduced. Three FTE staff (one each from the Digital Archives, Records Management, and State Government Archives) are eliminated. Corresponding services to agencies are also reduced. (Archives and Records Management Account-State)
- TVW savings** - Funding provided to TVW (Washington State Public Affairs TV Network) is maintained at the 2009-11 biennial funding levels. This represents a 20 percent reduction from 2007-09 funding levels.
- Administrative Reduction** - Funding for Executive and Administrative Services is reduced by 3 percent.
- State Library** - The General Fund-State appropriation to the State Library is reduced. Funding from the Washington State Heritage Center Account is provided in place of a portion of General Fund-State in the 2011-13 biennium to achieve General Fund-State savings. (Washington State Heritage Account-State)
- Presidential Primary State Costs** - Funding for costs associated with the 2012 Presidential Primary are eliminated, pursuant to Chapter 319, Laws of 2011 (SB 5119). No presidential primary will be held in Washington in 2012.
- Productivity Board** - Funding is suspended for the Productivity Board for the 2011-13 biennium. (Department of Personnel Service Account-State)
- Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
- Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the

Office of the Secretary of State

biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

10. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
11. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
12. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
13. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 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>
2009-11 Expenditure Authority	537	0	537
2011 Supplemental *	-29	0	-29
Total 2009-11 Biennium	508	0	508
2011-13 Maintenance Level	558	0	558
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	3	0	3
2. Reduce Administrative Expenditures	-22	0	-22
Policy -- Non-Comp Total	-19	0	-19
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	-8	0	-8
4. Suspend Plan 1 Uniform COLA	-5	0	-5
Policy -- Comp Total	-13	0	-13
Total 2011-13 Biennium	526	0	526
Fiscal Year 2012 Total	259	0	259
Fiscal Year 2013 Total	267	0	267

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Reduce Administrative Expenditures** - The Governor's Office of Indian Affairs will achieve savings by identifying efficiencies that will reduce travel expenses, printing costs, and other operating expenditures.
3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	452	0	452
2011 Supplemental *	-15	0	-15
Total 2009-11 Biennium	437	0	437
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2011-13 Maintenance Level	478	0	478
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	3	0	3
2. Reduce Administrative Expenditures	-17	0	-17
Policy -- Non-Comp Total	-14	0	-14
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	-8	0	-8
4. Suspend Plan 1 Uniform COLA	-5	0	-5
Policy -- Comp Total	-13	0	-13
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Total 2011-13 Biennium	451	0	451
Fiscal Year 2012 Total	232	0	232
Fiscal Year 2013 Total	219	0	219

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Reduce Administrative Expenditures** - The Commission on Asian-Pacific-American Affairs will achieve savings by identifying efficiencies that will reduce travel expenses, printing costs, and other operating expenditures.
3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

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Office of the State Treasurer

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	14,686	14,686
2011-13 Maintenance Level	0	15,359	15,359
Policy Changes - Non-Comp			
1. Move Costs for Leaving GA Building	0	113	113
2. State Data Center Rate Increase	0	48	48
3. Interagency Charges - AG	0	-25	-25
4. SSB 5181 - Commission on State Debt	0	150	150
Policy -- Non-Comp Total	0	286	286
Policy Changes - Comp			
5. Average Final Compensation Adjust	0	2	2
6. 3% Salary Cut for State Employees	0	-318	-318
7. Suspend Plan 1 Uniform COLA	0	-182	-182
8. Retire-Rehire Changes (State)	0	-1	-1
Policy -- Comp Total	0	-499	-499
Total 2011-13 Biennium	0	15,146	15,146
Fiscal Year 2012 Total	0	7,723	7,723
Fiscal Year 2013 Total	0	7,423	7,423

Comments:

- 1. Move Costs for Leaving GA Building** - Due to the planned elimination of the General Administration (GA) Building on the capitol campus, one-time funding is provided to the Office of the State Treasurer (OST) for moving related expenditures. (State Treasurer's Service Account-State)
- 2. State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
- 3. Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
- 4. SSB 5181 - Commission on State Debt** - Chapter 46, Laws of 2011, 1st sp.s. (SSB 5181), creates a commission to examine the use of debt in Washington State and report findings and recommendations to the State Finance Committee, which is directed to set a working debt limit. Funding is provided to OST to support the commission's work and to implement the provisions of the bill. (State Treasurer's Service Account-State)
- 5. Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
- 6. 3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
- 7. Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- 8. Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement

Office of the State Treasurer

Plan and Post-Retirement Employment). (General Fund-State,
various other funds)

Office of the State Auditor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	1,439	71,804	73,243
2011 Supplemental *	-79	0	-79
Total 2009-11 Biennium	1,360	71,804	73,164
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2011-13 Maintenance Level	1,461	82,185	83,646
Policy Changes - Non-Comp			
1. Shift Audits to Perf Audit Acct	0	-7,445	-7,445
2. State Data Center Rate Increase	0	80	80
3. Fraud Ombudsman	0	224	224
4. School Audits	-1,461	1,461	0
5. Interagency Charges - AG	0	-36	-36
6. Governor Veto	0	-224	-224
Policy -- Non-Comp Total	-1,461	-5,940	-7,401
Policy Changes - Comp			
7. Average Final Compensation Adjust	0	7	7
8. 3% Salary Cut for State Employees	0	-1,226	-1,226
9. Suspend Plan 1 Uniform COLA	0	-691	-691
10. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,912	-1,912
<hr/>			
Total 2011-13 Biennium	0	74,333	74,333
Fiscal Year 2012 Total	0	38,024	38,024
Fiscal Year 2013 Total	0	36,309	36,309

Comments:

- Shift Audits to Perf Audit Acct** - Expenditure authority from the Performance Audits of Government Account is reduced to allow the shifting of expenditure authority to four appropriated audit-related activities: (1) the Division of Fraud Investigations (DFI) within the Department of Social and Health Services (DSHS); (2) the Fraud Ombudsman in the State Auditor's Office created in Chapter 42, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5921); (3) school apportionment audits in the State Auditor's Office; and (4) a portion of the enhanced revenue auditor staffing and collection functions of the Department of Revenue. In separate legislation, ESSB 5921, the Office of the Fraud Ombudsman was eliminated. Therefore, no funding from the Performance Audit of Government Account is provided. (General Fund-State, Performance Audits of Government Account-Non-Appropriated)
- State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
- Fraud Ombudsman** - The Office of the Fraud Ombudsman is created in Chapter 42, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5921). The Fraud Ombudsman is responsible for reviewing and auditing the fraud investigative work done by DFI, or its successor within DSHS. The Fraud Ombudsman also has authority to investigate citizen complaints related to fraud and abuse in the Temporary Assistance for Needy Families program. By November 30, 2012, and biennially thereafter, the Ombudsman must submit a report summarizing its audit activities of DFI to the appropriate committees of the Legislature. The portion of ESSB 5921 related to the Office of the Fraud Ombudsman was vetoed by the Governor and corresponding funding was vetoed in Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087). (Performance Audits of Government Account-State)
- School Audits** - The State Auditor's Office performs select state school district apportionment audits. For the 2011-13 biennium, funding for select state school district apportionment audits will be funded from the Performance Audits of Government Account rather than General Fund-State. (Performance Audit of Government Account-State)
- Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

Office of the State Auditor

6. **Governor Veto** - The Governor vetoed Section 123(4) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided funding for the Office of the Fraud Ombudsman within the Office of the State Actuary. The creation of the Office of the Fraud Ombudsman was vetoed in ESSB 5921.
7. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
8. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
9. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
10. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	374	0	374
2011 Supplemental *	-13	0	-13
Total 2009-11 Biennium	361	0	361
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2011-13 Maintenance Level	397	0	397
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	3	0	3
2. Reduce Administrative Expenditures	-39	0	-39
3. Interagency Charges - AG	-1	0	-1
Policy -- Non-Comp Total	-37	0	-37
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	-6	0	-6
5. Suspend Plan 1 Uniform COLA	-1	0	-1
Policy -- Comp Total	-7	0	-7
<hr/>			
Total 2011-13 Biennium	353	0	353
Fiscal Year 2012 Total	158	0	158
Fiscal Year 2013 Total	195	0	195

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Reduce Administrative Expenditures** - The Citizens' Commission on Salaries for Elected Officials will achieve savings by reducing expenditures for goods and services, travel, and capital outlays.
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public

Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Office of the Attorney General

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	11,004	230,366	241,370
2011 Supplemental *	0	3,614	3,614
Total 2009-11 Biennium	11,004	233,980	244,984
2011-13 Maintenance Level	11,815	230,015	241,830
Policy Changes - Non-Comp			
1. Reduce Agency Legal Billings	0	-14,125	-14,125
2. Eliminate WSCTC, HCQA Billing	0	-146	-146
3. Stormans v DOH Litigation	0	628	628
4. Teck Cominco Metals Litigation	0	500	500
5. Unemployment Insurance ESD IAA	0	516	516
6. University of WA IAA to Base Funds	0	170	170
7. Reduction to Non-Agency Legal Serv	-1,815	0	-1,815
8. State Data Center Rate Increase	0	161	161
9. Juvenile Records	140	0	140
10. Protecting Homeowners	0	656	656
11. Small Business Preference Program	0	62	62
12. Addressing Subpoena Authority	0	96	96
13. Coal-Fired Generation	0	99	99
14. Industrial Insurance - SSB 5801	0	416	416
15. Campaign Disclosure - ESSB 5021	0	31	31
16. Medicaid Fraud Enforcement	-1,460	6,922	5,462
17. Workers Compensation	0	5,924	5,924
18. Management Efficiency	-104	0	-104
19. Governor Veto	0	-2,825	-2,825
Policy -- Non-Comp Total	-3,239	-915	-4,154
Policy Changes - Comp			
20. Average Final Compensation Adjust	2	28	30
21. 3% Salary Cut for State Employees	-360	-5,039	-5,399
22. Suspend Plan 1 Uniform COLA	-192	-2,863	-3,055
23. Retire-Rehire Changes (State)	-1	-14	-15
Policy -- Comp Total	-551	-7,888	-8,439
Total 2011-13 Biennium	8,025	221,212	229,237
Fiscal Year 2012 Total	4,028	109,891	113,919
Fiscal Year 2013 Total	3,997	111,321	115,318

Comments:

- 1. Reduce Agency Legal Billings** - The Office of the Attorney General (AGO) will absorb a reduction in the Legal Services Revolving Account. AGO will work with client agencies to develop and implement stricter policies and best management practices regarding utilization of Attorney General services to achieve lower legal costs. (Legal Services Revolving Account-State)
- 2. Eliminate WSCTC, HCQA Billing** - The Washington State Convention and Trade Center (WSCTC) and Home Care Quality Authority (HCQA) are no longer state agencies in the 2011-13 biennium. AGO billings for these agencies are removed from the Legal Services Revolving Account as a result. (Legal Services Revolving Account-State)
- 3. Stormans v DOH Litigation** - AGO is provided increased billing authority and 1.8 FTEs in the 2011-13 biennium to provide one-time legal services for the Department of Health (DOH) relating to the Stormans v. DOH litigation. At issue is the constitutionality of rules adopted by the Board of Pharmacy concerning access to all prescription medications, as well as liability for attorney fees. (Legal Services Revolving Account-State)
- 4. Teck Cominco Metals Litigation** - Billing authority is provided in the 2011-13 biennium for one-time additional legal services to the Department of Ecology associated with Pakootas, et al. v. Teck Cominco Metals Ltd. litigation. (Legal Services Revolving Account-State)

Office of the Attorney General

5. **Unemployment Insurance ESD IAA** - Interagency agreement (IAA) billing authority and FTEs are provided for legal services associated with unemployment insurance cases in the Employment Security Department (ESD). (Legal Services Revolving Account-State)
6. **University of WA IAA to Base Funds** - Billing authority and FTEs are provided for ongoing legal services associated with the University of Washington's caseload relating to Airlift Northwest and the Real Estate Office for Metro Tract management. (Legal Services Revolving Account-State)
7. **Reduction to Non-Agency Legal Serv** - Savings are assumed through a reduction in the General Fund-State funded programs: Consumer Protection (\$800,000), Homicide Investigation Tracking System (\$500,000), and Criminal Litigation (\$515,000). (Legal Services Revolving Account-State)
8. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
9. **Juvenile Records** - Billing authority is provided for costs associated with Chapter 333, Laws of 2011 (SHB 1793). The legislation provides that a violation of the prohibition against the dissemination of personal information contained in a juvenile record is a violation of the Washington Consumer Protection Act. Funding assumes approximately three cases per year.
10. **Protecting Homeowners** - Billing authority is provided for costs associated with Chapter 58, Laws of 2011 (2SHB 1362). AGO is provided billing authority from the Foreclosure Fairness Account for work required by this legislation under the Consumer Protection Act. (Foreclosure Fairness Account-Non-Appropriated)
11. **Small Business Preference Program** - Billing authority is provided for costs associated with Chapter 358, Laws of 2011, Partial Veto (HB 1770). The Department of General Administration requires increased legal services as a result of this legislation.
12. **Addressing Subpoena Authority** - Billing authority is provided for Chapter 93, Laws of 2011 (SB 5076), which relates to subpoena authority for the Department of Financial Institutions. (Legal Services Revolving Account-State)
13. **Coal-Fired Generation** - Billing authority is provided for implementation of Chapter 180, Laws of 2011 (E2SSB 5769), relating to coal-fired power generation. (Legal Services Revolving Account-State)
14. **Industrial Insurance - SSB 5801** - Billing authority is provided for legal services to the Department of Labor and Industries for implementation of Chapter 6, Laws of 2011 (SSB 5801). (Legal Services Revolving Account-State)
15. **Campaign Disclosure - ESSB 5021** - Billing authority is provided for the legal services costs of the enhanced campaign finance enforcement and reporting requirements of Chapter 145, Laws of 2011 (ESSB 5021), which relates to campaign finance disclosures. (Legal Services Revolving Account-State)
16. **Medicaid Fraud Enforcement** - Funds are provided for implementation of 2SSB 5458 - Medicaid Fraud, which establishes new tools for detection and prosecution of, and new penalties for engaging in, Medicaid fraud. Because this legislation did not pass during the 2011 legislative session, the new dedicated account that was to pay for current and increased fraud detection and enforcement activities was not established. Pending further action with regard to funding and/or the legislation during the next legislative session, the Legislature intends that the agency should continue the current level of fraud detection and enforcement activity. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)
17. **Workers Compensation** - Billing authority is provided for the legal costs associated with the implementation of Chapter 37, Laws of 2011, 1st sp.s. (EHB 2123). (Legal Services Revolving Account-State)
18. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as layering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
19. **Governor Veto** - The Governor vetoed the Medicaid Fraud Penalty Account-State appropriation in Section 125 of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087). The legislation to create this account did not pass during the 2011 session.
20. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
21. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost

Office of the Attorney General

savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

22. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
23. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Caseload Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	1,508	0	1,508
2011 Supplemental *	-82	0	-82
Total 2009-11 Biennium	1,426	0	1,426
2011-13 Maintenance Level	1,577	0	1,577
Policy Changes - Non-Comp			
1. Reduce Administrative Expenditures	-152	0	-152
2. Higher Ed Forecasts	114	0	114
3. SGC Transfer Savings	-786	0	-786
4. Transfer SGC to CFC	1,913	0	1,913
Policy -- Non-Comp Total	1,089	0	1,089
Policy Changes - Comp			
5. 3% Salary Cut for State Employees	-34	0	-34
6. Suspend Plan 1 Uniform COLA	-19	0	-19
Policy -- Comp Total	-53	0	-53
Total 2011-13 Biennium	2,613	0	2,613
Fiscal Year 2012 Total	1,308	0	1,308
Fiscal Year 2013 Total	1,305	0	1,305

Comments:

- Reduce Administrative Expenditures** - The Caseload Forecast Council (CFC) will achieve savings by identifying efficiencies that will reduce travel expenses, printing costs, goods and services, and other operating expenditures.
- Higher Ed Forecasts** - Chapter 304, Laws of 2011 (SB 5304), requires CFC to provide caseload forecasts of the anticipated number of students eligible for the College Bound Scholarship Program who are also expected to attend an institution of higher education. Funding is provided to CFC for the additional workload associated with producing these forecasts.
- SGC Transfer Savings** - Savings are taken to reflect efficiencies resulting from the transfer of certain functions of the Sentencing Guidelines Commission (SGC) to CFC, pursuant to Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891).
- Transfer SGC to CFC** - Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891), transfers certain functions of SGC to CFC. These functions include developing and maintaining a database consisting of adult and juvenile offender history and sentencing information, analyzing the effect of sentencing legislation on prison demand, and publishing sentencing manuals and annual statistical summaries.
- 3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-

appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Commerce

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	90,147	488,180	578,327
2011 Supplemental *	-3,738	2,238	-1,500
Total 2009-11 Biennium	86,409	490,418	576,827
2011-13 Maintenance Level	83,999	372,629	456,628
Policy Changes - Non-Comp			
1. Local Fiscal Note Revenue Source	-645	645	0
2. Reduce Housing Assistance Programs	2,700	-10,848	-8,148
3. Essential Needs and Housing Support	64,132	0	64,132
4. Vulnerable Adults	16	0	16
5. State Data Center Rate Increase	64	39	103
6. Ruckelshaus Center Process	0	127	127
7. Municipal Research and Services Ctr	0	169	169
8. Comm Services Block Grant Reduction	-750	0	-750
9. CSHD/ Advocacy & Policy	-85	0	-85
10. CSHD/Operations	-78	0	-78
11. BSD/Operations	-135	0	-135
12. ASD/Operations	-23	0	-23
13. IPP/Operations	-71	0	-71
14. LGI/Operations	-275	0	-275
15. Response to Crime Victims Reduction	-275	0	-275
16. Community Volunteer Support (CASA)	-622	0	-622
17. Eliminate Tourism Development	-3,812	-9,004	-12,816
18. WA Technology Center Reduction	-951	0	-951
19. Transfer WTC to Innovate WA	-3,806	0	-3,806
20. CSHD/Community Mobilization	-225	0	-225
21. Growth Management Reduction	-786	0	-786
22. CSHD/Housing Administration	-86	0	-86
23. BSD/Associate Development Org	-565	0	-565
24. BSD/Foreign Service Contracts	-620	0	-620
25. BSD/Microenterprise Services	-39	0	-39
26. Manufactured Housing	0	-204	-204
27. Protecting Homeowners	0	14,186	14,186
28. CSHD/Family Prosperity Account	-357	0	-357
29. BSD/Impact Washington	-34	0	-34
30. WA Economic Development Commission	-45	0	-45
31. IPP/Innovative Res Teams (STARS)	-100	0	-100
32. CSHD/State Drug Task Forces	-1,279	0	-1,279
33. CSHD/New Americans	-170	0	-170
34. Energy Efficiency Model Grant	0	1,384	1,384
35. Sexual Assault Services Grant	0	95	95
36. DOE Weatherization Pilot Grant	0	240	240
37. Energy Efficiency in Agriculture	0	50	50
38. Sex Offender Mgmt Grant	0	82	82
39. Sustainable Energy ARRA	0	6,149	6,149
40. Energy Assurance ARRA	0	200	200
41. Brownfield Loan Fund ARRA	0	27	27
42. Northwest Industrial ARRA	0	100	100
43. Interagency Charges - AG	-41	-40	-81
44. Neighborhood Stabilization Program	0	5,000	5,000
45. BSD/NW Ag Business	-182	0	-182
46. BSD/Statewide Services	-174	0	-174
47. BSD/WWU Small Bus Dev Center	-593	0	-593
48. BSD/Regional Services	-295	0	-295
49. BSD/Web Marketing	-86	0	-86
50. BSD/Global Health	-1,500	0	-1,500
51. BSD/IPZ Econ Devel Grant Program	100	0	100
52. BSD/International Trade Training	10	0	10
53. IPP/Energy Policy	-280	0	-280

Department of Commerce

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
54. LGI/Growth Management Admin	-297	0	-297
55. PWAA Admin Savings	0	-225	-225
56. South King Co Multi-Service Center	100	0	100
57. BSD/International Trade Development	-274	0	-274
58. BSD/Domestic Contracts	-114	0	-114
59. BSD/Grant Services Administration	-125	0	-125
60. BSD/ITED Admin	-191	0	-191
61. Management Efficiency	-280	0	-280
62. Broadband Mapping and Planning	0	4,037	4,037
Policy -- Non-Comp Total	46,856	12,209	59,065
Policy Changes - Comp			
63. Average Final Compensation Adjust	4	2	6
64. 3% Salary Cut for State Employees	-714	-578	-1,292
65. Suspend Plan 1 Uniform COLA	-393	-323	-716
66. Retire-Rehire Changes (State)	-2	-1	-3
Policy -- Comp Total	-1,105	-900	-2,005
Total 2011-13 Biennium	129,750	383,938	513,688
Fiscal Year 2012 Total	57,271	197,463	254,734
Fiscal Year 2013 Total	72,479	186,475	258,954

Comments:

1. **Local Fiscal Note Revenue Source** - Local government fiscal note activities will no longer receive General Fund-State funding. This activity will be funded from the County Research Services Account and the City and Town Research Services Account. Commerce currently expends \$645,000 and up to 3.2 FTEs on preparing local fiscal notes. (General Fund-State, County Research Services Account-State, City and Town Research Services Account-State)
2. **Reduce Housing Assistance Programs** - Spending for homeless and transitional housing programs is reduced and accounts are adjusted to reflect revenues. (General Fund-State, Home Security Fund Account-State)
3. **Essential Needs and Housing Support** - Funding is provided for the Essential Needs and Housing Support Program established in Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082). The Department will use this funding to provide for housing support and essential needs for individuals in the program within available resources.
4. **Vulnerable Adults** - Funding is provided to implement sections 501 and 502 of Chapter 3, Laws of 2011, 1st sp.s. (ESHB 1277). The long-term care ombudsman shall chair an adult family home quality assurance panel to review problems concerning the quality of care for adults in adult family homes. The panel shall provide a report to the appropriate legislative committees by December 1, 2012.
5. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
6. **Ruckelshaus Center Process** - Funding is provided to implement Chapter 360, Laws of 2011 (ESHB 1886), to establish the Voluntary Stewardship Program that allows participating counties to protect critical areas used for agricultural activities through the program rather than through regulatory requirements of the Growth Management Act. The Department will incur additional technical assistance and staffing costs for agency collaboration and to assist counties participating in the program. (General Fund-Federal)
7. **Municipal Research and Services Ctr** - The Municipal Research and Services Center of Washington (MRSC), a nonprofit organization, has provided municipal research and services to cities, towns, and counties since 1969. MRSC is funded through a small portion of the cities' distributions of state liquor profits and the counties' distribution of the liquor excise tax. Funding is provided to maintain current levels of service. (County Research Services Account-State, City and Town Research Services-State)
8. **Comm Services Block Grant Reduction** - The Community Services Block Grant, including the actual block grant and administrative expenses, is reduced by 25 percent. State funding reductions will result in more reliance on federal administrative funds.
9. **CSHD/ Advocacy & Policy** - The Office of Crime Victims

Department of Commerce

- Advocacy provides services to victims of crimes and training for grantees. Funding for these services provided by the Department's Community Services and Housing Division (CSHD) is reduced by 12 percent.
10. **CSHD/Operations** - Funding for operations and administrative support is reduced.
 11. **BSD/Operations** - Funding for operations and administrative support for the Business Services Division (BSD) is reduced.
 12. **ASD/Operations** - Funding for administrative support provided by the Administrative Services Division (ASD) is reduced.
 13. **IPP/Operations** - Funding for operations and administrative support for the Innovation and Policy Priorities (IPP) Division is reduced.
 14. **LGI/Operations** - Funding for operations and administrative support for the Local Government and Infrastructure (LGI) Division is reduced.
 15. **Response to Crime Victims Reduction** - The Victim Witness Assistance Program provides trained advocates to assist crime victims during the investigation and prosecution of a crime. Services include: 1) notification to victims and witnesses of court proceedings, dates, and events; 2) preparation and submittal of orders of restitution; and 3) assistance with crime victim compensation applications. Funding for the Victim Witness Program is reduced by 10 percent.
 16. **Community Volunteer Support (CASA)** - Pass-through funding for Court Appointed Special Advocate/Guardian Ad Litem Program (CASA/GAL) training and coordination is eliminated. This funding was suspended during the 2009-11 biennium.
 17. **Eliminate Tourism Development** - Funding provided to the Department for activities to promote tourism is discontinued. (General Fund-State, Tourism Development and Promotion Account-State, Tourism Enterprise Account-Non-Appropriated)
 18. **WA Technology Center Reduction** - The Department contracts with the Washington Technology Center (WTC) to assist companies in the creation of innovative products and technologies that provide job opportunities for the citizens of Washington State. Funding for the Washington Technology Center is reduced by 20 percent.
 19. **Transfer WTC to Innovate WA** - Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764), merges WTC with the Spokane Intercollegiate Research and Technology Institute to form Innovate Washington. WTC funding is transferred to Innovate Washington.
 20. **CSHD/Community Mobilization** - The Community Mobilization Program provides local capacity building tools to promote the positive development of children and youth and prevent adolescent substance abuse, delinquency, teen pregnancy, school dropout, and violence. Funding for the Community Mobilization program is reduced by 10 percent.
 21. **Growth Management Reduction** - Funding is reduced for the following growth management activities: 1) \$200,000 in grants to the cities of Seattle and Tacoma for coordinating planning with their respective port authorities are discontinued; 2) a grant to the Walla Walla Community College Water Center is reduced by \$260,000 (36 percent); and 3) growth management grants to local governments are reduced by \$326,000 (15 percent).
 22. **CSHD/Housing Administration** - Funding for administration of the Affordable Housing program is reduced by 10 percent. Funding for housing trust fund operations and maintenance and housing trust fund portfolio management is shifted from the Community and Economic Development Fee Account to the Washington Housing Trust Account. (General Fund-State, Community and Economic Development Fee Account-State, Washington Housing Trust Account-State)
 23. **BSD/Associate Development Org** - Associate Development Organizations provide a variety of economic development services in the 39 counties. Funding for grants to Associate Development Organizations is reduced by 9 percent.
 24. **BSD/Foreign Service Contracts** - The Department contracts with five foreign office representatives to support development of international markets and promote export of Washington products. Funding for contracts with foreign representatives is reduced by 60 percent.
 25. **BSD/Microenterprise Services** - Funding for a grant to the Microenterprise Association to support Microenterprise Development Organizations is reduced by 10 percent.
 26. **Manufactured Housing** - In accordance with Chapter 158, Laws of 2011 (SHB 1502), the Manufactured Housing Account is repealed and technical assistance related to mobile/manufactured home relocation is subject to the availability of amounts appropriated. (Manufactured Housing Account-Non-Appropriated)
 27. **Protecting Homeowners** - Chapter 58, Laws of 2011 (2SHB 1362), authorizes the Department to use revenues from newly authorized fees paid by financial institutions issuing notices of defaults to implement the foreclosure fairness act including, contracting for the provision of housing counselors for borrowers, and providing a grant to the office of civil legal aid for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure. (Foreclosure Fairness Account-Non-Appropriated)
 28. **CSHD/Family Prosperity Account** - The Family Asset Building program provides a variety of services to promote financial independence for working low income families. Services are provided through contracts with a variety of organizations including financial institutions, community action and social service agencies, and local government agencies.

Department of Commerce

- Funding for the Family Asset Building program is reduced by 41 percent.
29. **BSD/Impact Washington** - Funding for a contract with Washington Manufacturing Services (Impact Washington) is reduced by 10 percent.
 30. **WA Economic Development Commission** - The Washington State Economic Development Commission is an independent state commission responsible for evaluating the state's economic development systems and developing long-term comprehensive strategic planning. Funding for the Economic Development Commission is reduced by 5 percent.
 31. **IPP/Innovative Res Teams (STARS)** - The Innovation Research Teams Program provides funding to support the recruitment of entrepreneurial researchers (STARS) to Washington to foster product innovation and long term statewide economic development. The program is administered through contracts with the University of Washington and Washington State University. Funding for the program is reduced by 3 percent.
 32. **CSHD/State Drug Task Forces** - The Department contracts with 19 multi-jurisdictional state drug task forces which provide drug investigation and enforcement services in 26 counties. Funding for state drug task forces is reduced by 50 percent.
 33. **CSHD/New Americans** - The Department contracts with the New Americans Program to provide naturalization assistance for legal permanent residents who are eligible to become United States citizens. Funding for the New Americans Program is reduced by 30 percent.
 34. **Energy Efficiency Model Grant** - Authority is provided for the Department to expend a federal grant which will fund a consortium of four states plus national experts to implement a program to promote homeowner investment in energy efficiency. (General Fund-Federal)
 35. **Sexual Assault Services Grant** - Authority is provided for the Department to expend a federal grant for a program to increase intervention, advocacy, accompaniment, support services, and related assistance for adult, youth, and child victims of sexual assault, and the family and household members of such victims. (General Fund-Federal)
 36. **DOE Weatherization Pilot Grant** - Authority is provided for the Department to expend a federal grant for a U.S. Department of Energy (DOE) pilot program to establish a loan fund exclusively for low-income weatherization, and create a one-stop shop offering utility rebates, below-market loans, a carbon incentive fund, and other benefits for property owners and developers of multifamily buildings for low-income residents. (General Fund-Federal)
 37. **Energy Efficiency in Agriculture** - Authority is provided for the Department to expend a federal grant for a program to increase direct participation in renewable energy generation by rural communities. (General Fund-Federal)
 38. **Sex Offender Mgmt Grant** - Authority is provided for the Department to expend a federal grant to implement a community education strategy that improves victim and community safety and offender accountability through effective and appropriate sex offender management. (General Fund-Federal)
 39. **Sustainable Energy ARRA** - Authority is provided for the Department to expend a federal American Recovery and Reinvestment Act (ARRA) grant for a program to install renewable energy systems and cutting-edge energy efficiency technologies. (General Fund-Federal)
 40. **Energy Assurance ARRA** - Authority is provided for the Department to expend a federal grant to develop and implement an energy assurance plan to deal with outages and reductions in supply for the citizens of Washington. (General Fund-Federal)
 41. **Brownfield Loan Fund ARRA** - Authority is provided for the Department to expend a federal grant which provides funding to the Brownfields Revolving Loan Fund for cleanup of properties contaminated by petroleum and hazardous substances. (General Fund-Federal)
 42. **Northwest Industrial ARRA** - Authority is provided for the Department to expend a federal grant for a program to implement energy efficiency improvements in medium to large-sized industrial facilities. (General Fund-Federal)
 43. **Interagency Charges - AG** - Funding is adjusted for this agency's share of payments to the Office of the Attorney General (AG) for legal services. (General Fund-State, various other funds)
 44. **Neighborhood Stabilization Program** - Authority is provided for the Department to expend a federal grant for a program to stabilize neighborhoods with abandoned homes. (General Fund-Federal)
 45. **BSD/NW Ag Business** - Funding for a contract with the Northwest (NW) Agriculture Business Center is reduced by 25 percent.
 46. **BSD/Statewide Services** - Funding for statewide services in BSD is reduced by 10 percent.
 47. **BSD/WWU Small Bus Dev Center** - Funding is eliminated for a contract with the Western Washington University (WWU) Center for Economic Vitality (Small Business Development Centers).
 48. **BSD/Regional Services** - Funding for regional services in BSD is reduced by 25 percent.
 49. **BSD/Web Marketing** - Funding for web marketing and communications in BSD is reduced by 10 percent.
 50. **BSD/Global Health** - Funding for the Global Health Technology program in BSD is reduced by 75 percent.
 51. **BSD/IPZ Econ Devel Grant Program** - Funding is provided for the Department to administer a competitive grant program to fund economic development activities designed to further

Department of Commerce

regional cluster growth and to integrate sector-based and cluster-based strategies with its support for the development of innovation partnership zones (IPZ).

52. **BSD/International Trade Training** - Funding is provided to implement provisions of Chapter 286, Laws of 2011 (HB 1916), which includes requirements for the Department to train associate development organizations (ADOs) in export assistance. ADOs are to provide or facilitate export assistance through workshops or one-on-one assistance.
53. **IPP/Energy Policy** - Funding is reduced for the Energy Policy program by 20 percent.
54. **LGI/Growth Management Admin** - Funding for growth management technical assistance and administration is reduced by 10 percent.
55. **PWAA Admin Savings** - ESSB 5844 (Local Government Infrastructure) required the Department to reduce expenditures from the Public Works Assistance Account for central agency administration by \$225,000 for the 2011-13 biennium. This would reduce indirect administrative expenditures back to the 20 percent of total operating budget expenditures that existed ten years ago. Note: ESSB 5844 did not pass, and the Governor has vetoed a corresponding proviso in the biennial appropriations act.
56. **South King Co Multi-Service Center** - Funding is provided for a grant to the multi-service center in Federal Way.
57. **BSD/International Trade Development** - Funding for international trade development in BSD is reduced by 10 percent.
58. **BSD/Domestic Contracts** - Funding for administration of domestic contracts in BSD is reduced by 25 percent.
59. **BSD/Grant Services Administration** - Funding for grant services administration in BSD is reduced by 10 percent.
60. **BSD/ITED Admin** - Funding for International Trade and Economic Development (ITED) Administration is reduced by 25 percent.
61. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and worksessions. (General Fund-State, various other funds)
62. **Broadband Mapping and Planning** - Broadband mapping and planning includes identifying opportunities and issues in the broadband arena; monitoring, tracking, and encouraging broadband deployment; and creating programs that promote access and adoption of broadband services around the state.
 - Broadband Mapping/Planning and the Community Technology Opportunity Program are moved from the Department of Information Services to the Department of Commerce. (Washington Community Technology Opportunity Account-State, Broadband Mapping Account, Non-Appropriated)
63. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
64. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
65. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
66. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	1,483	0	1,483
2011 Supplemental *	-49	0	-49
Total 2009-11 Biennium	1,434	0	1,434
<hr/>			
2011-13 Maintenance Level	1,554	0	1,554
Policy Changes - Non-Comp			
1. Independent Lottery Forecast	0	50	50
2. Administrative Reductions	-108	0	-108
3. State Data Center Rate Increase	3	0	3
Policy -- Non-Comp Total	-105	50	-55
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	-30	0	-30
5. Suspend Plan 1 Uniform COLA	-17	0	-17
Policy -- Comp Total	-47	0	-47
<hr/>			
Total 2011-13 Biennium	1,402	50	1,452
Fiscal Year 2012 Total	674	25	699
Fiscal Year 2013 Total	728	25	753

Comments:

1. **Independent Lottery Forecast** - Funding is provided for the Economic and Revenue Forecast Council to conduct an independent lottery revenue forecast. (Lottery Administrative Account-State)
2. **Administrative Reductions** - Funding is reduced for goods and services, travel, and capital outlays.
3. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount

in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Office of Financial Management

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	39,374	96,906	136,280
2011-13 Maintenance Level	41,824	100,083	141,907
Policy Changes - Non-Comp			
1. Labor Relations Rate Reduction	0	-496	-496
2. Risk Management Rate Reduction	0	-544	-544
3. Transfer K-20 Network	0	24,769	24,769
4. Lease Rate Adjustments	474	1,129	1,603
5. Staff Reductions	-4,077	0	-4,077
6. Sentencing Guidelines Commission	210	0	210
7. Move IT Policy Oversight to OFM	1,767	5,909	7,676
8. State Data Center Rate Increase	415	40	455
9. DOP Merger into OFM	0	10,652	10,652
10. Dept of Enterprise Services-OFM	-1,100	-62,614	-63,714
11. Education Data Center	-750	0	-750
12. McNeil Island Study	0	100	100
13. Office of Regulatory Assistance	0	212	212
14. Interagency Charges - AG	-36	0	-36
15. Special Commitment Center	150	0	150
16. Management Efficiency	-154	0	-154
17. Governor Veto	-100	0	-100
Policy -- Non-Comp Total	-3,201	-20,843	-24,044
Policy Changes - Comp			
18. Average Final Compensation Adjust	5	0	5
19. 3% Salary Cut for State Employees	-950	-149	-1,099
20. Suspend Plan 1 Uniform COLA	-541	-84	-625
21. Retire-Rehire Changes (State)	-2	0	-2
Policy -- Comp Total	-1,488	-233	-1,721
Total 2011-13 Biennium	37,135	79,007	116,142
Fiscal Year 2012 Total	18,638	39,479	58,117
Fiscal Year 2013 Total	18,497	39,528	58,025

Comments:

1. **Labor Relations Rate Reduction** - Billings to general government and higher education agencies for labor relation services are reduced by 10 percent. (Office of Financial Management (OFM) Labor Relations Service Account-Non-Appropriated)
2. **Risk Management Rate Reduction** - Billings to agencies for risk management services are reduced by 10 percent. (Risk Management Administration Account-Non-Appropriated)
3. **Transfer K-20 Network** - Administration, funding, and FTE authority for the K-20 Education Network are transferred from the Department of Information Services (DIS) to OFM. The K-20 Education Network is a high-speed, high-capacity network linking colleges, universities, school districts, and libraries statewide. The K-20 Education Network is used for distance learning, teacher training, as well as providing video and data services to educational facilities located throughout the state. (Education Technology Revolving Account-Non-Appropriated)
4. **Lease Rate Adjustments** - Funding is provided for increased lease costs as a result of agencies moving out of the General Administration building.
5. **Staff Reductions** - Funding and FTE reductions are made for OFM. Divisions within OFM will reduce FTEs and reduce expenditures through a variety of methods. Due to fewer staff, the agency will eliminate office space and associated goods and services expenditures.
6. **Sentencing Guidelines Commission** - Pursuant to Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891), the Sentencing Guidelines Commission and the Sex Offender Policy Board are transferred to OFM.
7. **Move IT Policy Oversight to OFM** - Management and oversight of strategic technology policy is transferred from DIS to OFM, pursuant to Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931). Within OFM, a new Office of the Chief Information Officer (Office) is created to administer these functions. The new Office is responsible for development and

Office of Financial Management

- implementation of state strategic information technology (IT) initiatives and oversight of information technology resources. (General Fund-State, General Fund-Federal, Data Processing Revolving Account-State)
8. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
 9. **DOP Merger into OFM** - The Department of Personnel's (DOP's) human resource policymaking functions, funding, and FTE authority are transferred to OFM, pursuant to ESSB 5931. The functions transferred include training, curriculum development, classification and compensation determination, and metrics analysis. (Department of Personnel Service Account-State, Higher Education Personnel Services Account-State)
 10. **Dept of Enterprise Services-OFM** - The Information Services Division, Risk Management Division, Contracts Office, and Small Agency Client Services are transferred from OFM to the new Department of Enterprise Services (DES), pursuant to ESSB 5931. Funding and FTE authority related to these transfers are eliminated in OFM's budget and are moved to DES. (General Fund-State, various other funds)
 11. **Education Data Center** - Funding and FTE authority for the Education Research and Data Center (ERDC) that is housed within OFM are eliminated, pursuant to ESSB 5931. ERDC was created to develop a data system that coordinates and builds upon existing administrative databases, such as the K-12 core student records system and the public centralized higher education enrollment system. Responsibility and funding for this work are transferred to the Legislative Evaluation and Accountability Program. The transfer in ESSB 5931 was vetoed.
 12. **McNeil Island Study** - Funding is provided from the Aquatic Lands Enhancement Account for OFM to perform an environmental review of McNeil Island. A report must be submitted to the Governor and appropriate committees of the Legislature by October 1, 2012. (Aquatic Lands Enhancement Account-State)
 13. **Office of Regulatory Assistance** - Federal expenditure authority is provided for the Office of Regulatory Assistance for a grant received from the Environmental Protection Agency to fund a National Exchange Network Map-Based Search Portal and Node Crawler. (General Fund-Federal)
 14. **Interagency Charges - AG** - Funding is provided for this agency's share of payments to the Office of the Attorney General (AG) for legal services. (General Fund-State, various other funds)
 15. **Special Commitment Center** - Funding is provided for OFM to contract for an assessment of the most cost-effective measures to provide operational support for the Special Commitment Center on McNeil Island. The consultant's report is due to the Governor and the Legislature by November 15, 2011.
 16. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
 17. **Governor Veto** - The Governor vetoed Section 129(8),(9), and (10) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which required OFM to contract with the Washington State Quality Award for training and other services to state agencies and vendors in the 2011-13 biennium.
 18. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
 19. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
 20. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
 21. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement

Office of Financial Management

Plan and Post-Retirement Employment). (General Fund-State, various other funds)

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

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Office of Administrative Hearings

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	34,028	34,028
2011 Supplemental *	0	490	490
Total 2009-11 Biennium	0	34,518	34,518
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2011-13 Maintenance Level	0	36,367	36,367
Policy Changes - Non-Comp			
1. Admin Hearings Rate Decrease	0	-2,079	-2,079
2. State Data Center Rate Increase	0	56	56
3. Interagency Charges - AG	0	-2	-2
4. Social Services Program	0	769	769
Policy -- Non-Comp Total	0	-1,256	-1,256
Policy Changes - Comp			
5. Average Final Compensation Adjust	0	4	4
6. 3% Salary Cut for State Employees	0	-659	-659
7. Suspend Plan 1 Uniform COLA	0	-364	-364
8. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,021	-1,021
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Total 2011-13 Biennium	0	34,090	34,090
Fiscal Year 2012 Total	0	17,040	17,040
Fiscal Year 2013 Total	0	17,050	17,050

Comments:

1. **Admin Hearings Rate Decrease** - The Office of Administrative Hearings (OAH) will achieve savings through a reduction in administrative law judges and their associated support staff. Additional staff reductions and savings will be achieved with the use of other shared agencies human resource and accounting services. The savings will be passed on to client agencies as a central service rate reduction. (Administrative Hearings Revolving Account-State)
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **Social Services Program** - Chapter 42, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5921), applies a number of policy changes to benefits administered by the Department of Social and Health Services, particularly under the Working Connections Child Care and Temporary Assistance for Needy Families Programs. Funding is provided to OAH for the anticipated workload increases related to conducting and processing hearings and appeals. (Administrative Hearings Revolving Account-State)
5. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
6. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
7. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers'

Office of Administrative Hearings

Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

8. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

State Lottery Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	900,705	900,705
2011-13 Maintenance Level	0	804,543	804,543
Policy Changes - Non-Comp			
1. Administrative Reductions	0	-1,012	-1,012
2. State Data Center Rate Increase	0	38	38
3. Interagency Charges - AG	0	-9	-9
Policy -- Non-Comp Total	0	-983	-983
Policy Changes - Comp			
4. Average Final Compensation Adjust	0	3	3
5. 3% Salary Cut for State Employees	0	-523	-523
6. Suspend Plan 1 Uniform COLA	0	-296	-296
7. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-818	-818
Total 2011-13 Biennium	0	802,742	802,742
Fiscal Year 2012 Total	0	401,135	401,135
Fiscal Year 2013 Total	0	401,607	401,607

Comments:

1. **Administrative Reductions** - Funding is reduced for administrative and operating costs that do not impact revenue generating activities. Administrative reductions include eliminating vacant positions, reducing expenditures for training and travel, and eliminating a contract position. (Lottery Administrative Account-State)
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
5. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
6. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
7. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	505	0	505
2011 Supplemental *	-28	0	-28
Total 2009-11 Biennium	477	0	477
<hr/>			
2011-13 Maintenance Level	530	0	530
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	3	0	3
2. Reduce Administrative Expenditures	-24	0	-24
Policy -- Non-Comp Total	-21	0	-21
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	-8	0	-8
4. Suspend Plan 1 Uniform COLA	-5	0	-5
Policy -- Comp Total	-13	0	-13
<hr/>			
Total 2011-13 Biennium	496	0	496
Fiscal Year 2012 Total	246	0	246
Fiscal Year 2013 Total	250	0	250

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Reduce Administrative Expenditures** - The Commission on Hispanic Affairs will achieve savings by identifying efficiencies that will reduce travel expenses, printing costs, and other operating expenditures.
3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	479	0	479
2011 Supplemental *	-26	0	-26
Total 2009-11 Biennium	453	0	453
<hr/>			
2011-13 Maintenance Level	504	0	504
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	3	0	3
2. Reduce Administrative Expenditures	-17	0	-17
Policy -- Non-Comp Total	-14	0	-14
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	-8	0	-8
4. Suspend Plan 1 Uniform COLA	-5	0	-5
Policy -- Comp Total	-13	0	-13
<hr/>			
Total 2011-13 Biennium	477	0	477
Fiscal Year 2012 Total	239	0	239
Fiscal Year 2013 Total	238	0	238

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

2. **Reduce Administrative Expenditures** - The Commission on African-American Affairs will achieve savings by identifying efficiencies that will reduce travel expenses, printing costs, and other operating expenditures.

3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	52,916	52,916
2011-13 Maintenance Level	0	53,728	53,728
Policy Changes - Non-Comp			
1. Implement Avg Final Salary Changes	0	146	146
2. State Data Center Rate Increase	0	161	161
3. Plan 3 Default Investment Option	0	65	65
4. HERP and Retire Rehire Changes	0	133	133
5. Interagency Charges - AG	0	-113	-113
6. TRS 1 Retirement Subsidies	0	44	44
7. Plan 1 Uniform COLA	0	15	15
8. Governor Veto	0	-44	-44
Policy -- Non-Comp Total	0	407	407
Policy Changes - Comp			
9. Average Final Compensation Adjust	0	5	5
10. 3% Salary Cut for State Employees	0	-941	-941
11. Suspend Plan 1 Uniform COLA	0	-531	-531
12. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,469	-1,469
Total 2011-13 Biennium	0	52,666	52,666
Fiscal Year 2012 Total	0	26,526	26,526
Fiscal Year 2013 Total	0	26,140	26,140

Comments:

1. **Implement Avg Final Salary Changes** - Funding is provided for the administrative expenses associated with including in the calculation of state, local government, and school employees' retirement benefits compensation forgone during the 2011-13 fiscal biennium as a result of temporary layoffs, reduced hours, and reductions in pay in accordance with Chapter 5, Laws of 2011, 1st sp.s. (HB 2070). (Department of Retirement Systems Expense Account-State)
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Plan 3 Default Investment Option** - Funding is provided for the administrative expenses associated with implementing Chapter 80, Laws of 2011 (HB 1625). (Department of Retirement Systems Expense Account-State)
4. **HERP and Retire Rehire Changes** - Funding is provided for administrative costs generated by changes to the post-retirement employment rules for members of the Higher Education Retirement Plans (HERPs) and other state retirement systems required to implement Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981). (Department of Retirement Systems Expense Account-State)
5. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
6. **TRS 1 Retirement Subsidies** - Funding is provided for the cost of administering a \$250 per month subsidy payment program for certain newly-retired members of the Teachers' Retirement System Plan 1 (TRS 1), pursuant to SSB 5846 (Retired Public Employees). SSB 5846 was not enacted (please see Governor Veto item below). (Department of Retirement Systems Expense Account-State)
7. **Plan 1 Uniform COLA** - Funding is provided for the administrative expenses associated with implement reduced cost-of-living adjustments in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1), pursuant to the provisions of Chapter 362, Laws of 2011 (SHB 2021). (Department of Retirement Systems Expense Account-State)
8. **Governor Veto** - The Governor vetoed Section 134(4) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided funding for administrative costs associated with SSB 5846, which was not enacted. (Department of Retirement Systems Expense Account-State)

Department of Retirement Systems

9. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
10. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
11. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
12. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Department of Revenue

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	222,751	19,086	241,837
2011 Supplemental *	-5,617	0	-5,617
Total 2009-11 Biennium	217,134	19,086	236,220
<hr/>			
2011-13 Maintenance Level	226,882	14,954	241,836
Policy Changes - Non-Comp			
1. Revenue Enhancement	0	3,188	3,188
2. Reduce County Advisory Appraisals	-1,028	0	-1,028
3. Closing Field Offices	-356	0	-356
4. Low-Income Property Tax Deferral	-591	0	-591
5. Appeals Reform-Process Efficiencies	-536	0	-536
6. Revenue Enhancement Option	1,454	0	1,454
7. State Data Center Rate Increase	417	23	440
8. Transfer Master Business License	0	16,237	16,237
9. Master Business License Staffing	0	-1,858	-1,858
10. Reduce Policy Research Services	-1,146	0	-1,146
11. Mandatory Quarterly E-File/E-Pay	-906	0	-906
12. Interagency Charges - AG	-350	-18	-368
13. Management Efficiency	-1,436	0	-1,436
14. Printing Publications & Forms	-736	0	-736
15. Tax Administration Activities	-2,974	0	-2,974
16. Tax Collection Activities	-3,672	0	-3,672
Policy -- Non-Comp Total	-11,860	17,572	5,712
Policy Changes - Comp			
17. Average Final Compensation Adjust	24	2	26
18. 3% Salary Cut for State Employees	-4,109	-456	-4,565
19. Suspend Plan 1 Uniform COLA	-2,314	-259	-2,573
20. Retire-Rehire Changes (State)	-11	0	-11
Policy -- Comp Total	-6,410	-713	-7,123
<hr/>			
Total 2011-13 Biennium	208,612	31,813	240,425
Fiscal Year 2012 Total	104,380	15,994	120,374
Fiscal Year 2013 Total	104,232	15,819	120,051

Comments:

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|---|--|
| <p>1. Revenue Enhancement - Funding is provided for additional staff to collect state tax revenues. The Department of Revenue (DOR) will add additional tax collection staff including taxpayer account administrators, compliance staff, and auditors. On average, each employee will bring in \$420,000 per fiscal year in revenue. (Performance Audits of Government Account-Non-Appropriated)</p> <p>2. Reduce County Advisory Appraisals - Funding is reduced for county advisory appraisals by eliminating 6 staff. DOR will maintain enough staff to be able to complete up to 25 advisory appraisals each year.</p> <p>3. Closing Field Offices - The Department will close and consolidate several field offices in the 2011-13 biennium. Closing and consolidating field offices will reduce leased square footage and reduce costs for facilities management and lease oversight. Field offices set for closure include Lacey and</p> | <p>Aberdeen. The Everett field office will be consolidated with Bothell.</p> <p>4. Low-Income Property Tax Deferral - Funding is reduced as a result of SSB 5587 (Low-Income Tax Deferral Program), which eliminates the low-income tax deferral program beginning in 2011. This provision will save \$591,000 in the upcoming biennium primarily by eliminating appropriations for the tax deferrals. Note: The Legislature did not enact SSB 5587 during the 2011 legislative session or the 2011 First Special Session.</p> <p>5. Appeals Reform-Process Efficiencies - The Department will realize savings and reduce costs by streamlining appeals processes.</p> <p>6. Revenue Enhancement Option - Funding is provided to continue revenue enhancement activities initiated in Chapter 1, Laws of 2010, 2nd sp.s. (HB 3225), which was passed in</p> |
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Department of Revenue

December 2010. Revenue enhancement activities include additional targeted out-of-state audits and increased tax return examinations.

7. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
8. **Transfer Master Business License** - Funding is provided to implement Chapter 298, Laws of 2011 (SHB 2017 - Master License Service Program). To improve customer service, the administration of the Master Business License Program is transferred from the Department of Licensing (DOL) to DOR. (Master License Account-State)
9. **Master Business License Staffing** - Staffing levels and funding are adjusted to allow the Department to implement the transfer of the Master Business License Program from DOL. (Master License Account-State)
10. **Reduce Policy Research Services** - The Research, Legislation, and Policy, and Interpretations and Technical Advice Divisions will eliminate six staff. This reduction will result in reduced services to external stakeholders, suspension of some publications and interpretive statements, and decreased support to internal operating divisions, the Office of Financial Management, and the Legislature.
11. **Mandatory Quarterly E-File/E-Pay** - Funding is provided to implement Chapter 24, Laws of 2011 (EHB 1357). Quarterly taxpayers will be required to file and pay tax returns electronically to streamline and improve tax collections and reduce the costs of collecting revenue.
12. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
13. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as layering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
14. **Printing Publications & Forms** - The Department will reduce costs by eliminating the printing and mailing of several forms and publications. Publications and forms no longer printed will be available on the Department's Internet site.
15. **Tax Administration Activities** - Funding is reduced for tax administration activities. Reductions will impact Executive Management, Information Services, Human Resources, and Business and Financial Services Divisions. Overall, the Department will reduce 10.8 staff in tax administration activities.
16. **Tax Collection Activities** - Funding is reduced for 21.6 staff support positions and Washington Management Services position that indirectly impact revenue collections. Funding is also reduced for goods and services and staff training.
17. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
18. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
19. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
20. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

State Investment Board

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	29,352	29,352
2011-13 Maintenance Level	0	29,048	29,048
Policy Changes - Non-Comp			
1. Strengthen Investment Policy	0	940	940
2. State Data Center Rate Increase	0	40	40
3. Telephone System Replacement	0	114	114
4. Interagency Charges - AG	0	-44	-44
Policy -- Non-Comp Total	0	1,050	1,050
Policy Changes - Comp			
5. Average Final Compensation Adjust	0	3	3
6. Remove Merit System Increments	0	-21	-21
7. 3% Salary Cut for State Employees	0	-528	-528
8. Suspend Plan 1 Uniform COLA	0	-294	-294
9. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-842	-842
Total 2011-13 Biennium	0	29,256	29,256
Fiscal Year 2012 Total	0	14,450	14,450
Fiscal Year 2013 Total	0	14,806	14,806

Comments:

- | | |
|---|---|
| <p>1. Strengthen Investment Policy - An additional investment officer will be hired to manage investments in tangible assets, such as infrastructure, agriculture, timber, and natural resource rights. A data risk analyst position will also be added to help monitor and manage quantitative investment risks. (State Investment Board Expense Account-State)</p> <p>2. State Data Center Rate Increase - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)</p> <p>3. Telephone System Replacement - Funding is provided to cover the cost of a telephone system replacement. The current system is at capacity, and the telephone equipment is obsolete. (State Investment Board Expense Account-State)</p> <p>4. Interagency Charges - AG - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)</p> <p>5. Average Final Compensation Adjust - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to</p> | <p>reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)</p> <p>6. Remove Merit System Increments - Agencies will absorb the cost of merit system increments. (State Investment Board Expense Account-State)</p> <p>7. 3% Salary Cut for State Employees - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)</p> <p>8. Suspend Plan 1 Uniform COLA - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)</p> <p>9. Retire-Rehire Changes (State) - Employer contribution rates to the Public Employees' Retirement System and the Teachers'</p> |
|---|---|

State Investment Board

Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Board of Tax Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	2,664	0	2,664
2011 Supplemental *	-123	0	-123
Total 2009-11 Biennium	2,541	0	2,541
<hr/>			
2011-13 Maintenance Level	2,817	0	2,817
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	8	0	8
2. Reductions/Efficiency Measures	-276	0	-276
3. Interagency Charges - AG	-1	0	-1
Policy -- Non-Comp Total	-269	0	-269
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	-58	0	-58
5. Suspend Plan 1 Uniform COLA	-30	0	-30
Policy -- Comp Total	-88	0	-88
<hr/>			
Total 2011-13 Biennium	2,460	0	2,460
Fiscal Year 2012 Total	1,241	0	1,241
Fiscal Year 2013 Total	1,219	0	1,219

Comments:

- | | |
|--|--|
| <p>1. State Data Center Rate Increase - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)</p> <p>2. Reductions/Efficiency Measures - The Board of Tax Appeals will achieve savings by not filling a vacant hearings officer position, eliminating expenditures for employee professional development and training, and reducing expenditures for travel and goods and services.</p> <p>3. Interagency Charges - AG - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)</p> <p>4. 3% Salary Cut for State Employees - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)</p> | <p>5. Suspend Plan 1 Uniform COLA - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)</p> <p>* Please see the 2011 Supplemental Operating Budget Section for additional information.</p> |
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Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	3,674	3,674
2011-13 Maintenance Level	0	3,761	3,761
Policy Changes - Non-Comp			
1. Rate Reduction	0	-376	-376
2. State Data Center Rate Increase	0	11	11
3. Interagency Charges - AG	0	-6	-6
Policy -- Non-Comp Total	0	-371	-371
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	0	-82	-82
5. Suspend Plan 1 Uniform COLA	0	-42	-42
Policy -- Comp Total	0	-124	-124
Total 2011-13 Biennium	0	3,266	3,266
Fiscal Year 2012 Total	0	1,634	1,634
Fiscal Year 2013 Total	0	1,632	1,632

Comments:

1. **Rate Reduction** - The Office of Minority and Women's Business Enterprises (OMWBE) will identify administrative efficiencies in order to reduce its assessments to client agencies by 10 percent. (OMWBE Enterprises Account-State) benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum

Consolidated Technology Services

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	0	0
2011-13 Maintenance Level	0	0	0
Policy Changes - Comp			
1. Transfer DIS to CTS Agency	7	184,041	184,048
Policy -- Comp Total	7	184,041	184,048
Total 2011-13 Biennium	7	184,041	184,048
Fiscal Year 2012 Total	3	96,163	96,166
Fiscal Year 2013 Total	4	87,878	87,882

Comments:

1. **Transfer DIS to CTS Agency** - Pursuant to Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931), delivery of information technology services to state agencies is transferred from the Department of Information Services (DIS) to the newly created Consolidated Technology Services (CTS) agency. Services offered by CTS include mainframe computing, network operations, telecommunications, and managing the consolidated data center.

Office of the Insurance Commissioner

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	50,391	50,391
2011-13 Maintenance Level	0	53,347	53,347
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	0	40	40
2. Insurance Statutes	0	42	42
3. Health Benefit Exchanges	0	75	75
4. Interagency Charges - AG	0	-42	-42
Policy -- Non-Comp Total	0	115	115
Policy Changes - Comp			
5. Average Final Compensation Adjust	0	5	5
6. 3% Salary Cut for State Employees	0	-966	-966
7. Suspend Plan 1 Uniform COLA	0	-538	-538
8. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,501	-1,501
Total 2011-13 Biennium	0	51,961	51,961
Fiscal Year 2012 Total	0	25,811	25,811
Fiscal Year 2013 Total	0	26,150	26,150

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Insurance Statutes** - Chapter 47, Laws of 2011 (SB 5213), makes several policy changes to the Long-Term Care Partnership Program. Funding is provided to the Office of the Insurance Commissioner (OIC) to modify existing Washington Administrative Code and for simple rulemaking needed to implement the legislation. (Insurance Commissioner's Regulatory Account-State)
3. **Health Benefit Exchanges** - Chapter 317, Laws of 2011 (SSB 5445), addresses the federal requirement that state's establish health insurance exchanges by January 1, 2014, pursuant to the Patient Protection and Affordable Care Act passed by Congress in March 2010. Funding is provided to OIC for the implementation of the health benefit exchanges. (Insurance Commissioner's Regulatory Account-State)
4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
5. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
6. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
7. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
8. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement

Office of the Insurance Commissioner

Plan and Post-Retirement Employment). (General Fund-State,
various other funds)

State Board of Accountancy

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	0	3,649	3,649
2011-13 Maintenance Level	0	2,872	2,872
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	0	11	11
2. Interagency Charges - AG	0	-14	-14
Policy -- Non-Comp Total	0	-3	-3
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	0	-38	-38
4. Suspend Plan 1 Uniform COLA	0	-21	-21
Policy -- Comp Total	0	-59	-59
Total 2011-13 Biennium	0	2,810	2,810
Fiscal Year 2012 Total	0	1,948	1,948
Fiscal Year 2013 Total	0	862	862

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

Forensic Investigations Council

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	280	280
2011-13 Maintenance Level	0	286	286
Total 2011-13 Biennium	0	286	286
Fiscal Year 2012 Total	0	143	143
Fiscal Year 2013 Total	0	143	143

Comments:

There were no policy level changes.

Washington Horse Racing Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	10,321	10,321
2011-13 Maintenance Level	0	8,274	8,274
Policy Changes - Non-Comp			
1. Interagency Charges - AG	0	-7	-7
Policy -- Non-Comp Total	0	-7	-7
Policy Changes - Comp			
2. 3% Salary Cut for State Employees	0	-38	-38
3. Suspend Plan 1 Uniform COLA	0	-28	-28
Policy -- Comp Total	0	-66	-66
Total 2011-13 Biennium	0	8,201	8,201
Fiscal Year 2012 Total	0	4,106	4,106
Fiscal Year 2013 Total	0	4,095	4,095

Comments:

1. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

2. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

3. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	244,701	244,701
2011 Supplemental *	0	-17	-17
Total 2009-11 Biennium	0	244,684	244,684
<hr/>			
2011-13 Maintenance Level	0	254,221	254,221
Policy Changes - Non-Comp			
1. DIS Forest	0	38	38
2. Administrative Reductions	0	-4,285	-4,285
3. Collocated stores	0	1,152	1,152
4. State Data Center Rate Increase	0	270	270
5. Customer Service Initiatives	0	49,383	49,383
6. Liquor Related Products	0	10,165	10,165
7. End-to-End Encryption	0	585	585
8. Distribution Center Staffing	0	1,068	1,068
9. Interagency Charges - AG	0	-117	-117
10. Governor Veto	0	-11,317	-11,317
Policy -- Non-Comp Total	0	46,942	46,942
Policy Changes - Comp			
11. Average Final Compensation Adjust	0	18	18
12. 3% Salary Cut for State Employees	0	-3,082	-3,082
13. Suspend Plan 1 Uniform COLA	0	-1,764	-1,764
14. Retire-Rehire Changes (State)	0	-9	-9
Policy -- Comp Total	0	-4,837	-4,837
<hr/>			
Total 2011-13 Biennium	0	296,326	296,326
Fiscal Year 2012 Total	0	143,474	143,474
Fiscal Year 2013 Total	0	152,852	152,852

Comments:

1. **DIS Forest** - Funding is provided to enable the Liquor Control Board (LCB) to join the State Active Directory Forest hosted by the Department of Information Services. (Liquor Revolving Account-State)
2. **Administrative Reductions** - Funding is reduced for administrative costs for LCB operations.
3. **Collocated stores** - Funds are provided to implement SB 5917 or HB 2043 (Collocated Stores), which requires LCB to conduct a pilot project to incorporate contract stores within existing grocery stores. Note: The Legislature did not enact SB 5916 or HB 2043. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
4. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
5. **Customer Service Initiatives** - Funding is provided to implement customer service initiatives to improve convenience to customers and generate additional revenues. Initiatives include adding six contract and two new state stores to keep pace with population growth; two high-volume specialty stores; standardizing hours of operation; selling retail gift cards; and providing optional delivery to restaurants and other licensed locations. The initiatives are estimated to result in net revenues of approximately \$6 million. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
6. **Liquor Related Products** - Funds are provided to implement SB 5916 or HB 2043 (Liquor Related Products), which allows LCB to sell liquor related products in state liquor stores. Note: The Legislature did not enact SB 5916 or HB 2043. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)
7. **End-to-End Encryption** - Funding is provided to ensure the privacy of credit card information used at state liquor stores by encrypting confidential credit card data and transferring the storage of that data to the credit card processor. (Liquor Revolving Account-State)

Washington State Liquor Control Board

8. **Distribution Center Staffing** - Funding is provided for 12 additional warehouse operators in the Liquor Distribution Center to address increased product diversity and volumes shipped to liquor stores. To avoid a decrease in liquor revenue distribution to the general fund and local governments, funding for nine existing FTE positions (seven maintenance mechanics, one maintenance specialist, and one electrician) is shifted from the Liquor Revolving Account to the Liquor Control Board Construction and Maintenance Account. (Liquor Control Board Construction and Maintenance Account-State, Liquor Revolving Account-State)
9. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
10. **Governor Veto** - The Governor vetoed Section 144(1) and (2) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided funding to implement SB 5916 or HB 2043 (Liquor Related Products).
11. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
12. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
13. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
14. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	41,719	41,719
2011-13 Maintenance Level	0	47,853	47,853
Policy Changes - Non-Comp			
1. Federal Funding Rate Increase	0	1,310	1,310
2. Federal Stimulus Funds	0	502	502
3. State Data Center Rate Increase	0	38	38
4. Private Infrastructure	0	169	169
5. Coal-Fired Generation	0	182	182
6. Interagency Charges - AG	0	-304	-304
7. Underground Utilities	0	15	15
Policy -- Non-Comp Total	0	1,912	1,912
Policy Changes - Comp			
8. Average Final Compensation Adjust	0	3	3
9. 3% Salary Cut for State Employees	0	-686	-686
10. Suspend Plan 1 Uniform COLA	0	-364	-364
11. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,049	-1,049
Total 2011-13 Biennium	0	48,716	48,716
Fiscal Year 2012 Total	0	24,130	24,130
Fiscal Year 2013 Total	0	24,586	24,586

Comments:

1. **Federal Funding Rate Increase** - The Utilities and Transportation Commission (UTC) will have additional federal spending authority to administer the pipeline safety program in Washington. In 2010, Congress increased the federal reimbursement rate from 40 to 60 percent, and this funding is used to expand the program without additional resources from the state. (Pipeline Safety Account-Federal)
2. **Federal Stimulus Funds** - UTC will continue to use federal funds provided by the Department of Energy under the American Recovery and Reinvestment Act to manage the additional workload resulting from stimulus funds provided to the industries regulated by UTC. (General Fund-Federal)
3. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
4. **Private Infrastructure** - Chapter 214, Laws of 2011 (2SSB 5034), requires certain wastewater companies first obtain a certificate from UTC before providing sewerage services for compensation. Funding is provided to UTC for costs related to rulemaking and the issuance of certificates. (Public Service Revolving Account-State)
5. **Coal-Fired Generation** - Chapter 180, Laws of 2011 (E2SSB 5769), applies emission standards and other future requirements on coal-fired electricity generating facilities. Spending authority is provided to UTC to implement and enforce the provisions of the bill. (Public Service Revolving Account-State)
6. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
7. **Underground Utilities** - Chapter 263, Laws of 2011, Partial Veto (E2SHB 1634), establishes rules, enforcement mechanisms, and processes for facility operators engaged in underground excavation. Funding is provided to UTC for costs related to implementing the provisions of the bill. (Pipeline Safety Account-State)
8. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

Utilities and Transportation Commission

9. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
10. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
11. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

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

Military Department

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	18,224	358,872	377,096
2011 Supplemental *	-976	0	-976
Total 2009-11 Biennium	17,248	358,872	376,120
<hr/>			
2011-13 Maintenance Level	18,549	287,953	306,502
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	27	0	27
2. State Emergency Operations Center	0	-3,177	-3,177
3. E911 Next Generation Transition	0	8,416	8,416
4. Interagency Charges - AG	-40	0	-40
5. Management Efficiency	-82	0	-82
6. Educ Support & Admin Reductions	-1,812	667	-1,145
Policy -- Non-Comp Total	-1,907	5,906	3,999
Policy Changes - Comp			
7. Average Final Compensation Adjust	2	4	6
8. 3% Salary Cut for State Employees	-403	-730	-1,133
9. Suspend Plan 1 Uniform COLA	-228	-415	-643
10. Retire-Rehire Changes (State)	-2	-2	-4
Policy -- Comp Total	-631	-1,143	-1,774
<hr/>			
Total 2011-13 Biennium	16,011	292,716	308,727
Fiscal Year 2012 Total	8,010	152,069	160,079
Fiscal Year 2013 Total	8,001	140,647	148,648

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
2. **State Emergency Operations Center** - Federal funding from the Chemical Stockpile Emergency Preparedness Program (CSEPP), which has provided financial support for building and maintaining operations at the Washington State Emergency Operations Center (EOC), is projected to end in January 2012 when CSEPP is complete. Funding is provided from the Worker and Community Right-to-Know Account to ensure continued operations at the EOC through the biennium. (General Fund-Federal, Worker and Community Right-to-Know Account-State)
3. **E911 Next Generation Transition** - Expenditure authority is provided from the Enhanced 911 (E911) Account for statewide agreements to continue the upgrade to Next Generation 911. To advance to the next phase of the upgrade, the state E911 office will add one Geographic Information System Specialist and one Network Security Specialist position. (General Fund-Federal, Enhanced 911 Account-State)
4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
5. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
6. **Educ Support & Admin Reductions** - The Military Department will achieve savings by reducing staff and services in Near General Fund-State supported activities, which includes facility maintenance, emergency management, and administrative support functions. Additional savings are achieved by eliminating or reducing and relying, in part, on federal funds for the post-high school education assistance for National Guard members and the Washington Youth Academy. (General Fund-State, General Fund-Federal)

Military Department

7. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
8. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
9. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
10. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Board for Volunteer Firefighters

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	1,052	1,052
2011-13 Maintenance Level	0	1,094	1,094
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	0	3	3
2. Interagency Charges - AG	0	-8	-8
Policy -- Non-Comp Total	0	-5	-5
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	0	-16	-16
4. Suspend Plan 1 Uniform COLA	0	-9	-9
Policy -- Comp Total	0	-25	-25
Total 2011-13 Biennium	0	1,064	1,064
Fiscal Year 2012 Total	0	528	528
Fiscal Year 2013 Total	0	536	536

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

Public Employment Relations Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	5,302	3,513	8,815
2011 Supplemental *	-290	0	-290
Total 2009-11 Biennium	5,012	3,513	8,525
<hr/>			
2011-13 Maintenance Level	5,426	3,655	9,081
Policy Changes - Non-Comp			
1. Reduce Training/Equip/Recruitment	-530	0	-530
2. State Data Center Rate Increase	11	9	20
3. Interagency Charges - AG	-4	-2	-6
Policy -- Non-Comp Total	-523	7	-516
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	-98	-64	-162
5. Suspend Plan 1 Uniform COLA	-56	-38	-94
Policy -- Comp Total	-154	-102	-256
<hr/>			
Total 2011-13 Biennium	4,749	3,560	8,309
Fiscal Year 2012 Total	2,347	1,781	4,128
Fiscal Year 2013 Total	2,402	1,779	4,181

Comments:

1. **Reduce Training/Equip/Recruitment** - Funding for training and equipment purchases is eliminated.
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount

in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	2,753	2,607	5,360
2011 Supplemental *	-152	0	-152
Total 2009-11 Biennium	2,601	2,607	5,208
<hr/>			
2011-13 Maintenance Level	3,006	2,160	5,166
Policy Changes - Non-Comp			
1. Reduce Administration	-2,920	2,495	-425
2. State Data Center Rate Increase	0	22	22
3. Interagency Charges - AG	-14	0	-14
Policy -- Non-Comp Total	-2,934	2,517	-417
Policy Changes - Comp			
4. 3% Salary Cut for State Employees	-46	-24	-70
5. Suspend Plan 1 Uniform COLA	-26	-14	-40
Policy -- Comp Total	-72	-38	-110
<hr/>			
Total 2011-13 Biennium	0	4,639	4,639
Fiscal Year 2012 Total	0	1,943	1,943
Fiscal Year 2013 Total	0	2,696	2,696

Comments:

1. **Reduce Administration** - Funding for operation of the Department is reduced. The Department will achieve ongoing savings by reducing its travel budget for the human remains program and by reducing its in-house information technology maintenance. (Heritage Non-Appropriated, State General Fund).
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other 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 2011 Supplemental Operating Budget Section for additional information.

Department of Enterprise Services

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	0	0
2011-13 Maintenance Level	0	0	0
Policy Changes - Non-Comp			
1. OFM IT Services	0	2,300	2,300
2. Transfer IT Portfolio Application	0	334	334
3. Central Service Efficiencies	0	-3,800	-3,800
4. State Data Center Rate Increase	3	388	391
5. Dept of Enterprise Services-DOP	0	49,043	49,043
6. Dept of Enterprise Services-OFM	1,100	62,614	63,714
7. Dept of Enterprise Services-DIS	0	91,437	91,437
8. Dept of Enterprise Services-GA	7,040	256,007	263,047
9. Dept of Enterprise Services-Prt	0	20,646	20,646
10. Back Office Efficiencies	-20	-1,157	-1,177
11. Management Efficiency	-4	0	-4
Policy -- Non-Comp Total	8,119	477,812	485,931
Policy Changes - Comp			
12. Average Final Compensation Adjust	0	29	29
13. 3% Salary Cut for State Employees	-12	-5,518	-5,530
14. Suspend Plan 1 Uniform COLA	-8	-3,188	-3,196
15. Retire-Rehire Changes (State)	0	-17	-17
Policy -- Comp Total	-20	-8,694	-8,714
Total 2011-13 Biennium	8,099	469,118	477,217
Fiscal Year 2012 Total	4,052	233,342	237,394
Fiscal Year 2013 Total	4,047	235,776	239,823

Comments:

1. **OFM IT Services** - Funding is provided for the Department of Enterprise Services (DES) to provide information technology (IT) services to the Office of Financial Management (OFM). The Department will recover costs by billing OFM. (Data Processing Revolving Account-Non-Appropriated)
2. **Transfer IT Portfolio Application** - The maintenance of the Clarity IT Portfolio application support is transferred to the Information Services Division within the new DES. (Data Processing Revolving Account-Non-Appropriated)
3. **Central Service Efficiencies** - DES, created in Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931), will achieve \$1.9 million in state general fund savings by more efficiently delivering services. Savings may be generated from eliminating under-utilized services, reviewing rates charged to agencies, eliminating or merging duplicated services, procuring services differently, including contracting for services, and other efficiency measures. (General Administration Services Revolving Account).
4. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
5. **Dept of Enterprise Services-DOP** - The Department of Personnel's (DOP's) human resource functions that serve agencies statewide are moved into the new DES. These functions include staff and information technology support for the Human Resource Management System, the Employee Assistance Program, recruiting, small agency human resource services, and all back office functions that existed within the Department of Personnel. (Data Processing Revolving Account-Non-Appropriated, Department of Personnel Account-State)
6. **Dept of Enterprise Services-OFM** - The Information Services Division, Risk Management Division, Contracts Office, and Small Agency Client Services at OFM are moved to the new DES. (General Fund-State, various other funds)
7. **Dept of Enterprise Services-DIS** - The Department of Information Services' (DIS) administrative, budget, finance, communications, contract services, human resources, agency internal information technology, legal services, and procurement functions will transfer to the new DES. DES will also provide these back office administrative functions for the

Department of Enterprise Services

- new Consolidated Technology Services agency. (Data Processing Revolving Account-Non-Appropriated)
8. **Dept of Enterprise Services-GA** - The Department of General Administration (GA) will merge into the new DES, along with the State Printer and portions of DIS, OFM, and DOP. A transition team will work on identifying efficiencies by consolidating back-office functions such as internal human resources, accounting, purchasing, contracts, and facilities management. (General Fund-State, General Fund-Federal, General Administration Service Account-State, General Administration Service Account-Non-Appropriated, State Vehicle Parking Account-Non-Appropriated, Commemorative Works Account-Non-Appropriated, Building Code Council Account-State)
 9. **Dept of Enterprise Services-Prt** - The Department of Printing will move into the new DES, along with portions of DIS, OFM, DOP, and GA. A transition team will begin working on reducing staff as back-office functions such as human resources, accounting, purchasing, contracts, and facilities management are consolidated. (Printing Plant Revolving Account-Non-Appropriated)
 10. **Back Office Efficiencies** - Pursuant to Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931), funding is reduced due to efficiencies gained by consolidating four state agencies.
 11. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
 12. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
 13. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
 14. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
 15. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Innovate Washington

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	0	0
2011-13 Maintenance Level	0	0	0
Policy Changes - Non-Comp			
1. SIRTI Transfer	2,307	2,152	4,459
2. WA Technology Center Transfer	3,806	0	3,806
Policy -- Non-Comp Total	6,113	2,152	8,265
Policy Changes - Comp			
3. 3% Salary Cut for State Employees	-66	0	-66
4. Suspend Plan 1 Uniform COLA	-37	0	-37
Policy -- Comp Total	-103	0	-103
Total 2011-13 Biennium	6,010	2,152	8,162
Fiscal Year 2012 Total	2,999	1,076	4,075
Fiscal Year 2013 Total	3,011	1,076	4,087

Comments:

1. **SIRTI Transfer** - Spokane Intercollegiate Research and Technology Institute (SIRTI), is a Washington State economic development agency focused on accelerating the development and growth of innovative technology-based companies in the Inland Northwest. Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764), merges SIRTI with the Washington Technology Center (WTC) to create Innovate Washington.
2. **WA Technology Center Transfer** - WTC conducts research to develop and strengthen relationships among the state's universities, private industry and government. Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764) merges WTC with SIRTI to create Innovate Washington.
3. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

Department of Financial Institutions

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	44,476	44,476
2011-13 Maintenance Level	0	44,579	44,579
Policy Changes - Non-Comp			
1. Mtge Lend Fraud Prosecution Acct	0	1,000	1,000
2. Financial Reform/Investment Adviser	0	1,204	1,204
3. Addressing Subpoena Authority	0	96	96
4. State Data Center Rate Increase	0	188	188
5. Consumer Loan Act	0	231	231
6. Foreclosure Fairness Act	0	459	459
7. Interagency Charges - AG	0	-64	-64
Policy -- Non-Comp Total	0	3,114	3,114
Policy Changes - Comp			
8. Average Final Compensation Adjust	0	4	4
9. 3% Salary Cut for State Employees	0	-797	-797
10. Suspend Plan 1 Uniform COLA	0	-453	-453
11. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-1,248	-1,248
Total 2011-13 Biennium	0	46,445	46,445
Fiscal Year 2012 Total	0	22,961	22,961
Fiscal Year 2013 Total	0	23,484	23,484

Comments:

1. **Mtge Lend Fraud Prosecution Acct** - Chapter 129, Laws of 2011 (HB 1191), pushes back the expiration date of the Mortgage Lending Fraud Prosecution Account to June 30, 2016. Funding continues to be provided to the Department of Financial Institutions (DFI) to distribute to local prosecutors and for the state to identify and pursue mortgage fraud cases. (Mortgage Lending Fraud Prosecution Account-Non-Appropriated)
2. **Financial Reform/Investment Adviser** - DFI is provided funding for its expanded regulatory authority delegated in the Dodd-Frank Wall Street Reform and Consumer Protection Act. Effective July 2011, the number of investment advisers regulated by DFI (and the complexity of their portfolios) will increase an estimated 60 percent, from about 500 to an estimated 800 advisers. (Financial Services Regulation Account-Non-Appropriated)
3. **Addressing Subpoena Authority** - Chapter 93, Laws of 2011 (SB 5076), grants DFI the authority to obtain a subpoena for records, documents, or testimony from a superior court. Funding is provided for the ongoing legal costs DFI expects as the result of increased efforts to secure subpoenas. (Financial Services Regulation Account-Non-Appropriated)
4. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
5. **Consumer Loan Act** - Chapter 191, Laws of 2011 (2SHB 1405), removes the exemption in the Consumer Loan Act for lenders making loans secured by liens against a borrower's primary residence. Funding is provided for DFI to implement and enforce the provisions of the legislation. (Financial Services Regulation Account-Non-Appropriated)
6. **Foreclosure Fairness Act** - Chapter 58, Laws of 2011 (2SHB 1362), provides a 3 percent portion of the payment made by foreclosure beneficiaries to DFI to conduct homeowner pre-purchase and post-purchase outreach and education programs as defined in RCW 43.320.150. (Financial Services Regulation Account-Non-Appropriated)
7. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG) (AG). (General Fund-State, various other funds)
8. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would

Department of Financial Institutions

otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

9. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
10. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
11. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Department of Personnel

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	61,624	61,624
2011-13 Maintenance Level	0	64,529	64,529
Policy Changes - Non-Comp			
1. Self Insurance Premium	0	34	34
2. Reduce HRMS Support	0	-3,194	-3,194
3. Staff and Program Reductions	0	-2,158	-2,158
4. HRMS Programming for 3% Salary Cut	0	500	500
5. Merge DOP into OFM	0	-10,652	-10,652
6. Dept of Enterprise Services-DOP	0	-49,043	-49,043
7. Interagency Charges - AG	0	-16	-16
Policy -- Non-Comp Total	0	-64,529	-64,529
Total 2011-13 Biennium	0	0	0

Comments:

1. **Self Insurance Premium** - The self insurance premium is increased based on the actuary's estimates of outstanding tort liability. (Department of Personnel Service Account-State)
2. **Reduce HRMS Support** - The Department will eliminate one desktop support position, one enterprise architect position, and one Human Resource Management System (HRMS) time configuration specialist position. Administrative expenses will be adjusted for one-time costs and anticipated rate reductions. (Data Processing Revolving Account-Non-Appropriated)
3. **Staff and Program Reductions** - The Department will eliminate an office support position and a facilities management position. A position will be eliminated that supported statewide recruiting efforts, a management position will be eliminated from the Classification and Compensation unit impacting guidance, trend analysis, and compliance monitoring. A senior management position will be eliminated by merging the Human Resources office into the Performance and Planning Division. In addition, a data analyst position will be eliminated. (Department of Personnel Service Account-State)
4. **HRMS Programming for 3% Salary Cut** - Funding is provided for programming and associated implementation costs related to reducing most state employee salaries by 3 percent. (Department of Personnel Service Account-State)
5. **Merge DOP into OFM** - The Department of Personnel's (DOP) statewide human resource policymaking functions are moved to the Office of Financial Management (OFM). These functions include training curriculum development, classification and compensation determination, and metrics analysis. (Department of Personnel Service Account, Higher Education Personnel Services Account-State)
6. **Dept of Enterprise Services-DOP** - DOP's human resource functions that serve agencies are moved into the new Department of Enterprise Services. These functions include staff and IT support for HRMS, the Employee Assistance Program, recruiting, small agency human resource services, and all back office functions that existed within DOP. (Department of Personnel Service Account, Data Processing Revolving Account-Non-Appropriated, Higher Education Personnel Services Account-State)
7. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	33,755	33,755
2011-13 Maintenance Level	0	32,997	32,997
Policy Changes - Non-Comp			
1. Use of State Seizure Funds	0	42	42
2. State Data Center Rate Increase	0	81	81
3. Interagency Charges - AG	0	-36	-36
Policy -- Non-Comp Total	0	87	87
Policy Changes - Comp			
4. Average Final Compensation Adjust	0	3	3
5. 3% Salary Cut for State Employees	0	-574	-574
6. Suspend Plan 1 Uniform COLA	0	-327	-327
7. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	0	-900	-900
Total 2011-13 Biennium	0	32,184	32,184
Fiscal Year 2012 Total	0	16,042	16,042
Fiscal Year 2013 Total	0	16,142	16,142

Comments:

1. **Use of State Seizure Funds** - The Gambling Commission will offset the expected decline of revenue in its revolving account with funds made available to the Commission as a result of its investigatory efforts. (Controlled Substance Account-Non-Appropriated, Gambling Revolving Account-Non-Appropriated)
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
5. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
6. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
7. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Public Printer

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	0	19,859	19,859
2011-13 Maintenance Level	0	20,646	20,646
Policy Changes - Non-Comp			
1. Transfer to DES	0	-20,646	-20,646
Policy -- Non-Comp Total	0	-20,646	-20,646
Total 2011-13 Biennium	0	0	0

Comments:

1. **Transfer to DES** - Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931), moves the Public Printer into the new Department of Enterprise Services (DES) along with portions of the Department of Information Services, Office of Financial Management, Department of Personnel, and Department of General Administration. (Printing Plant Revolving Account-Non-Appropriated)

Municipal Research Council

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	2,729	2,729
2011-13 Maintenance Level	0	0	0
Total 2011-13 Biennium	0	0	0

Comments:

There were no policy level changes.

Department of General Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	4,778	185,864	190,642
2011 Supplemental *	-436	-394	-830
Total 2009-11 Biennium	4,342	185,470	189,812
<hr/>			
2011-13 Maintenance Level	7,997	258,198	266,195
Policy Changes - Non-Comp			
1. Environmental Purchasing	0	200	200
2. Reduce Public and Historic Program	0	-898	-898
3. Reduce On-Campus Property Rent	0	-2,193	-2,193
4. Reduce Parking Services	0	-65	-65
5. Reduce Off-Campus Property Rent	0	-398	-398
6. Reduce Rent Outside Thurston County	0	-463	-463
7. Reduce Reimbursable Rates	0	-763	-763
8. Reduce Procurement Service Rates	0	-514	-514
9. Small Business Preference Program	0	247	247
10. Reduce Surplus Warehouses & Service	0	-944	-944
11. Reduce Real Estate Services	0	-296	-296
12. Reduce Capital Project Management	0	-150	-150
13. Lease Rate Adjustments	0	1,124	1,124
14. Nonappropriated Fund Adjustment	0	845	845
15. Reduction to Legislative Facilities	-910	0	-910
16. Reduction to Built Environment	-7	0	-7
17. Reduction to CPARB	-36	0	-36
18. Dept of Enterprise Services-GA	-7,040	-256,007	-263,047
19. Lease Management Integration	0	2,164	2,164
20. Interagency Charges - AG	-4	-87	-91
Policy -- Non-Comp Total	-7,997	-258,198	-266,195
<hr/>			
Total 2011-13 Biennium	0	0	0

Comments:

1. **Environmental Purchasing** - Under current law, government purchases of goods and services are based on the lowest-cost, responsive bid. One-time funding is provided to obtain expert consultant services to advise the state on candidate policies for purchasing environmentally-friendly goods and services. The Department of General Administration (GA) has secured grant funding for these activities for the 2011-13 biennium. (General Fund-Private/Local)
2. **Reduce Public and Historic Program** - Reductions are made to maintenance and grounds care services provided in the Public and Historic Program. Funding for non-fixed costs is reduced by 12 percent. (General Administration Service Account-State)
3. **Reduce On-Campus Property Rent** - Expenditure authority for non-fixed costs associated with capital campus services is reduced by 11 percent and staffing and services will be reduced accordingly. Reductions in campus rental rates and custodial and trade rates will be implemented to reflect expenditure reductions. (General Administration Service Account-State)
4. **Reduce Parking Services** - Expenditure authority for non-fixed costs associated with parking services is reduced by 12 percent and services will be reduced accordingly. (State Vehicle Parking Account-Non-Appropriated)
5. **Reduce Off-Campus Property Rent** - Expenditure authority for non-fixed costs associated with off-campus property services is reduced by 12 percent and staffing and services will be reduced accordingly. Reductions in off campus rental rates and custodial and trade rates will be implemented to reflect expenditure reductions. (General Administration Service Account-Non-Appropriated)
6. **Reduce Rent Outside Thurston County** - Expenditure authority for non-fixed costs associated with rent outside Thurston County is reduced by 8 percent and staffing will be reduced accordingly. Partially occupied buildings at the North Cascades Center will be closed. (General Administration Service Account-Non-Appropriated)
7. **Reduce Reimbursable Rates** - Expenditure authority for non-fixed costs associated with reimbursable trades, custodial, and project management provided by the Department is reduced by 12 percent and staffing and services will be reduced accordingly. Reductions in rates for trades, custodial, and project management will be implemented to reflect expenditure

Department of General Administration

- reductions. (General Administration Service Account-Non-Appropriated)
8. **Reduce Procurement Service Rates** - Expenditure authority for non-fixed costs associated with procurement services is reduced by 5 percent and services will be reduced accordingly. Reductions in procurement rates will be implemented to reflect expenditure reductions. (General Administration Service Account-Non-Appropriated)
 9. **Small Business Preference Program** - Funding is provided for implementation of section 3 of Chapter 358, Laws of 2011, Partial Veto (HB 1770), which requires the Department to implement the in-state Small Business Vendor Bidding Preference Program. GA, in consultation with the Department of Information Services (DIS), the Department of Transportation, and the Department of Commerce, must develop and implement a web-based information system to capture data, track outcomes, and provide accurate and verifiable information regarding the effects required technical assistance is having on the number of small businesses annually receiving state contracts for goods and services purchased by the state. A number of reports to the Legislature on implementation and ongoing progress are required. (General Administration Service Account-Non-Appropriated)
 10. **Reduce Surplus Warehouses & Service** - Funding for non-fixed costs associated with warehouse services is reduced by 12 percent. Two warehouses in King County will be closed, relocating operations to Thurston County. Transportation services will be decreased. (General Administration Service Account-Non-Appropriated)
 11. **Reduce Real Estate Services** - Expenditure authority for non-fixed costs associated with real-estate services is reduced by 12 percent and staffing and services will be reduced accordingly. (General Administration Service Account-State)
 12. **Reduce Capital Project Management** - Expenditure authority for non-fixed costs associated with capital project management is reduced by 12 percent and staffing and services will be reduced accordingly. (General Administration Service Account-Non-Appropriated)
 13. **Lease Rate Adjustments** - Lease costs will increase by \$512,333 in FY 2012 and \$611,820 in FY 2013 from closing the General Administration Building and moving staff to other locations. (General Administration Service Account-Non-appropriated)
 14. **Nonappropriated Fund Adjustment** - Spending authority is adjusted to match projected revenue.
 15. **Reduction to Legislative Facilities** - Facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges previously invoiced to legislative customers are reduced and services are reduced accordingly.
 16. **Reduction to Built Environment** - Staff resources supporting Built Environment Pollution activities are reduced.
 17. **Reduction to CPARB** - Staff resources supporting Capital Project Advisory Review Board (CPARB) activities are reduced.
 18. **Dept of Enterprise Services-GA** - GA will merge into the new Department of Enterprise Services, along with the State Printer and portions of DIS, Office of Financial Management, and Department of Personnel. A transition team will work on identifying efficiencies by consolidating back-office functions such as internal human resources, accounting, purchasing, contracts, and facilities management. (General Fund-State, General Fund-Federal, General Administration Service Account-State, General Fund-Local, General Administration Service Account-Non-Appropriated, State Vehicle Parking Account-Non-Appropriated, Commemorative Works Account-Non-Appropriated, Building Code Council Account-State)
 19. **Lease Management Integration** - The Department of Social and Health Services' internal facility planning unit is transferred to GA. (General Administration Service Account-Non-Appropriated)
 20. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Information Services

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	2,166	258,192	260,358
2011 Supplemental *	-68	0	-68
Total 2009-11 Biennium	2,098	258,192	260,290
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2011-13 Maintenance Level	1,988	261,145	263,133
Policy Changes - Non-Comp			
1. Central Administration Reduction	0	-5,460	-5,460
2. Services Efficiency Reduction	0	-5,112	-5,112
3. IT Policy Reduction	0	-1,980	-1,980
4. Transfer Broadband Service	0	-4,037	-4,037
5. Transfer K-20 Network	0	-24,771	-24,771
6. Transfer IT Portfolio Application	0	-334	-334
7. Promote Broadband Service	0	4,037	4,037
8. Metropolitan Optical Network	0	1,550	1,550
9. Exchange 2010	0	4,600	4,600
10. Move IT Policy Oversight to OFM	-1,767	-5,909	-7,676
11. Dept of Enterprise Services-DIS	0	-91,437	-91,437
12. Wheeler Office Building Lease	0	4,000	4,000
13. State Data Center lease	0	18,800	18,800
14. State Data Center M&O	0	3,892	3,892
15. Justice Info Network Reduction	-214	0	-214
16. Transfer Consolidated Tech Services	-7	-184,041	-184,048
17. K-20 Education Network	0	-2,270	-2,270
18. State Data Center Infrastructure	0	26,794	26,794
19. Interagency Charges - AG	0	-23	-23
20. Increased Customer Service Demand	0	556	556
Policy -- Non-Comp Total	-1,988	-261,145	-263,133
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Total 2011-13 Biennium	0	0	0

Comments:

1. **Central Administration Reduction** - Funding is reduced for agency central administration activities to achieve more cost-effective rates for information technology (IT) services. (Data Processing Revolving Account-Non-Appropriated)
2. **Services Efficiency Reduction** - Costs for computer services, interactive technology, and telecommunication services are reduced to achieve more cost-effective rates for information technology services. (Data Processing Revolving Account-Non-Appropriated)
3. **IT Policy Reduction** - The Department's Management and Oversight of Strategic Technology activities are reduced to mitigate the impact of policy oversight revolving fund charges on state agencies. (Data Processing Revolving Account-State)
4. **Transfer Broadband Service** - Pursuant to Chapter 43, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5931), the State Broadband Development and Data Program is transferred from the Department of Information Services (DIS) to the Department of Commerce. (General Fund-State, Broadband Mapping Account-Non-Appropriated, Washington Community Technology Opportunity Account-State)
5. **Transfer K-20 Network** - Pursuant to ESSB 5931, the K-20 Education Network is transferred to the Office of Financial Management (OFM). The K-20 Network provides video and data services to education facilities throughout the state. (Education Technology Account-Non-Appropriated)
6. **Transfer IT Portfolio Application** - Maintenance of the Clarity IT Portfolio application support is transferred to the Information Services Division within the new Department of Enterprise Services (DES). (Data Processing Revolving Account-State)
7. **Promote Broadband Service** - Funds are provided to map the state's public and private broadband infrastructure, service availability, and current broadband upload and download speeds. (General Fund-State, Broadband Mapping Account-Non-Appropriated, Washington Community Technology Opportunity Account-State)
8. **Metropolitan Optical Network** - Ongoing funding is provided for a high-speed Metropolitan Optical Network to connect 140 plus off-campus state agency locations and 14,450 state employees throughout Olympia, Tumwater, and Lacey. This network is a shared infrastructure service that will support the

Department of Information Services

consolidation of state e-mail and data center services. (Data Processing Revolving Account-Non-Appropriated)

9. **Exchange 2010** - Funding is provided to continue implementation of a Shared Services E-Mail service for state agencies. This service employs Microsoft Exchange 2010 and provides Enterprise Vault, an e-mail archiving capability. (Data Processing Revolving Account-Non-Appropriated)
10. **Move IT Policy Oversight to OFM** - Pursuant to ESSB 5931, management and oversight of strategic technology is reduced and transferred to OFM where a new Office of the Chief Information Officer is established. The new office will be responsible for the development and implementation of state strategic information technology initiatives and oversight of information technology resources. (General Fund-State, General Fund-Federal, Data Processing Revolving Account-State)
11. **Dept of Enterprise Services-DIS** - Pursuant to ESSB 5931, the administrative, budget, finance, communications, contract services, human resources, agency internal information technology, legal services, and procurement will transfer to DES. DES will provide these back office administrative functions to the Consolidated Technology Services (CTS) Agency, as well as to the new DES. (Data Processing Revolving Account-Non-Appropriated)
12. **Wheeler Office Building Lease** - Funding is provided for the increased lease related costs associated with the new Wheeler Office Building. (Data Processing Revolving Account-Non-Appropriated)
13. **State Data Center lease** - Funding is provided for the increased lease related costs associated with the new Wheeler State Data Center. (Data Processing Revolving Account-Non-Appropriated)
14. **State Data Center M&O** - Funding is provided for maintenance, operations (M&O), and increased utility costs for the new state data center. (Data Processing Revolving Account-Non-Appropriated)
15. **Justice Info Network Reduction** - Funding is eliminated for a secure web gateway service used by local law and justice agencies to access available criminal justice data via the Justice Information Network.
16. **Transfer Consolidated Tech Services** - Pursuant to ESSB 5931, delivery of IT services to state agencies is transferred from DIS to the newly created CTS. Services offered by the CTS agency include mainframe computing, network operations, telecommunications, and managing the consolidated data center.
17. **K-20 Education Network** - Funding is reduced for the K-20 Education Network. This reduction will be from efficiencies in providing the service. (Education Technology Revolving Account-Non-Appropriated)
18. **State Data Center Infrastructure** - Funds are provided to design, acquire, and install the new State Data Center infrastructure and to set up and operate the new data center. Funding is contingent upon establishing the new Office of the Chief Information Officer, appointing the position, and adopting technical standards for shared services, pursuant to ESSB 5931. Once the move is complete, DIS services, operations, and assets in the current data center will be decommissioned. The Governor vetoed conditions that must be met before equipping and operating the State Data Center. (Data Processing Revolving Account-Non-Appropriated)
19. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
20. **Increased Customer Service Demand** - Funding is provided to address increased customer demand for agency services including a web analyst, a customer service specialist, an applications production support position, and a master contracts specialist. (Data Processing Revolving Account-Non-Appropriated)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	2,027	2,027
2011-13 Maintenance Level	0	2,102	2,102
Policy Changes - Non-Comp			
1. State Data Center Rate Increase	0	3	3
Policy -- Non-Comp Total	0	3	3
Policy Changes - Comp			
2. 3% Salary Cut for State Employees	0	-32	-32
3. Suspend Plan 1 Uniform COLA	0	-18	-18
Policy -- Comp Total	0	-50	-50
Total 2011-13 Biennium	0	2,055	2,055
Fiscal Year 2012 Total	0	1,029	1,029
Fiscal Year 2013 Total	0	1,026	1,026

Comments:

1. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

2. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

3. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

Growth Management Hearings Board

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	2,976	0	2,976
2011-13 Maintenance Level	0	0	0
Total 2011-13 Biennium	0	0	0

Comments:

There were no policy level changes.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

State Convention and Trade Center

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	0	116,821	116,821
2011 Supplemental *	0	-50,000	-50,000
Total 2009-11 Biennium	0	66,821	66,821
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2011-13 Maintenance Level	0	0	0
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Total 2011-13 Biennium	0	0	0
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Comments:

The State Convention and Trade Center was transitioned from a state agency to a public facilities district in the 2010 legislative session.

* Please see the 2011 Supplemental Operating Budget Section for additional information.