

Omnibus Appropriations Act - Agency Detail

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Legislative

The 2012 supplemental operating budget provides \$137.5 million from the state general fund and \$144.8 million in total funds for legislative branch agencies, excluding the Redistricting Commission. These funding levels represent a \$3.1 million (2.1 percent) reduction, nearly all in state general funds, from levels authorized in the 2011-13 operating budget.

Office of Legislative Support Services

Pursuant to Chapter 113, Laws of 2012, (HB 2705), administrative and support functions from the House of Representatives, Senate, and other legislative agencies are consolidated and transferred to a single agency, the Office of Legislative Support Services. Legislative agencies achieve savings of \$2.3 million in state general funds due to the consolidation and other efficiencies. A total of 4.8 FTEs are reduced from the House and Senate.

Joint Select Committee on Junior Taxing Districts, Municipal Corporations, and Local Government Finance

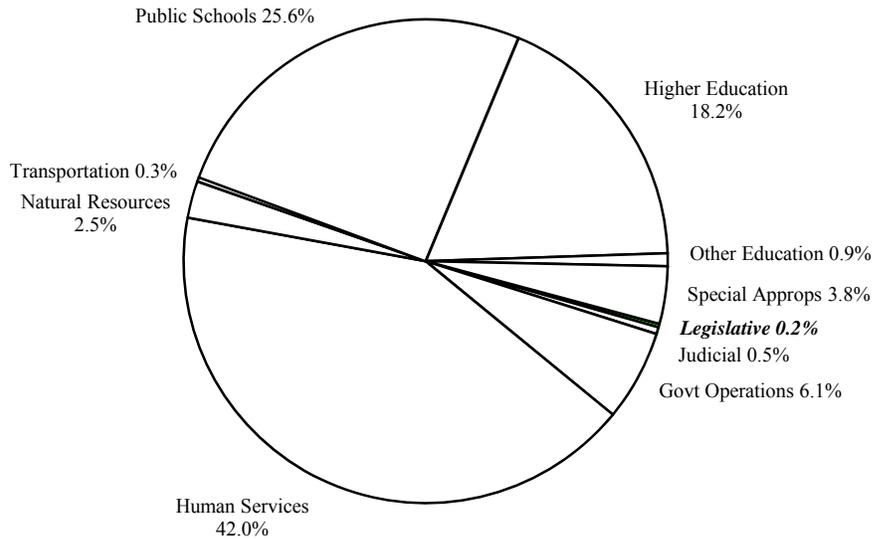
The House and Senate provide \$100,000 in state general funds for expenses associated with a newly created Joint Select Committee on Junior Taxing Districts, Municipal Corporations, and Local Government Finance. The Committee will review services currently provided by junior taxing districts and municipal corporations, and will make recommendations on consolidating these services and generating revenue. The Committee will also develop a plan for the utilization of excess liquor revenue following the implementation of Initiative 1183, and will examine the impact of Initiative 1183 on public safety.

Other Changes

In addition to the changes discussed above, legislative agency appropriations reflect reduced costs for employee health insurance and reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, and Department of Enterprise Services) as well as improved management of information technology services. The budget-wide impact of these changes is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

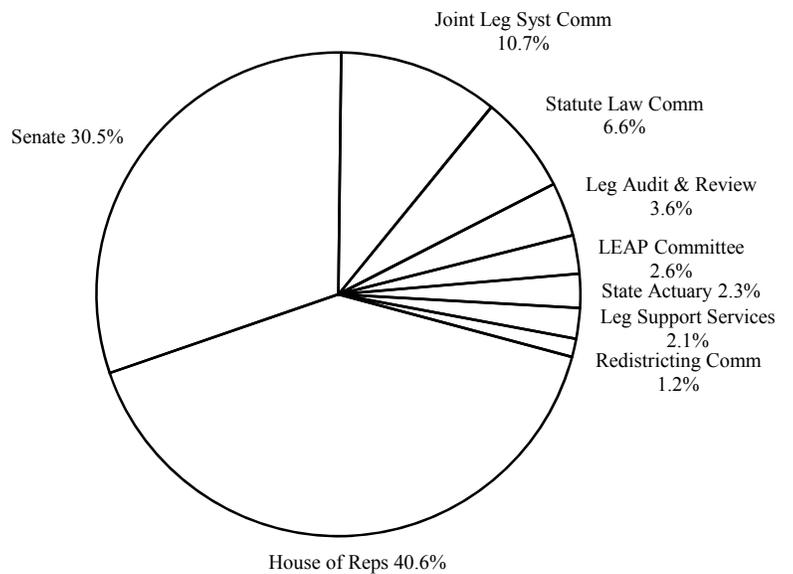
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

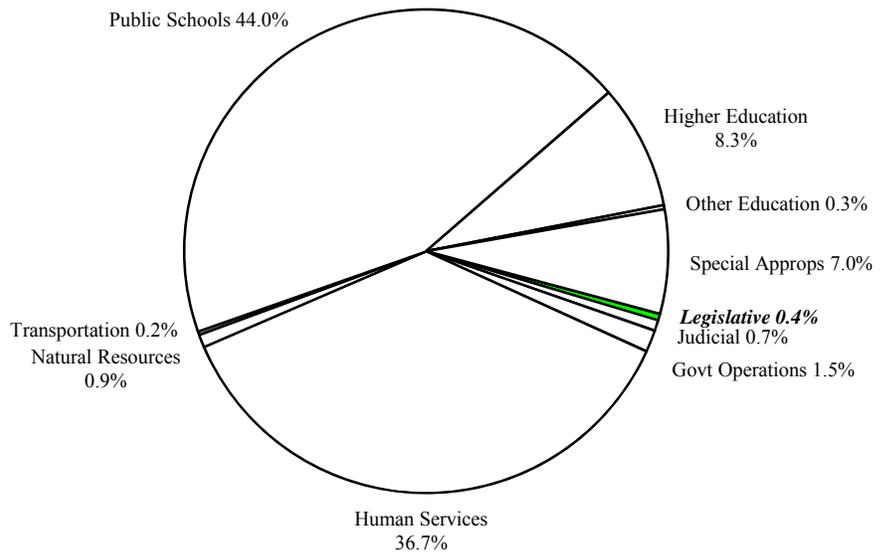
House of Representatives	59,430
Senate	44,667
Jt Leg Systems Comm	15,679
Statute Law Committee	9,620
Jt Leg Audit & Rev Comm	5,290
LEAP Committee	3,745
State Actuary	3,323
Leg Support Services	3,016
Redistricting Commission	1,781
Legislative	146,551



Legislative

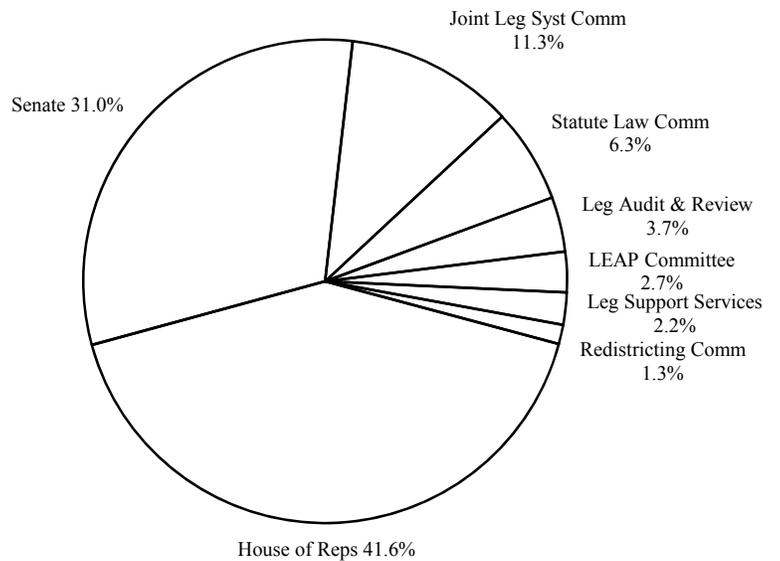
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

House of Representatives	57,939
Senate	43,246
Jt Leg Systems Comm	15,679
Statute Law Committee	8,768
Jt Leg Audit & Rev Comm	5,120
LEAP Committee	3,745
Leg Support Services	3,016
Redistricting Commission	1,781
Legislative	139,294



Legislative

House of Representatives

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	60,367	1,316	61,683
Total Maintenance Changes	69	175	244
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-1	0	-1
3. Sec of State Archive Reduction	-2	0	-2
4. Central Services Savings	5	0	5
5. Local Government	50	0	50
6. Efficiency Reduction	-875	0	-875
Policy -- Other Total	-829	0	-829
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-214	0	-214
Policy -- Comp Total	-214	0	-214
Policy Changes - Transfers			
8. Legislative Support Consolidation	-1,454	0	-1,454
Policy -- Transfer Total	-1,454	0	-1,454
<hr/>			
2011-13 Revised Appropriations	57,939	1,491	59,430
Fiscal Year 2012 Total	29,734	658	30,392
Fiscal Year 2013 Total	28,205	833	29,038

Comments:

- | | |
|---|--|
| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.</p> <p>2. Attorney General Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.</p> <p>4. Central Services Savings - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates a vacant administrative position at the OAH, and reduces LRO services.</p> <p>5. Local Government - Funding is provided to establish a Joint Committee on Junior Taxing Districts, Municipal Corporations, and Local Government Finance. The Committee will evaluate services provided by junior taxing districts and municipal corporations and will make recommendations on the appropriateness of consolidating these services. The</p> | <p>Committee will also review the impact of Initiative 1183 on public safety needs and will provide a plan for using and disbursing excess liquor revenues. The Committee is composed of two members from each caucus from the House and from the Senate. The operating expenses of the Committee are provided equally by the House and Senate. (General Fund-State)</p> <p>6. Efficiency Reduction - Legislative branch agencies will achieve savings by identifying administrative efficiencies that will reduce FTE levels, travel expenses, printing costs, and other operating expenditures. This includes savings from the consolidation of certain support functions pursuant to Chapter 113, Laws of 2012 (HB 2705). (General Fund-State)</p> <p>7. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.</p> <p>8. Legislative Support Consolidation - Pursuant to Chapter 113, Laws of 2012 (HB 2705), savings are achieved through the consolidation of facility management, production and audio-visual services, information distribution, and other administrative and support functions into the Office of Legislative Support Services. The amount reflected in this item is the amount of funding transferred to the new office. Savings from the consolidation are reflected in other items in legislative agency budgets. (General Fund-State)</p> |
|---|--|

Senate

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	45,640	1,400	47,040
Total Maintenance Changes	38	21	59
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-1	0	-1
3. Sec of State Archive Reduction	-1	0	-1
4. Central Services Savings	4	0	4
5. Commute Trip Reduction	-4	0	-4
6. Local Government	50	0	50
7. Efficiency Reduction	-774	0	-774
Policy -- Other Total	-732	0	-732
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-138	0	-138
Policy -- Comp Total	-138	0	-138
Policy Changes - Transfers			
9. Legislative Support Consolidation	-1,562	0	-1,562
Policy -- Transfer Total	-1,562	0	-1,562
2011-13 Revised Appropriations	43,246	1,421	44,667
Fiscal Year 2012 Total	21,455	700	22,155
Fiscal Year 2013 Total	21,791	721	22,512

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
- Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
- Local Government** - Funding is provided to establish a Joint Committee on Junior Taxing Districts, Municipal Corporations, and Local Government Finance. The Committee will evaluate services provided by junior taxing districts and municipal corporations and will make recommendations on the appropriateness of consolidating these services. The Committee will also review the impact of Initiative 1183 on public safety needs and will provide a plan for using and disbursing excess liquor revenues. The Committee is composed of two members from each caucus from the House and from the Senate. The operating expenses of the Committee are provided equally by the House and Senate. (General Fund-State)
- Efficiency Reduction** - Legislative branch agencies will achieve savings by identifying administrative efficiencies that will reduce FTE levels, travel expenses, printing costs, and other operating expenditures. This includes savings from the consolidation of certain support functions pursuant to Chapter 113, Laws of 2012 (HB 2705). (General Fund-State)
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
- Legislative Support Consolidation** - Pursuant to Chapter 113, Laws of 2012 (HB 2705), savings are achieved through the consolidation of facility management, production and audio-visual services, information distribution, and other administrative and support functions into the Office of

Legislative Support Services. The amount reflected in this item is the amount of funding transferred to the new office. Savings from the consolidation are reflected in other items in legislative agency budgets. (General Fund-State)

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	5,421	170	5,591
Total Maintenance Changes	-1	0	-1
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Central Service Reforms	-7	0	-7
3. Efficiency Savings	-271	0	-271
Policy -- Other Total	-284	0	-284
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	-16	0	-16
Policy -- Comp Total	-16	0	-16
<hr/>			
2011-13 Revised Appropriations	5,120	170	5,290
Fiscal Year 2012 Total	2,589	86	2,675
Fiscal Year 2013 Total	2,531	84	2,615

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
3. **Efficiency Savings** - The Joint Legislative Audit and Review Committee will reduce General Fund-State expenditures by 5 percent in the 2011-13 biennium. Savings are achieved by consolidating accounting and payroll staff with other legislative entities and restructuring remaining administrative functions.
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,220	0	4,220
Policy Changes - Other			
1. Auditor Charges	-4	0	-4
2. Central Service Reforms	-31	0	-31
3. Commute Trip Reduction	-4	0	-4
4. Education Data Center	-375	0	-375
5. Efficiency Reduction	-55	0	-55
Policy -- Other Total	-469	0	-469
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-6	0	-6
Policy -- Comp Total	-6	0	-6
<hr/>			
2011-13 Revised Appropriations	3,745	0	3,745
Fiscal Year 2012 Total	2,025	0	2,025
Fiscal Year 2013 Total	1,720	0	1,720

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
3. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
4. **Education Data Center** - Funding and staff members are transferred to the Office of Financial Management (OFM) for the purposes of the Education Data Center. The Education Data Center collaborates with the Legislative Evaluation and Accountability Program Committee (LEAP) on data collection and analyses of early learning, K-12, and higher education programs and issues. (General Fund-State)
5. **Efficiency Reduction** - Legislative branch agencies will achieve savings by identifying administrative efficiencies that will reduce travel expenses, printing costs, and other operating expenditures. This includes savings from the consolidation of certain support functions pursuant to Chapter 113, Laws of 2012 (HB 2705). (General Fund-State)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Joint Legislative Systems Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	15,927	0	15,927
Total Maintenance Changes	-11	0	-11
Policy Changes - Other			
1. Auditor Charges	-4	0	-4
2. Central Services Savings	1	0	1
3. Central Service Reforms	-8	0	-8
4. Commute Trip Reduction	-1	0	-1
5. Efficiency Reduction	-197	0	-197
Policy -- Other Total	-209	0	-209
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-28	0	-28
Policy -- Comp Total	-28	0	-28
<hr/>			
2011-13 Revised Appropriations	15,679	0	15,679
Fiscal Year 2012 Total	8,013	0	8,013
Fiscal Year 2013 Total	7,666	0	7,666

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

2. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.

3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)

4. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.

5. **Efficiency Reduction** - Legislative branch agencies will achieve savings by identifying administrative efficiencies that will reduce travel expenses, printing costs, and other operating expenditures. This includes savings from the consolidation of certain support functions pursuant to Chapter 113, Laws of 2012 (HB 2705). (General Fund-State)

6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

Office of the State Actuary

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	48	3,344	3,392
Total Maintenance Changes	0	-1	-1
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Attorney General Reduction	0	-3	-3
3. Central Service Reforms	0	-3	-3
4. Medical Benefit Proposals	-48	0	-48
Policy -- Other Total	-48	-12	-60
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	0	-8	-8
Policy -- Comp Total	0	-8	-8
<hr/>			
2011-13 Revised Appropriations	0	3,323	3,323
Fiscal Year 2012 Total	0	1,736	1,736
Fiscal Year 2013 Total	0	1,587	1,587

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
4. **Medical Benefit Proposals** - Funding provided to the Office of the State Actuary for the evaluation of medical insurance issues is eliminated.
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Statute Law Committee

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	8,940	855	9,795
Total Maintenance Changes	-4	-1	-5
Policy Changes - Other			
1. Auditor Charges	-5	-1	-6
2. Sec of State Archive Reduction	-1	0	-1
3. Central Services Savings	1	0	1
4. Central Service Reforms	-19	-1	-20
5. Commute Trip Reduction	-1	0	-1
6. Efficiency Reduction	-117	0	-117
Policy -- Other Total	-142	-2	-144
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-26	0	-26
Policy -- Comp Total	-26	0	-26
<hr/>			
2011-13 Revised Appropriations	8,768	852	9,620
Fiscal Year 2012 Total	4,245	284	4,529
Fiscal Year 2013 Total	4,523	568	5,091

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
3. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
5. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
6. **Efficiency Reduction** - The Statute Law Committee (SLC) will achieve savings through one or more of the following measures: consolidating staff duties; creating staff vacancy savings; utilizing fund sources other than the state general fund; reducing funding for travel and Uniform Law Commission (ULC) dues; and transferring support functions to the Office of Legislative Support Services pursuant to Chapter 113, Laws of 2012 (HB 2705). (General Fund-State)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of Legislative Support Services

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	0	0
Policy Changes - Transfers			
1. Legislative Support Consolidation	3,016	0	3,016
Policy -- Transfer Total	3,016	0	3,016
<hr/>			
2011-13 Revised Appropriations	3,016	0	3,016
Fiscal Year 2013 Total	3,016	0	3,016

Comments:

1. **Legislative Support Consolidation** - The Office of Legislative Support Services is established with the enactment of Chapter 113, Laws of 2012 (HB 2705). Support functions administered separately by legislative branch agencies are transferred and consolidated within the new agency. These functions include facility management, production and audio-visual services, information distribution, and other administrative and support services. The amount reflected in this item is the amount transferred to the new agency. (General Fund-State)

Judicial

Judicial Stabilization Trust Account

Pursuant to Chapter 199, Laws of 2012 (ESB 6608), surcharges on certain court filing fees collected by superior and district courts are increased by \$10 for the remainder of the biennium. The increased surcharges are estimated to raise \$1.9 million in revenues for the Judicial Stabilization Trust (JST) Account. Increased funding from the JST Account is used for costs associated with the Office of Public Defense. Available fund balance from the JST Account is also used for costs at the Office of Civil Legal Aid and the Office of Public Guardianship.

Civil Commitment Legal Costs

Funding of \$6.1 million is provided to administer the representation of indigent respondents qualified for appointed counsel in sexually violent predator (SVP) civil commitment cases, pursuant to Chapter 257, Laws of 2012 (SSB 6493). The Office of Public Defense will contract with law firms and individual attorneys to provide legal services, and will establish procedures for reimbursement of expert witnesses and other costs. These costs were previously funded through the Special Commitment Center within the Department of Social and Health Services.

State Law Library

For fiscal year 2013, funding for the State Law Library is shifted from General Fund-State to the Judicial Information Systems (JIS) Account. Additional funding from the JIS was provided to evaluate the State Law Library and its operational structure to determine the most effective delivery model for providing law library services.

Truancy Funding

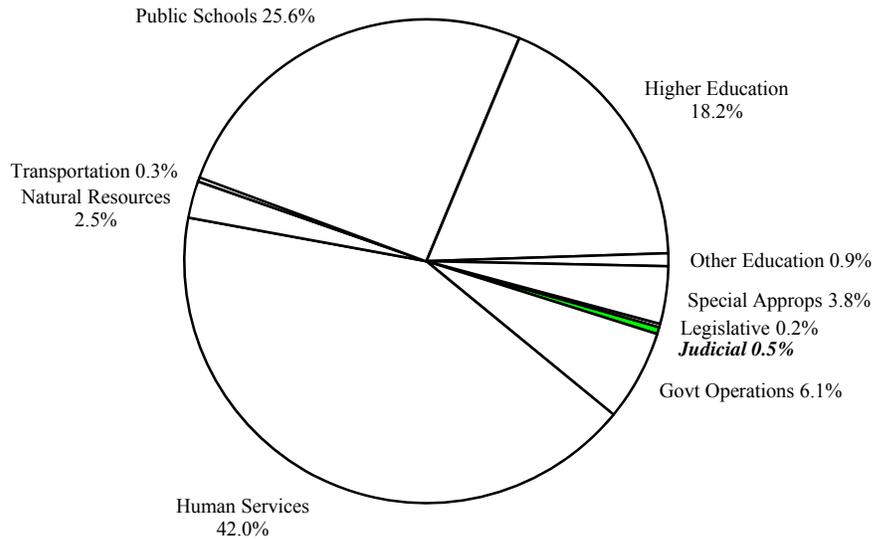
Funding for the Becca/Truancy program is reduced by \$1.3 million to reflect elimination of the requirement that school districts file truancy petitions for truant students who are 17 years old, pursuant to Chapter 157, Laws of 2012 (SSB 6494).

Other Changes

In addition to the changes discussed above, agency appropriations were reduced to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, Department of Enterprise Services), as well as improved management of information technology resources. The impact of these changes, budget wide, is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

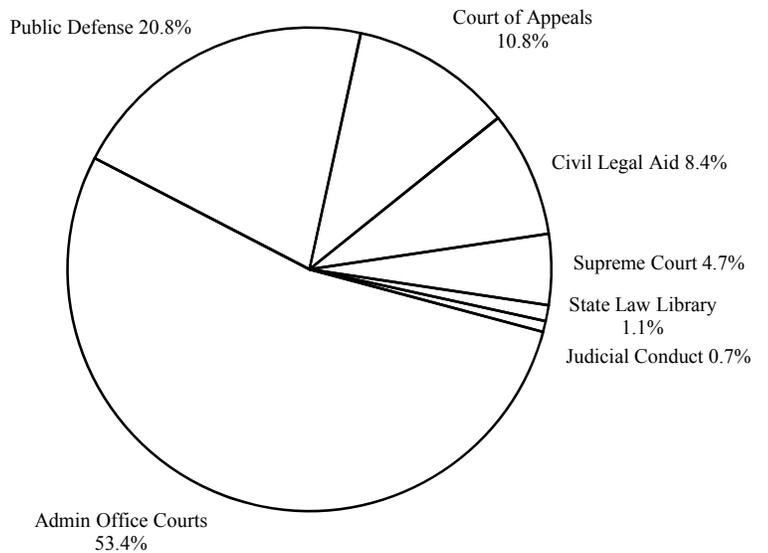
**2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)**

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

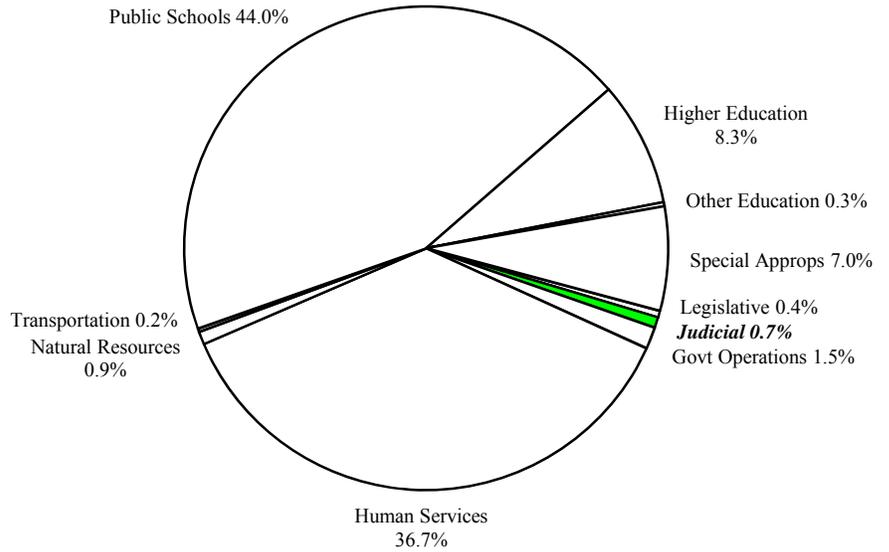
Admin Office Courts	150,392
Office of Public Defense	58,531
Court of Appeals	30,443
Civil Legal Aid	23,665
Supreme Court	13,318
State Law Library	3,004
Judicial Conduct Comm	2,028
Judicial	281,381



Judicial

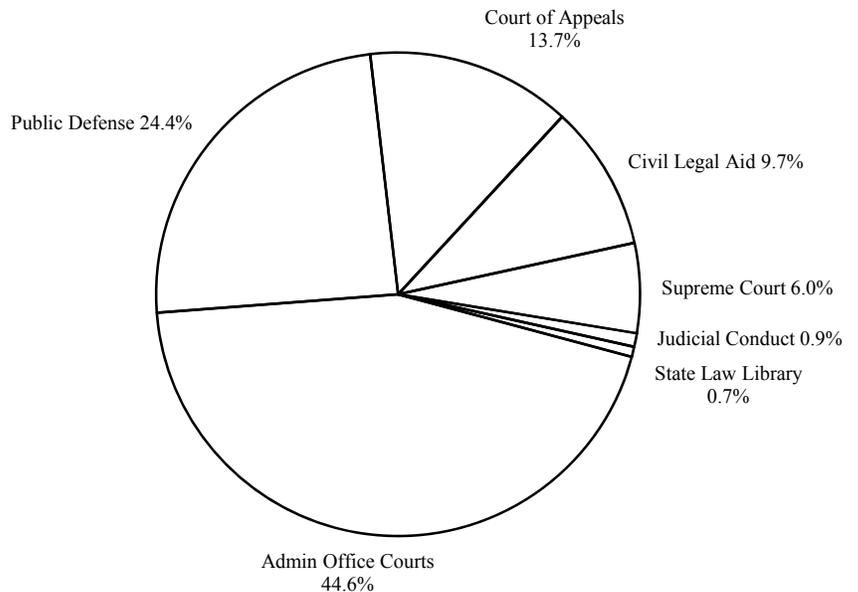
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
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Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

Admin Office Courts	99,154
Office of Public Defense	54,163
Court of Appeals	30,443
Civil Legal Aid	21,592
Supreme Court	13,318
Judicial Conduct Comm	2,028
State Law Library	1,504
Judicial	222,202



Judicial

Supreme Court

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	13,443	0	13,443
Total Maintenance Changes	9	0	9
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-3	0	-3
3. Sec of State Archive Reduction	-1	0	-1
4. Central Services Savings	1	0	1
5. Judge Pro Tempore Retirement Costs	41	0	41
6. Central Service Reforms	-13	0	-13
7. Vacancy Savings	-115	0	-115
Policy -- Other Total	-96	0	-96
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-38	0	-38
Policy -- Comp Total	-38	0	-38
2011-13 Revised Appropriations	13,318	0	13,318
Fiscal Year 2012 Total	6,757	0	6,757
Fiscal Year 2013 Total	6,561	0	6,561

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Judge Pro Tempore Retirement Costs** - Funding is provided for judge pro tempore costs associated with the retirement of a Supreme Court Justice.
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
7. **Vacancy Savings** - Funding is reduced to reflect staff vacancy savings.
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

State Law Library

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	2,938	0	2,938
Total Maintenance Changes	31	0	31
Policy Changes - Other			
1. Auditor Charges	-4	0	-4
2. Central Service Reforms	-3	0	-3
3. Law Library Transfer	-1,450	1,450	0
4. Law Library Evaluation	0	50	50
Policy -- Other Total	-1,457	1,500	43
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-8	0	-8
Policy -- Comp Total	-8	0	-8
<hr/>			
2011-13 Revised Appropriations	1,504	1,500	3,004
Fiscal Year 2012 Total	1,504	50	1,554
Fiscal Year 2013 Total	0	1,450	1,450

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
3. **Law Library Transfer** - For FY 2013, funding for the State Law Library is shifted from General Fund-State to the Judicial Information Systems Account. (General Fund-State, Judicial Information Systems Account)
4. **Law Library Evaluation** - Funding is provided for the judicial branch to evaluate the State Law Library and assess its operational structure to determine the most effective delivery model for providing law library services. (Judicial Information Systems Account)
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Commission on Judicial Conduct

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	2,048	0	2,048
Total Maintenance Changes	-2	0	-2
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-4	0	-4
3. Central Service Reforms	-4	0	-4
Policy -- Other Total	-14	0	-14
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2011-13 Revised Appropriations	2,028	0	2,028
Fiscal Year 2012 Total	1,053	0	1,053
Fiscal Year 2013 Total	975	0	975

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Court of Appeals

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	30,507	0	30,507
Total Maintenance Changes	65	0	65
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-1	0	-1
3. Sec of State Archive Reduction	-9	0	-9
4. Central Services Savings	2	0	2
5. Central Service Reforms	-31	0	-31
Policy -- Other Total	-45	0	-45
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-84	0	-84
Policy -- Comp Total	-84	0	-84
2011-13 Revised Appropriations	30,443	0	30,443
Fiscal Year 2012 Total	15,275	0	15,275
Fiscal Year 2013 Total	15,168	0	15,168

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Administrative Office of the Courts

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	100,793	49,596	150,389
Total Maintenance Changes	75	1,154	1,229
Policy Changes - Other			
1. Attorney General Reduction	-6	0	-6
2. Sec of State Archive Reduction	-2	0	-2
3. Central Services Savings	3	0	3
4. Superior Court Judge	173	0	173
5. Central Service Reforms	-79	0	-79
6. Truancy Funding	-1,341	0	-1,341
7. Office of Public Guardianship	-274	540	266
Policy -- Other Total	-1,526	540	-986
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-188	-52	-240
Policy -- Comp Total	-188	-52	-240
<hr/>			
2011-13 Revised Appropriations	99,154	51,238	150,392
Fiscal Year 2012 Total	50,725	24,769	75,494
Fiscal Year 2013 Total	48,429	26,469	74,898

Comments:

1. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
2. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
3. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
4. **Superior Court Judge** - Funding is provided for the second superior court judicial position in Okanogan County.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **Truancy Funding** - Funding for the Becca/Truancy program is reduced to reflect elimination of the requirement that school districts file truancy petitions for truant students who are 17 years old.
7. **Office of Public Guardianship** - Funding for FY 2013 is provided from the available balance in the Judicial Stabilization Trust Account to continue guardianship services for those low-income incapacitated persons who were receiving services on June 30, 2012. (General Fund-State, Judicial Stabilization Trust Account)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of Public Defense

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	49,993	2,490	52,483
Policy Changes - Other			
1. Auditor Charges	-5	0	-5
2. Central Service Reforms	-3	0	-3
3. Commute Trip Reduction	-1	0	-1
4. JSTA Support	-1,878	1,878	0
Policy -- Other Total	-1,887	1,878	-9
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-8	0	-8
Policy -- Comp Total	-8	0	-8
Policy Changes - Transfers			
6. Civil Commitment Legal Costs	6,065	0	6,065
Policy -- Transfer Total	6,065	0	6,065
2011-13 Revised Appropriations	54,163	4,368	58,531
Fiscal Year 2012 Total	25,025	1,245	26,270
Fiscal Year 2013 Total	29,138	3,123	32,261

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
- JSTA Support** - For FY 2013, funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with the Office of Public Defense.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
- Civil Commitment Legal Costs** - Funding and FTE authority is provided to administer the representation of indigent respondents qualified for appointed counsel in sexually violent predator (SVP) civil commitment cases. The Office of Public Defense will contract with law firms and individual attorneys to provide legal services to indigent people and will establish procedures for reimbursement of expert witnesses and other

costs. These costs were previously funded through the Special Commitment Center.

Office of Civil Legal Aid

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	22,086	1,093	23,179
Policy Changes - Other			
1. Auditor Charges	-4	0	-4
2. JSTA Support	-490	980	490
Policy -- Other Total	-494	980	486
2011-13 Revised Appropriations	21,592	2,073	23,665
Fiscal Year 2012 Total	11,037	547	11,584
Fiscal Year 2013 Total	10,555	1,526	12,081

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **JSTA Support** - For FY 2013, funding from the Judicial Stabilization Trust Account is provided for support of the Office of Civil Legal Aid. (General Fund-State, Judicial Stabilization Trust Account)

Governmental Operations

The Liquor Control Board

Implementing Initiative 1183 and Privatizing the Sale of Liquor

Expenditure authority of \$79 million and 951 FTEs are reduced from the LCB to reflect the passage of Initiative 1183, approved by voters in November 2011. State liquor store operations will close by early June 2012, including approximately 160 state-managed retail locations and the central liquor warehouse in Seattle. The LCB estimates approximately \$30 million in one-time costs to close down the state liquor business. Costs to regulate the sale of liquor will shift from excess liquor funds or “profits” to new fees for distributors and retailers established under Initiative 1183.

The Office of the Secretary of State

State Library Funding

A portion of the fiscal year 2013 funding for the State Library is shifted from the state general fund to the State Heritage Center Account for a savings of \$4 million.

The Office of the Attorney General

Sexually Violent Predator Civil Commitment Cases

State general funds are provided to the Office of the Attorney General (OAG) for legal costs associated with the evaluation (including evaluations by the Joint Forensic Unit [JFU]), filing, prosecution, response to petitions for release, and appeal of sexually violent predator civil commitment cases. The OAG may establish an interagency agreement with a county prosecutor to perform prosecution services. Legal costs for these purposes, and for JFU, were previously funded through the Department of Social and Health Services.

The 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 providing support for economic development, affordable housing and homeless programs, growth management planning, energy policy, and a variety of services for local communities. The 2012 supplemental operating budget provides COM with \$567.4 million in total funds, including \$124.6 million in state general funds, to maintain support for these activities in the 2011-13 biennium. This is a net reduction of \$5.1 million (-4 percent) in state general funds and an increase of \$53.8 million (+10 percent) in total funds from the amounts originally appropriated for the biennium. The change in total funds is primarily a result of \$56.4 million in increased federal funding across a variety of areas, including low-income weatherization, energy innovation, lead paint removal, homeless assistance, and export promotion. Other policy adjustments in the 2012 supplemental operating budget are specified below:

Community Services & Housing

A one-time savings of \$5.0 million is achieved in the Housing and Essential Needs Program created in Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082). This savings reflects anticipated under-expenditures resulting from a slower phase-in of the program than was originally anticipated in the 2011-13 operating budget. Fiscal year 2013 revenue from document recording fees used for housing and homeless services is increased by \$4.4 million in accordance with Chapter 90, Laws of 2012 (ESHB 2048). A portion of these funds will be used to offset a reduction of \$567,000 in state general funds for housing and homeless services. The 2012 supplemental operating budget provides \$1.0 million in state general funds for a two-year pilot project to enable young adults to move from temporary emergency shelter housing to transitional and permanent housing throughout King County.

State general fund reductions in other community services programs total \$518,000 and include: a 20 percent reduction in funding for the administrative activities of the Community Services and Housing Division (\$270,000); a 10 percent reduction in funding for the Community Mobilization Program (\$196,000); and a 10 percent reduction in funding for the Family Asset Building Program (\$52,000).

Energy Policy and Local Government

There is a 10 percent reduction in state general funds for the Washington State Energy Office and the Evergreen Jobs Program (\$149,000.) Local expenditure authority is increased by \$100,000 in accordance with Chapter 254, Laws of 2012 (SSB 6414), which allows the COM to charge an application fee for a proposed energy generation project that is seeking an advisory opinion on whether it must meet state-mandated energy conservation and renewable energy targets. State general funds of \$12,000 are provided to revise growth management technical assistance publications and education materials in accordance with Chapter 21, Laws of 2012 (E2SSB 5292).

Other Changes

There are a number of transfers and fund source changes that are budget neutral: funding for the Developmental Disabilities Council is transferred from the Department of Health; funding for the Local Government Fiscal Note Program is shifted to the state general fund; and funding for the Municipal Research Services Center is shifted to the Liquor Revolving Account. Expenditure authority for the Washington Manufacturing Innovation and Modernization Extension Service Program that was created in 2008 is eliminated because no manufacturer used these services.

The Military Department

Disaster Recovery

Expenditure authority of \$30.3 million is provided from the Disaster Response Account. This funding will be used to complete repairs to outstanding infrastructure projects and to begin repairing damage to state agencies and local jurisdictions incurred in the January 2012 storm.

The Office of the Insurance Commissioner

School Employee Benefits

The 2012 supplemental operating budget provides \$650,000 in state general funds for the Office of the Insurance Commissioner (OIC) to implement Chapter 3, Laws of 2012 (ESSB 5940). School districts and school district health benefit providers are required to submit specific health plan information to OIC annually. OIC may take enforcement action against those who do not fulfill these reporting requirements. Beginning on December 1, 2013, OIC must submit an annual report to the Legislature on school district health benefit plans.

Central Service and Information Technology Savings

The State Auditor

The Office of the State Auditor (Auditor) will use a risk-based methodology in selecting agencies to audit, saving \$1 million from the Audit of State Government Account. The Auditor will also utilize existing fund balances to reduce audit costs to state agencies. Across the operating and transportation budgets, agency appropriations are reduced by \$510,000 in near-state general funds and \$1.4 million in total funds.

The Attorney General

The OAG will reduce legal services billings by \$6 million to state agencies through efficiencies and other savings. Across the operating and transportation budgets, agency appropriations are reduced by \$1.7 million in near-state general funds and \$4.2 million in other funds.

Secretary of State

The Office of the Secretary of State will reduce billings for state archives and records management by \$794,000 as a result of lower than anticipated utilization of the state Archives by state agencies. Across the operating and

transportation budgets, agency appropriations are reduced by \$339,000 in near-state general funds and \$455,000 in other funds.

Central Service Savings

The Office of Minority and Women's Business Enterprises (OMWBE), Office of Administrative Hearings, and Labor Relations Office will reduce charges for services by \$524,000. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account. Across both the operating and transportation budgets, agency appropriations are reduced by \$181,000 in near-state general funds and \$343,000 in other funds.

Central Service Reforms

Funding is reduced by \$14.3 million to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. Agency appropriations are reduced by \$9.1 million in near-state general funds and \$5.2 million in other funds.

Self-Insurance Premium

The self-insurance premiums of state agencies are reduced by \$31.2 million. Agencies pay into the state's self-insurance pool based upon historical claims and projected liability. Reductions to premiums will require utilization of an excess fund balance within the Liability Account. Across the operating and transportation budgets, agency appropriations are reduced by \$18.4 million in near-state general funds and \$12.8 million in other funds.

Personnel Services Rate Reduction

Rates charged to agencies for personnel services such as recruitment, compensation, and classification are reduced by \$2.8 million. Across the operating and transportation budgets, appropriations are reduced by \$1.9 million in near-state general funds and \$900,000 in other funds.

Procurement Rate Reduction

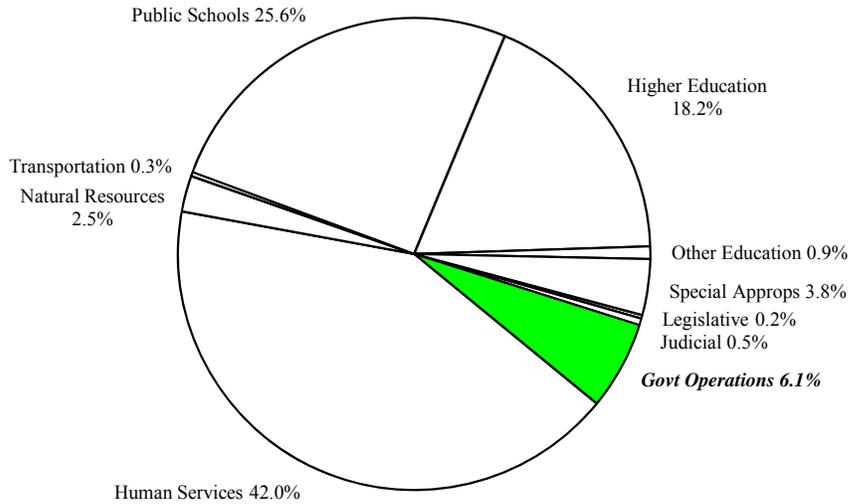
Rates charged to agencies for the procurement of goods and services are reduced by \$1.9 million. Across the operating and transportation budgets, appropriations are reduced by \$1.1 million in near-state general funds and \$800,000 in other funds.

Other Changes

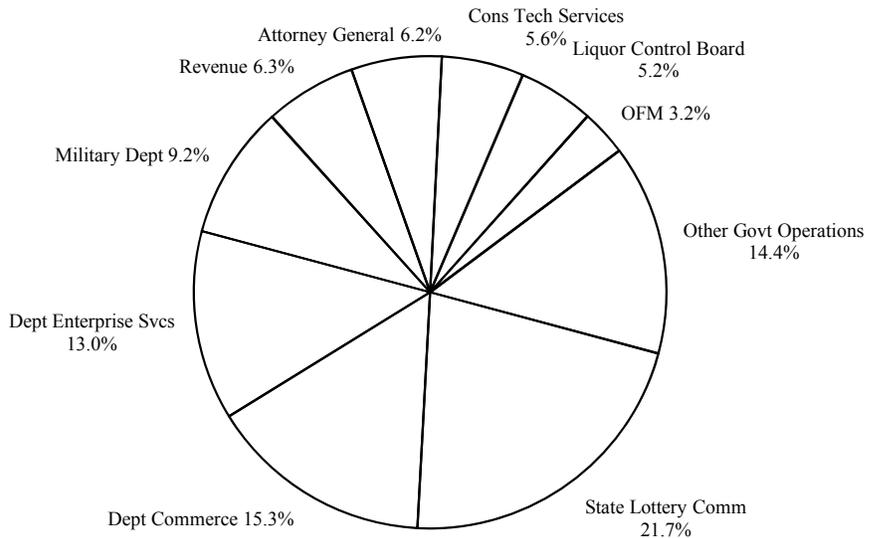
In addition to the changes discussed above, general government agency appropriations reflect reduced costs for employee health insurance. The budget-wide impact of this change is discussed in the special appropriations section.

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(Dollars in Thousands)

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Statewide Total	60,952,973



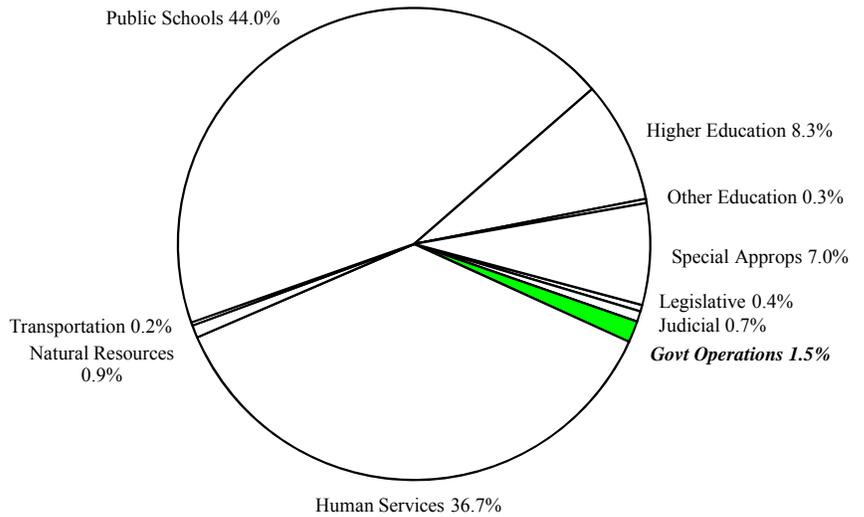
Lottery Commission	801,712
Dept Commerce	567,357
Dept Enterprise Svcs	479,676
Military Department	338,948
Revenue	231,531
Attorney General	228,713
Cons Tech Services	208,054
Liquor Control Board	192,113
OFM	116,696
Other Govt Operations	532,564
Governmental Operations	3,697,364



**2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State**

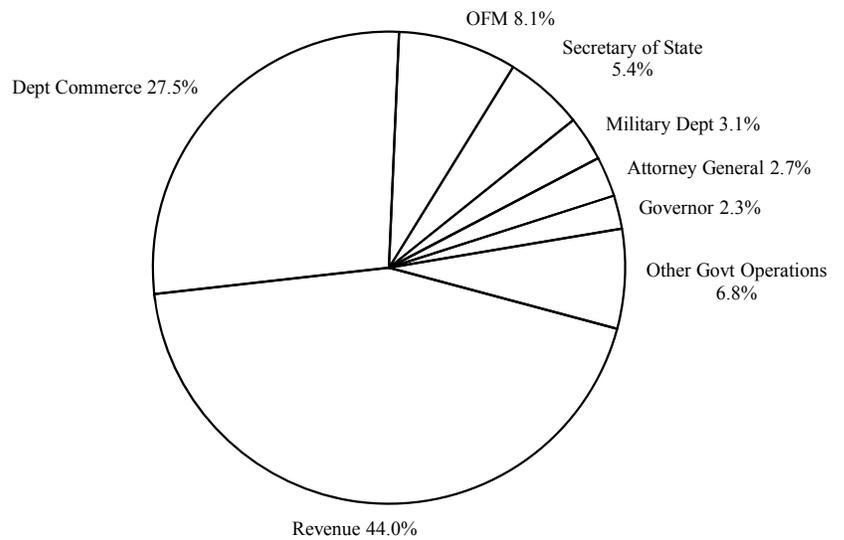
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Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

Revenue	199,898
Dept Commerce	124,638
OFM	36,930
Secretary of State	24,659
Military Department	13,988
Attorney General	12,448
Office of the Governor	10,349
Other Govt Operations	30,966
Governmental Operations	453,876



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	10,605	1,500	12,105
Total Maintenance Changes	-8	0	-8
Policy Changes - Other			
1. Executive Operations	-373	0	-373
2. Family/Children's Ombudsman	-41	0	-41
3. Education Ombudsman	-28	0	-28
4. Auditor Charges	-8	0	-8
5. Attorney General Reduction	-3	0	-3
6. Central Services Savings	1	0	1
7. Central Service Reforms	-10	0	-10
8. Governor's Transition Team	248	0	248
Policy -- Other Total	-214	0	-214
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	-34	0	-34
Policy -- Comp Total	-34	0	-34
2011-13 Revised Appropriations	10,349	1,500	11,849
Fiscal Year 2012 Total	5,102	1,500	6,602
Fiscal Year 2013 Total	5,247	0	5,247

Comments:

1. **Executive Operations** - General Fund-State savings are achieved through elimination of positions within the Office of the Governor and field offices.
2. **Family/Children's Ombudsman** - General Fund-State funding is reduced by 5 percent for the Office of the Family and Children's Ombudsman. This item reduces staffing and other functions effective April 1, 2012.
3. **Education Ombudsman** - General Fund-State funding is reduced by 5 percent for the Office of the Education Ombudsman. This item reduces funding effective April 1, 2012.
4. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
5. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
6. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
7. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
8. **Governor's Transition Team** - Funding is provided for the incoming Governor's transition team for the period of November 2012 through January 2013.
9. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of the Lieutenant Governor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	1,385	95	1,480
Total Maintenance Changes	-1	0	-1
Policy Changes - Other			
1. Auditor Charges	-8	0	-8
2. Central Service Reforms	-2	0	-2
3. Administrative Costs	-69	0	-69
Policy -- Other Total	-79	0	-79
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2011-13 Revised Appropriations	1,301	95	1,396
Fiscal Year 2012 Total	650	45	695
Fiscal Year 2013 Total	651	50	701

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
3. **Administrative Costs** - The Lieutenant Governor's Office will achieve vacancy savings and reduce funding for staff training, travel, and other goods and services. (General Fund-State)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Public Disclosure Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	4,237	0	4,237
Total Maintenance Changes	-16	0	-16
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Attorney General Reduction	-14	0	-14
3. Sec of State Archive Reduction	-1	0	-1
4. Agency Staff and Equipment	-212	0	-212
5. Central Service Reforms	-17	0	-17
Policy -- Other Total	-250	0	-250
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-14	0	-14
Policy -- Comp Total	-14	0	-14
2011-13 Revised Appropriations	3,957	0	3,957
Fiscal Year 2012 Total	2,019	0	2,019
Fiscal Year 2013 Total	1,938	0	1,938

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Agency Staff and Equipment** - The Public Disclosure Commission (PDC) will achieve savings through mandatory furloughs, voluntary reductions in staff work hours, reorganizing staff sections and responsibilities, and eliminating one position. PDC will also reduce funding for goods and services, including software and equipment. (General Fund-State)
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of the Secretary of State

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	30,845	58,019	88,864
Total Maintenance Changes	602	-28	574
Policy Changes - Early Action Savings			
1. Agency Administration & Serv	-1,566	0	-1,566
2. Limit TVW Coverage and Services	-300	0	-300
3. Delay Legacy Project Publications	-30	0	-30
4. State Library Services	-498	0	-498
5. Lower State Share of Election Costs	-203	0	-203
Policy Changes - Early Action Savings	-2,597	0	-2,597
Policy Changes - Other			
6. Lower Archive Central Service Rates	0	-794	-794
7. Charitable Organization Education	0	-90	-90
8. Local Government Archives	0	-2,000	-2,000
9. Attorney General Reduction	-24	-35	-59
10. Sec of State Archive Reduction	-3	-5	-8
11. Central Services Savings	1	1	2
12. Central Service Reforms	-61	-37	-98
13. State Library Funding Shift	-4,000	4,000	0
Policy -- Other Total	-4,087	1,040	-3,047
Policy Changes - Comp			
14. PEBB Funding Rate Reduction	-104	-90	-194
Policy -- Comp Total	-104	-90	-194
2011-13 Revised Appropriations	24,659	58,941	83,600
Fiscal Year 2012 Total	16,047	27,470	43,517
Fiscal Year 2013 Total	8,612	31,471	40,083

Comments:

1. **Agency Administration & Serv** - Funding is reduced for executive and library administration. reduced by \$203,000 on the assumption that counties will request less reimbursement than anticipated.
2. **Limit TVW Coverage and Services** - The Office of the Secretary of State will reduce pass-through funding to TVW by 7 percent. TVW will reduce coverage of public meetings outside of the Olympia area and will reduce staffing levels, including layoffs during the months when the Legislature is not in session.
3. **Delay Legacy Project Publications** - Funding for printing costs associated with the Legacy Project is reduced.
4. **State Library Services** - The State Library will reduce funds set aside for a new online library system, hold staff vacancies, and close the branch library at Washington State Penitentiary-Eastern Complex, a facility that is transitioning to a minimum security facility. Typically, libraries are not maintained in minimum security facilities.
5. **Lower State Share of Election Costs** - The Office of the Secretary of State (OSOS) is required by RCW 29A.04.420 to reimburse counties for the state's share of odd-numbered year election costs when state officers or measures are on the ballot. The budget for the OSOS includes \$4.1 million to reimburse counties for the state's share of 2011 election costs. Funding is
6. **Lower Archive Central Service Rates** - Modified archives and records management rates will reduce billing to customer agencies by 10 percent. (Public Records Efficiency, Preservation and Access Account-State)
7. **Charitable Organization Education** - Due to reduced numbers of charitable organization registrations, appropriations are reduced to available funding levels. (Charitable Organization Education Account-State)
8. **Local Government Archives** - Due to reduced numbers of documents recorded by counties, the appropriation for the local government record archives is reduced to reflect available funding levels. (Local Government Archives Account-State)
9. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
10. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)

Office of the Secretary of State

11. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
12. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
13. **State Library Funding Shift** - A portion of the FY 2013 funding for the State Library is shifted from the state general fund to the State Heritage Center Account on a one-time basis. (State Heritage Center Account-State)
14. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	526	0	526
Total Maintenance Changes	-1	0	-1
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
Policy -- Other Total	-6	0	-6
Policy Changes - Comp			
2. PEBB Funding Rate Reduction	-2	0	-2
Policy -- Comp Total	-2	0	-2
<hr/>			
2011-13 Revised Appropriations	517	0	517
Fiscal Year 2012 Total	257	0	257
Fiscal Year 2013 Total	260	0	260

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	451	0	451
Total Maintenance Changes	4	0	4
Policy Changes - Other			
1. Auditor Charges	-7	0	-7
Policy -- Other Total	-7	0	-7
Policy Changes - Comp			
2. PEBB Funding Rate Reduction	-2	0	-2
Policy -- Comp Total	-2	0	-2
<hr/>			
2011-13 Revised Appropriations	446	0	446
Fiscal Year 2012 Total	234	0	234
Fiscal Year 2013 Total	212	0	212

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of the State Treasurer

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	15,146	15,146
Total Maintenance Changes	0	-19	-19
Policy Changes - Other			
1. Excess Authority	0	-756	-756
2. Auditor Charges	0	-37	-37
3. Attorney General Reduction	0	-45	-45
4. Sec of State Archive Reduction	0	-1	-1
5. Central Services Savings	0	1	1
6. Central Service Reforms	0	-14	-14
7. Efficiency Reduction	0	-375	-375
8. Governor Veto	0	1,288	1,288
Policy -- Other Total	0	61	61
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	0	-44	-44
Policy -- Comp Total	0	-44	-44
2011-13 Revised Appropriations	0	15,144	15,144
Fiscal Year 2012 Total	0	7,722	7,722
Fiscal Year 2013 Total	0	7,422	7,422

Comments:

- Excess Authority** - The Office of the State Treasurer's appropriation authority is reduced to align with historical spending patterns and anticipated expenditures. A technical adjustment is made to keep the Treasurer's FTE allotment even in both fiscal years of the 2011-13 biennium. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). (Treasurer's Service Account-State)
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. The Governor vetoed all items in Section 124 Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (E3SHB 2127).
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127).
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127).
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127).
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127).
- Efficiency Reduction** - The State Treasurer will achieve savings through efficiency measures in FY 2013. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). (State Treasurer's Service Account-State)
- Governor Veto** - The Governor vetoed Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). The veto eliminated all reductions to the State Treasurer, including reductions in appropriation authority and global reductions for inter-agency charges.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. The Governor vetoed all items in Section 124 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127).

Office of the State Auditor

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	74,333	74,333
Total Maintenance Changes	0	-95	-95
Policy Changes - Other			
1. Streamline State Agency Audits	0	-1,040	-1,040
2. Attorney General Reduction	0	-22	-22
3. Sec of State Archive Reduction	0	-2	-2
4. Central Services Savings	0	3	3
5. Central Service Reforms	0	-74	-74
Policy -- Other Total	0	-1,135	-1,135
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	0	-216	-216
Policy -- Comp Total	0	-216	-216
<hr/>			
2011-13 Revised Appropriations	0	72,887	72,887
Fiscal Year 2012 Total	0	37,452	37,452
Fiscal Year 2013 Total	0	35,435	35,435

Comments:

- Streamline State Agency Audits** - The State Auditor's Office (SAO) performs several types of audits for the state, which are traditionally funded from three separate accounts. This reduction updates the allocation model to better reflect the audit plan for the remainder of the biennium. In addition to this realignment, funding for all state agency audits is reduced by 10 percent. Using risk-based auditing, the SAO will perform fewer audits focusing on higher-risk agencies and programs. (Auditing Services Revolving Account-State)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is

projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	353	0	353
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Hold Vacancy and Reduce Services	-18	0	-18
Policy -- Other Total	-24	0	-24
Policy Changes - Comp			
3. PEBB Funding Rate Reduction	-2	0	-2
Policy -- Comp Total	-2	0	-2
<hr/>			
2011-13 Revised Appropriations	327	0	327
Fiscal Year 2012 Total	141	0	141
Fiscal Year 2013 Total	186	0	186

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.

2. **Hold Vacancy and Reduce Services** - The Washington Citizens' Commission on the Salaries of Elected Officials (WCCSEO) delayed the hiring of an Executive Assistant in FY 2012, and will reduce funding for travel reimbursement, services from the Office of the Attorney General, printed materials, and other goods and services in FY 2013. (General Fund-State)

3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of the Attorney General

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	8,025	221,212	229,237
Total Maintenance Changes	1,460	-1,418	42
Policy Changes - Early Action Savings			
1. Shift Funds for Consumer Protection	-2,000	0	-2,000
Policy Changes - Early Action Savings	-2,000	0	-2,000
Policy Changes - Other			
2. Legal Service Billings	0	-5,976	-5,976
3. Auditor Charges	0	-6	-6
4. Attorney General Reduction	0	-1	-1
5. Sec of State Archive Reduction	0	-50	-50
6. Central Services Savings	0	14	14
7. Affordable Care Act Implementation	0	56	56
8. Anti-Trust Revolving Account	0	2,000	2,000
9. T.R. v Dreyfus DSHS Litigation	0	578	578
10. Central Service Reforms	0	-247	-247
11. Extended Foster Care	0	56	56
12. Elections Litigation	0	56	56
13. Amateurs and Mixed Martial Arts	0	11	11
14. Reflexologist Certification	0	94	94
15. Medicaid False Claims Act	-730	2,325	1,595
16. State Natural Resources	0	65	65
17. Medical Assistants	0	57	57
Policy -- Other Total	-730	-968	-1,698
Policy Changes - Comp			
18. PEBB Funding Rate Reduction	-50	-710	-760
Policy -- Comp Total	-50	-710	-760
Policy Changes - Transfers			
19. Civil Commitment Legal Costs	5,743	-2,737	3,006
20. Moore et. al. v HCA Litigation	0	886	886
Policy -- Transfer Total	5,743	-1,851	3,892
2011-13 Revised Appropriations	12,448	216,265	228,713
Fiscal Year 2012 Total	4,758	107,764	112,522
Fiscal Year 2013 Total	7,690	108,501	116,191

Comments:

- Shift Funds for Consumer Protection** - General Fund-State dollars supporting consumer protection activities are reduced by \$2 million and replaced with expenditure authority from the with Anti-Trust Revolving Account. (General Fund-State, Anti-Trust Revolving Account-Non-Appropriated)
- Legal Service Billings** - Billing authority for the Legal Services Revolving Fund is reduced. This reduction will impact the services provided to client agencies by the Office of the Attorney General (OAG).
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE

Office of the Attorney General

- Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
7. **Affordable Care Act Implementation** - Expenditure authority is provided for implementation of Chapter 87, Laws of 2012 (E2SHB 2319) from the Legal Services Revolving Fund.
 8. **Anti-Trust Revolving Account** - Expenditure authority for the Anti-Trust Revolving Account is increased to reflect the shift of funding for the Consumer Protection Program from General Fund-State to the Anti-Trust Revolving Account in Chapter 9, Laws of 2011, 2nd sp.s. (SHB 2058). (Anti-Trust Revolving Account-Non-appropriated)
 9. **T.R. v Dreyfus DSHS Litigation** - Funding is provided for the OAG to provide additional legal services to the Department of Social and Health Services associated with children's mental health litigation (*T.R. v Dreyfus*). (Legal Services Revolving Account-State)
 10. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
 11. **Extended Foster Care** - Expenditure authority from the Legal Services Revolving Fund is provided for the implementation of Chapter 52, Laws of 2012 (ESHB 2592). (Legal Services Revolving Fund)
 12. **Elections Litigation** - Increased expenditure authority is provided to the OAG in FY 2012 for costs related to higher than anticipated expenses for ongoing elections litigation. (Legal Services Revolving Fund)
 13. **Amateurs and Mixed Martial Arts** - Expenditure authority is provided for implementation of Chapter 99, Laws of 2012 (ESHB 2301). (Legal Services Revolving Fund-State)
 14. **Reflexologist Certification** - Expenditure authority is provided for implementation of reflexology certification under Chapter 137, Laws of 2012 (ESSB 6103). (Legal Services Revolving Fund)
 15. **Medicaid False Claims Act** - Funds are provided for implementation of Chapter 241, Laws of 2012, Partial Veto (ESSB 5978). The bill establishes new tools for detecting and prosecuting Medicaid fraud, and new penalties for engaging in it. Additionally, to better track the effectiveness of fraud enforcement efforts, funds recovered from fraudulent activities will be deposited into a new state account that is to be used only for payment of Medicaid services and for fraud prevention, detection, and enforcement activities. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)
 16. **State Natural Resources** - Expenditure authority is provided for implementation of Chapter 1, Laws of 2012, 1st sp.s., Partial Veto (2ESSB 6406). (Legal Services Revolving Fund)
 17. **Medical Assistants** - Expenditure authority is provided for implementation of Chapter 153, Laws of 2012 (ESSB 6237). (Legal Services Revolving Fund)
 18. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
 19. **Civil Commitment Legal Costs** - General Fund-State and FTE authority are provided for legal costs associated with the evaluation, filing, prosecution, response to petitions for release, and appeal of sexually violent predator civil commitment cases, under Chapter 71.09 RCW. The OAG may enter into an interagency agreement with a county prosecutor to perform prosecution services under Chapter 71.09 RCW. Funding and responsibility for the Joint Forensic Unit are transferred from the Department of Social and Health Services to the OAG. These services will be funded directly through the General Fund, and a reduction is made to the Legal Services Revolving Fund's billing authority. (Legal Services Revolving Account-State)
 20. **Moore et. al. v HCA Litigation** - The class action litigation against the Health Care Authority (*Moore, et al. v Health Care Authority*) requires additional legal services. (Legal Services Revolving Account-State)

Caseload Forecast Council

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	2,613	0	2,613
Total Maintenance Changes	1	0	1
Policy Changes - Other			
1. Travel and Consultation	-53	0	-53
2. Self Insurance Premium	-78	0	-78
3. Auditor Charges	-12	0	-12
4. Attorney General Reduction	-1	0	-1
5. Central Service Reforms	-3	0	-3
6. Commute Trip Reduction	-4	0	-4
Policy -- Other Total	-151	0	-151
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-6	0	-6
Policy -- Comp Total	-6	0	-6
2011-13 Revised Appropriations	2,457	0	2,457
Fiscal Year 2012 Total	1,277	0	1,277
Fiscal Year 2013 Total	1,180	0	1,180

Comments:

- Travel and Consultation** - The Caseload Forecast Council (CFC) will reduce the use of an outside consultant to assess its sentencing guidelines database. CFC will also reduce staff training and the use of services from the Office of the Attorney General. (General Fund-State)
- Self Insurance Premium** - CFC will achieve savings by lowering its self-insurance premium. The premium was transferred to CFC in 2011 when it absorbed responsibilities held by the Sentencing Guidelines Commission (SGC). The lower premium reflects CFC's lesser history of litigation and its statutory protection for errors in the sentencing guidelines database. (General Fund-State)
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Commerce

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	129,750	383,938	513,688
Total Maintenance Changes	-42	-85	-127
Policy Changes - Other			
1. BSD Manufacturing Innovation	0	-61	-61
2. Auditor Charges	-28	-62	-90
3. Attorney General Reduction	-90	-202	-292
4. Sec of State Archive Reduction	-1	-3	-4
5. Central Services Savings	-1	0	-1
6. BSD State Trade Export Program	-62	1,592	1,530
7. CSHD Homeless Assistance	-567	4,380	3,813
8. Central Service Reforms	-33	-39	-72
9. Increase Federal Authority	0	51,484	51,484
10. CSHD Program Management/Support	-270	0	-270
11. CSHD Asset Building Program	-52	0	-52
12. CSHD Community Mobilization Grants	-196	0	-196
13. IPPD State Energy Policy	-112	0	-112
14. IPPD Evergreen Jobs	-37	0	-37
15. LGID Local Government Fiscal Notes	327	-327	0
16. IPPD Advisory Opinions	0	100	100
17. HEN Underspending	-5,000	0	-5,000
18. Shelter to Housing Pilot	1,000	0	1,000
19. Irrigation and Port Districts	12	0	12
Policy -- Other Total	-5,110	56,862	51,752
Policy Changes - Comp			
20. PEBB Funding Rate Reduction	-102	-88	-190
Policy -- Comp Total	-102	-88	-190
Policy Changes - Transfers			
21. Transfer Development Disabilities C	142	2,092	2,234
Policy -- Transfer Total	142	2,092	2,234
2011-13 Revised Appropriations	124,638	442,719	567,357
Fiscal Year 2012 Total	51,799	223,760	275,559
Fiscal Year 2013 Total	72,839	218,959	291,798

Comments:

- 1. BSD Manufacturing Innovation** - The Washington Manufacturing Innovation and Modernization Extension Service Program was designed to provide small manufacturers with a voucher to pay for innovation and modernization services, such as strategic planning, Six Sigma training, and supply chain management. Funding for this program is eliminated because no manufacturer used these services. (Manufacturing Innovation and Modernization Account-State)
- 2. Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- 3. Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- 4. Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- 5. Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates a vacant administrative position at the OAH, and reduces LRO services.

Department of Commerce

6. **BSD State Trade Export Program** - Agency authority is provided to expend the State Trade and Export Promotion grant for expanding export activities and transactions among small and medium enterprises (SMEs). The funds will support an integrated strategy of new activities for working with SMEs to increase exports, including targeted outreach to socially and economically disadvantaged small businesses. There are General-Fund State savings related to existing staff who will be paid under the federal grant. (General Fund-State, General Fund-Federal)
7. **CSHD Homeless Assistance** - Homeless and transitional housing programs provided by the Community Services and Housing Division (CSHD) of the agency are funded with General Fund-State and revenues from document recording fees. Chapter 90, Laws of 2012 (ESHB 2048) increases document recording fees used for low-income housing and homeless services and is expected to increase revenues by \$4.4 million in FY 2013. General Fund-State funding for homeless programs is reduced by 36 percent, effective May 1, 2012. (General Fund-State, Home Security Fund-State)
8. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
9. **Increase Federal Authority** - Federal expenditure authority and FTEs are increased to reflect new grant awards for the 2011-13 biennium. Activities increased include low-income weatherization, energy innovation, lead paint removal, and homeless assistance. Expenditure authority for local funding for weatherization activities is adjusted to reflect current revenues. (General Fund-Federal, Low-Income Weatherization Assistance Account-State)
10. **CSHD Program Management/Support** - Funding is reduced by 20 percent for the administrative activities of the CSHD.
11. **CSHD Asset Building Program** - 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. Biennial funding for the program is reduced by approximately 10 percent.
12. **CSHD Community Mobilization Grants** - The Community Mobilization Program provides funding to support local substance abuse and violence prevention programs. Biennial funding for the program is reduced by approximately 10 percent.
13. **IPPD State Energy Policy** - Biennial state funding for policy development, operations, and administrative support for the Innovation and Policy Priorities Division (IPPD) is reduced by approximately 10 percent.
14. **IPPD Evergreen Jobs** - The Evergreen Jobs Leadership Team coordinates energy sector grants authorized for Washington through the U.S. Department of Labor and provides the oversight to grow green jobs in Washington. Biennial funding is reduced by approximately 10 percent.
15. **LGID Local Government Fiscal Notes** - Funding for the Local Government Fiscal Note Program is changed from the City and Town Research Services Account and the County Research Services Account to the General Fund-State Account. (General Fund-State, County Research Services Account-State, City and Town Research Services Account-State)
16. **IPPD Advisory Opinions** - In accordance with Chapter 254, Laws of 2012 (SSB 6414), the agency must provide an analysis and advisory opinion on whether a proposed electric generation project or conservation resource qualifies to meet a target under RCW 19.285.040. The agency is authorized to require an applicant to pay a fee to cover the cost of reviewing the project and preparing an advisory opinion. (General Fund-Local)
17. **HEN Underspending** - A one-time reduction is taken in FY 2012 funding for the Housing and Essential Needs Program created in Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082). This reduction reflects anticipated under-expenditures resulting from a slower phase in of the program than was anticipated in the 2011-13 operating budget.
18. **Shelter to Housing Pilot** - \$1 million in General Fund-State is provided for deposit into the non-appropriated Shelter to Housing Project account. The agency must expend funds from the account for a two-year pilot project to enable young adults to move from temporary emergency shelter housing to transitional and permanent housing throughout King County. The pilot project will be administered under contract with the YMCA of Greater Seattle in collaboration with the Rising Out Of The Shadows young adult shelter. Funding may be used for case management, housing subsidy, transportation, training, and evaluation. The pilot project and the account will terminate on December 31, 2014.
19. **Irrigation and Port Districts** - Funding is provided for changes to technical assistance and education materials in accordance with Growth Management Act revisions included in Chapter 21, Laws of 2012 (E2SSB 5292).
20. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
21. **Transfer Development Disabilities C** - The Developmental Disabilities Council (Council) and the Endowment Trust Fund (Fund) are transferred from the Department of Health to the Department of Commerce, effective July 1, 2012. The Council works with people with developmental disabilities and their families to promote a comprehensive system of services, and serves as an advocate and a planning body. The Fund works with families and individuals with developmental disabilities to prepare for their future financial stability. (General Fund-State, General Fund-Federal, Community and Economic Development Fee Account-State)

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,402	50	1,452
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
2. Administrative Efficiency	-44	0	-44
3. Central Service Reforms	-1	0	-1
4. Budget Outlook	90	0	90
Policy -- Other Total	39	0	39
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2011-13 Revised Appropriations	1,437	50	1,487
Fiscal Year 2012 Total	648	25	673
Fiscal Year 2013 Total	789	25	814

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Administrative Efficiency** - Funding is reduced for administrative costs for the Economic & Revenue Forecast Council (ERFC).
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
4. **Budget Outlook** - Funding is provided to implement Chapter 8, Laws of 2012 (SSB 6636). The ERFC must prepare and regularly update comparisons of current and projected spending to current and projected resources. This budget outlook must include the current and ensuing biennium.
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of Financial Management

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	37,135	79,007	116,142
Total Maintenance Changes	248	-1,420	-1,172
Policy Changes - Other			
1. Vacated Space Lease Obligations	300	889	1,189
2. Auditor Charges	-49	0	-49
3. Attorney General Reduction	-39	0	-39
4. Sec of State Archive Reduction	-3	0	-3
5. Staff Positions	-1,024	0	-1,024
6. Performance Audit Coordinator	0	173	173
7. Office of Chief Information Officer	0	591	591
8. Geographic Information Systems	0	500	500
9. Base Realignment & Closure	250	0	250
10. Central Service Reforms	-142	0	-142
11. Commute Trip Reduction	-15	0	-15
12. Education Data Center	115	0	115
13. Education Study	250	0	250
14. Office of Regulatory Assistance	23	0	23
15. Multi-Agency Permit Team	0	100	100
16. Governor Veto	-23	0	-23
Policy -- Other Total	-357	2,253	1,896
Policy Changes - Comp			
17. PEBB Funding Rate Reduction	-96	-74	-170
Policy -- Comp Total	-96	-74	-170
2011-13 Revised Appropriations	36,930	79,766	116,696
Fiscal Year 2012 Total	18,369	40,016	58,385
Fiscal Year 2013 Total	18,561	39,750	58,311

Comments:

- Vacated Space Lease Obligations** - Funding is provided for lease obligations in several buildings that the Office of Financial Management (OFM) vacated to move to the 1500 Jefferson Street Building and the General Administration Building. (General Fund-State, Personnel Services Account-State, Data Processing Revolving Account-State)
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Staff Positions** - General Fund-State is reduced for the OFM, resulting in reduced staffing and expenditures in the agency.
- Performance Audit Coordinator** - Funding is provided to establish a position to serve as the executive branch coordinator for State Auditor's Office performance audits. This position will be the single point of contact to coordinate responses from agencies affected by the performance audits and to help develop action plans for audit findings. (Performance Audit of Government Account)
- Office of Chief Information Officer** - Funding is provided for additional staff to perform information technology business analysis and total cost of ownership assessments. (Data Processing Revolving Account-State)
- Geographic Information Systems** - Funding is provided for the administration and operation of a Geographic Information System service for which customer agencies will provide reimbursement for operational costs. (Data Processing Revolving Account-Non-Appropriated)
- Base Realignment & Closure** - Funding is provided for the state to participate in the federal Base Realignment and Closure (BRAC) process.

Office of Financial Management

10. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
11. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
12. **Education Data Center** - Funding is provided for the implementation of Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483). The legislation creates and sets out the duties and mission of the Student Achievement Council, and outlines specific work to be performed by the Education Research and Data Center.
13. **Education Study** - A joint task force on education funding is established in Chapter 10, Laws of 2012, 1st. sp.s. (HB 2824). The task force will review and make recommendations to fund basic education. The task force will consist of 11 members and will be staffed by the Office of Program Research, Senate Committee Services, and the OFM.
14. **Office of Regulatory Assistance** - Funding is provided for the Office of Regulatory Assistance (ORA) to coordinate a small business liaison team to assist small businesses with permitting and regulatory issues, and also to make recommendations for improvements to inspection and compliance practices and ways to improve customer service for regulatory agencies. The ORA must work with regulatory agencies regarding practices related to technical assistance and regulatory visits, and must develop a customer service survey that regulated entities may complete after an inspection or technical assistance visit. This was vetoed by the Governor.
15. **Multi-Agency Permit Team** - An ongoing General Fund-Local appropriation is established to allow the ORA to use the Multiagency Permitting Team Account to support multiagency permitting and to make improvements to online services and tools. (General Fund-Private/Local)
16. **Governor Veto** - The Governor vetoed Section 135(5) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127), which required the Office of Regulatory Assistance (ORA) to coordinate a small business liaison team to assist small businesses with permitting and regulatory issues, and also to make recommendations for improvements to inspection and compliance practices and ways to improve customer service for regulatory agencies.
17. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

Office of Administrative Hearings

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	34,090	34,090
Total Maintenance Changes	0	-11	-11
Policy Changes - Other			
1. Administrative Reduction	0	-116	-116
2. Auditor Charges	0	-6	-6
3. Attorney General Reduction	0	-5	-5
4. Sec of State Archive Reduction	0	-1	-1
5. Central Services Savings	0	2	2
6. Central Service Reforms	0	-36	-36
7. DOT Toll Violation Adjudication	0	1,944	1,944
Policy -- Other Total	0	1,782	1,782
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	0	-98	-98
Policy -- Comp Total	0	-98	-98
<hr/>			
2011-13 Revised Appropriations	0	35,763	35,763
Fiscal Year 2012 Total	0	17,837	17,837
Fiscal Year 2013 Total	0	17,926	17,926

Comments:

1. **Administrative Reduction** - One administrative position is eliminated. The Office of Administrative Hearings (OAH) will continue to use the Department of Enterprise Services' Small Agency Client Services for agency accounting. Savings will be passed on to client agencies as a central service rate reduction. (Administrative Hearings Revolving Account-State)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
5. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **DOT Toll Violation Adjudication** - OAH is given expenditure authority to cover the cost of adjudicating toll violation hearings. OAH entered into an agreement with the Washington State Department of Transportation (WSDOT), effective September 1, 2011, under which WSDOT is billed for adjudications heard by OAH. WSDOT is implementing a new toll collection and enforcement program that allows individuals the opportunity to dispute liability for toll violations through an administrative process. (Administrative Hearings Revolving Account-State)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

State Lottery Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	802,742	802,742
Total Maintenance Changes	0	-36	-36
Policy Changes - Other			
1. Auditor Charges	0	-71	-71
2. Attorney General Reduction	0	-5	-5
3. Sec of State Archive Reduction	0	-1	-1
4. Central Services Savings	0	-1	-1
5. Central Service Reforms	0	-30	-30
6. Administrative Efficiency	0	-800	-800
Policy -- Other Total	0	-908	-908
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-86	-86
Policy -- Comp Total	0	-86	-86
<hr/>			
2011-13 Revised Appropriations	0	801,712	801,712
Fiscal Year 2012 Total	0	400,895	400,895
Fiscal Year 2013 Total	0	400,817	400,817

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Lottery Administrative State)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Lottery Administrative State)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Lottery Administrative State)
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Lottery Administrative State)
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Lottery Administrative State)
6. **Administrative Efficiency** - Funding is reduced for administrative expenses for the operation of the State Lottery Commission. (Lottery Administrative State)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	496	0	496
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
Policy -- Other Total	-6	0	-6
Policy Changes - Comp			
2. PEBB Funding Rate Reduction	-2	0	-2
Policy -- Comp Total	-2	0	-2
<hr/>			
2011-13 Revised Appropriations	488	0	488
Fiscal Year 2012 Total	244	0	244
Fiscal Year 2013 Total	244	0	244

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.

2. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	477	0	477
Policy Changes - Other			
1. Auditor Charges	-6	0	-6
Policy -- Other Total	-6	0	-6
Policy Changes - Comp			
2. PEBB Funding Rate Reduction	-2	0	-2
Policy -- Comp Total	-2	0	-2
<hr/>			
2011-13 Revised Appropriations	469	0	469
Fiscal Year 2012 Total	237	0	237
Fiscal Year 2013 Total	232	0	232

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Retirement Systems

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	52,666	52,666
Total Maintenance Changes	0	-70	-70
Policy Changes - Other			
1. Auditor Charges	0	-173	-173
2. Attorney General Reduction	0	-165	-165
3. Sec of State Archive Reduction	0	-9	-9
4. Central Services Savings	0	3	3
5. Central Service Reforms	0	-48	-48
6. WSPRS Service Credit Transfer	0	32	32
Policy -- Other Total	0	-360	-360
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-158	-158
Policy -- Comp Total	0	-158	-158
2011-13 Revised Appropriations	0	52,078	52,078
Fiscal Year 2012 Total	0	26,411	26,411
Fiscal Year 2013 Total	0	25,667	25,667

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **WSPRS Service Credit Transfer** - Funding is provided for administrative expenses, including information technology changes and staff training, to implement Chapter 72, Laws of 2012 (SB 5159). (Department of Retirement Systems Expense Account-State)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Revenue

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	208,612	31,813	240,425
Total Maintenance Changes	217	-19	198
Policy Changes - Early Action Savings			
1. Non-Revenue Personnel Costs	-7,301	0	-7,301
Policy Changes - Early Action Savings	-7,301	0	-7,301
Policy Changes - Other			
2. Auditor Charges	-106	-14	-120
3. Attorney General Reduction	-255	-34	-289
4. Sec of State Archive Reduction	-6	0	-6
5. Central Services Savings	-6	0	-6
6. Central Service Reforms	-605	-31	-636
Policy -- Other Total	-978	-79	-1,057
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-652	-82	-734
Policy -- Comp Total	-652	-82	-734
<hr/>			
2011-13 Revised Appropriations	199,898	31,633	231,531
Fiscal Year 2012 Total	100,691	15,969	116,660
Fiscal Year 2013 Total	99,207	15,664	114,871

Comments:

1. **Non-Revenue Personnel Costs** - Funding is reduced 3.5 percent without impacting revenue collections by holding vacancies in non-revenue generating positions, reducing telephone assistance and customer service, and providing less support for agency administration, tax policy, fiscal analysis, and rulemaking.
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Various Funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Various Funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
5. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Board of Tax Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	2,460	0	2,460
Total Maintenance Changes	-1	0	-1
Policy Changes - Other			
1. Auditor Charges	-7	0	-7
2. Attorney General Reduction	-1	0	-1
3. Sec of State Archive Reduction	-1	0	-1
4. Central Service Reforms	-3	0	-3
5. Personnel Expenses	-100	0	-100
Policy -- Other Total	-112	0	-112
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-8	0	-8
Policy -- Comp Total	-8	0	-8
<hr/>			
2011-13 Revised Appropriations	2,339	0	2,339
Fiscal Year 2012 Total	1,189	0	1,189
Fiscal Year 2013 Total	1,150	0	1,150

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
5. **Personnel Expenses** - The Board of Tax Appeals will achieve savings on personnel expenses through a staff furlough day and a temporary reduction in hearings officers' work hours. (General Fund-State)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	3,266	3,266
Total Maintenance Changes	0	-6	-6
Policy Changes - Other			
1. Moving Costs	0	40	40
2. Auditor Charges	0	-5	-5
3. Attorney General Reduction	0	-3	-3
4. Central Service Reforms	0	-4	-4
5. Correct Spending Authority	0	376	376
Policy -- Other Total	0	404	404
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	0	-10	-10
Policy -- Comp Total	0	-10	-10
2011-13 Revised Appropriations	0	3,654	3,654
Fiscal Year 2012 Total	0	1,856	1,856
Fiscal Year 2013 Total	0	1,798	1,798

Comments:

1. **Moving Costs** - Expenditure authority is provided for one-time costs associated with relocating the Office of Minority & Women's Business Enterprises (OMWBE) to the General Administration Building. (OMWBE Enterprises Account-State)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
5. **Correct Spending Authority** - Expenditure authority is restored to permit OMWBE to hire 3.0 FTEs within its current allotment of 17.0 FTEs. These staff members will assist OMWBE in reducing a backlog of federal Disadvantaged Business Enterprise (DBE) certifications. Certified DBE businesses are required for the Washington State Department of Transportation to meet federal project goals. (OMWBE Enterprises Account-State)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Office of the Insurance Commissioner

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	51,961	51,961
Total Maintenance Changes	0	-71	-71
Policy Changes - Other			
1. Auditor Charges	0	2	2
2. Attorney General Reduction	0	-22	-22
3. Sec of State Archive Reduction	0	-5	-5
4. Central Services Savings	0	-2	-2
5. Affordable Care Act Implementation	0	758	758
6. Central Service Reforms	0	-46	-46
7. Public School Employee Benefits	650	0	650
Policy -- Other Total	650	685	1,335
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	0	-138	-138
Policy -- Comp Total	0	-138	-138
<hr/>			
2011-13 Revised Appropriations	650	52,437	53,087
Fiscal Year 2012 Total	0	25,778	25,778
Fiscal Year 2013 Total	650	26,659	27,309

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
5. **Affordable Care Act Implementation** - Appropriation authority is provided for the Office of the Insurance Commissioner (OIC) to implement Chapter 87, Laws of 2012, Partial Veto (E2SHB 2319). OIC will monitor, analyze, and make determinations regarding health care marketplace activity and health plan options available to consumers. The OIC will also adopt rules to select the state's benchmark health plan, ensure substantial equivalence of prescription drug benefits, establish the reinsurance program, and establish the federal risk adjustment program. (Insurance Commissioners Regulatory Account)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **Public School Employee Benefits** - Funding is provided for the OIC to adopt rules and carry out oversight and reporting responsibilities pursuant to Chapter 3, Laws of 2012 (ESSB 5940), on public school employees' insurance benefits. (General Fund-State)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

State Investment Board

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	29,256	29,256
Total Maintenance Changes	0	-12	-12
Policy Changes - Other			
1. Auditor Charges	0	-51	-51
2. Attorney General Reduction	0	-51	-51
3. Sec of State Archive Reduction	0	-1	-1
4. Central Services Savings	0	1	1
5. Central Service Reforms	0	-17	-17
Policy -- Other Total	0	-119	-119
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	0	-50	-50
Policy -- Comp Total	0	-50	-50
<hr/>			
2011-13 Revised Appropriations	0	29,075	29,075
Fiscal Year 2012 Total	0	14,409	14,409
Fiscal Year 2013 Total	0	14,666	14,666

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	296,326	296,326
Total Maintenance Changes	0	-104,004	-104,004
Policy Changes - Other			
1. Auditor Charges	0	-53	-53
2. Attorney General Reduction	0	-62	-62
3. Sec of State Archive Reduction	0	-10	-10
4. Central Services Savings	0	-6	-6
5. Central Service Reforms	0	-250	-250
6. Alcohol Awareness	0	25	25
7. Tobacco Enforcement	0	825	825
Policy -- Other Total	0	469	469
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	0	-678	-678
Policy -- Comp Total	0	-678	-678
<hr/>			
2011-13 Revised Appropriations	0	192,113	192,113
Fiscal Year 2012 Total	0	109,365	109,365
Fiscal Year 2013 Total	0	82,748	82,748

Comments:

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|--|---|
| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Liquor Revolving State)</p> <p>2. Attorney General Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Liquor Revolving State)</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Liquor Revolving State)</p> <p>4. Central Services Savings - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Liquor Revolving State)</p> <p>5. Central Service Reforms - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Liquor Revolving State)</p> | <p>6. Alcohol Awareness - Funding is provided for alcohol awareness and education activities. (General Fund-Private Local)</p> <p>7. Tobacco Enforcement - Funding is provided for tobacco enforcement activities including inspection of tobacco retailers for compliance with tobacco laws. (General Fund-Federal)</p> <p>8. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.</p> |
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Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	48,716	48,716
Total Maintenance Changes	0	-40	-40
Policy Changes - Other			
1. Auditor Charges	0	-14	-14
2. Attorney General Reduction	0	-162	-162
3. Sec of State Archive Reduction	0	-4	-4
4. Central Services Savings	0	-1	-1
5. Public Records Management System	0	125	125
6. Building Security Improvements	0	30	30
7. Central Service Reforms	0	-31	-31
8. Biomass Energy Facilities	0	46	46
Policy -- Other Total	0	-11	-11
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	0	-98	-98
Policy -- Comp Total	0	-98	-98
<hr/>			
2011-13 Revised Appropriations	0	48,567	48,567
Fiscal Year 2012 Total	0	24,209	24,209
Fiscal Year 2013 Total	0	24,358	24,358

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
5. **Public Records Management System** - Expenditure authority is provided for the Utilities and Transportation Commission (UTC) to update its public records management system. A system redesign funded in the 2009-11 biennium did not meet its original launch date. Continued expenditure authority will enable the UTC to carry out remaining contracts and complete the project. (Public Service Revolving Account-State)
6. **Building Security Improvements** - One-time expenditure authority is provided for security upgrades to the UTC office building in Olympia. Additional walls and doors will be added to restrict public access within the building. (Public Service Revolving Account-State)
7. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
8. **Biomass Energy Facilities** - Appropriation authority is provided solely for UTC to engage in rulemaking pursuant to Chapter 22, Laws of 2012 (ESB 5575). UTC will update definitions related to biomass energy and renewable energy targets (Public Service Revolving Account-State)
9. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Military Department

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	16,011	292,716	308,727
Total Maintenance Changes	-210	0	-210
Policy Changes - Early Action Savings			
1. Administrative Support	-361	0	-361
2. Facilities and Maintenance	-546	0	-546
3. State Support to EMD	-694	0	-694
Policy Changes - Early Action Savings	-1,601	0	-1,601
Policy Changes - Other			
4. Auditor Charges	-17	0	-17
5. Attorney General Reduction	-46	0	-46
6. Sec of State Archive Reduction	-2	0	-2
7. Central Services Savings	-3	0	-3
8. Central Service Reforms	-74	0	-74
9. Commute Trip Reduction	-6	0	-6
10. Disaster Recovery	0	30,298	30,298
11. Next Generation 911 Equipment	0	2,070	2,070
Policy -- Other Total	-148	32,368	32,220
Policy Changes - Comp			
12. PEBB Funding Rate Reduction	-64	-124	-188
Policy -- Comp Total	-64	-124	-188
<hr/>			
2011-13 Revised Appropriations	13,988	324,960	338,948
Fiscal Year 2012 Total	7,116	167,218	174,334
Fiscal Year 2013 Total	6,872	157,742	164,614

Comments:

1. **Administrative Support** - The Information Technology Division will reduce goods and services and eliminate standby pay. The Finance Division will eliminate one Fiscal Technician 2 and one Supply Specialist. The Air National Guard (ANG) will eliminate one Administrative position. (General Fund-State)
2. **Facilities and Maintenance** - The Army National Guard (ARNG) will reduce its budget for goods and services, custodial services, equipment purchases, and planning services. ANG will achieve savings through the closure of operations at Boeing Field and Paine Field. ANG will temporarily eliminate one Maintenance Mechanic 2. (General Fund-State)
3. **State Support to EMD** - The Department will shift Emergency Management Division (EMD) salary costs to Federal Mitigation grants for the biennium, and to Federal Emergency Management Program grants for FY 2012 only. EMD will eliminate standby pay and one Chemical Stockpile Emergency Preparedness Coordinator position, and will reduce its budget for goods, services, and travel. (General Fund-State)
4. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
5. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
6. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
7. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
8. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)

Military Department

9. **Commuter Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commuter Trip Reduction program.
10. **Disaster Recovery** - Expenditure authority is provided for the disaster recovery projects of state agencies and local jurisdictions, including repairs for damage incurred in the January 2012 storm. The Military Department will expend Federal Emergency Management Assistance (FEMA) grants and fulfill FEMA match requirements for these grants. (Disaster Response Account-State, Disaster Response Account-Federal).
11. **Next Generation 911 Equipment** - The Federal Communications Commission has encouraged local governments to accelerate Next Generation 911 (NG911) system adoption. The NG911 system will update 911 system architecture so that calls may be accepted from a wider variety of media. Expenditure authority is provided for the agency to reimburse local governments for the purchase of NG911 equipment. (Enhanced E911 Account-State)
12. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Public Employment Relations Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	4,749	3,560	8,309
Total Maintenance Changes	-10	-1	-11
Policy Changes - Other			
1. Auditor Charges	-6	-4	-10
2. Attorney General Reduction	-5	-3	-8
3. Personnel Expenses	-237	0	-237
4. Training and Education	-238	0	-238
5. Central Service Reforms	-7	-3	-10
6. Postdoctoral Employees	0	25	25
Policy -- Other Total	-493	15	-478
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-12	-8	-20
Policy -- Comp Total	-12	-8	-20
2011-13 Revised Appropriations	4,234	3,566	7,800
Fiscal Year 2012 Total	2,104	1,779	3,883
Fiscal Year 2013 Total	2,130	1,787	3,917

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Personnel Expenses** - Funding is adjusted to reflect savings achieved by holding two entry-level positions vacant in FY 2013 and by filling two positions at a lower classification after the retirement of senior labor relations adjudicator/mediators.
- Training and Education** - Funding is reduced to reflect lower expenditures on training, education, and out-of-state travel. Additionally, funds for the recruitment of a new executive director are eliminated and a half-time labor relations adjudicator position will not be filled in FY 2013.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Postdoctoral Employees** - Funding is provided for the costs associated with collective bargaining for postdoctoral and clinical researchers at the University of Washington and the Washington State University, pursuant to Chapter 255, Laws of 2012 (ESSB 6486).
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

State Board of Accountancy

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	2,810	2,810
Total Maintenance Changes	0	-15	-15
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Attorney General Reduction	0	-137	-137
3. Sec of State Archive Reduction	0	-1	-1
4. Central Service Reforms	0	-3	-3
Policy -- Other Total	0	-147	-147
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	0	-6	-6
Policy -- Comp Total	0	-6	-6
<hr/>			
2011-13 Revised Appropriations	0	2,642	2,642
Fiscal Year 2012 Total	0	1,897	1,897
Fiscal Year 2013 Total	0	745	745

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Forensic Investigations Council

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	286	286
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Identifying Human Remains	0	210	210
Policy -- Other Total	0	204	204
<hr/>			
2011-13 Revised Appropriations	0	490	490
Fiscal Year 2012 Total	0	141	141
Fiscal Year 2013 Total	0	349	349

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)

2. **Identifying Human Remains** - One-time funding is provided for the Forensic Investigation Council to assist local jurisdictions in identifying human remains. (Death Investigations Account-State)

Washington Horse Racing Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	8,201	8,201
Total Maintenance Changes	0	-1,418	-1,418
Policy Changes - Other			
1. Auditor Charges	0	-20	-20
2. Attorney General Reduction	0	-4	-4
3. Central Service Reforms	0	-3	-3
Policy -- Other Total	0	-27	-27
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-12	-12
Policy -- Comp Total	0	-12	-12
<hr/>			
2011-13 Revised Appropriations	0	6,744	6,744
Fiscal Year 2012 Total	0	3,426	3,426
Fiscal Year 2013 Total	0	3,318	3,318

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Enterprise Services

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	8,099	469,118	477,217
Total Maintenance Changes	7	3,949	3,956
Policy Changes - Early Action Savings			
1. DES Contracts Unit	-1,100	1,100	0
Policy Changes - Early Action Savings	-1,100	1,100	0
Policy Changes - Other			
2. Legislative Facility Support	-185	0	-185
3. Auditor Charges	-4	-236	-240
4. Attorney General Reduction	-2	-120	-122
5. Sec of State Archive Reduction	0	-7	-7
6. Central Services Savings	0	-4	-4
7. Central Service Reforms	-6	-224	-230
8. Capital Projects Board	-75	0	-75
Policy -- Other Total	-272	-591	-863
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	-24	-610	-634
Policy -- Comp Total	-24	-610	-634
2011-13 Revised Appropriations	6,710	472,966	479,676
Fiscal Year 2012 Total	3,401	235,908	239,309
Fiscal Year 2013 Total	3,309	237,058	240,367

Comments:

- 1. **DES Contracts Unit** - Direct state general fund support for the personal services contracts unit is eliminated. The contracts unit will now be an enterprise service, and will be funded through central service charges to other state agencies. This results in a general fund savings of approximately 50 percent of the cost of the contracts unit.
- 2. **Legislative Facility Support** - Funding is reduced for operations and maintenance services provided to legislative agencies located on the Capitol Campus.
- 3. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Various Funds)
- 4. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Various Funds)
- 5. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Various Funds)
- 6. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Various Funds)
- 7. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- 8. **Capital Projects Board** - Funding is reduced for the Capital Projects Advisory Review Board.
- 9. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

Board for Volunteer Firefighters

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	1,064	1,064
Total Maintenance Changes	0	-1	-1
Policy Changes - Other			
1. Auditor Charges	0	-10	-10
2. Attorney General Reduction	0	-11	-11
3. Central Service Reforms	0	-1	-1
Policy -- Other Total	0	-22	-22
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-2	-2
Policy -- Comp Total	0	-2	-2
<hr/>			
2011-13 Revised Appropriations	0	1,039	1,039
Fiscal Year 2012 Total	0	521	521
Fiscal Year 2013 Total	0	518	518

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Innovate Washington

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	6,010	2,152	8,162
Total Maintenance Changes	-18	1,666	1,648
Policy Changes - Other			
1. Auditor Charges	-4	-2	-6
2. Attorney General Reduction	-1	-1	-2
3. Central Service Reforms	-2	-1	-3
4. Administrative Reduction	-408	0	-408
5. Aerospace Technology	65	0	65
Policy -- Other Total	-350	-4	-354
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-8	0	-8
Policy -- Comp Total	-8	0	-8
<hr/>			
2011-13 Revised Appropriations	5,634	3,814	9,448
Fiscal Year 2012 Total	2,879	1,603	4,482
Fiscal Year 2013 Total	2,755	2,211	4,966

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
4. **Administrative Reduction** - A 7 percent administrative reduction is taken.
5. **Aerospace Technology** - Funding is provided to coordinate activities with the Joint Center for Aerospace Technology Innovation in accordance with Chapter 242, Laws of 2012 (SSB 5982).
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	4,639	4,639
Total Maintenance Changes	0	-3	-3
Policy Changes - Other			
1. Auditor Charges	0	-8	-8
2. Attorney General Reduction	0	-7	-7
3. Central Service Reforms	0	-4	-4
Policy -- Other Total	0	-19	-19
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-12	-12
Policy -- Comp Total	0	-12	-12
<hr/>			
2011-13 Revised Appropriations	0	4,605	4,605
Fiscal Year 2012 Total	0	1,936	1,936
Fiscal Year 2013 Total	0	2,669	2,669

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

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

Department of Financial Institutions

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	46,445	46,445
Total Maintenance Changes	0	-82	-82
Policy Changes - Other			
1. Auditor Charges	0	-15	-15
2. Attorney General Reduction	0	-52	-52
3. Sec of State Archive Reduction	0	-6	-6
4. Central Services Savings	0	2	2
5. Consumer Protection and Regulation	0	45	45
6. Central Service Reforms	0	-37	-37
Policy -- Other Total	0	-63	-63
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-110	-110
Policy -- Comp Total	0	-110	-110
<hr/>			
2011-13 Revised Appropriations	0	46,190	46,190
Fiscal Year 2012 Total	0	22,948	22,948
Fiscal Year 2013 Total	0	23,242	23,242

Comments:

- | | |
|---|--|
| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)</p> <p>2. Attorney General Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)</p> <p>4. Central Services Savings - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)</p> <p>5. Consumer Protection and Regulation - The Department of Financial Institutions (DFI) will modify its licensing software program in order to participate in the National Multistate Licensing System for certain license types. (Financial Services Regulation Account-Non-Appropriated)</p> <p>6. Central Service Reforms - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)</p> | <p>7. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.</p> |
|---|--|

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	32,184	32,184
Total Maintenance Changes	0	-38	-38
Policy Changes - Other			
1. Auditor Charges	0	-21	-21
2. Attorney General Reduction	0	-19	-19
3. Sec of State Archive Reduction	0	-2	-2
4. Central Services Savings	0	2	2
5. Central Service Reforms	0	-33	-33
Policy -- Other Total	0	-73	-73
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	0	-98	-98
Policy -- Comp Total	0	-98	-98
<hr/>			
2011-13 Revised Appropriations	0	31,975	31,975
Fiscal Year 2012 Total	0	16,014	16,014
Fiscal Year 2013 Total	0	15,961	15,961

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Consolidated Technology Services

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	7	184,041	184,048
Total Maintenance Changes	-7	11,688	11,681
Policy Changes - Other			
1. Office Building Debt Service	0	12,595	12,595
2. Auditor Charges	0	-15	-15
3. Attorney General Reduction	0	-14	-14
4. Sec of State Archive Reduction	0	-2	-2
5. Central Services Savings	0	-10	-10
6. Central Service Reforms	0	-59	-59
Policy -- Other Total	0	12,495	12,495
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-170	-170
Policy -- Comp Total	0	-170	-170
<hr/>			
2011-13 Revised Appropriations	0	208,054	208,054
Fiscal Year 2012 Total	0	108,282	108,282
Fiscal Year 2013 Total	0	99,772	99,772

Comments:

1. **Office Building Debt Service** - Expenditure authority is provided for the Consolidated Technology Services (CTS) agency to pay the debt service on the new 1500 Jefferson Building. CTS and other building tenants received expenditure authority to pay their portion of the debt service. This funding authority allows CTS to pay debt service for the entire building on behalf of the other tenants. (Data Processing Revolving Account-Non-Appropriated)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Various Funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Various Funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Various Funds)
5. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Various Funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	2,055	2,055
Total Maintenance Changes	0	-2	-2
Policy Changes - Other			
1. Auditor Charges	0	-4	-4
2. Central Service Reforms	0	-1	-1
Policy -- Other Total	0	-5	-5
Policy Changes - Comp			
3. PEBB Funding Rate Reduction	0	-4	-4
Policy -- Comp Total	0	-4	-4
<hr/>			
2011-13 Revised Appropriations	0	2,044	2,044
Fiscal Year 2012 Total	0	1,027	1,027
Fiscal Year 2013 Total	0	1,017	1,017

Comments:

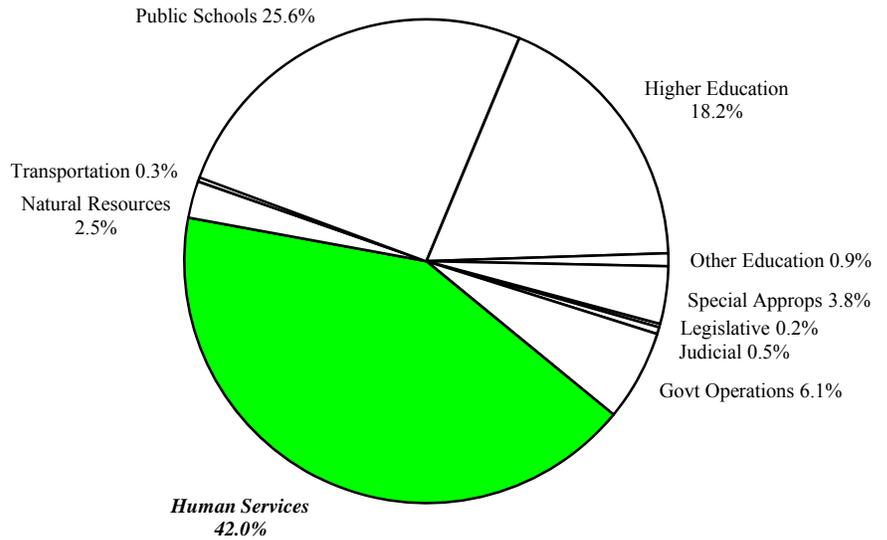
1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Human Services

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

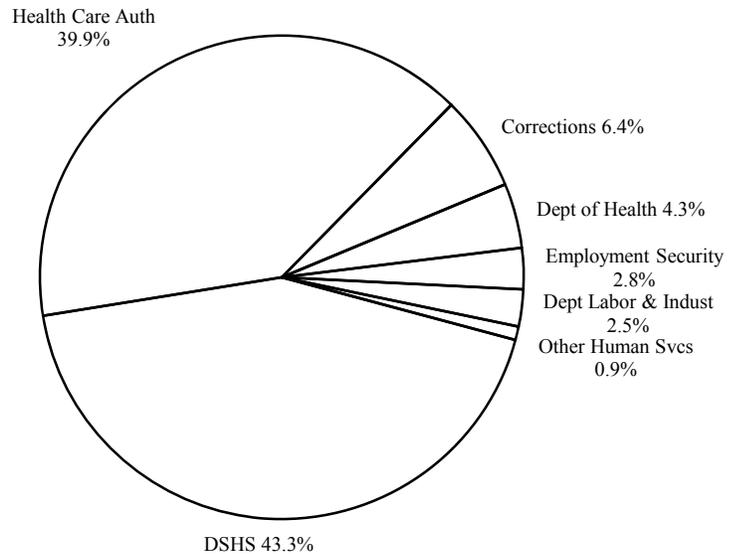
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

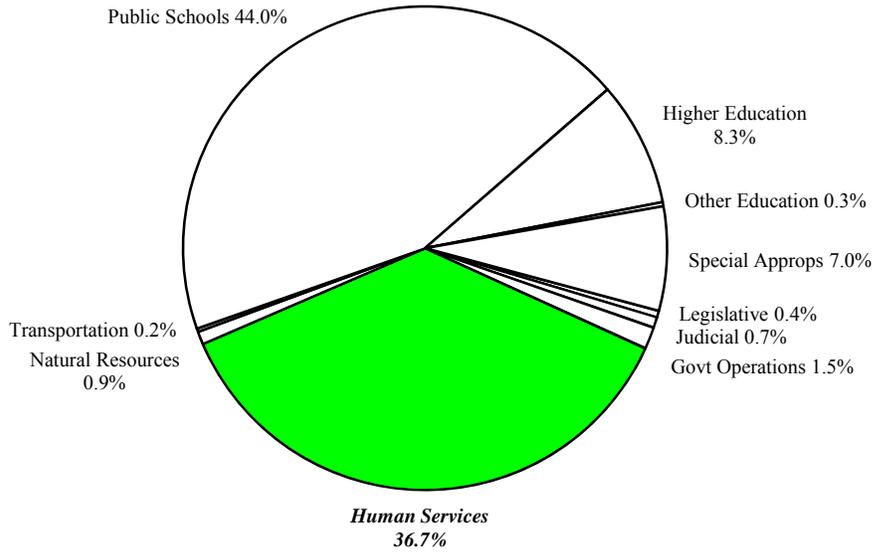
DSHS	11,071,210
Health Care Authority	10,207,240
Dept of Corrections	1,625,935
Dept of Health	1,104,918
Employment Security	705,126
Dept of Labor & Indust	632,608
Other Human Svcs	229,750
Human Services	25,576,787



Human Services

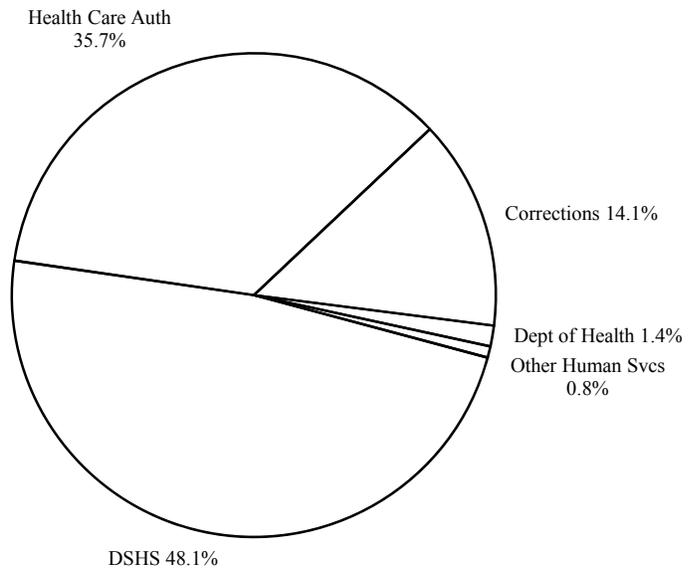
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

DSHS	5,481,543
Health Care Authority	4,065,446
Dept of Corrections	1,602,344
Dept of Health	157,518
Other Human Svcs	87,624
Human Services	11,394,475



Human Services

Department of Social & Health Services

Children and Family Services

Children's Administration (CA) administers Child Protective Services (CPS), which responds to reports of child abuse or neglect. CA also administers the foster care system for children placed in out-of-home placements with caregivers and the adoption support program for special needs children who have been adopted. Additionally, CA contracts for a variety of prevention services, early intervention services, and services for children and families involved in the child welfare system.

A total of \$1.07 billion (\$572 million General Fund-State) is appropriated for CA to administer its programs and for service delivery during the 2011-13 biennium. This amount is 3.4 percent less than the amount originally appropriated for the 2011-13 biennium.

Savings of \$14.4 million in state general funds are achieved as a result of receiving \$10 million in federal Title XIX funds for targeted case management and \$4.4 million from a one-time federal adoption incentive grant, offsetting a portion of state fund expenditures. These savings are reflected in Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058).

Savings of \$11.9 million in total funds (\$6.7 million General Fund-State) are achieved through aligning the funding for the Behavioral Rehabilitative Services (BRS) Program to the expenditure levels in fiscal year 2011. BRS are provided to children in foster care who need intensive services. CA will continue efforts to decrease the length of stay in BRS and place children in less restrictive settings.

The 2012 supplemental operating budget reduces \$3.9 million in total funds (\$3.2 million General Fund-State) to reflect a variety of changes, including increased efforts to prevent overpayments and utilization of Supplemental Security Income (SSI) for allowable services. The reduction also aligns Receiving Care maintenance funding across fiscal years, eliminates funding for a Family Preservation training contract, and captures under-expenditures related to contracted services for sexually aggressive youth. Additionally, funding is reduced for the following services: child care, evaluations and treatment, and adoption support recruitment.

A total of \$1.2 million (\$616,000 General Fund-State) is provided to implement Chapter 259, Laws of 2012 (ESSB 6555), which authorizes CA to establish the Family Assessment Response (FAR). Under FAR, CA's response to certain allegations of abuse or neglect does not include a determination as to whether child abuse or neglect occurred; instead, there is an assessment to determine the need for services to address the safety of the child.

A total of \$1.598 million (\$799,000 General Fund-State) is provided to implement Chapter 205, Laws of 2012 (E2SHB 2264), which requires CA to enter into performance-based contracts for the provision of family support and related services by December 1, 2013.

Mental Health

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through the Department of Social and Health Services (DSHS). These services include operation of two adult state hospitals that deliver psychiatric treatment to clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with 13 Regional Support Networks (RSNs) as local administrative entities to coordinate crisis response, community support, residential, and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each RSN are provided through a

capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of \$1.6 billion (\$880.8 million in General Fund-State) is provided for operation of the public mental health system during the 2011-13 biennium. This is a reduction of \$11.5 million (0.7 percent) from the amount originally appropriated for the biennium. Most of this change is due to technical adjustments to the number of people expected to qualify for Medicaid-funded services, the projected cost of state employee medical benefits, and expenditures for community inpatient psychiatric care.

Chapter 9, Laws of 2011 2nd sp.s., Partial Veto (SHB 2058), the early action budget adopted by the Legislature in December 2011, included the following policy adjustments:

- Savings of \$3.2 million in General Fund-State are achieved by adjusting funding for Involuntary Treatment Act ancillary services and the Offender Re-Entry Community Services Program to align with historical expenditures.
- A \$22.6 million increase in General Fund-State is avoided through implementation of Chapter 6, Laws of 2011 2nd sp.s., (SHB 2131), which delays broadening of the information considered by designated mental health professionals and courts in making determinations of whether to detain or commit individuals with mental disorders under the Involuntary Treatment Act.

The 2012 supplemental operating budget includes only two discretionary policy adjustments specific to the mental health program:

- Effective July 2012, the state's Medicaid waiver will no longer provide coverage for consumer-directed clubhouses, supported employment, and respite care, for savings of \$2.6 million (\$1.2 million General Fund-State). This change is in response to a new federal policy that the state Medicaid program must make such services available in all areas of the state if they are to be funded anywhere.
- \$0.6 million (\$0.3 million General Fund-State) is provided for implementation of Chapter 232, Laws of 2012 (E2SHB 2536). The funds will be used to assess the extent to which research-based prevention and treatment programs are presently utilized in state-funded children's mental health, juvenile justice, and child welfare programs.

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

The Aging and Disability Services Administration administers the Long-Term Care (LTC) program and the Division of Developmental Disabilities (DDD)—these are the two largest programs in DSHS. LTC and DDD provide residential, community, and in-home services, are primarily funded by the state and federal matching funds (i. e., Medicaid), and often utilize the same set of vendors. Both programs operate an institutional-based Medicaid "entitlement" program. The entitlement program in LTC is the nursing home or skilled nursing facility program and the entitlement program in DDD is the state operated Residential Habilitation Centers. These two programs combined account for approximately \$5.3 billion total (\$2.6 billion General Fund-State) in budgeted expenditures for the 2011-13 biennium.

The following changes to the original enacted 2011-13 budget were made in the 2012 supplemental budget.

A total of \$24 million (\$13.6 million in General Fund-State) is provided for the implementation of Initiative 1163, which was approved by voters in 2011. Beginning January 7, 2012, the Initiative required increases in mandatory training, additional background checks, and certification for long-term care workers caring for the elderly and adults and children with developmental disabilities. The training partnership delivers training to approximately 6,000 home care workers each year. The funded amounts include an increase in contributions to the training partnership from 17 cents to 22 cents per each hour of work.

The following are items unique to each program and therefore are described separately:

Developmental Disabilities

A total of \$3.4 million (\$1.7 million General Fund-State) is provided for increased placements and services for persons with developmental disabilities. The publicly funded Medicaid waiver services provided to persons with developmental disabilities are capped and entrance to the program is based on available funded slots. Funding includes an increase in the number of out-of-home waiver placements by 35 slots, which are prioritized to individuals who are in crisis, are scheduled for release from state institutions, or are aging out of CA. Funding is also included for Medicaid employment services for about 160 high school graduates who will be transitioning into adult services.

Savings of \$17.4 million in state funding are achieved by aligning appropriations with actual expenditures as current spending is below appropriated levels. The appropriation adjustments in this item do not modify or reduce client services.

Long-Term Care

Net savings of \$8.7 million (\$1.8 million General Fund-State) are assumed by investing \$5 million in the state-only funded Family Caregiver Support Program (FCSP), which is projected to reduce Medicaid caseloads. FCSP services are available to unpaid caregivers of non-Medicaid eligible adults who need care. Providing these caregivers with information and support, to include specialized training for caregivers of persons with Alzheimer's disease, may help clients remain in their homes and may delay entry into more costly long-term care services. Thus, Medicaid caseloads are reduced by approximately 180 nursing home placements and 320 community residential placements.

Savings of \$3.4 million (\$1.7 million General Fund-State) are assumed through a 2 percent reduction in payment rates for boarding homes and assisted living providers.

Economic Services Administration

The Economic Services Administration (ESA) operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the State Food Assistance Program, the Aged, Blind, or Disabled Assistance Program, the WorkFirst/Temporary Assistance for Needy Families Program (TANF) Program, and assistance to refugees. ESA also determines eligibility for the medical programs and child care subsidy programs.

A total of \$2.06 billion (\$854 million General-Fund-State) is appropriated to ESA for administration of programs and delivery services. This amount is 6.4 percent less than the amount originally appropriated for the 2011-13 biennium.

Total state general fund savings of \$160 million are achieved through caseload under-expenditures in the WorkFirst/TANF Assistance Program and the Working Connections Child Care (WCCC) Program, under-expenditures related to WorkFirst activities, and the receipt of federal contingency funds used to offset state expenditures. These savings are reflected in both Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127) and Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058).

Funding is provided for the following policy changes beginning in fiscal year 2013: implementing 12-month WCCC authorizations pursuant to Chapter 251, Laws of 2012 (SSB 6226), establishing income eligibility for child care subsidies at 200 percent of the federal poverty level, and repealing the child support enforcement requirement pursuant to Chapter 253, Laws of 2012 (SSB 6386) and Chapter 4, Laws of 2012, 1st sp.s., (SHB 2828).

Savings of \$14.7 million in total funds (\$8.1 million General Fund-State) are achieved through under-expenditures in staffing and administration during fiscal year 2012.

Savings of \$4.5 million in state general funds are achieved as a result of receiving federal Medicaid matching funds for a portion of the cost of incapacity examinations, which are used to determine a person's eligibility for Medical Care Services and the Aged, Blind, or Disabled Assistance Program. Prior to a federal waiver, the costs were funded entirely with state general funds.

A total of \$2.23 million in state general funds is transferred from ESA to the Department of Early Learning for implementation of an electronic benefit tracking system and the Seasonal Child Care Program.

Alcohol and Substance Abuse Program

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

A total of \$365 million (\$145 million in General Fund-State) is provided for alcohol and substance abuse services during the 2011-13 biennium. This is a net \$3.9 million (1 percent) less than the estimated amount needed to maintain the current level of alcohol and substance abuse activities.

Savings of \$2.1 million are achieved by reducing funding available for residential services. Additional savings of \$1.8 million are achieved by reducing federally matched funding for services to individuals receiving medical care through the DSHS 1115 waiver to reflect declining caseload in the program. DSHS is directed to increase federal support of programs by shifting 32 beds in settings that are designated as Institutions for Mental Diseases to two 16-bed facilities which may bill Medicaid for reimbursable services.

Special Commitment Center

The 2012 supplemental operating budget provides a total of \$84.3 million to the Special Commitment Center (SCC). SCC consists of a main facility located on McNeil Island and two Secure Community Transitional Facilities used for the confinement and treatment of civilly committed sexually violent predators (SVPs).

A total of \$2.3 million in state general funds is provided to SCC for McNeil Island operations. Due to the McNeil Island Corrections Center closure in April 2011, SCC solely operates the McNeil Island functions including water treatment, road maintenance, and ferry operations.

A total of \$3.1 million in state general funds is reflected in Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) as a result of eliminating positions and contracts, reducing food service expenditures, and expediting evaluations for certain residents.

Pursuant to Chapter 257, Laws of 2012 (SSB 6493), \$10.7 million in state general funds are reduced from SCC appropriations related to SVP civil commitment legal expenses and funding for SVP legal expenses is directly appropriated to other agencies. Funding is provided to the Office of Public Defense for indigent defense of SVP civil commitment cases and to the Office of the Attorney General for both the prosecution of SVP cases and the Joint Forensic Unit. In total, the 2012 supplemental operating budget assumes \$1.9 million in savings related to SVP legal costs.

Juvenile Rehabilitation Administration

A total of \$179.7 million (\$171.0 million General Fund-State) is provided for the Juvenile Rehabilitation Administration (JRA) to incarcerate approximately 550 juvenile felons per month in state institutions, supervise youth on parole, and provide grants to county juvenile courts for alternative disposition and evidence-based treatment in the 2011-13 biennium. Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes

reductions of \$3.3 million General Fund-State to JRA's institutions program and to expand the number of youth released on their minimum sentence.

Administration and Supporting Services

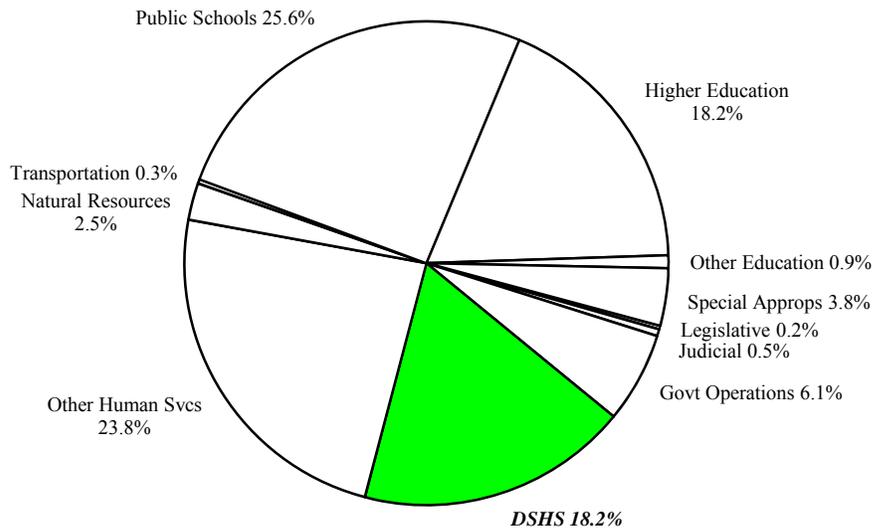
A total of \$97 million (\$50 million General Fund-State) is provided for administration and supporting services within DSHS. A staffing and efficiency reduction of \$1.3 million (\$841,000 General Fund-State) was included in Chapter 9, Laws of 2011 2nd sp.s., Partial Veto (SHB 2058).

Other Changes

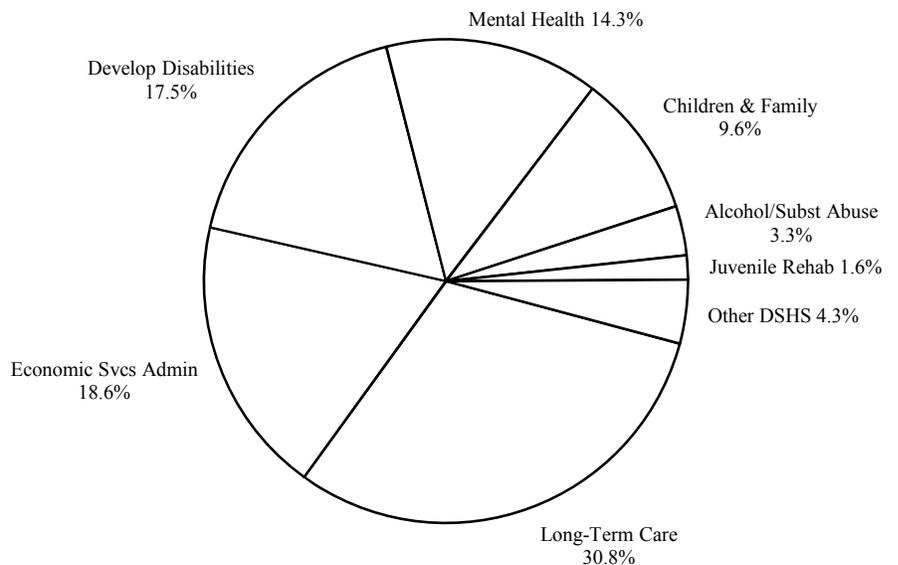
In addition to the changes discussed above, the appropriations within DSHS are adjusted to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Office of the Attorney General, Office of the State Auditor, Office of the Secretary of State, and Department of Enterprise Services) as well as improved management of information technology resources. The impact of these changes, budget wide, is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
DSHS	11,071,210
Other Human Services	14,505,577
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



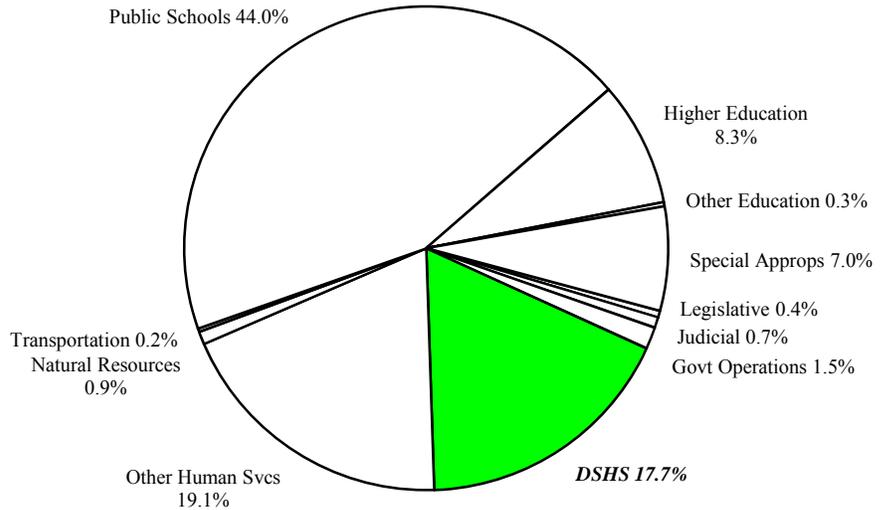
Long-Term Care	3,410,729
Economic Services Admin	2,059,044
Developmental Disabilities	1,932,377
Mental Health	1,587,031
Children & Family Svcs	1,065,407
Alcohol/Subst Abuse	365,043
Juvenile Rehabilitation	179,690
Other DSHS	471,889
DSHS	11,071,210



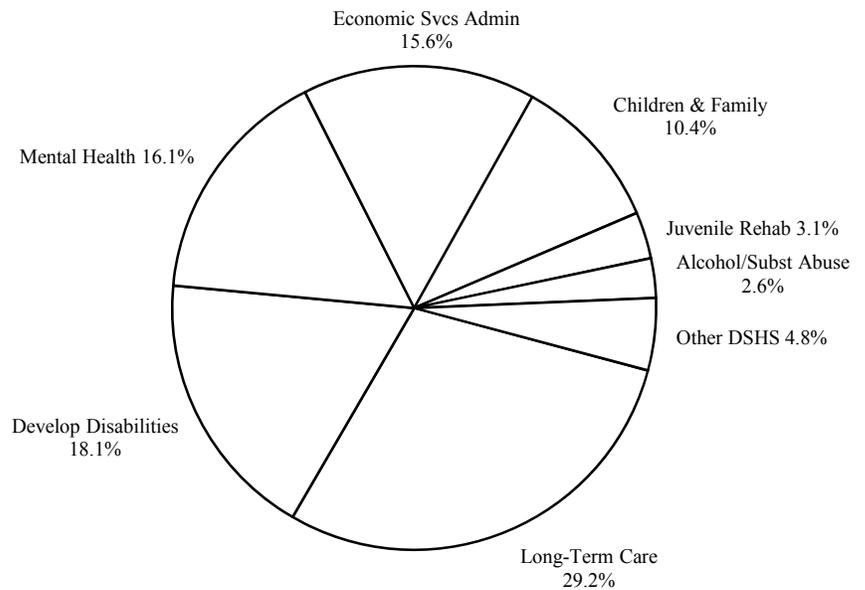
DSHS

**2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State**

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
DSHS	5,481,543
Other Human Services	5,912,932
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Long-Term Care	1,600,831
Developmental Disabilities	992,616
Mental Health	880,826
Economic Services Admin	854,036
Children & Family Svcs	572,757
Juvenile Rehabilitation	170,981
Alcohol/Subst Abuse	144,960
Other DSHS	264,536
DSHS	5,481,543



DSHS

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	605,185	486,283	1,091,468
Total Maintenance Changes	-8,428	-3,433	-11,861
Policy Changes - Early Action Savings			
1. Maximize Federal Funding	-14,407	14,407	0
Policy Changes - Early Action Savings	-14,407	14,407	0
Policy Changes - Other			
2. Selected Services	-3,175	-706	-3,881
3. Contracted Services	-6,721	-5,202	-11,923
4. Family Assessment	616	616	1,232
5. Extended Foster Care	0	178	178
6. Performance Based Contracting	799	799	1,598
7. DV Prevention Funding	0	86	86
Policy -- Other Total	-8,481	-4,229	-12,710
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-1,112	-378	-1,490
Policy -- Comp Total	-1,112	-378	-1,490
<hr/>			
2011-13 Revised Appropriations	572,757	492,650	1,065,407
Fiscal Year 2012 Total	287,376	246,118	533,494
Fiscal Year 2013 Total	285,381	246,532	531,913

Comments:

- 1. Maximize Federal Funding** - State funding is reduced as a result of receiving additional federal funding. Children's Administration earned adoption incentive grants for the completion of adoptions. These funds will be used on a one-time basis instead of state general funds. Additionally, federal funds are provided for targeted case management, instead of state general funds, as a result of the Department receiving Title XIX reimbursement. (General Fund-State, General Fund-Federal)
- 2. Selected Services** - Funding is adjusted to reflect a variety of changes including increased efforts to prevent overpayments, contract eliminations, and utilization of Supplemental Security Income (SSI) for allowable services. The reduction also reflects aligning Receiving Care maintenance funding across fiscal years, eliminating funding for a Family Preservation training contract (\$52,000), and under-expenditures related to sexually aggressive youth services. Additionally, funding is reduced for the following services: child care (3.6 percent effective April 2012); evaluations and treatment (15 percent effective April 2012); and adoption support recruitment (50 percent effective April 2012). (General Fund-State, General Fund-Federal)
- 3. Contracted Services** - Funding for Behavioral Rehabilitation Services (BRS) is reduced to align the 2011-13 biennial funding level with FY 2011 expenditure levels. BRS are provided to children and youth who are behaviorally or emotionally disordered and whose behaviors cannot be maintained in a less intensive setting. This reduction will be achieved through the current contract rates. (General Fund-State, General Fund-Federal)
- 4. Family Assessment** - Funding is provided to implement Chapter 259, Laws of 2012 (ESSB 6555). The act authorizes the Department to implement Family Assessment Response (FAR) within Child Protective Services for certain reports alleging abuse or neglect. (General Fund-State, General Fund-Federal)
- 5. Extended Foster Care** - Funding is provided to implement Chapter 52, Laws of 2012 (ESHB 2592). The act extends foster care services to youth who elect to stay in care to attend a post-secondary academic or vocational educational program. Federal matching funds are available under the federal Fostering Connections Act for Title IV-E eligible youth. (General Fund-Federal)
- 6. Performance Based Contracting** - Funding is provided to implement Chapter 205, Laws of 2012 (E2SHB 2264). The act requires the Department to enter into performance-based contracts (PBCs) for the provision of family support and related services by December 1, 2013. The Department is authorized to enter into PBCs for additional services, other than case management, in future procurements. (General Fund-State, General Fund-Federal)

Department of Social and Health Services
Children & Family Services

7. **DV Prevention Funding** - Domestic Violence (DV)
Prevention Account funding is provided for contracted services, rather than state general funds. (Domestic Violence Prevention Fund)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (Various Funds)

Department of Social & Health Services Children & Family Services

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	7,713	7,769	7,769	7,909	7,829	7,347	6,754	6,424	6,205	6,113
% Change from prior year		0.7%	0.0%	1.8%	-1.0%	-6.2%	-8.1%	-4.9%	-3.4%	-1.5%
Relative Placements ⁽²⁾										
Avg # Children Served Monthly	2,914	3,221	3,600	3,773	3,998	4,072	3,520	3,470	3,351	3,298
% Change from prior year		10.5%	11.8%	4.8%	6.0%	1.9%	-13.6%	-1.4%	-3.4%	-1.6%
Child Care ⁽³⁾										
Avg # Children Served Monthly	4,064	4,182	4,235	4,687	5,457	5,245	4,248	4,143	3,941	3,822
% Change from prior year		2.9%	1.3%	10.7%	16.4%	-3.9%	-19.0%	-2.5%	-4.9%	-3.0%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,558	6,481	6,426	6,206	6,109	6,009	6,260	6,305	6,262	6,254
% Change from prior year		-1.2%	-0.8%	-3.4%	-1.6%	-1.6%	4.2%	0.7%	-0.7%	-0.1%
Adoption Support ⁽⁴⁾										
Avg # Children Served Monthly	8,387	9,208	9,964	10,632	11,254	11,978	12,981	13,701	14,308	14,983
% Change from prior year		9.8%	8.2%	6.7%	5.8%	6.4%	8.4%	5.5%	4.4%	4.7%
Caseload Ratio										
Avg Cases Per Worker ⁽⁵⁾	24:1	24:1	23:1	22:1	20:1	18:1	18:1	20:1	20:1	20:1

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

⁽²⁾ Includes an unduplicated count of children in unlicensed kinship care. These data are not comparable to prior editions of the Legislative Budget Notes, which included guardianships. This is the sum of: 1) Court Ordered Unlicensed Placements and 2) Relative of Specified Degree (Not Receiving Foster Care Payments). The data represent any-day-within-month counts, all custody types, and do not include children in guardianships (these are no longer documented as placements).

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

⁽³⁾ Budget Notes, which also included teen parent, seasonal child care, and adoption support.

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

⁽⁴⁾ maintenance payments rather than eligibles.

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

Data Sources :

FY 2004 through FY 2011 actuals for Foster Care, Relative Placements, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2004 through FY 2013 data for Caseload Ratio are from the DSHS Children's Administration Budget Office.

FY 2010 through FY 2013 data for Relative Placements is from the Caseload Forecast Council.

FY 2012 through FY 2013 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council February 2010 forecast.

FY 2012 through FY 2013 estimates for Child Care, CPS, and Caseload Ratio are from DSHS Children's Administration.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	173,828	5,602	179,430
Total Maintenance Changes	978	3,107	4,085
Policy Changes - Early Action Savings			
1. Expand Release on Minimum Sentence	-1,446	0	-1,446
2. Institution Efficiencies	-1,863	0	-1,863
Policy Changes - Early Action Savings	-3,309	0	-3,309
Policy Changes - Comp			
3. PEBB Funding Rate Reduction	-516	0	-516
Policy -- Comp Total	-516	0	-516
<hr/>			
2011-13 Revised Appropriations	170,981	8,709	179,690
Fiscal Year 2012 Total	85,723	5,906	91,629
Fiscal Year 2013 Total	85,258	2,803	88,061

Comments:

1. **Expand Release on Minimum Sentence** - Juvenile offenders with a non-violent offense type and a low-risk score will be released on the minimum release date. This is expected to reduce the Juvenile Rehabilitation Administration's average daily census by 21 youth.
2. **Institution Efficiencies** - One-time savings are achieved by delaying new hires and services during the Maple Lane School closure transition. One-time savings are also achieved from the delay in opening a new group home in Olympia.
3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	<u>Estimated</u>	
									2012	2013
Community Residential ⁽¹⁾										
Avg Daily Population/Month	144	123	99	92	102	78	101	96	119	144
% Change from prior year		-14.7%	-19.2%	-7.1%	10.9%	-23.5%	29.5%	-4.7%	23.5%	21.1%
Institutions										
Avg Daily Population/Month	781	782	728	736	676	624	615	514	450	406
% Change from prior year		0.1%	-6.8%	1.1%	-8.2%	-7.7%	-1.4%	-16.4%	-12.5%	-9.8%
Parole										
Avg Daily Population/Month	802	728	751	692	708	689	440	418	383	391
% Change from prior year		-9.2%	3.1%	-7.9%	2.3%	-2.7%	-36.1%	-5.0%	-8.3%	2.0%

In 2011 Sunrise opened, which added 15 beds and Ridgeview was reduced by 4 beds. Touchstone will not open until 2012.

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

Data Sources :

FY 2004 through FY 2006 from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

FY 2007 through FY 2010 data are from legislative fiscal staff.

FY 2011 data is from the DSHS EMIS reporting system.

FY 2012 through FY 2013 data are from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

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

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	890,068	708,420	1,598,488
Total Maintenance Changes	19,056	10,370	29,426
Policy Changes - Early Action Savings			
1. Capture Savings in Programs	-3,226	0	-3,226
2. Delay Implementation of ITA Chgs #	-22,558	-11,092	-33,650
Policy Changes - Early Action Savings	-25,784	-11,092	-36,876
Policy Changes - Other			
3. Optional Waiver Services	-1,159	-1,406	-2,565
4. Evidence Based Practices	135	89	224
Policy -- Other Total	-1,024	-1,317	-2,341
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-1,490	-176	-1,666
Policy -- Comp Total	-1,490	-176	-1,666
2011-13 Revised Appropriations	880,826	706,205	1,587,031
Fiscal Year 2012 Total	438,381	349,012	787,393
Fiscal Year 2013 Total	442,445	357,193	799,638

Comments:

- Capture Savings in Programs** - Funding for Involuntary Treatment Act (ITA) ancillary services and the Offender Re-Entry Community Services Program (ORCSP) is adjusted to align with historical expenditures.
- Delay Implementation of ITA Chgs #** - Chapter 6, Laws of 2011, 2nd sp.s. (SHB 2131) delays provisions of Chapter 280, Laws of 2010 (2SHB 3076) which broaden the information considered by designated mental health professionals and courts in making determinations of whether to detain or commit individuals with mental disorders under the ITA. These provisions will now become effective in July 2015 rather than in January 2012. Funding and FTEs for increased psychiatric inpatient utilization associated with these changes are reduced accordingly. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
- Optional Waiver Services** - Under the terms of the state's federal Medicaid waiver, some individual Regional Support Networks (RSNs) have been able to earn federal Medicaid matching funds to provide supported employment, clubhouse, and respite care services that are not typically covered by Medicaid. The federal government has recently adopted the position that such services must be funded and available in all RSN areas in order for Medicaid to fund them anywhere. Because state funds are not presently available to provide the services statewide, Medicaid funding for the services is discontinued effective July 1, 2012. Individual RSNs may continue to provide these services with state-only, local, or federal block grant funds to the extent those are available. (General Fund-State, General Fund-Federal)
- Evidence Based Practices** - Funding is provided for increasing the level of evidence-based or research-based prevention and treatment programs in the Department's mental health, juvenile justice, and child welfare programs in accordance with Chapter 232, Laws of 2012 (E2SHB 2536). This includes \$218,000 for the Department to hire two FTEs and \$224,000 to contract with the University of Washington and the Washington State Institute for Public Policy.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (General Fund-State, General Fund-Federal)

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

**WORKLOAD HISTORY
By Fiscal Year**

	2004	2005	2006	2007	2008	2009	2010	2011	Budgeted	
									2012	2013
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,192	1,207	1,262	1,292	1,251	1,172	1,101	1,078	1,161	1,161
% Change from prior year	-3.1%	1.2%	4.6%	2.4%	-3.1%	-6.3%	-6.1%	-2.1%	7.7%	0.0%
Community Outpatient Services										
Avg Persons Served per Month	55,252	53,918	51,779	49,874	49,203	44,953	54,166	60,137	56,600	58,300
% Change from prior year	4.0%	-2.4%	-4.0%	-3.7%	-1.3%	-8.6%	20.5%	11.0%	-5.9%	3.0%
Adults	39,402	38,340	36,979	35,738	35,278	32,432	38,846	42,691	40,100	41,300
% Change from prior year	3.4%	-2.7%	-3.5%	-3.4%	-1.3%	-8.1%	19.8%	9.9%	-6.1%	3.0%
Children	15,849	15,578	14,800	14,136	13,925	12,521	15,319	17,445	16,500	17,000
% Change from prior year	5.3%	-1.7%	-5.0%	-4.5%	-1.5%	-10.1%	22.3%	13.9%	-5.4%	3.0%
People on Medicaid	45,174	46,752	45,219	42,802	42,322	38,512	47,306	52,625	49,500	51,200
% Change from prior year	10.8%	3.5%	-3.3%	-5.3%	-1.1%	-9.0%	22.8%	11.2%	-5.9%	3.4%
People not on Medicaid	10,078	7,166	6,560	7,072	6,881	6,441	6,859	7,512	7,100	7,100
% Change from prior year	-18.5%	-28.9%	-8.4%	7.8%	-2.7%	-6.4%	6.5%	9.5%	-5.5%	0.0%

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

Data Sources :

FY 2002 through FY 2011 actuals are from DSHS Division of Research and Data Analysis reports.

FYs 2012 and 2013 estimates are by legislative fiscal committee staff.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	1,012,678	914,045	1,926,723
Total Maintenance Changes	-6,882	22,224	15,342
Policy Changes - Other			
1. Critical Community Placements	1,337	1,284	2,621
2. Funding for Initiative 1163	3,061	2,175	5,236
3. 1163 Training Trust Contributions	625	625	1,250
4. RHC Savings	-5,434	0	-5,434
5. Correct Program Allotment	-8,340	0	-8,340
6. Current Year Variance	-3,662	0	-3,662
7. Transition High School Clients	376	376	752
8. Future Use Study-Rainier	600	0	600
9. Student Transition Funding	250	0	250
10. AP Parity Trust Contributions	73	73	146
11. Implementation of 2314	-210	-61	-271
12. Governor Veto	-850	0	-850
Policy -- Other Total	-12,174	4,472	-7,702
Policy Changes - Comp			
13. PEBB Funding Rate Reduction	-1,006	-980	-1,986
Policy -- Comp Total	-1,006	-980	-1,986
2011-13 Revised Appropriations	992,616	939,761	1,932,377
Fiscal Year 2012 Total	486,864	465,387	952,251
Fiscal Year 2013 Total	505,752	474,374	980,126

Comments:

- Critical Community Placements** - Funding is provided for an increase of 35 out-of-home community residential placements for individuals with developmental disabilities. These placements are prioritized for individuals who are in crisis; who have been identified as aging out of the Children's Administration; or have been released from a state institution such as the Department of Corrections, the Juvenile Rehabilitation Administration, or a psychiatric hospital. Publicly funded Medicaid waiver services and placements provided to persons with developmental disabilities are capped and entrance to the program is based on available funds. (General Fund-State, General Fund-Federal)
- Funding for Initiative 1163** - Initiative 1163 was approved by voters in 2011. The Initiative requires increased mandatory training, additional background checks, and certification for long-term care workers beginning January 7, 2012. Administrative costs are capped and performance audits with additional fraud investigators are required. (General Fund-State, General Fund-Federal)
- 1163 Training Trust Contributions** - Contributions to the training partnership are increased from 17 cents to 22 cents per each hour worked to cover the costs of additional mandatory training required by Initiative 1163. The training partnership provides long-term care worker training to all individual home care providers. (General Fund-State, General Fund-Federal)
- RHC Savings** - Savings are achieved from under-expenditures in Residential Habilitation Centers (RHCs). Spending is below appropriated levels due to new hiring and equipment purchases taking longer than originally scheduled. This is a variance that otherwise would revert at the end of the fiscal year.
- Correct Program Allotment** - Funding is removed from the H55 budget unit within the Division of Developmental Disabilities to align the program allotment with actual and planned expenditures. No client services are impacted by this item.
- Current Year Variance** - The current year variance between the program's allotments and actual expenditures is removed from the Division of Developmental Disabilities. This is a one-time under-expenditure variance that would otherwise revert at the end of the fiscal year.
- Transition High School Clients** - Funding is provided for Medicaid employment programs for about 160 high school graduates who receive Medicaid waiver services and who will be turning 21 years of age. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Developmental Disabilities

8. **Future Use Study-Rainier** - Funding is provided for a long-range vision and development plan for Rainier School. The Department of Social and Health Services (DSHS) must convene a task force to evaluate and make recommendations on the best use of Rainier School as a state facility. This item was vetoed (please see Governor Veto item below).
9. **Student Transition Funding** - Funding is provided for DSHS to contract with school districts for instructional support of new students with developmental disabilities that are admitted to a RHC. DSHS will provide \$25,000 for each person under the age of 21 who between July 1, 2011, and June 30, 2013, is newly admitted to the RHC and newly enrolled in the school district in which the RHC is located. The school district will use this funding to provide enhanced supports and to offset increased costs for children who may be experiencing distress while transitioning to a new school environment. This item was vetoed (please see Governor Veto item below).
10. **AP Parity Trust Contributions** - As required by law, funding provided to home care agency providers (APs) is increased in parity with the training partnership contributions from 17 cents to 22 cents for each hour worked to cover the costs of additional mandatory training required by Initiative 1163. Agencies may use this funding to contract with the training partnership or with other approved training providers to deliver the required training to home care agency employees. (General Fund-State, General Fund-Federal)
11. **Implementation of 2314** - Savings is achieved from the implementation of Chapter 164, Laws of 2012 (ESHB 2314), which aligns implementation dates for long-term care worker training with actual implementation dates. (General Fund-State, General Fund-Federal)
12. **Governor Veto** - The Governor vetoed Section 205(2)(c) and (d) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127), which provided \$600,000 General Fund-State for a future use study and long range plan for Rainier School and \$250,000 General Fund-State for instructional support for new students with developmental disabilities who transition into a RHC.
13. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

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

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Institutions ⁽¹⁾										
Avg Monthly Population	1,035	1,101	982	996	997	982	951	914	878	876
% Change from prior year		6.4%	-10.8%	1.4%	0.1%	-1.5%	-3.2%	-3.9%	-3.9%	-0.2%
Community Residential Programs ⁽²⁾										
Avg Month End Clients	4,469	4,903	4,379	4,300	4,269	4,269	4,252	4,230	4,228	4,235
% Change from prior year		9.7%	-10.7%	-1.8%	-0.7%	0.0%	-0.4%	-0.5%	0.0%	0.2%
Employment & Day Programs ⁽³⁾										
Avg Monthly Number Served	8,731	8,636	9,021	9,454	9,853	10,344	10,479	10,667	10,564	10,622
% Change from prior year		-1.1%	4.5%	4.8%	4.2%	5.0%	1.3%	1.8%	-1.0%	0.5%
Individual and Family Services ⁽⁴⁾										
Number of Clients Served	3,710	3,655	4,089	4,493	2,708	2,742	2,715	2,368	2,689	2,729
% Change from prior year		-1.5%	11.9%	9.9%	-39.7%	1.3%	-1.0%	-12.8%	13.6%	1.5%
Waiver Respite ⁽⁵⁾										
Number of Clients Served				129	2,097	2,098	2,316	2,440	2,469	2,471
% Change from prior year					1525.6%	0.0%	10.4%	5.4%	1.2%	0.1%
Personal Care ⁽⁶⁾										
Number of Clients Served	10,933	10,986	11,150	11,391	11,662	12,338	12,663	12,943	13,259	13,577
% Change from prior year		0.5%	1.5%	2.2%	2.4%	5.8%	2.6%	2.2%	2.4%	2.4%

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

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

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

(4) Individual and Family Services (IFS) cover state-only respite, therapies, equipment and supplies, modifications for disability access, recreation, and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services was moved to another budget unit. IFS now contains state-only respite. FY 2010 counts dropped for this time period due to the suspension of IFS services from January 2010 through June 2010.

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

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

Data Sources :

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

Except as noted above, FY 2012 and FY 2013 are estimates from the allotment process.

Other data is from DSHS's Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation database.

Department of Social and Health Services Long-Term Care

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,594,945	1,804,885	3,399,830
Total Maintenance Changes	-207	-472	-679
Policy Changes - Other			
1. Expand Family Caregiver Support	-1,769	-6,924	-8,693
2. Funding for Initiative 1163	9,195	6,181	15,376
3. 1163 Training Trust Contributions	1,203	1,203	2,406
4. BH Rate Reduction	-1,711	-1,712	-3,423
5. AP Parity Trust Contributions	371	371	742
6. Implementation of 2314	-712	-169	-881
7. Improve Vulnerable Safety	0	6,851	6,851
Policy -- Other Total	6,577	5,801	12,378
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-484	-316	-800
Policy -- Comp Total	-484	-316	-800
<hr/>			
2011-13 Revised Appropriations	1,600,831	1,809,898	3,410,729
Fiscal Year 2012 Total	791,493	892,650	1,684,143
Fiscal Year 2013 Total	809,338	917,248	1,726,586

Comments:

1. **Expand Family Caregiver Support** - A net savings of \$8.7 million (\$1.8 million General Fund-State) is assumed by investing \$5 million in the state-only funded Family Caregiver Support Program (FCSP), which is projected to reduce Medicaid caseloads by 180 nursing home placements and 320 community residential placements. FCSP services are available to unpaid caregivers of non-Medicaid eligible adults who need care. Providing these caregivers with information and support, to include specialized training for caregivers of persons with Alzheimer's disease, may help clients remain in their homes and may delay entry into more costly long-term care services. (General Fund-State, General Fund-Federal)
2. **Funding for Initiative 1163** - Initiative 1163 was approved by voters in 2011. The Initiative requires increased mandatory training, additional background checks, and certification for long-term care workers beginning January 7, 2012. Administrative costs are capped and performance audits with additional fraud investigators are required. (General Fund-State, General Fund-Federal)
3. **1163 Training Trust Contributions** - Contributions to the training partnership are increased from 17 cents to 22 cents per each hour worked to cover the costs of additional mandatory training required by Initiative 1163. The training partnership provides long-term care worker training to all individual home care providers. (General Fund-State, General Fund-Federal)
4. **BH Rate Reduction** - Effective July 1, 2012, the Department of Social and Health Services will reduce payment rates for boarding homes (BHs) and assisted living by 2 percent. (General Fund-State, General Fund-Federal)
5. **AP Parity Trust Contributions** - As required by law, funding provided to home care agency providers (APs) is increased in parity with the training partnership contributions from 17 cents to 22 cents for each hour worked to cover the costs of additional mandatory training required by Initiative 1163. Agencies may use this funding to contract with the training partnership or with other approved training providers to deliver the required training to home care agency employees. (General Fund-State, General Fund-Federal)
6. **Implementation of 2314** - Savings is achieved from the implementation of Chapter 164, Laws of 2012 (ESHB 2314), which aligns implementation dates for long-term care worker training with actual implementation dates. (General Fund-State, General Fund-Federal)
7. **Improve Vulnerable Safety** - DSHS will utilize one-time federal grant funds to implement a critical incident tracking system. This system will improve the department's ability to investigate and track abuse and neglect of vulnerable adults and children. (General Fund-Federal)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

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

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Nursing Homes										
Avg # Served per Day	12,446	12,088	11,928	11,546	11,057	10,699	10,682	10,358	10,092	9,833
% Change from prior year		-2.9%	-1.3%	-3.2%	-4.2%	-3.2%	-0.2%	-3.0%	-2.6%	-2.6%
Community Care ⁽¹⁾										
Avg # Served per Month	34,635	35,514	37,044	38,098	39,523	41,778	44,080	46,025	48,414	50,831
% Change from prior year		2.5%	4.3%	2.8%	3.7%	5.7%	5.5%	4.4%	5.2%	5.0%
Combined Total										
Avg Persons Served	47,080	47,602	48,969	49,644	50,580	52,477	54,762	56,383	58,506	60,664
% Change from prior year		1.1%	2.9%	1.4%	1.9%	3.8%	4.4%	3.0%	3.8%	3.7%

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

Data Sources :

Caseload Forecast Council and legislative fiscal staff.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	1,006,614	1,146,391	2,153,005
Total Maintenance Changes	26,033	20,073	46,106
Policy Changes - Early Action Savings			
1. Restrict Replacement of EBT Cards	-752	-621	-1,373
2. Earn Federal TANF Contingency Funds	-38,400	38,400	0
Policy Changes - Early Action Savings	-39,152	37,779	-1,373
Policy Changes - Other			
3. Retained Child Support	0	405	405
4. Electronic Benefit System	-1,100	0	-1,100
5. ESA Staffing Under Expenditures	-8,094	-6,622	-14,716
6. Incapacity Exams	-4,474	4,474	0
7. Early SSI Project	-1,056	0	-1,056
8. Seasonal Child Care Subsidy	-1,025	0	-1,025
9. TANF WCCC Under Expenditures	-126,616	0	-126,616
10. TANF Federal Fund Adjust	4,882	3,294	8,176
Policy -- Other Total	-137,483	1,551	-135,932
Policy Changes - Comp			
11. PEBB Funding Rate Reduction	-1,976	-786	-2,762
Policy -- Comp Total	-1,976	-786	-2,762
2011-13 Revised Appropriations	854,036	1,205,008	2,059,044
Fiscal Year 2012 Total	415,553	607,930	1,023,483
Fiscal Year 2013 Total	438,483	597,078	1,035,561

Comments:

- 1. Restrict Replacement of EBT Cards** - Beginning July 1, 2012, Electronic Benefit Transfer (EBT) non-emergency replacement cards will be mailed to recipients by the contracted EBT vendor and will not be issued at the community service offices. (General Fund-State, General Fund-Federal)
- 2. Earn Federal TANF Contingency Funds** - Washington currently meets the criteria to receive federal contingency funds to support its Temporary Assistance to Needy Families (TANF) program. The federal contingency funds are used instead of state general funds to support the TANF program in FY 2012. (General Fund-State, General Fund-Federal)
- 3. Retained Child Support** - Funding is provided for 16 FTEs to increase the amount of child support collected and retained by the state. The additional child support recoveries projected during the 2011-13 biennium are estimated to offset the state cost of the additional resources. The child support recoveries are projected to result in state fund savings during the 2013-15 biennium. (General Fund-Federal)
- 4. Electronic Benefit System** - State funding is transferred to the Department of Early Learning (DEL) for implementation of an electronic benefit transfer system to electronically track child care attendance, make payments, and interface with the eligibility information technology system. Additionally, a portion of the funding that is transferred to DEL is for an independent consultant to evaluate and recommend the optimum system for the eligibility determination process.
- 5. ESA Staffing Under Expenditures** - Funding is reduced to reflect one-time under-expenditures in staffing from July 2011 through February 2012. The savings resulted from attrition and vacancies across all divisions within the Economic Services Administration. (General Fund-State, General Fund-Federal).
- 6. Incapacity Exams** - State funding is reduced to reflect the receipt of federal matching funds for the cost for a portion of incapacity exams. The state has a waiver enabling it to receive federal matching funds for Medical Care Services (MCS). In order to be eligible for MCS, a client has to have an incapacity that lasts 90 days or longer, which is determined through incapacity exams. (General Fund-State, General Fund-Federal)
- 7. Early SSI Project** - Pursuant to Chapter 57, Laws of 2012 (SB 6223), funding is eliminated for the Early Supplemental Security Income (SSI) Transition Project. The contract for the Early SSI Transition Project expired December 2011 and was not renewed.
- 8. Seasonal Child Care Subsidy** - State funding for Seasonal Child Care subsidies is transferred from the Department of Social and Health Services to the Department of Early

Department of Social and Health Services
Economic Services Administration

Learning, where the federal funding for the program is appropriated. The Seasonal Child Care program provides subsidized child care for eligible seasonally employed agricultural families.

9. **TANF WCCC Under Expenditures** - Funding for the Temporary Assistance for Needy Families (TANF) and the Working Connections Child Care (WCCC) Programs is adjusted to reflect caseload and per capita under-expenditures. Funding for WorkFirst activities is reduced. Funding is also adjusted within the TANF and WCCC Programs to reflect implementing 12-month WCCC authorizations, repealing the child support enforcement requirement provisions related to subsidized child care, setting the WCCC eligibility to 200 percent of the federal poverty level, and adjusting the maximum grant to an eight person household rather than six beginning in FY 2013.
10. **TANF Federal Fund Adjust** - Funding is adjusted to reflect current federal TANF revenues. These adjustments include aligning funding between fiscal years and the receipt of \$33.5 million, rather than \$38.4 million, in federal contingency funds. (General Fund-Federal, General Fund-State)
11. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (Various Funds)

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

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Lifeline Clients										
(formerly General Assistance)										
Avg Monthly Caseload	22,028	25,578	27,676	29,237	31,182	35,001	38,276	37,878	34,058	0
% Change from prior year		16.1%	8.2%	5.6%	6.7%	12.2%	9.4%	-1.0%	-10.1%	-100.0%
Aged, Blind, or Disabled Assistance Program										
Avg Monthly Caseload									16,963	17,462
% Change from prior year										2.9%
TANF Cases										
Avg Monthly Caseload	55,609	56,949	55,520	51,936	50,119	56,458	64,450	65,137	54,856	52,922
% Change from prior year		2.4%	-2.5%	-6.5%	-3.5%	12.6%	14.2%	1.1%	-15.8%	-3.5%
Working Connections Child Care										
Avg # Children Served/Month	62,189	61,606	60,860	59,593	59,829	61,113	64,127	60,312	47,032	52,399
% Change from prior year		-0.9%	-1.2%	-2.1%	0.4%	2.1%	4.9%	-5.9%	-22.0%	11.4%

Data Sources :

FY 2004 through FY 2012 Disability Lifeline (formerly General Assistance) actuals provided by the Caseload Forecast Council.

FY 2012 and FY 2013 Aged, Blind, or Disabled Assistance Program estimates are from Caseload Forecast Council February 2012 forecast.

FY 2004 through FY 2011 Temporary Assistance for Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).

FY 2012 through FY 2013 TANF case estimates are from the OFM February 2012 TANF forecast and estimated impacts of legislation.

FY 2004 through FY 2007 Child Care actuals are from Department of Social and Health Services Division of Research and Data Analysis reports.

FY 2008 through FY 2011 Child Care numbers are calculated based on the average number of children per Working Connection Child Care (WCCC) case from the WCCC forecast prepared by OFM.

FY 2011 and FY 2013 Child Care estimates are based on the average number of children per case and the OFM February 2012 forecast adjusted for impacts of legislation.

The Disability Lifeline Program was terminated October 31, 2011. The caseload for FY 2012 reflect the caseload from July 2011 through October 31, 2011.

The Aged, Blind, or Disabled Assistance Program began November 1, 2011. The caseload for FY 2012 reflects the estimated caseload average from November 2011 through June 2012.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	151,709	162,798	314,507
Total Maintenance Changes	-19	54,481	54,462
Policy Changes - Early Action Savings			
1. Criminal Justice Treatment Account	-3,000	3,000	0
Policy Changes - Early Action Savings	-3,000	3,000	0
Policy Changes - Other			
2. Medical Services Caseload Adjust	-1,380	-432	-1,812
3. Non-IMD Residential Pilots	0	242	242
4. Limit CD Assessments	-188	0	-188
5. Residential and Sheltered Services	-2,118	0	-2,118
Policy -- Other Total	-3,686	-190	-3,876
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-44	-6	-50
Policy -- Comp Total	-44	-6	-50
<hr/>			
2011-13 Revised Appropriations	144,960	220,083	365,043
Fiscal Year 2012 Total	73,742	107,287	181,029
Fiscal Year 2013 Total	71,218	112,796	184,014

Comments:

1. **Criminal Justice Treatment Account** - A fund balance in the Criminal Justice Treatment Account will be used to offset a one-time reduction in General Fund-State for state chemical dependency treatment funding provided to counties. (General Fund-State, Criminal Justice Treatment Account)
2. **Medical Services Caseload Adjust** - Funding is adjusted to reflect decreases in the medical services caseload effective May 1, 2012. (General Fund-State, General Fund-Federal)
3. **Non-IMD Residential Pilots** - DSHS must increase federal match by shifting 32 current inpatient or residential beds in settings that are designated as Institutions for Mental Diseases (IMDs) to two 16-bed facilities, which may bill for Medicaid reimbursable services. (General Fund-Federal)
4. **Limit CD Assessments** - Chemical dependency (CD) assessments are limited to two per year. Funding is eliminated for an estimated 251 assessments per year.
5. **Residential and Sheltered Services** - Funding for residential and sheltered contracted services, including intensive inpatient, long-term residential, involuntary treatment, and recovery house, are reduced. This reduction applies to all contracted services and vendors, except services for pregnant and parenting women, services for juveniles, and services for parents in dependency proceedings.
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	<u>Estimated</u>	
									2012	2013
ADATSA - Assessment										
Avg Monthly Assessments	1,203	1,234	1,144	1,041	1,062	984	872	929	928	910
% Change from prior year		2.6%	-7.3%	-9.0%	2.0%	-7.3%	-11.4%	6.5%	-0.1%	-2.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	388	418	460	440	484	446	387	439	424	417
% Change from prior year		7.7%	10.0%	-4.3%	10.0%	-7.9%	-13.2%	-3.4%	-3.4%	-1.7%
ADATSA - Residential										
Avg Monthly Admissions	569	639	573	535	547	512	463	483	486	477
% Change from prior year		12.3%	-10.3%	-6.6%	2.2%	-6.4%	-9.6%	4.3%	0.6%	-1.8%

Data Sources :

*FY 2004 through FY 2011 workload data updated by Department of Social and Health Services Division of Alcohol and Substance Abuse.
FY 2012 through FY 2013 workload estimates provided by DSHS Division of Alcohol and Substance Abuse.*

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	21,713	105,388	127,101
Total Maintenance Changes	-37	2,438	2,401
Policy Changes - Other			
1. Basic Support Grant	-225	0	-225
Policy -- Other Total	-225	0	-225
Policy Changes - Comp			
2. PEBB Funding Rate Reduction	-196	0	-196
Policy -- Comp Total	-196	0	-196
<hr/>			
2011-13 Revised Appropriations	21,255	107,826	129,081
Fiscal Year 2012 Total	10,854	55,020	65,874
Fiscal Year 2013 Total	10,401	52,806	63,207

Comments:

- Basic Support Grant** - The Division of Vocational Rehabilitation (DVR) will reduce expenditures used to generate federal match dollars for the Basic Support Grant. This level of reduction will not violate federal Maintenance of Effort requirements and will allow services to be maintained so the program does not fall into an order of selection status.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	95,388	0	95,388
Total Maintenance Changes	659	0	659
Policy Changes - Early Action Savings			
1. SCC General Service Costs	-1,200	0	-1,200
2. Incarcerated Resident Annual Rvw #	-70	0	-70
3. Expedite Court Hearings Lower Risk	-1,825	0	-1,825
Policy Changes - Early Action Savings	-3,095	0	-3,095
Policy Changes - Other			
4. Fund McNeil Island Operations	2,300	0	2,300
5. SCC Legal Savings	-1,880	0	-1,880
Policy -- Other Total	420	0	420
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-256	0	-256
Policy -- Comp Total	-256	0	-256
Policy Changes - Transfers			
7. SCC Legal Costs #	-8,821	0	-8,821
Policy -- Transfer Total	-8,821	0	-8,821
2011-13 Revised Appropriations	84,295	0	84,295
Fiscal Year 2012 Total	48,167	0	48,167
Fiscal Year 2013 Total	36,128	0	36,128

Comments:

- 1. SCC General Service Costs** - Funding is reduced to reflect the elimination of two recreational services positions and one supervisory nursing position, and under-expenditures of contracts at the Special Commitment Center (SCC). Additionally, food services funding is reduced by 5 percent.
- 2. Incarcerated Resident Annual Rvw #** - Funding is reduced to reflect suspending the annual examinations conducted by the SCC and petitions to the court for release during any period of time a SCC resident is incarcerated or detained on criminal charges.
- 3. Expedite Court Hearings Lower Risk** - Funding for SCC legal and operating costs is reduced. SCC will achieve the savings by performing an expert examination and advancing a resident to the courts for consideration of release, if the resident meets specific criteria.
- 4. Fund McNeil Island Operations** - Funding is provided to support the cost of sustaining operation on McNeil Island. After the Department of Corrections ceased operations on McNeil Island, the Special Commitment Center (SCC) assumed responsibility for all island operations. These services include marine operations, fire suppression and control, water treatment and wastewater management, and other operations.
- 5. SCC Legal Savings** - Funding for legal costs related to the defense and prosecution of Sexually Violent Predator (SVP) civil commitments is reduced to reflect changes pursuant to Chapter 257, Laws of 2012 (SSB 6493).
- 6. PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
- 7. SCC Legal Costs #** - Funding for legal costs related to the defense and prosecution of SVP civil commitments is transferred from the SCC. Funding for legal costs associated with: evaluations, (including the Joint Forensic Unit); filings; prosecutions; responses to petitions for release; and appeals of sexually violent predator civil commitment cases, as provided in chapter 71.09 RCW, is transferred to the Office of the Attorney General (AGO). Funding for the county prosecution legal costs is also transferred. The AGO may enter into an interagency agreement with a county prosecutor to perform prosecution services pursuant to chapter 71.09 RCW. Funding for defense-related legal costs for indigent respondents in civil commitment cases under chapter 71.09 RCW is transferred to the Office of Public Defense pursuant to Chapter 257, Laws of 2012 (SSB 6493).

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

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Special Commitment Center - Main Facility										
Avg Daily Population/Month	189	211	232	251	270	277	280	281	283	286
% Change from prior year		11.6%	10.0%	8.2%	7.6%	2.6%	1.1%	0.4%	0.7%	1.1%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	10	11	11	12	13	14	16	20	23	25
% Change from prior year		10.0%	0.0%	9.1%	8.3%	7.7%	14.3%	25.0%	15.0%	8.7%

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

Data Sources :

FY 2004 through FY 2011 from Department of Social and Health Services Executive Management Information System reports.

FY 2012 through FY 2013 data are from legislative fiscal staff.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	49,658	45,845	95,503
Total Maintenance Changes	1,779	802	2,581
Policy Changes - Early Action Savings			
1. Staffing & Efficiency Savings	-841	-501	-1,342
Policy Changes - Early Action Savings	-841	-501	-1,342
Policy Changes - Other			
2. Provider One Phase Two	0	299	299
3. Evidence Based Practices	113	105	218
4. Gang Prevention	250	0	250
5. SCC Ombudsman	-98	0	-98
Policy -- Other Total	265	404	669
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-318	-72	-390
Policy -- Comp Total	-318	-72	-390
<hr/>			
2011-13 Revised Appropriations	50,543	46,478	97,021
Fiscal Year 2012 Total	26,069	24,051	50,120
Fiscal Year 2013 Total	24,474	22,427	46,901

Comments:

1. **Staffing & Efficiency Savings** - Savings are achieved through staffing and efficiencies in the Executive Management, Operations Support, Information Systems Services, and Finance Divisions. (General Fund-State, General Fund-Federal)
2. **Provider One Phase Two** - The Department of Social and Health Services (DSHS) is given federal expenditure authority to proceed with the Social Service Payment System (SSPS) data conversion and transition to Provider One. State matching funds are to come from existing information technology resources. (General Fund-Federal)
3. **Evidence Based Practices** - Funding is provided for increasing the level of evidence-based or research-based prevention and treatment programs in the Department's mental health, juvenile justice, and child welfare programs in accordance with Chapter 232, Laws of 2012 (E2SHB 2536). This includes \$218,000 for the Department to hire two FTEs and \$224,000 to contract with the University of Washington and the Washington State Institute for Public Policy. The Department's programs responsible for administration of mental health, child welfare, and juvenile justice programs will coordinate with the Health Care Authority on the development of contract terms which facilitate efforts to meet requirements of the bill. (General Fund-State, General Fund-Federal)
4. **Gang Prevention** - \$250,000 is provided for a grant program focused on criminal street gang prevention and intervention administered by the Washington State Partnership Council on Juvenile Justice. The Council must give priority to applicants who have demonstrated the greatest problems with criminal street gangs.
5. **SCC Ombudsman** - The Special Commitment Center (SCC) ombudsman's activities duplicate the activities of the SCC resident advocates and residents' legal counsel; the position is eliminated.
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (General Fund-State, General Fund-Federal)

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	129,714	60,313	190,027
Total Maintenance Changes	-15,073	-6,225	-21,298
Policy Changes - Other			
1. Auditor Charges	187	81	268
2. Attorney General Reduction	-1	-1	-2
3. Sec of State Archive Reduction	-102	-44	-146
4. Central Services Savings	-129	-55	-184
5. Central Service Reforms	-3,166	-1,020	-4,186
Policy -- Other Total	-3,211	-1,039	-4,250
Policy Changes - Transfers			
6. SCC Legal Costs #	-2,987	0	-2,987
Policy -- Transfer Total	-2,987	0	-2,987
2011-13 Revised Appropriations	108,443	53,049	161,492
Fiscal Year 2012 Total	62,140	28,728	90,868
Fiscal Year 2013 Total	46,303	24,321	70,624

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
- Central Services Savings** - Funding is reduced for the Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at OAH, and reduces LRO services. (various funds)
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
- SCC Legal Costs #** - Funding for legal costs related to the prosecution of sexually violent predators is transferred. State general fund expenditure authority for legal costs associated with the evaluation, filing, prosecution, response to petitions for release, and appeal of sexually violent predator civil

commitment cases, as provided in Chapter 71.09 RCW, is transferred from the Special Commitment Center (SCC) to the Office of the Attorney General pursuant to Chapter 257, Laws of 2012 (SSB 6493).

Other Human Services

Low-Income Medical Assistance

A total of \$9.9 billion is appropriated to pay for medical and dental services for an average of 1.2 million low-income children and adults each month during the 2011-13 biennium. This is a decrease of \$653 million (6 percent) from the original 2011-13 biennial appropriations for these services. Of the \$9.9 billion appropriated, \$4.6 billion are state funds; \$5.3 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the \$4.6 billion in state funds, \$4.1 billion is from the state general fund and \$434 million is from the Hospital Safety Net Assessment Fund created in 2010. The \$4.6 billion state appropriation is \$9 million (0.2 percent) less than would be required to continue all low-income medical assistance programs and policies with no changes from the original 2011-13 biennial appropriations.

The \$653 million reduction from the original 2011-13 appropriations is almost entirely due to revised *caseload, utilization, and implementation forecasts*.

An average of 53,000 (4 percent) fewer persons per month are expected to enroll in state-subsidized coverage than anticipated in the original 2011-13 biennial operating budget, resulting in a savings of approximately \$308 million. Utilization of medical services is also not growing as quickly as originally forecasted, for an additional savings of \$405 million.

As directed in the original 2011-13 biennial operating budget, the Health Care Authority (HCA) emphasized price in the competitive selection of managed care contractors. Additionally, as also directed in the original biennial operating budget, disabled Medicaid clients who are not also eligible for Medicare will be included in managed care beginning July 2012. Together, these two actions are now expected to avoid \$147 million of Medicaid expenditures in 2011-13, \$73 million more than originally budgeted.

The appropriations provide an additional \$67 million to account for delayed implementation, federal disapproval, and judicial rejection of previous budget reductions. The largest components of this total are \$21 million from federal disapproval of a requirement in the original budget to charge drug copayments, \$9 million from judicial delay of the limitation on payment for emergency room (ER) treatment of non-emergency conditions, and \$9 million from delayed implementation of innovative payment approaches.

Program and administrative reductions account for \$43 million of the reduced appropriations. The Indigent Assistance Disproportionate Share Hospital Grant Program is discontinued, for savings of \$26 million. The program has provided federally-matched state funds to assist approximately 50 urban and rural hospitals with the cost of uncompensated care. For clients covered on a fee-for-service basis, HCA is directed to implement a drug formulary that limits coverage to the least costly, equally effective drugs, except when higher cost versions are shown to be medically necessary. This is expected to save approximately \$4 million.

HCA has also constrained administrative expenditures by leaving funded positions unfilled and limiting expenditures for goods, services, and contracts. Administrative funding is reduced by \$14 million to reflect continued operation at half the level of under-expenditure actually achieved during the first six months of the biennium.

Funding is provided to implement *new legislation*. Approximately \$2 million will fund the analysis, design, and development work associated with the federal Patient Protection and Affordable Care Act (ACA). HCA is directed to perform design and development work necessary to implement the federal Basic Health Program Option (BHPO) under the ACA. HCA is also required to report to the Legislature in December 2012 on whether to proceed with implementation of the BHPO.

HCA will also implement the Medicaid Fraud False Claims Act, which establishes new tools for detecting and prosecuting Medicaid fraud and new penalties for engaging in it. Funds recovered from fraudulent activities will be deposited into a new state account that can only be used for payment for Medicaid services and for fraud prevention, detection, and enforcement activities.

Approximately \$33 million is appropriated for implementation of *other policy changes*. Rather than implementing a policy of non-payment for non-emergent visits to the emergency room (ER), HCA is directed to work with hospitals to implement best practices for reducing ER utilization. These best practices are budgeted to save the same \$34 million in fiscal year 2013 as the original non-payment policy. The budget provides \$9 million in fiscal year 2012 to account for delayed implementation of this new policy.

Funding is also provided to proceed with Phase Two of the ProviderOne project at a total cost of approximately \$24 million. This phase will include long-term care payments in a single payment system for Medicaid services. The federal government will provide 90 percent matching funds for this project.

Department of Health

The Department of Health (DOH) has a total budget of \$1.1 billion (\$157.5 million General Fund-State) to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory. Reductions of \$899,000 General Fund-State were included in Chapter 9, Laws of 2011, 1st sp.s., Partial Veto (SHB 2058), and reductions totaling \$1.9 million General Fund-State were included in Chapter 7, Laws of 2012, 1st sp.s., Partial Veto (3ESHB 127). In addition:

- A total of \$5.6 million in Health Professions Account-State expenditure authority was added for enacted legislation and other programs, including \$4.4 million for increased mandatory training and additional background checks and certifications for long-term care workers as required by Initiative 1163.
- DOH will use amounts remaining (\$1.7 million) in the Tobacco Prevention and Control Account to continue Quitline services to the uninsured and underinsured population in Washington for an additional year. Quitline funding for people lacking health insurance or other health care benefits ended in the 2009-11 biennium.

Department of Corrections

A total of \$1.7 billion is provided to the Department of Corrections (DOC) to incarcerate an average of 17,935 inmates per month and to supervise an average of 15,912 offenders in the community per month during the 2011-13 biennium. This funding level represents a decrease of \$33.4 million (2 percent) in corrections spending from the enacted 2011-13 budget, and savings of \$36.4 million (2.2 percent) from the revised 2011-13 biennium maintenance level.

The budget assumes net savings of \$15 million related to implementation of a *structured community supervision sanction process* for violations of conditions of community custody. Chapter 6, Laws of 2012, 1st sp.s. (2E2SSB 6204) provides that offenders who commit a first low-level violation of conditions of community custody are subject to non-confinement sanctions; offenders who commit subsequent low-level violations (up to five low-level violations) are subject to up to three days confinement; offenders who commit high-level violations are subject to sanctions of up to 30 days confinement and are entitled to hearings before sanctions are imposed; and generally offenders who commit new crimes will be held on DOC detainers for up to three days while the information is forwarded to local jurisdictions for consideration of new charges. The funding level assumes that \$6.4 million from the estimated annual savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on their assessed risk levels and treatment needs. Amendments adopted by the Legislature limiting the number of low-level sanctions to five and specifying that offenders with certain underlying offenses who commit new crimes be held in total confinement pending sanction hearings or

until new charges are filed by prosecuting attorneys will reduce the net savings assumed in the budget by an estimated \$3.5 million over the biennium.

Savings totaling \$17.2 million are achieved through *administrative efficiencies, vacancy savings, and underspending*. Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$5.9 million for administrative reductions to management and communications, elimination of the Jail Industries Board, and maintaining a 2.8 percent vacancy rate in the community corrections and health services programs. Chapter 7, Laws of 2012, 2nd sp.s., Partial veto (3ESHB 2127) includes one-time savings of \$11.2 million from estimated underspending during the current biennium.

Savings totaling \$5.7 million is achieved through *reductions to health care costs*. Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$2.3 million for expansion of utilization management, reduction in pharmaceutical costs, expansion in the use of Medicaid for eligible inmates, and increasing health care copayments for inmates by one dollar. Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127) includes savings of \$3.4 million to reflect use of the ProviderOne system to pay outside hospital claims, and from paying Medicaid rates to providers for DOC offenders receiving inpatient, outpatient, or ancillary services.

Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$11.7 million from the conversion of medium security units at the Old Main at the Washington State Penitentiary to minimum security units.

For fiscal years 2012 and 2013, the debt service for the certificates of participation used to finance the construction of the Correctional Industries Furniture Factory at the Stafford Creek Corrections Center is to be paid from the Correctional Industries Account, generating state general fund savings of \$2.0 million.

One-time funding of \$2.0 million is provided from the Enhanced 911 Account to install narrowband radios.

Criminal Justice Training Commission

The budget provides \$28.7 million from the state general fund to the Criminal Justice Training Commission for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs. This funding level represents a 5.2 percent reduction to the 2011-13 enacted budget. Major items include:

- Savings of \$673,000 from Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) achieved through reductions of one Basic Law Enforcement Academy (BLEA) and three Corrections Academies, along with savings through staffing and operational efficiencies related to the BLEA.
- Savings of \$750,000 included in Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127) achieved through unspecified efficiencies and reductions.

Labor and Industries

The Department of Labor and Industries has a total budget of \$632.6 million (\$35.3 million General Fund-State) to administer Washington's workers' compensation system, manage the occupational health and safety program, operate the Crime Victims' Compensation (CVC) program, and license and enforce safe building practices. Chapter 9, Laws of 2011, 1st sp.s., Partial Veto (SHB 2058) includes a reduction of \$2.3 million General Fund-State to CVC, which will be offset by increased federal expenditures in the program.

Other Administrative Reductions

The appropriations were adjusted to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, Department of Enterprise Services) as well as improved management of information technology resources. The impact of these changes, budget wide, is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,459,259	6,388,148	10,847,407
Total Maintenance Changes	-379,776	-439,056	-818,832
Policy Changes - Early Action Savings			
1. Capture Vacancy Savings	-702	-1,287	-1,989
2. Moore Lawsuit Savings	-886	0	-886
Policy Changes - Early Action Savings	-1,588	-1,287	-2,875
Policy Changes - Other			
3. Establish State Drug Formulary	-1,768	-1,768	-3,536
4. Administrative Reductions	-3,623	-3,110	-6,733
5. Capture Vacancy Savings	-3,090	-1,820	-4,910
6. Reimbursement Methods Waiver	4,400	4,400	8,800
7. Auditor Charges	127	174	301
8. Attorney General Reduction	-4	-7	-11
9. Sec of State Archive Reduction	-1	-1	-2
10. Central Services Savings	5	7	12
11. Affordable Care Act Implementation	2,114	0	2,114
12. Evidence Based Practices	66	66	132
13. Central Service Reforms	-573	-131	-704
14. Health Information Technology	47	144,446	144,493
15. Indigent Assistance DSH	-13,140	-13,140	-26,280
16. Implement Provider One Phase 2	2,580	21,890	24,470
17. Emergency Room Services	3,731	5,132	8,863
18. Rural Health Center Reimbursement	35	35	70
19. Medicaid False Claims Act	-3,608	9,367	5,759
20. Graduate Medical Payments	0	28,500	28,500
21. Apple Health Outreach	500	500	1,000
22. Governor Veto	-35	-85	-120
Policy -- Other Total	-12,237	194,455	182,218
Policy Changes - Comp			
23. PEBB Funding Rate Reduction	-212	-466	-678
Policy -- Comp Total	-212	-466	-678
2011-13 Revised Appropriations	4,065,446	6,141,794	10,207,240
Fiscal Year 2012 Total	2,034,296	3,081,690	5,115,986
Fiscal Year 2013 Total	2,031,150	3,060,104	5,091,254

Comments:

- Capture Vacancy Savings** - The Health Care Authority (HCA) had funding for 30.6 FTE staff positions that were vacant for the first three months of the biennium. The one-time vacancy savings are removed from the budget. (General Fund-State, General Fund-Federal, General Fund-Private/Local, State Health Care Authority Administrative Account-State)
- Moore Lawsuit Savings** - Funding is transferred from HCA to the Office of the Attorney General for the *Moore v. HCA* lawsuit.
- Establish State Drug Formulary** - For drugs dispensed on a fee-for-service basis and not included on the state's interagency preferred drug list program, HCA will limit coverage to the least costly equally effective formulation in a class, except when a higher cost version is shown to be medically necessary. The formulary limitations will not apply to antiretroviral drugs used in the treatment of HIV/AIDS, anticancer drugs, antihemophilic drugs, insulin and other drugs to lower blood glucose, and immunosuppressive drugs. (General Fund-State, General Fund-Federal)
- Administrative Reductions** - Budgeted administrative staffing and expenditures for the final three quarters of the 2011-13 biennium are reduced by half the level of under-expenditure at which HCA actually operated during the first quarter of the biennium. (General Fund-State, General Fund-Private/Local, General Fund-Federal)
- Capture Vacancy Savings** - HCA has constrained administrative expenditures by leaving funded positions unfilled; limiting expenditures on goods, services, and contracts; and through other means. Funding is adjusted to reflect actual administrative under-expenditures through the first six months of FY 2012. (General Fund-State, General Fund-Federal)

Washington State Health Care Authority

6. **Reimbursement Methods Waiver** - Chapter 1, Laws of 2011, 1st sp.s. (E2SSB 5596), directed HCA to seek a federal Medicaid waiver to implement reimbursement methods such as bundled, global, and risk-bearing payment arrangements that were expected to reduce state general fund expenditures by \$8.8 million beginning July 2012. HCA reports that it is unable to develop and obtain federal approval for such a system by July 2012, and is directed to continue work for implementation by January 2013. (General Fund-State, General Fund-Federal)
7. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
8. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
9. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
10. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
11. **Affordable Care Act Implementation** - Funding is provided to HCA and the Office of the Insurance Commissioner to implement Chapter 87, Laws of 2012, Partial Veto (E2SHB 2319). HCA will submit a report to the Legislature on whether to proceed with implementation of the federal Basic Health Program Option (BHPO) by December 1, 2012. Funding is also provided to support the design and development work necessary for HCA to provide coverage under the BHPO beginning January 1, 2014.
12. **Evidence Based Practices** - In accordance with Chapter 232, Laws of 2012 (E2SHB 2536), funding is provided to assess and report on the extent to which research-based prevention and treatment programs are presently utilized in state-funded children's mental health, juvenile justice, and child welfare programs. (General Fund-State, General Fund-Federal)
13. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
14. **Health Information Technology** - Funding is provided to issue federally-funded incentive payments, manage the provider incentive program, and plan for other initiatives related to the Medicaid Health Information Technology Plan. Under the plan, Medicaid providers are expected to receive approximately \$144 million of fully federally-funded incentive payments to adopt and make effective use of electronic health record systems. HCA will enter an interagency agreement to cover most of the state share of this cost with *cy pres* settlement funds recovered by the Office of the Attorney General in the case of *Washington vs. GlaxoSmithKline*. (General Fund-State, General Fund-Private/Local, General Fund-Federal)
15. **Indigent Assistance DSH** - The Indigent Assistance Disproportionate Share Hospital (DSH) Programs are eliminated starting in FY 2012. The programs have provided federally-matched state funds to assist approximately 50 urban and rural hospitals with the cost of uncompensated care. (General Fund-State, General Fund-Federal)
16. **Implement Provider One Phase 2** - HCA will implement phase two of the ProviderOne project to replace the legacy Medicaid payment system. This phase includes the transition of long-term care payments. (General Fund-State, General Fund-Federal)
17. **Emergency Room Services** - HCA will designate best practices to reduce unnecessary emergency room (ER) visits. HCA will implement a policy of non-payment for non-emergent ER visits if hospitals that comprise at least 75 percent of ER visits by Medicaid fee-for-service clients in FY 2010 do not attest to adoption and compliance with these best practices. (General Fund-State, Hospital Safety Net Assessment Fund-State, General Fund-Federal)
18. **Rural Health Center Reimbursement** - Funds are provided for a contract to assist with development of a new managed care payment reconciliation methodology for federally-certified rural health clinics. The purposes of the new methodology are to increase administrative simplicity, transparency, efficiency, and predictability for the clinics, and to shorten the time elapsing between initial payment and final payment reconciliation. The Governor vetoed this appropriation. (General Fund-State, General Fund-Federal)
19. **Medicaid False Claims Act** - Funds are provided for implementation of Chapter 241, Laws of 2012, Partial Veto (ESSB 5978). The act establishes new tools for detecting and prosecuting Medicaid fraud, and new penalties for engaging in it. Funds recovered from fraudulent activities will be deposited into a new state account that may only be used for payment for Medicaid services and for fraud prevention, detection, and enforcement activities. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)
20. **Graduate Medical Payments** - HCA will amend the state Medicaid plan to provide supplemental payments to public hospital-affiliated medical practices for graduate medical education provided on behalf of low-income medical assistance recipients enrolled in managed care. The non-federal funds required to match the federal portion of this expenditure will be provided through an intergovernmental transfer by the public hospitals. (General Fund-Private/Local, General Fund-Federal)

Washington State Health Care Authority

21. **Apple Health Outreach** - Funding is provided for efforts to facilitate enrollment of additional eligible children in low-income medical assistance programs. (General Fund-State, General Fund-Federal)
22. **Governor Veto** - The Governor vetoed Sections 213 (44) and (54) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). Section 213(44) provided \$50,000 for HCA to review and report on the payment of facility fees in programs it administers. Section 213(54) provided \$70,000 for a contract to assist with development of a new managed care payment reconciliation methodology for federally-certified rural health clinics. (General Fund-State, Hospital Safety Net Assessment Fund-State, General Fund-Federal)
23. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Health Care Authority Low-Income Medical Assistance

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Medicaid Categorically Needy	815,257	810,363	838,443	844,805	855,043	909,668	993,479	1,045,076	1,072,642	1,115,191
AFDC/TANF	283,973	293,185	283,290	267,408	251,975	264,476	290,453	304,574	308,956	318,483
Elderly	54,573	55,544	56,467	57,038	57,646	58,848	60,655	62,792	64,560	66,567
Disabled	123,248	126,868	129,667	132,469	136,018	140,905	148,526	154,699	159,513	166,937
Non-AFDC Children	319,772	298,548	329,580	344,173	363,339	397,329	444,023	470,857	486,034	507,504
Non-AFDC Pregnant Women	26,366	27,121	27,589	28,470	29,143	29,671	29,801	29,953	29,006	28,762
Medicare Beneficiaries	7,066	8,563	10,689	13,771	15,201	16,463	17,629	19,416	21,973	24,283
Breast & Cervical Cancer	0	56	375	495	565	655	812	998	1,056	1,196
Medicaid Buy-In	261	479	787	981	1,157	1,321	1,580	1,787	1,543	1,458
Medicaid Medically Needy	16,972	17,849	16,536	13,590	13,567	12,984	12,336	12,897	13,023	13,195
Elderly	6,510	6,592	6,150	5,232	5,159	5,040	4,960	5,040	5,036	5,047
Disabled	10,462	11,257	10,385	8,358	8,409	7,945	7,376	7,857	7,988	8,148
State Children's Health Insurance Program (SCHIP)	9,516	13,303	11,786	11,406	11,974	14,469	19,290	23,809	25,289	26,879
Federal Refugee Assistance	684	685	754	732	674	758	929	788	700	723
State Medical Care Services	11,651	14,109	18,511	27,219	41,443	47,324	47,620	46,947	39,204	35,590
Undocumented Children	0	0	2,528	10,127	23,567	27,564	26,211	24,784	21,758	20,994
Disability Lifeline & ADATSA	11,651	14,109	15,982	17,093	17,876	19,760	21,409	22,163	17,446	14,596
Basic Health Plan	103,452	99,807	100,444	102,118	104,792	103,590	76,079	52,274	36,328	31,088
Total Eligibles per Month	957,532	956,117	986,472	999,871	1,027,493	1,088,793	1,149,733	1,181,792	1,187,186	1,222,667
% Change from prior year		-0.1%	3.2%	1.4%	2.8%	6.0%	5.6%	2.8%	0.5%	3.0%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Human Rights Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,482	1,903	6,385
Total Maintenance Changes	-21	0	-21
Policy Changes - Other			
1. Auditor Charges	-24	0	-24
2. Attorney General Reduction	-19	0	-19
3. Sec of State Archive Reduction	-1	0	-1
4. Staff Reduction	-448	0	-448
5. Central Service Reforms	-10	0	-10
Policy -- Other Total	-502	0	-502
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-12	-10	-22
Policy -- Comp Total	-12	-10	-22
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2011-13 Revised Appropriations	3,947	1,893	5,840
Fiscal Year 2012 Total	1,993	971	2,964
Fiscal Year 2013 Total	1,954	922	2,876

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Staff Reduction** - The Human Rights Commission (HRC) will reorganize its management structure by eliminating two FTE Operations Manager positions. HRC also allowed one Customer Service Specialist position to remain vacant for part of FY 2012, and will allow an Investigator 2 position to remain vacant through the remainder of FY 2012. These measures represent a 10 percent state general fund reduction.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	39,380	39,380
Total Maintenance Changes	0	-17	-17
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Attorney General Reduction	0	-10	-10
3. Sec of State Archive Reduction	0	-8	-8
4. Central Service Reforms	0	-34	-34
Policy -- Other Total	0	-58	-58
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	0	-96	-96
Policy -- Comp Total	0	-96	-96
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2011-13 Revised Appropriations	0	39,209	39,209
Fiscal Year 2012 Total	0	19,508	19,508
Fiscal Year 2013 Total	0	19,701	19,701

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	30,305	13,709	44,014
Total Maintenance Changes	-91	0	-91
Policy Changes - Early Action Savings			
1. Management Efficiencies & Workloads	-673	0	-673
Policy Changes - Early Action Savings	-673	0	-673
Policy Changes - Other			
2. Auditor Charges	-6	0	-6
3. Attorney General Reduction	-12	0	-12
4. Sec of State Archive Reduction	-1	0	-1
5. Central Service Reforms	-16	0	-16
6. Efficiencies and Fewer Academies	-750	0	-750
Policy -- Other Total	-785	0	-785
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-20	0	-20
Policy -- Comp Total	-20	0	-20
<hr/>			
2011-13 Revised Appropriations	28,736	13,709	42,445
Fiscal Year 2012 Total	14,589	6,833	21,422
Fiscal Year 2013 Total	14,147	6,876	21,023

Comments:

1. **Management Efficiencies & Workloads** - Funding is reduced to reflect elimination of one Basic Law Enforcement Academy (BLEA) and three corrections academies, along with savings achieved through staffing and operational efficiencies related to the BLEA.
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **Efficiencies and Fewer Academies** - Funding reflects unspecified savings from efficiencies and reductions.
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	38,084	600,298	638,382
Total Maintenance Changes	-10	-670	-680
Policy Changes - Early Action Savings			
1. Use Federal Crime Victims' Funds	-2,277	1,536	-741
Policy Changes - Early Action Savings	-2,277	1,536	-741
Policy Changes - Other			
2. Auditor Charges	-32	-497	-529
3. Attorney General Reduction	-36	-2,755	-2,791
4. Sec of State Archive Reduction	0	-32	-32
5. Central Services Savings	-1	-26	-27
6. Central Service Reforms	-17	-557	-574
7. Medical Provider Network	0	820	820
8. Nationwide Information Exchange	0	314	314
9. Indirect Programs	-325	325	0
10. SB 6421 Prevailing Wage/Public Wks	0	90	90
11. SB 6133 Electrician Certification	0	34	34
Policy -- Other Total	-411	-2,284	-2,695
Policy Changes - Comp			
12. PEBB Funding Rate Reduction	-74	-1,584	-1,658
Policy -- Comp Total	-74	-1,584	-1,658
2011-13 Revised Appropriations	35,312	597,296	632,608
Fiscal Year 2012 Total	17,406	295,392	312,798
Fiscal Year 2013 Total	17,906	301,904	319,810

Comments:

- 1. Use Federal Crime Victims' Funds** - The use of federal grant money will be maximized in each fiscal year to reduce General Fund-State expenditures in the Crime Victims' Compensation Program without changing benefit amounts. (General Fund-State, General Fund-Federal)
- 2. Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- 3. Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- 4. Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
- 5. Central Services Savings** - Funding is reduced for the Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at OAH, and reduces LRO services. (various funds)
- 6. Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
- 7. Medical Provider Network** - Expenditure authority is provided to develop a new health care provider network to treat injured workers, in accordance with legislation passed in 2011. Providers who meet minimum standards are accepted into the network and must agree to follow the Department of Labor and Industries' (Department) coverage decisions, treatment guidelines, and policies. (various funds)
- 8. Nationwide Information Exchange** - Funding is provided for the Department to participate in a national information exchange with other workers' compensation insurers, as mandated by legislation enacted in 2011, in order to help detect fraud. The Department has negotiated with Information Services Offices, Inc. (ISO), which maintains a nationwide workers' compensation database (covering 97 percent of the nation's property casualty insurers). (various funds)

Department of Labor and Industries

9. **Indirect Programs** - Indirect charges to state-supported programs are reduced by realigning the cost allocation model with current program structure. (various funds)
10. **SB 6421 Prevailing Wage/Public Wks** - Funding is provided for the processing of an increase in the number of affidavits filed as provided in Chapter 129, Laws of 2012 (SSB 6421). (various funds)
11. **SB 6133 Electrician Certification** - Funding is provided for the implementation of new classroom training requirements for candidates seeking electrician certification pursuant to Chapter 32, Laws of 2012 (SB 6133). (various funds)
12. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	16,261	99,044	115,305
Total Maintenance Changes	589	1,008	1,597
Policy Changes - Early Action Savings			
1. Adjust Forecasted Revenue	-1,413	1,866	453
Policy Changes - Early Action Savings	-1,413	1,866	453
Policy Changes - Other			
2. Auditor Charges	-15	-28	-43
3. Attorney General Reduction	-2	-4	-6
4. Sec of State Archive Reduction	-1	-3	-4
5. Central Services Savings	0	-1	-1
6. Central Service Reforms	-40	-91	-131
Policy -- Other Total	-58	-127	-185
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-40	-340	-380
Policy -- Comp Total	-40	-340	-380
<hr/>			
2011-13 Revised Appropriations	15,339	101,451	116,790
Fiscal Year 2012 Total	8,574	49,872	58,446
Fiscal Year 2013 Total	6,765	51,579	58,344

Comments:

1. **Adjust Forecasted Revenue** - The Department of Veterans Affairs will reduce state general fund expenditures by leveraging additional non-state funds. These reductions are not expected to affect client services. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
5. **Central Services Savings** - Funding is reduced for the Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at OAH, and reduces LRO services. (various funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Health

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	160,547	921,389	1,081,936
Total Maintenance Changes	-194	23,138	22,944
Policy Changes - Early Action Savings			
1. Data Collection and Analysis	-258	0	-258
2. Central Administration	-505	0	-505
3. State Board of Health	-136	0	-136
Policy Changes - Early Action Savings	-899	0	-899
Policy Changes - Other			
4. Drinking Water Program	-362	0	-362
5. Public Health Laboratories	-208	0	-208
6. Radiation Laboratory	-137	0	-137
7. Wastewater Support/Water Protection	-405	0	-405
8. Water Recreation Local Health	-65	0	-65
9. Zoonotic Disease Surveillance	-64	0	-64
10. AHEC Rural Health Contracts	-61	0	-61
11. EMS-Trauma Council Contracts	-350	0	-350
12. Funding for Initiative 1163	0	4,429	4,429
13. Auditor Charges	-16	-55	-71
14. Attorney General Reduction	-72	-477	-549
15. Sec of State Archive Reduction	-8	-29	-37
16. Central Services Savings	-4	-13	-17
17. Central Service Reforms	-140	-246	-386
18. Enhance Physician Outreach	0	220	220
19. Nursing Profession Investigation	0	352	352
20. Military Spouses and Partners	0	19	19
21. Career Pathway/Medical Assistants	0	102	102
22. Mental Health Professionals	0	21	21
23. Reflexologists	0	61	61
24. Dental Anesthesia Assistants	0	28	28
25. Assisted Living Facilities	0	15	15
26. Licensed Midwives	0	11	11
27. Hospital Employees	11	0	11
28. Long-Term Care Workers	0	48	48
29. Suicide Assessment/Treatment	0	280	280
30. Health Care Services Billing	11	0	11
31. Prescription Monitoring Program	22	0	22
32. Medication Assistant Endorsement	0	30	30
33. Tobacco Quitline	0	1,700	1,700
34. ARRA Administrative Funding	0	-832	-832
35. Temporary Farmworker Housing	250	0	250
Policy -- Other Total	-1,598	5,664	4,066
Policy Changes - Comp			
36. PEBB Funding Rate Reduction	-196	-778	-974
Policy -- Comp Total	-196	-778	-974
Policy Changes - Transfers			
37. Transfer DD Council to Commerce	-142	-2,092	-2,234
38. Transfer Site Use Permit to Health#	0	79	79
Policy -- Transfer Total	-142	-2,013	-2,155
2011-13 Revised Appropriations	157,518	947,400	1,104,918
Fiscal Year 2012 Total	79,404	496,770	576,174
Fiscal Year 2013 Total	78,114	450,630	528,744

Department of Health

Comments:

1. **Data Collection and Analysis** - The Department of Health (DOH) will reduce the frequency of data released from the Comprehensive Hospital Abstract Reporting System and other support relating to reporting and state-owned information technology systems.
2. **Central Administration** - DOH will reduce administrative costs by 10 percent.
3. **State Board of Health** - Funding for the State Board of Health is reduced by 10 percent. Savings will be achieved through reduced travel, goods, and services, and fewer board meetings.
4. **Drinking Water Program** - Funding is reduced for technical assistance and monitoring of water systems, including data collection and information technology support for mapping drinking water systems and technical assistance related to water quality monitoring and reporting requirements.
5. **Public Health Laboratories** - Funding is reduced for public health laboratory community outreach. A community outreach contract is eliminated, as well as two staff positions at the laboratories.
6. **Radiation Laboratory** - The Department of Health (DOH) will eliminate a position in the Radiation Laboratory that prepares, analyzes, and reports on samples sent from the state radiation program and other submitters throughout the state.
7. **Wastewater Support/Water Protection** - DOH will reduce on-site septic system permitting and compliance activities.
8. **Water Recreation Local Health** - Funding is reduced for technical assistance and monitoring of local recreational water facilities.
9. **Zoonotic Disease Surveillance** - DOH will reduce surveillance of plague and mosquito-borne and tick-borne diseases.
10. **AHEC Rural Health Contracts** - Funding is reduced for Area Health Education Centers (AHECs) by 10 percent effective April 1, 2012.
11. **EMS-Trauma Council Contracts** - Funding is reduced for emergency medical system (EMS) trauma council contracts.
12. **Funding for Initiative 1163** - Initiative 1163 was approved by voters in the 2011 election. The Initiative requires increased mandatory training, additional background checks and certification for long-term care workers beginning January 7, 2012. Administrative costs are capped and performance audits with additional fraud investigators are required. (Health Professions Account-State)
13. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
14. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
15. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
16. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
17. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
18. **Enhance Physician Outreach** - The Medical Quality Assurance Commission will produce a quarterly newsletter to promote safe standards of care. (Health Professions Account-State)
19. **Nursing Profession Investigation** - The Nursing Care Quality Assurance Commission is provided with additional appropriation authority to address substance abuse and increased nursing practice complaints. (Health Professions Account-State)
20. **Military Spouses and Partners** - Chapter 45, Laws of 2012 (SB 6290), addresses the occupational licensing status of military spouses and registered domestic partners during deployment or placement outside the state. (Health Professions Account-State)
21. **Career Pathway/Medical Assistants** - Chapter 153, Laws of 2012 (ESSB 6237), changes the designation of health care assistant to medical assistant, provides minimum requirements for entry-level medical assistants, and requires DOH to establish a career ladder. (Health Professions Account-State)
22. **Mental Health Professionals** - Chapter 58, Laws of 2012 (SSB 6328), requires the DOH Secretary to adopt rules relating to the issuance of retired active licenses for mental health counselors, marriage and family therapists, advanced social workers, and independent clinical social workers. (Health Professions Account-State)
23. **Reflexologists** - Chapter 137, Laws of 2012 (ESSB 6103), provides for licensure to differentiate between professions of reflexology and massage therapy. (Health Professions Account-State)
24. **Dental Anesthesia Assistants** - Chapter 23, Laws of 2012 (E2SSB 5620), prohibits a person from practicing or

Department of Health

- representing himself or herself as a certified dental anesthesia assistant or registered dental assistant without meeting the proper qualifications. (Health Professions Account-State)
25. **Assisted Living Facilities** - Chapter 10, Laws of 2012 (SHB 2056), changes the term "boarding home" to "assisted living facility" throughout the Revised Code of Washington. (Health Professions Account-State)
 26. **Licensed Midwives** - Chapter 13, Laws of 2012 (EHB 2186), allows registered nurses and licensed practical nurses to perform certain tasks at the direction of a licensed midwife. (Health Professions Account-State)
 27. **Hospital Employees** - Chapter 98, Laws of 2012 (ESHB 2229), requires certain hospitals to report employee compensation information to DOH.
 28. **Long-Term Care Workers** - Chapter 164, Laws of 2012 (ESHB 2314), makes technical corrections and clarifies provisions governing services by long-term care workers. (Health Professions Account-State)
 29. **Suicide Assessment/Treatment** - Chapter 181, Laws of 2012 (ESHB 2366), establishes the Matt Adler Suicide Assessment, Treatment, and Management Training Act, which requires certain health professionals to complete training in suicide assessment. (Health Professions Account-State)
 30. **Health Care Services Billing** - Chapter 184, Laws of 2012 (ESHB 2582), requires a provider-based clinic that charges a facility fee to provide a notice to patients. Hospitals with provider-based clinics that bill a separate facility fee must report information to DOH.
 31. **Prescription Monitoring Program** - Chapter 192, Laws of 2012 (ESHB 6105), exempts veterinarians from the data submission requirements of the prescription monitoring program.
 32. **Medication Assistant Endorsement** - Chapter 208, Laws of 2012 (ESHB 2473), establishes a medication assistant endorsement. (Health Professions Account-State)
 33. **Tobacco Quitline** - DOH will use remaining funds in the Tobacco Prevention and Control Account to continue Quitline services to the uninsured and underinsured population in Washington. Quitline funding for people lacking health insurance or other health care benefits ended in the 2009-11 biennium. (Tobacco Prevention and Control Account-State)
 34. **ARRA Administrative Funding** - \$832,000 of American Recovery and Reinvestment Act (ARRA) federal stimulus funding that was originally estimated to be needed for administration of federal projects will instead be spent in the capital budget to support water system capital improvement projects.
 35. **Temporary Farmworker Housing** - Funds are provided to retain current fee levels in the Temporary Farmworker Housing Program. DOH must evaluate current inspection practices and fee assumptions, which are based on occupancy levels.
 36. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)
 37. **Transfer DD Council to Commerce** - The Developmental Disabilities (DD) Council and the Endowment Trust Fund are transferred from DOH to the Department of Commerce effective July 1, 2012, pursuant to Chapter 197, Laws of 2012 (SSB 6545). The Council works with people with developmental disabilities and their families to promote a comprehensive system of services, and serves as an advocate and a planning body. (General Fund-State, General Fund-Federal, Community and Economic Development Fee Account-State)
 38. **Transfer Site Use Permit to Health#** - Work related to low-level radioactive waste site use permits will be transferred from the Department of Ecology to DOH, pursuant to Chapter 19, Laws of 2012 (HB 2304). (Site Closure Account-State)

Department of Corrections

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,635,488	23,819	1,659,307
Total Maintenance Changes	25,308	-2,226	23,082
Policy Changes - Early Action Savings			
1. Repurpose Old Main at Walla Walla	-11,730	0	-11,730
2. Offender Health Care CoPay	-2,384	0	-2,384
3. Administrative Costs/Vacancies	-5,945	0	-5,945
Policy Changes - Early Action Savings	-20,059	0	-20,059
Policy Changes - Other			
4. Auditor Charges	31	0	31
5. Attorney General Reduction	-1,138	0	-1,138
6. Sec of State Archive Reduction	-50	0	-50
7. Central Services Savings	-71	0	-71
8. Reimburse Scherf Trial Expenditures	1,041	0	1,041
9. Hepatitis Immunizations	292	0	292
10. Community Supervision Violators	-15,049	0	-15,049
11. Administrative Costs/Vacancies	-11,233	0	-11,233
12. Central Service Reforms	-2,292	0	-2,292
13. Prison Safety & Radios	0	2,000	2,000
14. Hospital Rates	-3,352	0	-3,352
15. Correctional Officer Uniforms	311	0	311
16. Furniture Factory COP	-2,045	0	-2,045
17. Maple Lane Warm Closure	206	0	206
Policy -- Other Total	-33,349	2,000	-31,349
Policy Changes - Comp			
18. PEBB Funding Rate Reduction	-5,044	-2	-5,046
Policy -- Comp Total	-5,044	-2	-5,046
2011-13 Revised Appropriations	1,602,344	23,591	1,625,935
Fiscal Year 2012 Total	815,717	10,913	826,630
Fiscal Year 2013 Total	786,627	12,678	799,305

Comments:

- 1. Repurpose Old Main at Walla Walla** - Security levels of units in prisons may be changed to match the appropriate custody level for offenders pursuant to the Department of Correction's classification system. Funding is reduced to reflect the conversion of medium security units in the Old Main facility at the Washington State Penitentiary to minimum security units.
- 2. Offender Health Care CoPay** - Funding is reduced to reflect expansion of utilization management activities that provide more cost effective health care, reduction of certain pharmaceutical costs, and expansion in the use of Medicaid for eligible inmates. In addition, health care co-pays for inmates are increased by one dollar.
- 3. Administrative Costs/Vacancies** - Savings are achieved through administrative reductions to management and communications and elimination of the Jail Industries Board. Additional savings are achieved by maintaining an average 2.8 percent vacancy rate in the Community Corrections and Health Services programs.
- 4. Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- 5. Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- 6. Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- 7. Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding

Department of Corrections

reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.

8. **Reimburse Scherf Trial Expenditures** - Funding is provided to reimburse the cost of the Byron Scherf trial. Scherf is the offender accused in the January 29, 2011, murder of Monroe Correctional Complex Correctional Officer Jayme Biendl.
9. **Hepatitis Immunizations** - Funding is provided to purchase the Hepatitis B vaccine in order to continue immunizing all incoming offenders against Hepatitis B. The vaccine was previously purchased with federal funds.
10. **Community Supervision Violators** - Funding is reduced to reflect implementation of a structured community supervision violation process effective June 2012. Chapter 6, Laws of 2012, 1st sp.s. (2E2SSB 6204) provides that: offenders who commit a first low-level violation of conditions of community custody are subject to non-confinement sanctions; offenders who commit subsequent low-level violations (up to five low-level violations) are subject to up to three days confinement; offenders who commit high-level violations are subject to sanctions of up to 30 days confinement; and generally offenders who commit new crimes will be held on Department of Corrections (DOC) detainers for up to three days while the information is forwarded to local jurisdictions for consideration of new charges. The funding level assumes that \$6.4 million from the estimated annual savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on their assessed risk level and treatment needs. Note: Other legislation enacted limiting the number of low-level sanctions to five and specifying that offenders with certain underlying offenses who commit new crimes be held in total confinement pending sanction hearings or until new charges are filed by prosecuting attorneys will reduce the net savings assumed in the budget by an estimated \$3.5 million over the biennium.
11. **Administrative Costs/Vacancies** - One-time savings to reflect underexpenditures in FY 2012.
12. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
13. **Prison Safety & Radios** - One-time funding is provided to install narrowband radios. (Enhanced 911 Account-State)
14. **Hospital Rates** - Funding is reduced to reflect the use of ProviderOne by DOC to pay outside hospital claims and from the payment of Medicaid rates to providers for DOC offenders.
15. **Correctional Officer Uniforms** - Funding is provided to implement Chapter 220, Laws of 2012 (HB 2346), which exempts DOC and its employees from the requirement to purchase or lease employee uniforms from Correctional Industries.
16. **Furniture Factory COP** - For FY 2012 and FY 2013, the debt service for the certificate of participation (COP) used to finance the construction of the Correctional Industries Furniture Factory at the Stafford Creek Corrections Center is to be paid from the Correctional Industries Account. Beginning in FY 2014 the debt service will be paid from the state general fund.
17. **Maple Lane Warm Closure** - Funding is provided for DOC to maintain the state facilities and assets at Maple Lane School facility in Rochester from April 1, 2012, through June 30, 2013. A proviso specifies that DOC may not house offenders at the facility, and requires DOC to report to the Legislature by November 1, 2012, with a plan for the future use of the facility.
18. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Community Supervision ^{(1) (2)}										
# Active (Non-Monetary) Offenders	32,685	29,190	26,466	27,057	28,212	28,894	20,155	18,920	16,258	15,565
% Change from prior year		-10.7%	-9.3%	2.2%	4.3%	2.4%	-30.2%	-6.1%	-14.1%	-4.3%
Institutions ⁽³⁾										
Avg Daily Population/Month	16,736	17,388	17,828	18,410	18,388	18,518	18,360	18,281	17,908	17,961
% Change from prior year		3.9%	2.5%	3.3%	-0.1%	0.7%	-0.9%	-0.4%	-2.0%	0.3%
Average Cost Per Inmate ^{(4) (5)}										
Annual	26,736	27,193	29,055	31,071	35,611	36,756	34,615	33,422	33,258	32,577
% Change from prior year		1.7%	6.8%	6.9%	14.6%	3.2%	-5.8%	-3.4%	-0.5%	-2.0%

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

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

⁽³⁾ For FY 2004 through FY 2013, institutional counts include beds rented from other jurisdictions and work release beds.

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

⁽⁵⁾ FY 2005 through FY 2013 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center, the Washington State Penitentiary, the Coyote Ridge Correctional Center, the Cedar Creek Correctional Center, the Larch Correctional Center, or the Mission Creek Corrections Center for Women

Data Sources :

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

Department of Services for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,542	21,025	25,567
Total Maintenance Changes	-8	-11	-19
Policy Changes - Other			
1. Auditor Charges	-2	-8	-10
2. Attorney General Reduction	0	-1	-1
3. Sec of State Archive Reduction	0	-1	-1
4. Central Services Savings	0	-1	-1
5. Central Service Reforms	-7	-14	-21
6. Business Enterprise Program	-227	227	0
Policy -- Other Total	-236	202	-34
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-8	-40	-48
Policy -- Comp Total	-8	-40	-48
<hr/>			
2011-13 Revised Appropriations	4,290	21,176	25,466
Fiscal Year 2012 Total	2,159	10,726	12,885
Fiscal Year 2013 Total	2,131	10,450	12,581

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
6. **Business Enterprise Program** - Previously, General Fund-State (GF-S) expenditures from the Business Enterprise Program (BEP) have been counted toward matching allocations for the Vocational Rehabilitation (VR) Basic Support Grant. As permissible by the Federal Rehabilitation Services

Administration, BEP federal funds may be used and counted as a match instead of GF-S for the VR Basic Support Grant. The Department will transfer the matching allocations from GF-S to BEP federal funds. This change is not expected to affect client services. (General Fund-State, General Fund-Federal)

7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Employment Security Department

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	69	715,030	715,099
Total Maintenance Changes	-69	-8,723	-8,792
Policy Changes - Other			
1. Auditor Charges	0	1,140	1,140
2. Attorney General Reduction	0	-162	-162
3. Sec of State Archive Reduction	0	-12	-12
4. Central Services Savings	0	-80	-80
5. Central Service Reforms	0	-539	-539
6. Worker Training Study	0	20	20
Policy -- Other Total	0	367	367
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-1,548	-1,548
Policy -- Comp Total	0	-1,548	-1,548
<hr/>			
2011-13 Revised Appropriations	0	705,126	705,126
Fiscal Year 2012 Total	0	382,594	382,594
Fiscal Year 2013 Total	0	322,532	322,532

Comments:

- | | |
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| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Various Funds)</p> <p>2. Attorney General Reduction - Agency funding levels for legal services are adjusted to reflect corresponding reductions in the billing authority from the Office of the Attorney General's Legal Services Revolving Account. (Various Funds)</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect adjustments in the billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Various Funds)</p> <p>4. Central Services Savings - Agency funding levels for services associated with the Office of Minority & Women's Business Enterprises (OMWBE), the Office of Administrative Hearings (OAH), and the Labor Relations Office (LRO) are reduced. The savings are achieved by using excess fund balance from the OMWBE Enterprises Account, eliminating an administrative position at OAH, and reducing LRO services. (Various Funds)</p> <p>5. Central Service Reforms - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)</p> <p>6. Worker Training Study - Funding is provided to increase the amount for the initial review and evaluation of the training benefits program conducted by the Joint Legislative Audit and Review Committee. (General Fund-Federal)</p> | <p>7. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (Various Funds)</p> |
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Natural Resources

Water Management and Watershed Protection

Puget Sound Cleanup and Restoration

In February 2011, the United States Environmental Protection Agency (EPA), through its National Estuary Program (NEP), awarded state matching federal funds to four state agencies as part of a six-year, over \$200 million effort (subject to congressional appropriation) to assist the state in implementing the Puget Sound Action Agenda. The majority of the grant funds will go to projects benefitting critical ecosystems.

Approximately \$22.9 million in NEP grant funding is provided to the Department of Ecology (DOE) to enter into an agreement with EPA to protect and restore the watershed function within the Puget Sound and to reduce and prevent toxics and nutrients from entering Puget Sound fresh and marine waters. DOE will work with partners at all levels of government and with non-governmental organizations to develop and implement projects, such as \$125,000 for watershed technical teams and \$329,000 for a safer alternatives assessment.

The Puget Sound Partnership (PSP) is provided nearly \$2.5 million in NEP grant funding to improve management and organizational efficiency relating to Puget Sound restoration and protection. This includes an accountability and performance management system to track the progress and effectiveness of key management actions and the development of a process that facilitates working interactions with and between local watershed groups.

Low-Impact Development Training

Funding of \$1 million from the State Toxics Control Account is provided to DOE for use in cost-free training for local government and development officials on how to make low impact development (LID) successful in their communities. LID is a new comprehensive land planning and engineering design approach with a goal of maintaining and enhancing the pre-development water flow patterns of urban and developing watersheds.

Water Discharge Permits

Funding of \$860,000 from the Water Quality Permit Account is provided to DOE to reduce a backlog in water discharge permits. Facilities discharging to the waters of the state are required to obtain a National Pollution Discharge Elimination System permit from DOE's Water Quality Program.

Marine Management Planning

Funding of \$2.1 million from the Marine Resources Stewardship Trust Account is provided to the Department of Natural Resources (DNR) for the development of a comprehensive marine management plan for the state's marine waters pursuant to Chapter 252, Laws of 2012, Partial Veto (2SSB 6263). The state Marine Interagency Team, established by the Legislature in 2010, is authorized to develop the planning, and work will focus on ecosystem assessments, mapping activities, and the development of a marine management plan for the outer coast.

Land and Species Management

Department of Fish & Wildlife

Total funding of \$975,000 from the State Wildlife Account is provided to the Department of Fish & Wildlife (WDFW) for the following activities related to wildlife management:

- Developing and implementing a plan to track movements or relocate declining populations of mountain goat and bighorn sheep in the state to more favorable habitats and to contract with Washington State University for research on a vaccine against a disease afflicting bighorn sheep (\$350,000);

- Tracking populations of the gray wolf, which is a state-protected species and is federally listed as endangered in the western two-thirds of the state, in order to mitigate livestock damage by notifying livestock owners of wolf presence and to determine when the species has met its recovery objectives (\$325,000);
- Monitoring black bear populations and developing a reliable model for estimating their populations to more accurately set harvest rates and better manage human and black bear conflicts (\$200,000);
- Disseminating information about grizzly bears in the North Cascades (\$50,000); and,
- Mitigating and processing claims of injury or loss of livestock caused by wolves, black bears, and cougars (\$50,000).

Department of Natural Resources

Funding of \$10 million from the Forest Development Account (FDA) is provided to DNR for disbursement to 20 timber counties in the state. The sum represents an excess fund balance from timber sales on forestlands in which DNR manages on each county's behalf and is distributed based on a 10-year average.

The sum of nearly \$4.4 million from the FDA (\$2.8 million) and the uplands portion of the Resources Management Cost Account (\$1.6 million) are provided to DNR for land management activities delayed by recent years of declining timber prices and revenues. Activities include silviculture plantings and pre-commercial thinning that ensures the vitality of the forest and reduces fire danger, and enhancing surveying capacity that improves data used for timber sales.

Funding of just under \$1.4 million from the Forest and Fish Support Account is provided to DNR for activities pursuant to the state's implementation of the Forests and Fish Report. The report is one basis for the Forest Practices Habitat Conservation Plan and the Clean Water Act assurances, which protect fish life and water quality in forested areas. Activities supported with an increase in funding include adaptive management and participation grants to tribes, state and local agencies, and not-for-profit public interest organizations.

Geoduck Enforcement

Funding of \$522,000 from the Aquatic Lands Enhancement Account (ALEA) is provided to WDFW for staff and resources to enforce existing laws related to geoduck harvesting. DNR auctions harvest rights for specific quantities of wild geoduck in specific Puget Sound bedland tracts. Demand for and prices of geoduck, a clam that regenerates by natural means, have increased over recent years. Surveys of closed geoduck tracts following agency-approved harvests have shown a continuing degradation in recovery rates, and ongoing funding will allow for WDFW to investigate and pursue instances of poaching.

State Recreation Lands and the Discover Pass

Chapter 320, Laws of 2011 (2SSB 5622), created the annual Discover Pass and Day-use Permit, which requires a pass or permit to be displayed on any vehicle located on designated state recreation lands managed by the State Parks and Recreation Commission (State Parks), WDFW or DNR. Public participation in the program during the first six months led to a revenue shortfall of \$11.2 million from original projections that, without legislative action and assuming the same participation rate, would reach over \$37 million total for the biennium.

One-time funding of \$4 million from the ALEA is provided to State Parks to assist in the transition to a fee-based system from the Discover Pass and Day-use Permits.

Funding of \$296,000 from the Parks Renewal and Stewardship Account (PSRA) is provided to State Parks pursuant to Chapter 261, Laws of 2012 (E2SHB 2373) for use in the operations and maintenance of state parks. The legislation extends the \$5 opt-out donation program on annual vehicle registrations to types not previously included, expands land designated as recreation, and allows the Discover Pass to be used on two vehicles.

The sum of \$792,000 from several dedicated state accounts are provided to the three agencies that maintain and operate state recreation land to reflect that the state, rather than local governments, retains much of the infraction penalty revenues for violations of the Discover Pass requirement for vehicles pursuant to Chapter 262, Laws of 2012 (SSB 6387).

Environmental Permitting Reform

Chapter 1, Laws of 2012, 1st sp.s., Partial Veto (2ESSB 6406), establishes fees for hydraulic project approval (HPA) applications, required for many projects that alter the natural flow of water, and increases fees for Forest Practices Act (FPA) applications, required for conducting a forest practice, to help cover a portion of the costs to run each of the programs that are otherwise subsidized by the state general fund. HPA fees are estimated to save \$88,000 and FPA fees are estimated to save \$79,000 from the state general fund over the remainder of the 2011-13 biennium. Funding of \$188,000 from the state general fund is provided to DOE to update the categorical exemptions to the State Environmental Policy Act, increasing maximum threshold levels for specified project types, and to update the environmental checklist as specified in the legislation. Lastly, the legislation sets a 2014 start date for integrating HPAs for forestry activities into the FPA, providing \$342,000 and \$841,000 in funding from dedicated state accounts to WDFW and DNR, respectively, to implement the provisions of the legislation.

Administrative and Management Reductions, and Vacancy Savings

The sum of over \$3.7 million from the state general fund was reduced from DOE (\$2.6 million) and WDFW (\$1.1 million) to reflect management efficiencies and the capturing of one-time and ongoing vacancy savings pursuant to Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058).

Additional administrative reductions and vacancy savings included in the supplemental budget passed by the Legislature in the 2012 session total over \$13.6 million from state funding, of which nearly \$1.9 million is derived from the state general fund. These reductions include impacts to the following agencies:

- State Parks: \$9.4 million from the PSRA to reflect an agency restructuring in response to lower than anticipated revenue from the Discover Pass. To achieve the level of savings, State Parks will shift to seasonal park rangers and flatten the organizational framework, amongst other cost-reducing strategies;
- The Department of Ecology: \$2.7 million from various accounts (\$644,000 from the state general fund);
- The Department of Agriculture: \$499,000 from various accounts (\$210,000 from the state general fund); and,
- Other state general fund administrative reductions or vacancy savings captured: \$107,000 from the Recreation and Conservation Office, \$227,000 from the Environmental and Land Use Hearings Office, \$235,000 from WDFW, and \$449,000 from DNR.

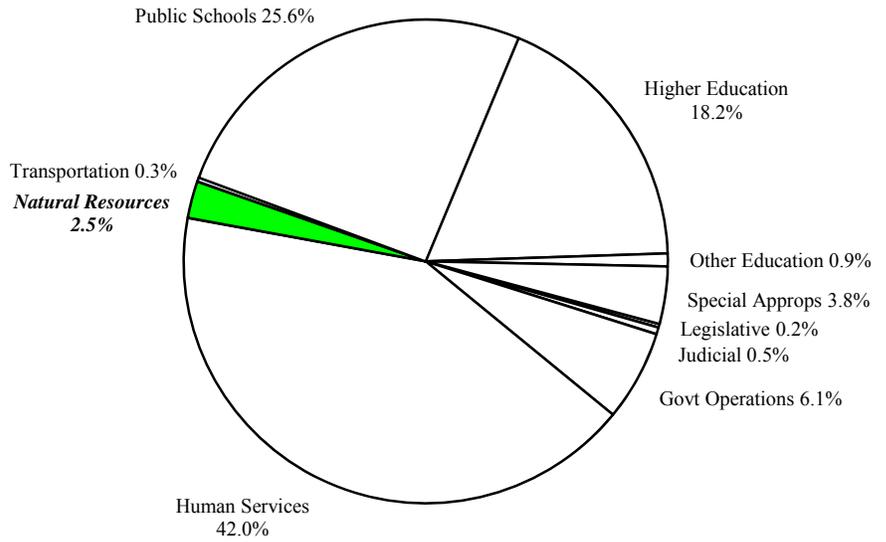
Fund Shifts to Reduce State General Fund Expenditures

State general fund savings are achieved that avoid reductions to services provided by utilizing existing fund balances in dedicated accounts. The sum of nearly \$2.8 million from the state general fund was reduced and offset with a one-time or ongoing shift to other state funding sources pursuant to Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058). Furthermore, \$28.3 million from the state general fund is reduced in the 2012 supplemental operating budget passed by the Legislature. Taken together, approximately \$31.1 million from the state general fund is replaced with dedicated state funding sources, including:

- \$20.1 million from the State Toxics Control Account replaces an equivalent reduction from the state general fund for the Air Quality, Water Quality, Shorelands and Environmental Assistance, Environmental Assessment, Hazardous Waste, Waste to Resources and Nuclear Waste Programs at DOE;
- Over \$4.8 million from the ALEA replaces an equivalent reduction from the state general fund for hatcheries (\$3 million) and other activities at WDFW; and,
- \$3.3 million from the Recreation Resources Account replaces an equivalent reduction from the state general fund for marine enforcement purposes at WDFW.

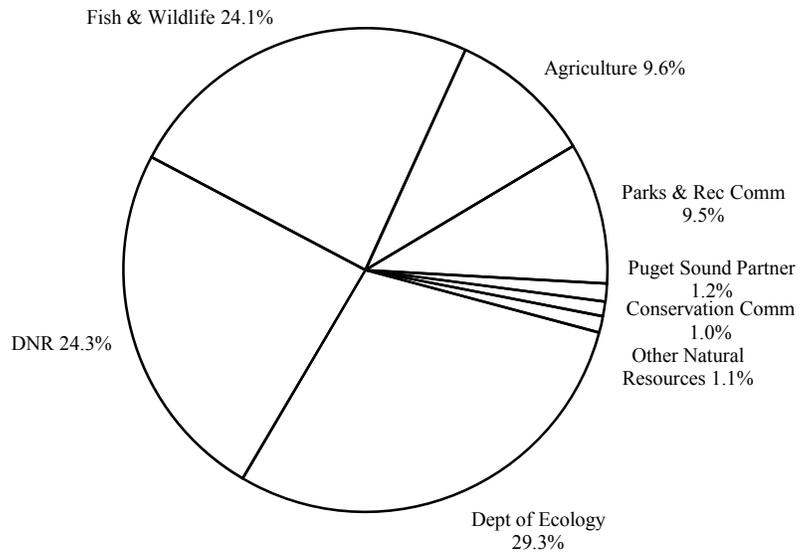
**2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds**
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

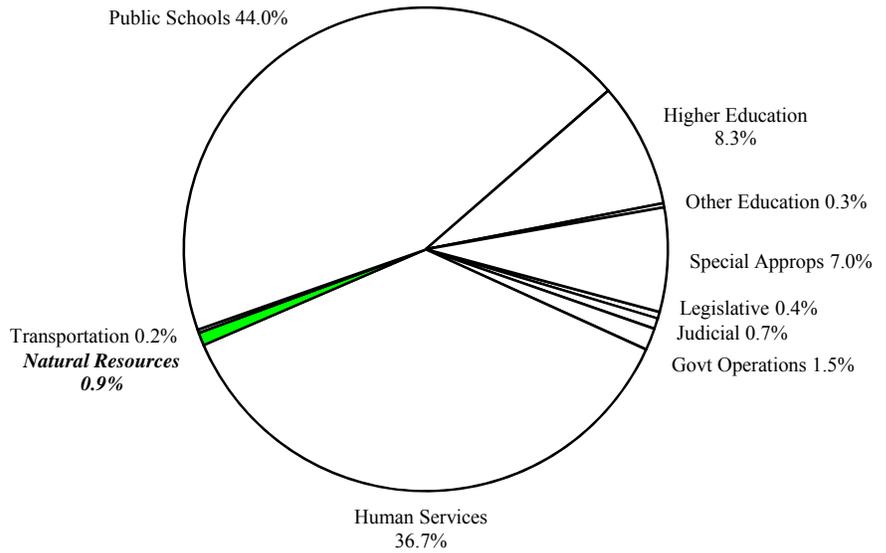
Dept of Ecology	441,043
Dept of Natural Resources	365,422
Dept of Fish & Wildlife	362,094
Dept of Agriculture	145,042
Parks & Recreation Comm	142,352
Puget Sound Partner	18,130
Conservation Commission	14,510
Other Natural Resources	16,712
Natural Resources	1,505,305



Natural Resources

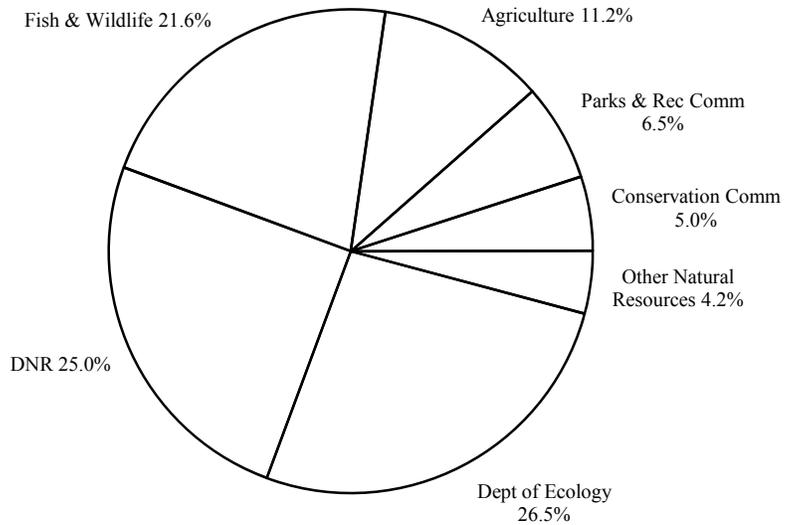
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

Dept of Ecology	70,624
Dept of Natural Resources	66,698
Dept of Fish & Wildlife	57,716
Dept of Agriculture	29,971
Parks & Recreation Comm	17,334
Conservation Commission	13,209
Other Natural Resources	11,225
Natural Resources	266,777



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	364	402	766
Total Maintenance Changes	448	411	859
Policy Changes - Other			
1. Auditor Charges	-4	-4	-8
2. Central Service Reforms	-1	-1	-2
Policy -- Other Total	-5	-5	-10
Policy Changes - Comp			
3. PEBB Funding Rate Reduction	-2	-2	-4
Policy -- Comp Total	-2	-2	-4
<hr/>			
2011-13 Revised Appropriations	805	806	1,611
Fiscal Year 2012 Total	401	439	840
Fiscal Year 2013 Total	404	367	771

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Ecology

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	96,791	333,506	430,297
Total Maintenance Changes	-466	-1,002	-1,468
Policy Changes - Early Action Savings			
1. Air Quality Staff Reduction	-354	0	-354
2. Envir Assessment Staff Reduction	-153	0	-153
3. Water Quality Staff & Other Red	-704	0	-704
4. Water Resources Staff Reduction	-1,405	0	-1,405
Policy Changes - Early Action Savings	-2,616	0	-2,616
Policy Changes - Other			
5. Haz Waste Toxics Staff Reduction	0	-864	-864
6. Spills Admin Staff Reduction	0	-267	-267
7. Public Participation Grant Reduct	0	-1,382	-1,382
8. Padilla Bay Program/Facility Reduct	-30	0	-30
9. Product Stewardship and Other Red	0	-1,583	-1,583
10. Expedite Water Discharge Permits	0	860	860
11. Johns Creek Hydrogeology Study	0	126	126
12. Completed Hanford Tank Litigation	0	-656	-656
13. Auditor Charges	-10	-19	-29
14. Attorney General Reduction	-126	-235	-361
15. Sec of State Archive Reduction	-5	-7	-12
16. Central Services Savings	-6	-9	-15
17. Central Service Reforms	-230	-204	-434
18. Hanford Tank Closure and Cleanup	0	931	931
19. Puget Sound Federal Funding	0	22,890	22,890
20. Reduce Management Staff	-281	0	-281
21. Close Walla Walla Office	-10	0	-10
22. Climate Change	-150	0	-150
23. Reduce Lab Services	-246	0	-246
24. Solid Waste Reductions	0	-1,694	-1,694
25. Stream Flow Data and Assessment	-218	0	-218
26. Reduce Motor Vehicle Emissions	-119	0	-119
27. Water Quantity Reduction	-500	0	-500
28. Reclamation Funds	-500	500	0
29. Administrative Reduction	-363	-927	-1,290
30. State Natural Resources	188	0	188
31. Toxics Fund Shift	-20,100	20,100	0
32. Anaerobic Digester	77	0	77
33. Low Impact Development	0	1,000	1,000
34. Shift Agricultural Burning to Fee	-186	162	-24
35. Governor Veto	0	-50	-50
Policy -- Other Total	-22,815	38,672	15,857
Policy Changes - Comp			
36. PEBB Funding Rate Reduction	-270	-678	-948
Policy -- Comp Total	-270	-678	-948
Policy Changes - Transfers			
37. Transfer Site Use Permit to Health#	0	-79	-79
Policy -- Transfer Total	0	-79	-79
2011-13 Revised Appropriations	70,624	370,419	441,043
Fiscal Year 2012 Total	37,143	178,146	215,289
Fiscal Year 2013 Total	33,481	192,273	225,754

Department of Ecology

Comments:

1. **Air Quality Staff Reduction** - The Department of Ecology (Ecology) will delay hiring vacant positions and reduce FTE staff on a one-time and ongoing basis in the Air Quality Program. Positions vacant or reduced include a motor vehicle emissions inspector, database support, and staff assigned to enforce compliance with smoke management strategies.
2. **Envir Assessment Staff Reduction** - Ecology will delay hiring a vacant hydrogeologist position within the Environmental Assessment Program.
3. **Water Quality Staff & Other Red** - Ecology will delay hiring vacant positions and reduce FTE staff on a one-time and ongoing basis in the Water Quality Program. Positions held vacant or reductions will be taken in stormwater permit administration, reclaimed water policy development, and non-point water pollution inspection. In addition, a one-time reduction of \$130,000 will be realized by postponing water quality laboratory sampling and equipment purchases planned for FY 2012.
4. **Water Resources Staff Reduction** - Ecology will delay hiring vacant positions and reduce FTE staff on a one-time and ongoing basis in the Water Resources Program. Positions vacant or reduced include clerical support for adjudication activities, an instream flow rule writer, a metering coordinator, water rights processing professional and customer service staff, a dam safety section manager, and a graphics designer.
5. **Haz Waste Toxics Staff Reduction** - Funding and FTE staff are reduced on a one-time basis in the Hazardous Waste and Toxics Reduction Program for communication, education and outreach functions. (State Toxics Control Account-State)
6. **Spills Admin Staff Reduction** - Funding and FTE staff are reduced on a one-time basis in the Spills Prevention, Preparedness and Response Program for secretarial and administrative support, as well as vehicle maintenance coordination. (State Toxics Control Account-State)
7. **Public Participation Grant Reduct** - Public Participation grants provide financial assistance to citizen groups and non-profit, public-interest organizations. Grants are provided to facilitate public involvement in the investigation and remediation of contaminated sites and to carry out waste management projects. Funding is reduced on a one-time basis for waste management Public Participation grants. (State Toxics Control Account-State, Local Toxics Control Account-State)
8. **Padilla Bay Program/Facility Reduct** - The Padilla Bay National Estuarine Research Reserve in Skagit County is one of 25 national reserves established to protect estuaries for research and education. The Reserve conducts public education programs, technical and professional training, coastal restoration, and scientific research and monitoring. State general fund support for this activity is reduced on a one-time basis.
9. **Product Stewardship and Other Red** - Spending authority is reduced on an ongoing basis to match revenues in select dedicated accounts, including approximately \$1.5 million from the Product Stewardship Programs Account for the program involved with recycling mercury-containing lights. (Product Stewardship Programs Account-Non-Appropriated, Air Pollution Control Account-State, Wood Stove Education and Enforcement Account-State, Water Rights Processing Account-State)
10. **Expedite Water Discharge Permits** - Facilities discharging to the waters of the state are required to obtain a National Pollution Discharge Elimination System (NPDES) permit from the Department of Ecology (Ecology). Ecology works with about 2,000 NPDES permit holders and currently has approximately 75 percent of its permits up-to-date. Funding and FTE staff are provided to the Water Quality Program to speed up processing of permits for new and expanded facilities in order to foster economic development and reduce the existing permit processing backlog. (Water Quality Permit Account-State)
11. **Johns Creek Hydrogeology Study** - A recent Superior Court ruling ordered Ecology to begin rulemaking related to groundwater management in the Johns Creek sub-basin of Mason County where inadequate streamflows threaten fish and wildlife. To evaluate rulemaking options, ongoing funding and FTE staff are provided for a two-year hydrogeologic study of the Johns Creek area. This funding will pay for contracted mapping, generation of water-management options, development of a groundwater model, and training for Ecology employees in using the new model. (General Fund-Private/Local, State Drought Preparedness Account-State)
12. **Completed Hanford Tank Litigation** - Funding is reduced on an ongoing basis for Hanford Nuclear Reservation (HNR) tank waste litigation that was concluded in October 2010. A corresponding revenue reduction is taken to reflect the associated reduction in mixed waste fees. (State Toxics Control Account-State)
13. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
14. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
15. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)

Department of Ecology

16. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
17. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
18. **Hanford Tank Closure and Cleanup** - As a result of the 2010 settlement between Ecology and the U.S. Department of Energy (USDOE) over cleanup delays at HNR, USDOE accelerated its cleanup schedule, leading to an increase in revenue from the mixed waste fee. Spending authority is increased on an ongoing basis to support the additional regulatory oversight for Ecology and for soil and groundwater cleanup actions protecting the Columbia River. (State Toxics Control Account-State)
19. **Puget Sound Federal Funding** - Ecology is the lead agency in two cooperative agreements tied with a U.S. Environmental Protection Agency grant: (1) toxics and nutrient reduction and prevention; and (2) watershed protection and restoration. Federal expenditure authority and FTE staff are provided on an ongoing basis to implement the agreements. Funding will support direct and competitive awards, interagency agreements, and contracts with state, tribal and local entities on projects that help to implement the Puget Sound Action Agenda, such as updating a hydrology model for low-impact development and removing nitrogen from on-site septic systems. (General Fund-Federal)
20. **Reduce Management Staff** - Savings are achieved through the elimination of six management positions. The reduction is ongoing and assumes that supervisory and policy duties will be allocated to other managers.
21. **Close Walla Walla Office** - Savings are achieved by closing the Walla Walla water master office. The one FTE associated with that office is assumed to telecommute.
22. **Climate Change** - The climate change work originally funded by the Legislature is largely completed. Savings are achieved through an ongoing reduction to completed activities. Remaining funds will be used for work related to climate adaptation and reporting requirements and to assist state agencies with greenhouse gas emissions.
23. **Reduce Lab Services** - Funding for the Environmental Assessment Program is reduced by 5 percent on an ongoing basis. Ecology may use under-expenditures, reduced staffing or reductions of operations to achieve savings. Ecology may not reduce funding for activities associated with RCW 43.21A.230, the certification of environmental laboratories.
24. **Solid Waste Reductions** - Ecology is required to fund specific categories of projects within the solid waste program per RCW 70.93.180(1)(c). One-time savings are achieved from eliminating the 30 percent category projects, which includes waste reduction and recycling activities at Ecology. (Waste Reduction/Recycling/Litter Control Account-State)
25. **Stream Flow Data and Assessment** - Funding is reduced on an ongoing basis by 5 percent by combining stream flow analysis, data analysis, and assessment funding in the Shorelands and Environmental Assistance, Environmental Assessment, and Water Resources Programs. Savings are assumed through increased efficiencies and by reducing potential duplications.
26. **Reduce Motor Vehicle Emissions** - Funding is reduced by 5 percent on an ongoing basis for oversight and compliance spending in the Motor Vehicle Emissions Program.
27. **Water Quantity Reduction** - Funding is reduced on a one-time basis for water quantity activities. The potential reduction may come from water rights processing, water resource stewardship, water law compliance, dam safety, and clarification of water rights.
28. **Reclamation Funds** - Due to an excess fund balance, a portion of the state general fund subsidy for certain spending activities is shifted to the Reclamation Account on a one-time basis. The activities include stream gauging, geologic surveys, investigations for hydroelectric, as well as a regulatory program for well construction. (General Fund-State, Reclamation Revolving Account-State)
29. **Administrative Reduction** - Funding is reduced on an ongoing basis for all administrative spending by 5 percent. Ecology will achieve savings from reductions to the department's administration program or through a reduction in allocated administrative costs. (General Fund-State, various funds)
30. **State Natural Resources** - A combination of one-time and ongoing funding is provided to implement Chapter 1, Laws of 2012, 1st sp.s., Partial Veto (2ESSB 6406), which requires rulemaking changes to the State Environmental Policy Act, and to participate in changes to Forest Practices rules.
31. **Toxics Fund Shift** - A portion of state general fund for Water Quality, Shorelands and Environmental Assistance, Environmental Assessment, Hazardous Waste, Waste to Resources, Nuclear Waste, and Air Quality programs are shifted to the State Toxics Control Account on a one-time basis. (General Fund-State, State Toxics Control Account-State)
32. **Anaerobic Digester** - Ongoing funding is provided to implement Chapter 238, Laws of 2012 (2SSB 5343), which requires Ecology to submit a report to the Legislature by December 1, 2012 and requires Ecology to provide technical assistance if requested to help reduce emissions.
33. **Low Impact Development** - Funding is provided on a one-time basis for technical training to local governments and local development officials on low-impact development (LID). Ecology will consult with Washington State University extension LID technical center and others in the development of

Department of Ecology

the low-impact technical training. (State Toxics Control Account-State)

34. **Shift Agricultural Burning to Fee** - State general fund spending is shifted to the Air Pollution Control Account on a permanent basis. Ecology will amend a research contract and increase fees in the Agricultural Burning Permit and Smoke Management Program to the statutory cap in order to more closely recover actual costs of administering the program. (General Fund-State, Air Pollution Control Account-State)
35. **Governor Veto** - The Governor vetoed Section 302(13) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127), which appropriated funding for the implementation of either SHB 6120 (Children's Safe Products) or HB 2821 (Children's Safe Products). These bills did not pass the Legislature. (State Toxics Control Account-State)
36. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)
37. **Transfer Site Use Permit to Health#** - Pursuant to Chapter 19, Laws of 2012 (HB 2304), funding and FTE staff responsible for commercial low-level radioactive waste site use permitting are permanently transferred from Ecology to the Department of Health (DOH). The majority of the permitting work involves radioactive waste, which falls under the regulatory purview of DOH, while hazardous or mixed radioactive and hazardous waste is the focus of Ecology's work. (Site Closure Account-State)

State Parks and Recreation Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	17,334	130,298	147,632
Total Maintenance Changes	0	-198	-198
Policy Changes - Other			
1. Auditor Charges	0	-21	-21
2. Attorney General Reduction	0	-29	-29
3. Sec of State Archive Reduction	0	-6	-6
4. Central Services Savings	0	-9	-9
5. Central Service Reforms	0	-139	-139
6. Recreational Resources	0	296	296
7. Discover Pass Revenue Reduction	0	-9,400	-9,400
8. Infractions	0	592	592
9. Park Transition Funds	0	4,000	4,000
Policy -- Other Total	0	-4,716	-4,716
Policy Changes - Comp			
10. PEBB Funding Rate Reduction	0	-366	-366
Policy -- Comp Total	0	-366	-366
<hr/>			
2011-13 Revised Appropriations	17,334	125,018	142,352
Fiscal Year 2012 Total	8,955	62,553	71,508
Fiscal Year 2013 Total	8,379	62,465	70,844

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Parks Renewal and Stewardship Account-State)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (Parks Renewal and Stewardship Account-State)
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Parks Renewal and Stewardship Account-State)
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Parks Renewal and Stewardship Account-State)
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Parks Renewal and Stewardship Account-State)
- Recreational Resources** - Increased spending authority is provided based on projected increases in revenue from the implementation of Chapter 261, Laws of 2012 (E2SHB 2373). The legislation allows for the Discover Pass to be transferable between two vehicles and expands the opt-out donation to vehicle types that were not previously covered. (Parks Renewal and Stewardship Account-State)
- Discover Pass Revenue Reduction** - Spending authority from the Parks Renewal and Stewardship Account is adjusted on an ongoing basis to reflect lower-than-anticipated revenue from Discover Pass sales. To address the shortfall and avoid park closures, the State Parks and Recreation Commission (Parks) approved an agency restructuring plan that will achieve efficiencies and reduce expenditures, including reliance on seasonal rangers and flattening the agency structure. (Parks Renewal and Stewardship Account-State)
- Infractions** - Increased spending authority is provided to match the anticipated increase in revenue from the implementation of Chapter 262, Laws of 2012 (SSB 6387). The legislation requires revenue from Discover Pass infractions be deposited into Recreation Access Pass Account. Parks receives 84 percent of infraction revenues for deposit into the Parks Renewal and Stewardship Account. (Parks Renewal and Stewardship Account-State)
- Park Transition Funds** - Funds are provided on a one-time basis to assist Parks in transitioning to a fee-based agency. The increased funding will help support the operation and maintenance of state parks. (Aquatic Lands Enhancement Account-State)

State Parks and Recreation Commission

10. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (Parks Renewal and Stewardship Account-State)

Recreation and Conservation Funding Board

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,925	7,853	9,778
Total Maintenance Changes	-2	-7	-9
Policy Changes - Other			
1. Private/Local Funding	0	-250	-250
2. Policy Director Funding Shift	-40	40	0
3. Salmon Recovery Office Funds	-33	0	-33
4. Auditor Charges	-7	-11	-18
5. Attorney General Reduction	-3	-4	-7
6. Sec of State Archive Reduction	0	-1	-1
7. Central Services Savings	0	-1	-1
8. Central Service Reforms	-8	-3	-11
9. Administration	-107	0	-107
Policy -- Other Total	-198	-230	-428
Policy Changes - Comp			
10. PEBB Funding Rate Reduction	-4	-22	-26
Policy -- Comp Total	-4	-22	-26
<hr/>			
2011-13 Revised Appropriations	1,721	7,594	9,315
Fiscal Year 2012 Total	898	3,830	4,728
Fiscal Year 2013 Total	823	3,764	4,587

Comments:

1. **Private/Local Funding** - General Fund-Private/Local funding is permanently reduced to match historic spending levels. (General Fund-Private/Local)
2. **Policy Director Funding Shift** - Funding for the agency policy director is shifted on an ongoing basis from the state general fund to the Recreation Resources Account to better align the funding source with the work completed by the position. (General Fund-State, Recreation Resources Account-State)
3. **Salmon Recovery Office Funds** - The Governor's Salmon Recovery Office coordinates a statewide salmon strategy by assisting with the development of regional recovery plans and working to secure funding for local, regional, and state recovery efforts. One-time savings will be achieved by holding the science coordinator position vacant and reducing production costs for the "State of the Salmon in Watersheds" report.
4. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
5. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
6. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Recreation Resources Account-State)
7. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (Recreation Resources Account-State)
8. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
9. **Administration** - State general fund is reduced for administration spending on an ongoing basis. The Recreation and Conservation Office (RCO) may achieve savings by shifting expenditures to federal sources, capturing under-expenditures, or reducing operations. RCO shall not reduce total spending to lead entities.
10. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Environmental and Land Use Hearings Office

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,841	0	4,841
Total Maintenance Changes	-265	0	-265
Policy Changes - Other			
1. Auditor Charges	-5	0	-5
2. Attorney General Reduction	-155	0	-155
3. Sec of State Archive Reduction	-1	0	-1
4. Central Service Reforms	-3	0	-3
5. Board Vacancies and Other Savings	-227	0	-227
Policy -- Other Total	-391	0	-391
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-12	0	-12
Policy -- Comp Total	-12	0	-12
<hr/>			
2011-13 Revised Appropriations	4,173	0	4,173
Fiscal Year 2012 Total	2,153	0	2,153
Fiscal Year 2013 Total	2,020	0	2,020

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.

3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.

4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)

5. **Board Vacancies and Other Savings** - Funding and FTE staff for the Environmental and Land Use Hearings Office (ELUHO) are reduced on a one-time basis to reflect savings from temporary board vacancies on the Pollution Control/Shorelines Hearings Boards and the Growth Management Hearings Board (GMHB). Additional ongoing savings will be achieved through GMHB's collocation with the Environmental Hearings Boards in Tumwater, beginning in July 2012, as well as reductions in expenditures for goods and services.

6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

State Conservation Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	13,583	1,301	14,884
Total Maintenance Changes	-4	0	-4
Policy Changes - Other			
1. Attorney General Reduction	-3	0	-3
2. Grants and Administration	-335	0	-335
3. Central Service Reforms	-11	0	-11
4. Commute Trip Reduction	-9	0	-9
Policy -- Other Total	-358	0	-358
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-12	0	-12
Policy -- Comp Total	-12	0	-12
<hr/>			
2011-13 Revised Appropriations	13,209	1,301	14,510
Fiscal Year 2012 Total	6,785	651	7,436
Fiscal Year 2013 Total	6,424	650	7,074

Comments:

1. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
2. **Grants and Administration** - Funding is reduced on an ongoing basis to reflect under-expenditures in conservation district grants and a reduction in administrative expenses.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
4. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Fish and Wildlife

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	69,387	289,030	358,417
Total Maintenance Changes	131	6,292	6,423
Policy Changes - Early Action Savings			
1. Shift Puget Sound Toxic Sampling	-714	714	0
2. Shift Ballast Water Management Fund	-352	352	0
3. Shift Shellfish Activities Funding	-308	308	0
4. Management Staff	-1,131	0	-1,131
5. Shift Equip Prchases to Revolv Acct	-355	355	0
Policy Changes - Early Action Savings	-2,860	1,729	-1,131
Policy Changes - Other			
6. Reduce Fish Program Dedicated Accts	0	-1,055	-1,055
7. Auditor Charges	-38	-25	-63
8. Attorney General Reduction	-68	-45	-113
9. Sec of State Archive Reduction	-6	-4	-10
10. Central Services Savings	-4	-3	-7
11. Wolf Population Monitoring	0	355	355
12. Black Bear Monitoring & Management	0	200	200
13. Mountain Goat & Bighorn Sheep Rcvry	0	350	350
14. Central Service Reforms	-373	-131	-504
15. Geoduck Poaching Enforcement	0	522	522
16. Infractions	0	56	56
17. Reduce administration	-235	0	-235
18. Renewable Energy Siting	-50	0	-50
19. Technical Assistance Salmon Recover	-379	379	0
20. PILT Reduction	-652	0	-652
21. Hydraulic Project Permits	-83	337	254
22. Hatcheries	-3,000	3,000	0
23. Marine Enforcement	-3,300	3,300	0
24. Grizzly Bear Outreach Program	0	50	50
25. Livestock	0	50	50
26. AIS Prevention	0	133	133
27. Fish and Wildlife Enforcement	-500	500	0
Policy -- Other Total	-8,688	7,969	-719
Policy Changes - Comp			
28. PEBB Funding Rate Reduction	-254	-642	-896
Policy -- Comp Total	-254	-642	-896
2011-13 Revised Appropriations	57,716	304,378	362,094
Fiscal Year 2012 Total	34,098	142,689	176,787
Fiscal Year 2013 Total	23,618	161,689	185,307

Comments:

- Shift Puget Sound Toxic Sampling** - The Department of Fish and Wildlife (WDFW) samples two key indicator fish species to inform policy and decision makers regarding the presence of toxic contaminants in the Puget Sound food web and the general health of Puget Sound. Funding for this work is permanently shifted from the state general fund to the Aquatic Lands Enhancement Account (ALEA). (General Fund-State, Aquatic Lands Enhancement Account-State)
- Shift Ballast Water Management Fund** - WDFW monitors commercial vessels entering Washington ports that have the highest risk of transporting aquatic invasive species in their ballast water. Funding for this program is permanently shifted from the state general fund to the ALEA. (General Fund-State, Aquatic Lands Enhancement Account-State)
- Shift Shellfish Activities Funding** - WDFW manages recreational and commercial shellfish fisheries and is responsible for protecting species and their habitat. Funding for managing commercial shellfish fisheries is shifted on an ongoing basis from the state general fund to the ALEA. (General Fund-State, Aquatic Lands Enhancement Account-State)

Department of Fish and Wildlife

4. **Management Staff** - WDFW will eliminate six management positions and spread supervisory and policy duties out to remaining managers on an ongoing basis.
5. **Shift Equip Prchases to Revolv Acct** - Equipment purchases are shifted on a one-time basis to WDFW's Equipment Revolving Fund. (General Fund-State, Fish and Wildlife Equipment Revolving Account-Non-Appropriated)
6. **Reduce Fish Program Dedicated Accts** - During the 2011-13 biennium, the Legislature provided authority to the Department of Fish and Wildlife (WDFW) to increase hunting and fishing license fees. Expenditure authority is reduced on an ongoing basis to reflect lower-than-anticipated revenue from these increases. (various funds)
7. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
8. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
9. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
10. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
11. **Wolf Population Monitoring** - Gray wolves are currently a state-protected species and are federally listed as endangered in the western two-thirds of the state. WDFW has the primary responsibility for monitoring these wolves. Ongoing funding is provided from the sale of endangered species license plates for the department to mitigate livestock damage by notifying livestock producers of wolf presence and to implement management tools to minimize wolf-livestock conflicts. The department will also monitor wolf packs and territories to determine when the species has met its recovery objectives. (General Fund-Private/Local, State Wildlife Account-State)
12. **Black Bear Monitoring & Management** - Ongoing funding is provided from the sale of special bear, deer, and elk license plates for research and implementation of a new black bear population estimate and monitoring method that will enable WDFW to more accurately set harvest rates and more effectively manage human and black bear population conflicts. (State Wildlife Account-State)
13. **Mountain Goat & Bighorn Sheep Rcvry** - Ongoing funding from special hunting permit auctions is provided to WDFW to develop and implement a plan to move mountain goats to more favorable areas, to study bighorn sheep populations in order to track their movements near domesticated sheep, and to contract with Washington State University for research on a vaccine against disease. (State Wildlife Account-State)
14. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
15. **Geoduck Poaching Enforcement** - Recent data from closed geoduck tracts indicate illegal geoduck poaching is threatening the recovery of the species. Ongoing funding is provided for increased law enforcement capacity to reduce the occurrence of geoduck poaching and illegal harvest activities. (Aquatic Lands Enhancement Account-State)
16. **Infractions** - Increased spending authority is provided to match the anticipated increase in revenue from the implementation of Chapter 262, Laws of 2012 (SSB 6387). The legislation requires revenue from Discover Pass infractions be deposited into Recreation Access Pass Account. WDFW receives 8 percent of infraction revenues for deposit into the State Wildlife Account. (State Wildlife Account-State)
17. **Reduce administration** - Reduces administrative spending on an ongoing basis by 5 percent.
18. **Renewable Energy Siting** - Reduces spending for renewable energy siting technical assistance by WDFW on an ongoing basis. Potential renewable projects may continue to receive department provided assistance or assistance from private sector consultants for siting.
19. **Technical Assistance Salmon Recover** - Due to excess fund balance, a portion of the state general fund for technical assistance for salmon recovery is shifted on a one-time basis to the Aquatic Lands Enhancement Account. (General Fund-State, Aquatics Land Enhancement Account-State)
20. **PILT Reduction** - Savings are achieved through reducing Payments in Lieu of Taxes (PILT) to eligible counties. A new formula is established for the 2011-13 biennium that allocates funding so that no county will receive an amount lower than its 2009 PILT payment.
21. **Hydraulic Project Permits** - Ongoing funding is provided for the implementation of Chapter 1, Laws of 2012, 1st sp.s., Partial Veto (2ESSB 6406). The legislation requires WDFW to charge fees to recover a portion of the costs associated with implementing and operating the Hydraulic Project Approval (HPA) Program and for the department's efforts in integrating HPA with forest practices activities. Savings are achieved by shifting a portion of the state general fund to the new dedicated account. (General Fund-State, Hydraulic Project Approval Account-State)

Department of Fish and Wildlife

22. **Hatcheries** - Due to an excess fund balance, a portion of the state general fund for hatchery activities is shifted to the Aquatics Land Enhancement Account on a one-time basis. (General Fund-State, Aquatics Land Enhancement Account-State)
23. **Marine Enforcement** - Due to an excess fund balance, a portion of the state general fund for marine enforcement activities is shifted to the Recreational Resources Account on a one-time basis. (General Fund-State, Recreational Resources Account-State).
24. **Grizzly Bear Outreach Program** - One-time funding is provided to a community-based organization to disseminate information about grizzly bears in the North Cascades. (State Wildlife Account-State)
25. **Livestock** - Ongoing funding is provided for mitigation, claims, and assessment costs for injury or loss of livestock caused by wolves, black bears, and cougars. (State Wildlife Account-State)
26. **AIS Prevention** - Additional expenditure authority is provided to match higher-than-anticipated revenue to the Aquatic Invasive Species Prevention Account during FY 2013. The ongoing funding will be used to maintain agency capacity to control aquatic invasive species. (Aquatic Invasive Species Prevention Account-State)
27. **Fish and Wildlife Enforcement** - Due to an excess fund balance, a portion of the state general fund for law enforcement activities is shifted on a one-time basis to the Fish and Wildlife Enforcement Account. (General Fund-State, Fish and Wildlife Enforcement Account-State)
28. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Natural Resources

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	68,913	291,582	360,495
Total Maintenance Changes	543	-930	-387
Policy Changes - Early Action Savings			
1. GF-S Transfer to ACTMA	-267	0	-267
2. Corr Camps Fund Shift to Mgmt Accts	-300	300	0
3. Fire Suppression Savings	-2,007	0	-2,007
Policy Changes - Early Action Savings	-2,574	300	-2,274
Policy Changes - Other			
4. Survey & Mapping Activity	0	-222	-222
5. Trust Land Mgmt Activities	0	4,383	4,383
6. Silviculture Burn Permit Pgm	0	-129	-129
7. Shift ECY/DFW Grant Funding to FFSA	-487	487	0
8. Increase Adaptive Mgmt Activities	0	1,364	1,364
9. Auditor Charges	-47	-117	-164
10. Attorney General Reduction	-51	-126	-177
11. Sec of State Archive Reduction	-4	-8	-12
12. Central Services Savings	-5	-13	-18
13. Land Management Costs	-2,138	2,138	0
14. Central Service Reforms	-116	-202	-318
15. Natural Heritage Program	150	0	150
16. Reduce Administration	-244	0	-244
17. Reduce Management	-205	0	-205
18. Fire Suppression Overtime	-623	0	-623
19. Geology Services	-100	0	-100
20. Forest Practices	-79	841	762
21. Marine Management	0	2,100	2,100
22. Infractions	0	56	56
23. Governor Veto	3,973	-2,138	1,835
Policy -- Other Total	24	8,414	8,438
Policy Changes - Comp			
24. PEBB Funding Rate Reduction	-208	-642	-850
Policy -- Comp Total	-208	-642	-850
2011-13 Revised Appropriations	66,698	298,724	365,422
Fiscal Year 2012 Total	30,907	141,784	172,691
Fiscal Year 2013 Total	35,791	156,940	192,731

Comments:

- GF-S Transfer to ACTMA** - The amount of state general fund provided for deposit into the Agricultural College Trust Management Account (ACTMA) is reduced. The ACTMA has a sufficient fund balance to reduce the state general fund contribution on a one-time basis and maintain current levels of work.
- Corr Camps Fund Shift to Mgmt Accts** - The Department of Natural Resources (DNR) will reduce correctional camp work at recreational and local government sites funded by the state general fund and increase silvicultural work on state trust lands funded by DNR's trust management accounts. (General Fund-State, Forest Development Account-State, Resources Management Cost Account-State)
- Fire Suppression Savings** - Due to a light fire season, DNR has excess funds in its fire suppression budget for FY 2012. The fire suppression budget is reduced to reflect a lower level of fire suppression expenditures.
- Survey & Mapping Activity** - Spending authority is reduced on an ongoing basis to reflect lower-than-projected revenue collections in the Survey and Maps Account. (Survey and Maps Account-State)
- Trust Land Mgmt Activities** - Increased expenditure authority is provided on an ongoing basis to the Department of Natural Resources (DNR) for the resumption of delayed silvicultural activities and to help ensure the long-term viability of the

Department of Natural Resources

- timber on state lands. (Forest Development Account-State, Resources Management Cost Account-State)
6. **Silviculture Burn Permit Pgm** - DNR and the Department of Ecology issue permits for silviculture and agriculture burning to maintain air quality. Spending authority is reduced on a one-time basis to reflect lower-than-anticipated permit revenue. (Air Pollution Control Account-State)
 7. **Shift ECY/DFW Grant Funding to FFSA** - Historically, all participation grant funding for adaptive management was paid from the Forest and Fish Support Account (FFSA), but during the previous biennium the grant funding for the Department of Ecology and the Department of Fish and Wildlife was paid from the state general fund. This ongoing shift moves the funding back to the FFSA. (General Fund-State, Forest and Fish Support Account-State)
 8. **Increase Adaptive Mgmt Activities** - The Forest Practices Act and the Forest and Fish Rules are the basis for the Forest Practices Habitat Conservation Plan (FPHCP) and the Clean Water Act (CWA) assurances which protect fish life and water quality in forested areas. FFSA has built up excess funds over time due to increased revenue and under-expenditures. These excess funds will be used on an ongoing basis to increase activities that support the CWA assurances and the FPHCP. (Forest and Fish Support Account-State)
 9. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
 10. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
 11. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
 12. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
 13. **Land Management Costs** - Each biennium, DNR is provided state general funds for the responsibility of carrying out emergency fire suppression activities on approximately 12.7 million acres of private and state forest lands. During FY 2013, an additional appropriation is provided to DNR from the Forest Development Account to replace an equal reduction in state general fund for fire suppression activities. However, the Governor vetoed this item. (General Fund-State, Forest Development Account-State)
 14. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
 15. **Natural Heritage Program** - The Natural Heritage Program tracks about 500 rare species and 300 ecosystems native to Washington State and manages the state's only comprehensive database of information on rare plant species and their locations. Ongoing funding is provided to maintain the program.
 16. **Reduce Administration** - Savings are achieved through reducing state general fund administrative expenditures by 5 percent on an ongoing basis.
 17. **Reduce Management** - Savings are achieved through the elimination of six management positions on an ongoing basis. The reduction assumes that supervisory and policy duties will be allocated to other managers.
 18. **Fire Suppression Overtime** - Savings are achieved through allocating staffing resources and overtime, to the greatest extent possible, to more seasonal firefighters to offset overtime payments to department employees. Using FY 2012 as a base year, this allows the state to pay a rate approximately 28 percent lower than the average department employee overtime rates. However, the Governor vetoed this item.
 19. **Geology Services** - Savings are achieved through a reduction in DNR geology services by 7 percent effective May 1st.
 20. **Forest Practices** - Funding is provided for the implementation of Chapter 1, Laws of 2012, 1st sp.s., Partial Veto (2ESSB 6406). The legislation requires DNR to increase fees for Forest Practice (FPA) applications as well make a number of changes to the FPA Program. Savings are achieved by shifting a portion of the state general fund to the new dedicated funding. (General Fund-State, Forest Practices Application Account-State, Various Funds)
 21. **Marine Management** - Funding is provided on an ongoing basis for the implementation of Chapter 252, Laws of 2012, Partial Veto (2SSB 6263). The legislation allows for the development of marine management plans for different geographic areas on different schedules. (Marine Resources Stewardship Trust Account-State)
 22. **Infractions** - Increased spending authority is provided to match the anticipated increase in revenue from the implementation of Chapter 262, Laws of 2012 (SSB 6387). The legislation requires revenue from Discover Pass infractions be deposited into Recreation Access Pass Account. DNR receives 84 percent of infraction revenues for deposit into the Park Land Trust Revolving Account. (Park Land Trust Revolving Account-State)
 23. **Governor Veto** - The Governor vetoed Section 308 (lines 27 and 28) and Section 308 (2) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). Lines 27 and 28 decreased

Department of Natural Resources

the FY 2013 state general fund appropriation for DNR and the veto reverts the FY 2013 state general fund appropriation amount to that following the passage of Chapter 9, Laws of 2011, 2nd sp. s., Partial Veto (SHB 2058), passed by the Legislature in December 2011. Section 308(2) specified funding from various accounts be directed for emergency fire suppression expenditures and the veto eliminates an increase to the appropriation from the Forest Development Account. (General Fund-State, Forest Development Account-State)

24. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Agriculture

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	31,100	115,202	146,302
Total Maintenance Changes	-31	-103	-134
Policy Changes - Early Action Savings			
1. Knotweed Program Fund Shift	-759	759	0
Policy Changes - Early Action Savings	-759	759	0
Policy Changes - Other			
2. Auditor Charges	-8	-26	-34
3. Attorney General Reduction	-7	-26	-33
4. Sec of State Archive Reduction	-1	-4	-5
5. Central Services Savings	1	4	5
6. Central Service Reforms	-49	-120	-169
7. Commute Trip Reduction	-1	0	-1
8. Administration	-210	-289	-499
Policy -- Other Total	-275	-461	-736
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	-64	-326	-390
Policy -- Comp Total	-64	-326	-390
<hr/>			
2011-13 Revised Appropriations	29,971	115,071	145,042
Fiscal Year 2012 Total	15,434	58,548	73,982
Fiscal Year 2013 Total	14,537	56,523	71,060

Comments:

1. **Knotweed Program Fund Shift** - Knotweed is an invasive freshwater weed that alters stream and river ecosystems and limits salmon recovery by displacing native vegetation. Grants to local entities currently funded by the state general fund will be offset with funds from dedicated accounts. A total of \$479,000 in grant funding is permanently shifted from the state general fund to the Aquatic Lands Enhancement Account, while \$280,000 of grant funding is shifted on a one-time basis from the state general fund to the Freshwater Aquatic Weeds Account. (General Fund-State, Aquatic Lands Enhancement Account-State, Freshwater Aquatic Weeds Account-State)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
5. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
8. **Administration** - Ongoing savings are achieved through a reduction in administrative spending, not to include direct services to food banks. (General Fund-State, various funds)
9. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Agriculture

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

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	876	876
Total Maintenance Changes	0	822	822
Policy Changes - Other			
1. Oil Heat Program Funding	0	-73	-73
2. Auditor Charges	0	-6	-6
3. Attorney General Reduction	0	-2	-2
Policy -- Other Total	0	-81	-81
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-4	-4
Policy -- Comp Total	0	-4	-4
<hr/>			
2011-13 Revised Appropriations	0	1,613	1,613
Fiscal Year 2012 Total	0	814	814
Fiscal Year 2013 Total	0	799	799

Comments:

1. **Oil Heat Program Funding** - The Heating Oil Pollution Liability Insurance Program is funded from a fee paid by heating oil dealers. Funding to the program's dedicated account is reduced on an ongoing basis to reflect lower-than-anticipated revenue and captures savings from under-expenditures in recent years. (Heating Oil Pollution Liability Trust Account-Non-Appropriated)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Puget Sound Partnership

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	5,065	10,764	15,829
Total Maintenance Changes	-1	-1	-2
Policy Changes - Early Action Savings			
1. Gov't Relations/Partnerships	-242	0	-242
Policy Changes - Early Action Savings	-242	0	-242
Policy Changes - Other			
2. Performance Management System	0	343	343
3. Auditor Charges	-13	-12	-25
4. Attorney General Reduction	-1	-1	-2
5. Technology Spending	-128	0	-128
6. Training/Tech Asst, Study	-137	0	-137
7. Puget Sound Federal Funding	0	2,125	2,125
8. NW Straits Commission Support	0	400	400
9. Central Service Reforms	-7	-4	-11
Policy -- Other Total	-286	2,851	2,565
Policy Changes - Comp			
10. PEBB Funding Rate Reduction	-10	-10	-20
Policy -- Comp Total	-10	-10	-20
<hr/>			
2011-13 Revised Appropriations	4,526	13,604	18,130
Fiscal Year 2012 Total	2,273	5,618	7,891
Fiscal Year 2013 Total	2,253	7,986	10,239

Comments:

- Gov't Relations/Partnerships** - The Puget Sound Partnership (Partnership) relies on local government actions and partnerships with community organizations to implement the Action Agenda for Puget Sound cleanup and recovery. Funding is reduced for grants to local community outreach organizations that assist in Action Agenda implementation and for a local government outreach contract with the Association of Washington Cities. The Partnership will also eliminate a research contract to analyze organizations and networks across the region for their potential to advance Puget Sound recovery.
- Performance Management System** - Federal expenditure authority for the Puget Sound Partnership (PSP) is increased on a one-time basis for development of a performance management system to track the status of individual Puget Sound recovery projects and progress toward recovery outcomes. (General Fund-Federal)
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- Technology Spending** - Funding is reduced on a one-time basis for information technology improvements. This reduction will be achieved by delaying desktop computer replacements and scaling back improvements to the agency's website and social media tools.
- Training/Tech Asst, Study** - Funding is reduced on an ongoing basis for training and technical assistance related to stormwater-reducing land development practices and for vessel traffic studies related to oil spill prevention.
- Puget Sound Federal Funding** - Federal expenditure authority and FTE staff are increased on an ongoing basis to reflect grant funding from the U.S. Environmental Protection Agency (EPA) for updating the Puget Sound Action Agenda, improving PSP's Coordinated Science and Monitoring Program, and providing financial and technical support to local organizations in PSP's seven geographic action areas. (General Fund-Federal)
- NW Straits Commission Support** - Federal expenditure authority is increased on a one-time basis for a EPA pass-through grant to the Department of Ecology to support the Northwest Straits Commission (NSC) for one year. This will allow NSC to continue to provide marine conservation recommendations to state and local governments and provide scientific, technical, and financial support to local marine resource committees. (General Fund-Federal)

Puget Sound Partnership

9. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
10. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Transportation

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

Washington State Patrol

The budget reduced the general fund appropriation for WSP staffing by \$3.48 million. Staffing reductions will be made to positions during the last 14 months of the biennium.

The Department of Licensing

Pursuant to Chapter 99, Laws of 2012 (ESHB 2301), DOL is provided with expenditure authority of \$150,000 from the Business and Professions Account to extend and modify regulations regarding mixed martial arts, martial arts, boxing, and wrestling.

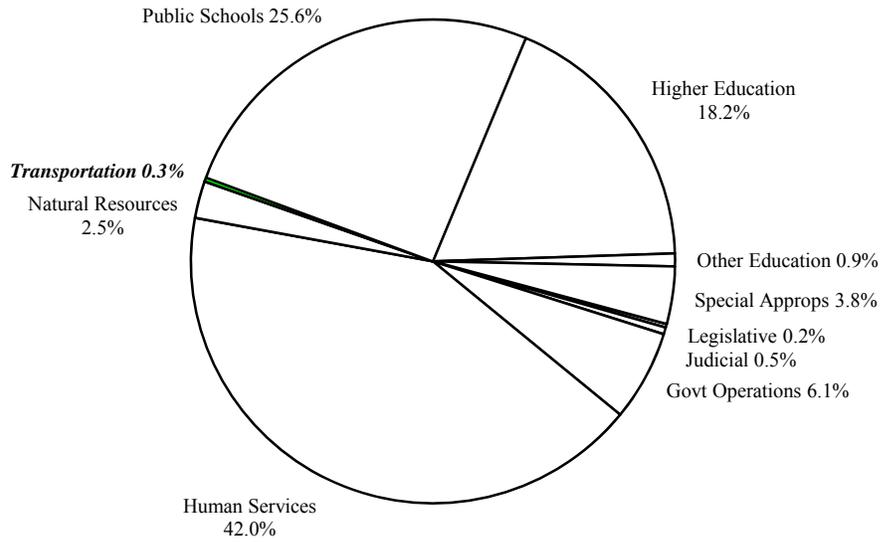
DOL is authorized to increase licensing and renewal fees for camping resort companies and salespersons. The fee increase is necessary to maintain a self-supporting camping resort program.

Other Changes

In addition to the changes discussed above, agency appropriations are reduced to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, and Department of Enterprise Services) as well as improved management of information technology resources. The budget-wide impact of these changes is described in the special appropriations sections (for employee health benefits) and the governmental operations section (for central services and information technology).

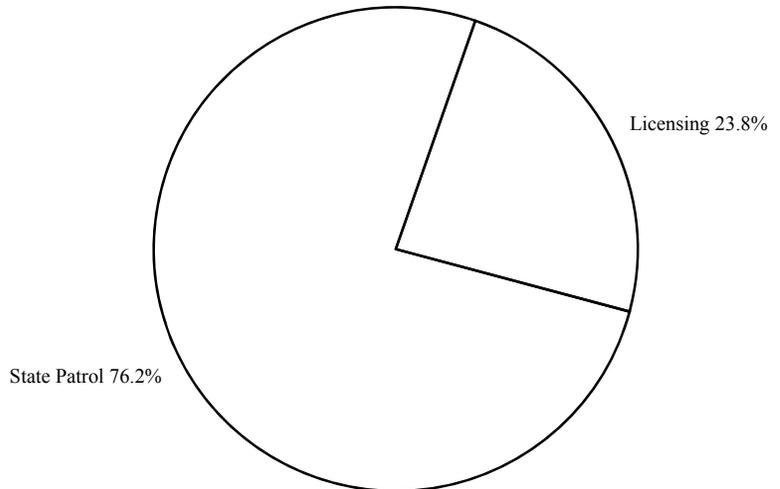
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

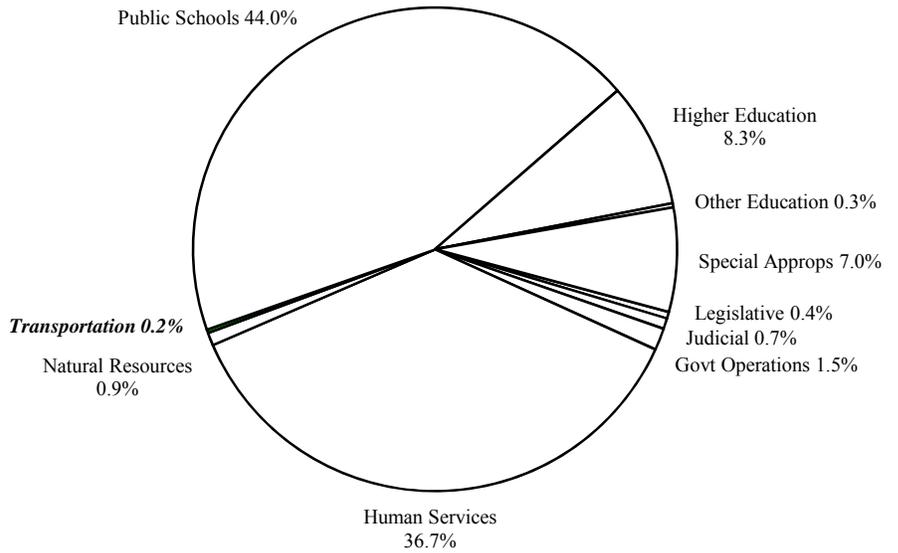
Washington State Patrol	129,561
Dept of Licensing	40,538
Transportation	170,099



Transportation

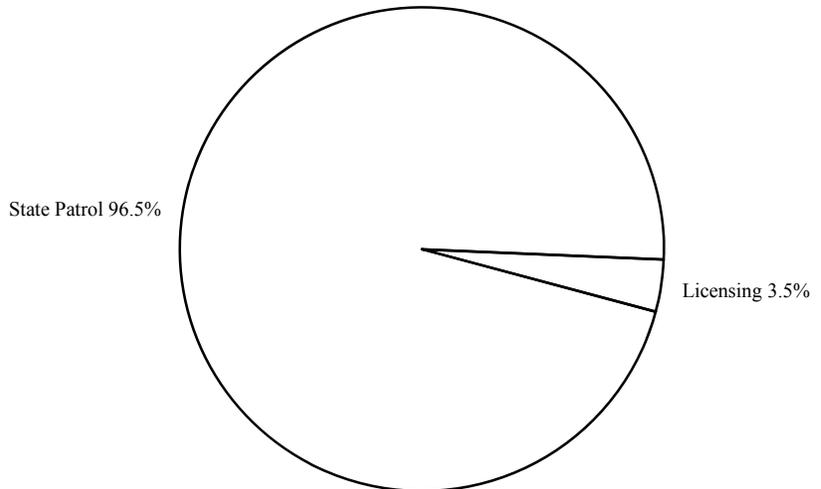
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

Washington State Patrol	67,718
Dept of Licensing	2,442
Transportation	70,160



Transportation

Department of Licensing

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	2,773	38,060	40,833
Total Maintenance Changes	-36	142	106
Policy Changes - Early Action Savings			
1. Eliminate Positions	-277	0	-277
Policy Changes - Early Action Savings	-277	0	-277
Policy Changes - Other			
2. Auditor Charges	0	-26	-26
3. Attorney General Reduction	-6	-108	-114
4. Sec of State Archive Reduction	0	-2	-2
5. Central Services Savings	1	-2	-1
6. Central Service Reforms	-5	-26	-31
7. Amateurs and Mixed Martial Arts	0	150	150
Policy -- Other Total	-10	-14	-24
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-8	-92	-100
Policy -- Comp Total	-8	-92	-100
2011-13 Revised Appropriations	2,442	38,096	40,538
Fiscal Year 2012 Total	1,163	19,344	20,507
Fiscal Year 2013 Total	1,279	18,752	20,031

Comments:

1. **Eliminate Positions** - The Department of Licensing (DOL) will eliminate two unfilled positions (an Employee Communications Coordinator and a Forms and Records Analyst 3) in the Management and Support Services Division.
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
5. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **Amateurs and Mixed Martial Arts** - Appropriation authority is provided for the Department of Licensing (DOL) to implement Chapter 99, Laws of 2012 (ESHB 2301) on martial arts, mixed martial arts, boxing, and wrestling. DOL will include amateur events and participants within its regulatory program, establish license types for training facilities and amateur sanctioning organizations, and adopt rules on the application of licenses for mixed martial arts. (Business and Professions Account-State)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

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

Washington State Patrol

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	75,499	60,141	135,640
Total Maintenance Changes	-2,085	141	-1,944
Policy Changes - Early Action Savings			
1. Fund Source Shift from GF-S	-1,624	1,624	0
Policy Changes - Early Action Savings	-1,624	1,624	0
Policy Changes - Other			
2. Auditor Charges	-19	0	-19
3. Attorney General Reduction	-56	0	-56
4. Sec of State Archive Reduction	-5	0	-5
5. Central Services Savings	6	0	6
6. Non-Conviction Rapsheet Disclosure*	0	1	1
7. Staffing Reductions	-3,483	0	-3,483
8. Central Service Reforms	-189	0	-189
9. Commute Trip Reduction	-34	0	-34
Policy -- Other Total	-3,780	1	-3,779
Policy Changes - Comp			
10. PEBB Funding Rate Reduction	-292	-64	-356
Policy -- Comp Total	-292	-64	-356
2011-13 Revised Appropriations	67,718	61,843	129,561
Fiscal Year 2012 Total	35,395	30,315	65,710
Fiscal Year 2013 Total	32,323	31,528	63,851

Comments:

- Fund Source Shift from GF-S** - Funding for various programs within the Washington State Patrol is shifted from General Fund-State to dedicated accounts including: Funding for the Criminal History Section is provided from the Fingerprint Identification Account; Fire Training Certification funding is provided from the Fire Service Training Account; Toxicology Lab funding is provided from the Death Investigations Account. (General Fund-State, Fingerprint Identification Account-State, Fire Service Training Account-State, Death Investigations Account-State)
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
- Non-Conviction Rapsheet Disclosure*** - Expenditure authority is provided for implementation of Chapter 125, Laws of 2012 (ESB 6296). (Fingerprint Identification Account-State)
- Staffing Reductions** - Funding for staffing within the Washington State Patrol is reduced. For the Crime Laboratory, savings is assumed for vacant FTEs through April 2012. In the last 14 months of the biennium, savings is assumed from half of the vacant FTEs. Reductions will further impact the Marijuana Eradication Coordinator, Washington State Fusion Center, Risk Management, and administrative and maintenance positions.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
- Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is

Washington State Patrol

projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

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

Public Schools

Policy Level Enhancements

Implement Teacher and Principal Performance-Based Evaluation Program

Funding in the amount of \$5.8 million is provided for implementation of Chapter 35, Laws of 2012 (ESSB 5895), a statewide teacher and principal evaluation system. The legislation extends the findings of eight pilot programs and establishes a four-tier rating system for evaluating teacher and principal performance. The four tiers are: Level 1, satisfactory; Level 2, basic; Level 3, proficient; and Level 4, distinguished. The bill requires student growth data to be a substantial factor in evaluations, allows student input for teacher evaluations and school-building employee input for principal evaluations, and requires that evaluation results be one factor used to make staffing decisions. The bill defines a “not satisfactory” performance rating for a teacher or principal and requires, as a result, participation in the probation process that exists in current law.

Improve Student Achievement

Funding is provided to improve achievement and close the opportunity gap in low-performing and urban schools with two new pilot programs. Under chapter 53, Laws of 2012 (ESHB 2799), the Collaborative Schools for Innovation and Success Pilot Project directs colleges and school districts to develop and implement research-based models of instruction that improve student learning and research-based models of educator preparation and development to build an educator workforce with the skills necessary to serve students in low-performing schools. Funding in the amount of \$1.5 million General Fund-State is provided to implement the Collaborative Schools Innovation legislation. Funding in the amount of \$2.0 million General Fund-State is provided to implement the Urban School Turnaround Program. As directed in Section 501(2)(c)(vii) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127), the Superintendent of Public Instruction will provide funds to two of the state's lowest-performing urban schools to be used for intensive supplemental instruction, professional development, and updated or improved curricula.

Funding in the amount of \$0.2 million is provided to improve educational outcomes for low-income and foster youth through increased accessibility of Advanced Placement and International Baccalaureate programs and improved educational stability as foster youth transition from high school to college.

Education Jobs Funding

Federal funding in the amount of \$3.3 million is provided from the Education Jobs Federal Grant. The grant is made available by the United States Department of Education for local school districts to retain existing employees, to recall or rehire former employees, and to hire new employees for the 2011-12 school year.

Implement New STEM/Career Training Programs

Funding totaling \$0.8 million is provided for three new programs to support the state's aerospace industry and for statewide supervision activities for career and technical education student leadership organizations. The three new aerospace-training programs provide funding for: advanced science, technology, engineering, and math (STEM) coursework; specialized equipment, materials, and training in skills centers; and start-up grants for entry-level aerospace assembler training.

Open K-12 Education Resources

Chapter 178, Laws of 2012 (E2SHB 2337) requires the Superintendent of Public Instruction to develop and adopt openly licensed courseware aligned with the common core state standards. Funding in the amount of \$0.25 million General Fund-State is provided for the administration and coordination of adopting and promoting school district use of openly licensed materials.

Develop and Implement Interpreter Services Standards

Administrative funding is provided for the Professional Educator Standards Board (PESB) to establish performance standards for educational interpreters. Further, the PESB will identify interpreter assessments that meet specific criteria and define what constitutes a minimum assessment result to assist school districts in identifying high quality interpreters.

Other

School Bus Depreciation Funding Shift

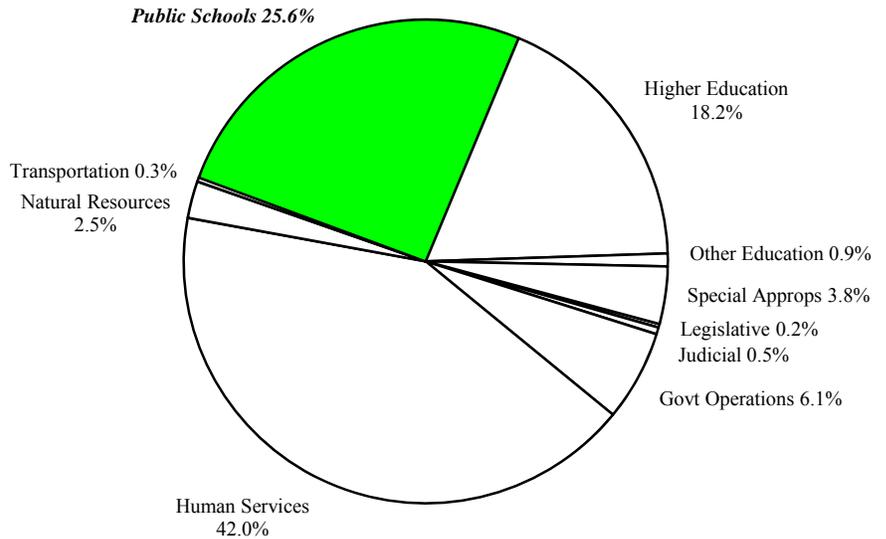
Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) achieved one-time savings of \$48.9 million General Fund-State in the 2013 fiscal year by shifting the date of school bus depreciation payments to school districts. The state provides funding to school districts to replace school buses under a schedule set by the Office of the Superintendent of Public Instruction. Annual payments are made to districts the year a bus is purchased and continue until the bus reaches the end of its scheduled lifecycle. Prior practice has been to allocate these payments in October. Beginning with the 2012-13 school year, the bus depreciation payments are made in August instead of October.

Various Reductions

In addition to the changes discussed above, agency appropriations are reduced to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, and Department of Enterprise Services), as well as improved management of information technology resources. The impact of these changes budget wide is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

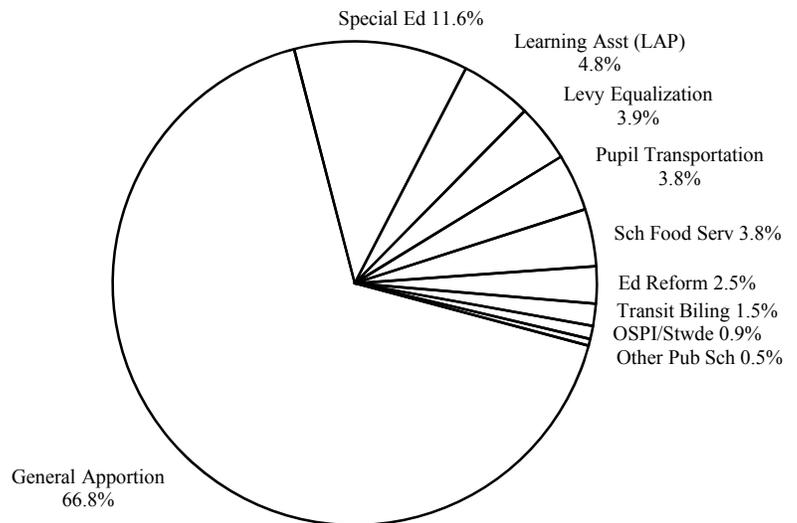
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Washington State

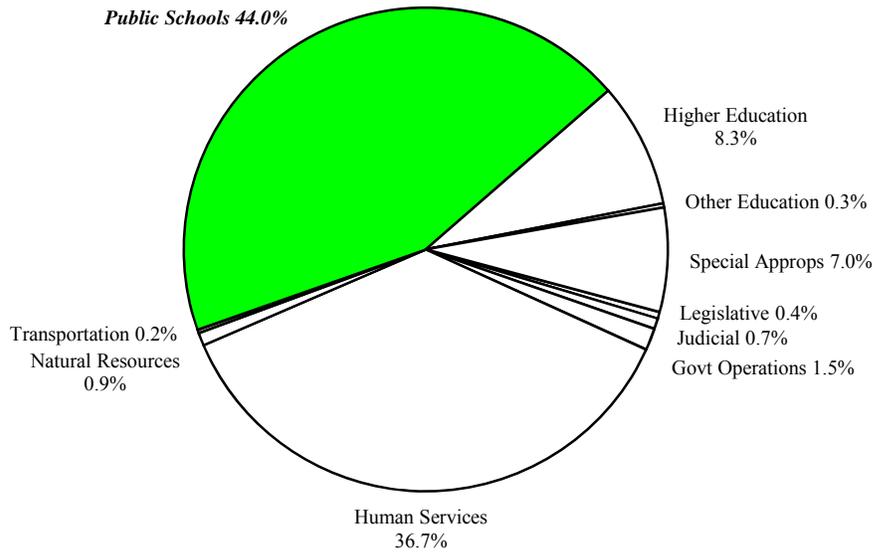
General Apportionment	10,434,414
Special Education	1,815,879
Learning Assist Pgm	747,595
Levy Equalization	603,334
Pupil Transpo	595,885
School Food Services	595,634
Education Reform	386,319
Transit Bilingual Inst	231,242
OSPI & Statewide Pgms	138,036
Other Public Schools	72,054
Public Schools	15,620,392



Public Schools

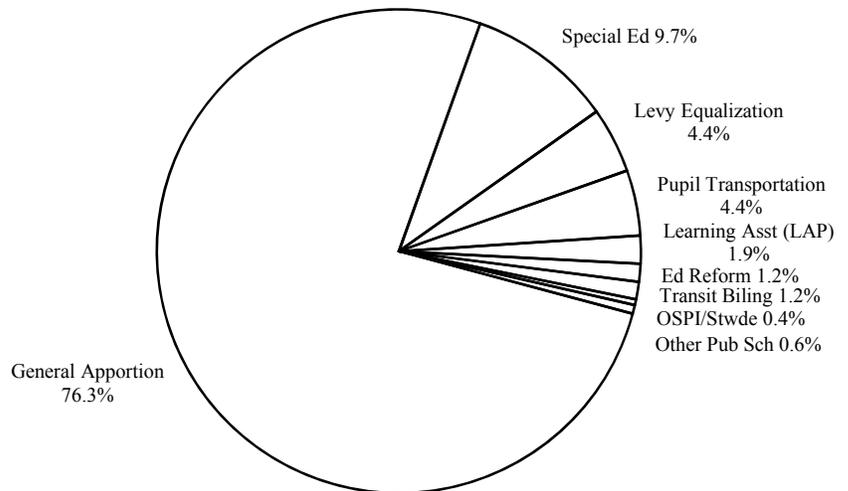
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Statewide Total	31,024,211



Washington State

General Apportionment	10,412,087
Special Education	1,328,957
Levy Equalization	598,934
Pupil Transpo	595,885
Learning Assist Pgm	255,388
Education Reform	163,129
Transit Bilingual Inst	160,241
OSPI & Statewide Pgms	52,455
Other Public Schools	80,122
Public Schools	13,647,198



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	<u>Estimated</u>	
								2011-12	2012-13
General Apportionment									
FTE Enrollment	966,246	972,079	973,612	975,540	980,979	988,501	992,786	993,194	997,755
% Change from prior year	0.4%	0.6%	0.2%	0.2%	0.6%	0.8%	0.4%	0.0%	0.5%
Special Education									
Funded Enrollment ⁽¹⁾	120,752	121,758	121,691	126,053	128,180	130,314	132,255	133,393	133,869
% Change from prior year	0.7%	0.8%	-0.1%	3.6%	1.7%	1.7%	1.5%	0.9%	0.4%
Bilingual Education									
Headcount Enrollment	75,255	76,716	76,505	80,689	82,915	84,855	89,920	88,883	90,461
% Change from prior year	6.1%	1.9%	-0.3%	5.5%	2.8%	2.3%	6.0%	-1.2%	1.8%
Learning Assistance Program									
Entitlement Units ⁽²⁾	157,935	N/A	N/A						
Funded Student Units	N/A	408,477	419,033	414,238	416,753	414,238	416,753	433,008	455,148
% Change from prior year	-2.4%		2.6%	-1.1%	0.6%	-0.6%	0.6%	3.9%	5.1%

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

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

Data Sources:

1999-00 through 2010-11 amounts are from the Office of the Superintendent of Public Instruction and the Caseload Forecast Council.

2011-12 and 2012-13 estimates are from the Caseload Forecast Council February 2012 forecast and legislative budgets from the 2012 session.

**Public Schools
OSPI & Statewide Programs**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	48,657	89,643	138,300
Total Maintenance Changes	-119	-4,000	-4,119
Policy Changes - Early Action Savings			
1. OSPI Administration Reduction	-600	0	-600
Policy Changes - Early Action Savings	-600	0	-600
Policy Changes - Other			
2. Auditor Charges	-54	0	-54
3. Attorney General Reduction	-57	0	-57
4. Sec of State Archive Reduction	-5	0	-5
5. Central Service Reforms	-257	0	-257
6. Commute Trip Reduction	-3	0	-3
7. Open K-12 Education Resources	250	0	250
8. WaKIDS	1,000	0	1,000
9. Urban School Turnaround	2,000	0	2,000
10. Collaborative Schools	1,500	0	1,500
11. AP/IB Exam Fee Backfill	100	0	100
12. Interpreter-Services Standards	25	0	25
13. Foster Care Outcomes	128	0	128
Policy -- Other Total	4,627	0	4,627
Policy Changes - Comp			
14. PEBB Funding Rate Reduction	-110	-62	-172
Policy -- Comp Total	-110	-62	-172
2011-13 Revised Appropriations	52,455	85,581	138,036
Fiscal Year 2012 Total	25,322	43,718	69,040
Fiscal Year 2013 Total	27,133	41,863	68,996

Comments:

- OSPI Administration Reduction** - The following units at the Office of the Superintendent of Public Instruction (OSPI) perform administrative rather than programmatic functions: the Superintendent's Office, Communications, Government Relations, Chief of Staff's Office, Audit Unit, Human Resources, Agency Financial Services, Information Technology Administration, and Agency Support. The estimated total cost of these units is \$4 million per fiscal year. Starting January 1, 2012, OSPI administrative funding is reduced by 10 percent.
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
- Open K-12 Education Resources** - Funding is provided to implement Chapter 178, Laws of 2012 (E2SHB 2337). The bill requires that the Superintendent of Public Instruction identify and develop a library of openly licensed courseware aligned with the common core state standards.
- WaKIDS** - Funding is provided to implement Chapter 51, Laws of 2012 (ESHB 2586). The bill changes the implementation schedule for administration of the Washington Kindergarten

Public Schools OSPI & Statewide Programs

Inventory of Developing Skills (WaKIDS). The implementation will be completed in the 2013-15 biennium.

\$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

9. **Urban School Turnaround** - A new urban school turnaround initiative is created. The purpose of the turnaround initiative is to promote significant educational achievement gap reductions in the state's lowest performing schools.
10. **Collaborative Schools** - Funding is provided for the implementation of Chapter 53, Laws of 2012 (ESHB 2799), establishing a five-year pilot project for up to six collaborative schools for innovation and success. School districts, in partnership with colleges of education, will develop and implement research-based models of instruction and educator preparation that are proven to close the opportunity gap and improve student learning in low-performing schools. The participating schools will be selected from school districts' lowest-performing elementary schools.
11. **AP/IB Exam Fee Backfill** - Included in federal budget reductions was a reduction in the federal contribution to low-income students for Advanced Placement (AP) and International Baccalaureate (IB) fees. Through the 2011-12 school year, federal funding supplements each low-income student's total exam fee so that each AP exam is \$5 and each IB exam is \$14.50. Beginning with the 2012-13 school year, the federal contribution to exam fees for low-income students is reduced and the number of exams for which a student may receive assistance is limited. Under the new federal contribution levels, AP out-of-pocket costs for low-income students will be \$15 for the first three exams and \$53 for each additional AP exam. Classes and exams for IB will increase to \$169 per class. A total of \$100,000 is provided to backfill the reduction in federal contributions for testing fees in the 2012-13 school year. With respect to AP exams, low-income students will be responsible for the \$15 fee, but will not be limited in the number of AP exams that are funded at that level. With respect to the IB classes and exams, the students will be responsible for the \$14.50 out-of-pocket costs they currently pay.
12. **Interpreter-Services Standards** - Funds are provided for the Professional Educator Standards Board to develop educational interpreter standards and identify interpreter assessments that are available to school districts. The Board will establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified and will publicize the standards and assessments for school district use.
13. **Foster Care Outcomes** - Funding is provided pursuant to Chapter 163, Laws of 2012 (SHB 2254), which directs OSPI to report on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth. The first report is due December 1, 2012, with reports due annually thereafter through 2015.
14. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to

**Public Schools
General Apportionment**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	10,459,774	0	10,459,774
Total Maintenance Changes	-38,483	19,000	-19,483
Policy Changes - Early Action Savings			
1. Enrollment Reporting Change	-6,349	0	-6,349
2. Education Jobs Funding	-3,078	3,078	0
Policy Changes - Early Action Savings	-9,427	3,078	-6,349
Policy Changes - Other			
3. Education Jobs Funding	0	249	249
Policy -- Other Total	0	249	249
Policy Changes - Comp			
4. Pension Rate Correction	223	0	223
Policy -- Comp Total	223	0	223
2011-13 Revised Appropriations	10,412,087	22,327	10,434,414
Fiscal Year 2012 Total	5,241,233	22,327	5,263,560
Fiscal Year 2013 Total	5,170,854	0	5,170,854

Comments:

- 1. Enrollment Reporting Change** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).
- 2. Education Jobs Funding** - In September 2011, the U.S. Department of Education allocated Washington State an additional \$3.1 million for the Education Jobs Federal Grant. The budget incorporates the additional funding as part of the general apportionment payment to school districts for the 2011-12 school year. (General Fund-Federal)
- 3. Education Jobs Funding** - The early action supplemental budget enacted December 2011, Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058), incorporated, as part of the general apportionment payment to school districts for the 2011-12 school year, \$3.1 million additional federal funding from the Education Jobs Federal Grant made available by the U.S. Department of Education. An additional \$249,000 in unspent administrative dollars related to this funding is available to be incorporated into this sum. (General Fund-Federal)
- 4. Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.

**Public Schools
 Pupil Transportation**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	649,813	0	649,813
Total Maintenance Changes	-4,947	0	-4,947
Policy Changes - Early Action Savings			
1. Shift Depreciation Payments	-48,981	0	-48,981
Policy Changes - Early Action Savings	-48,981	0	-48,981
2011-13 Revised Appropriations	595,885	0	595,885
Fiscal Year 2012 Total	322,243	0	322,243
Fiscal Year 2013 Total	273,642	0	273,642

Comments:

- Shift Depreciation Payments** - The state provides funding to school districts to replace school buses under a depreciation schedule set by the Office of the Superintendent of Public Instruction. State allocations are deposited into the district's Transportation Vehicle Fund to be used only to purchase new buses or for major bus repairs. Annual payments are made to districts the year a bus is purchased and continue until the bus reaches the end of its scheduled lifecycle. Current practice is to allocate payments in October. Beginning with the 2012-13 school year, the annual bus depreciation payments are made in August instead of the previous October, providing a one-time savings in FY 2013.

**Public Schools
 Special Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,350,186	691,796	2,041,982
Total Maintenance Changes	-26,005	-204,860	-230,865
Policy Changes - Early Action Savings			
1. Enrollment Reporting Change	4,750	0	4,750
Policy Changes - Early Action Savings	4,750	0	4,750
Policy Changes - Comp			
2. Pension Rate Correction	28	0	28
3. PEBB Funding Rate Reduction	-2	-14	-16
Policy -- Comp Total	26	-14	12
<hr/>			
2011-13 Revised Appropriations	1,328,957	486,922	1,815,879
Fiscal Year 2012 Total	648,747	255,953	904,700
Fiscal Year 2013 Total	680,210	230,969	911,179

Comments:

1. **Enrollment Reporting Change** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).
2. **Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.
3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Public Schools
Educational Service Districts

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	15,815	0	15,815
Total Maintenance Changes	-9	0	-9
<hr/>			
2011-13 Revised Appropriations	15,806	0	15,806
Fiscal Year 2012 Total	7,894	0	7,894
Fiscal Year 2013 Total	7,912	0	7,912

Comments:

There were no policy level changes.

**Public Schools
Levy Equalization**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	611,782	0	611,782
Total Maintenance Changes	-12,848	4,400	-8,448
<hr/>			
2011-13 Revised Appropriations	598,934	4,400	603,334
Fiscal Year 2012 Total	300,768	4,400	305,168
Fiscal Year 2013 Total	298,166	0	298,166

Comments:

There were no policy level changes.

**Public Schools
 Institutional Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	32,610	0	32,610
Total Maintenance Changes	-50	0	-50
Policy Changes - Comp			
1. Pension Rate Correction	1	0	1
Policy -- Comp Total	1	0	1
<hr/>			
2011-13 Revised Appropriations	32,561	0	32,561
Fiscal Year 2012 Total	16,694	0	16,694
Fiscal Year 2013 Total	15,867	0	15,867

Comments:

- Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	17,535	0	17,535
Total Maintenance Changes	9	0	9
Policy Changes - Early Action Savings			
1. Enrollment Reporting Change	-11	0	-11
Policy Changes - Early Action Savings	-11	0	-11
<hr/>			
2011-13 Revised Appropriations	17,533	0	17,533
Fiscal Year 2012 Total	8,745	0	8,745
Fiscal Year 2013 Total	8,788	0	8,788

Comments:

- Enrollment Reporting Change** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).

**Public Schools
Education Reform**

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	158,167	108,115	266,282
Total Maintenance Changes	-1,570	115,089	113,519
Policy Changes - Other			
1. Project Lead the Way	250	0	250
2. Skills Centers as Training Hubs	150	0	150
3. Expand Aerospace Assembler Program	300	0	300
4. Certificated Employee Evaluations	5,767	0	5,767
5. Career & Tech Ed Grants	100	0	100
6. Services for At-Risk Students	200	0	200
7. Governor Veto	-200	0	-200
Policy -- Other Total	6,567	0	6,567
Policy Changes - Comp			
8. Pension Rate Correction	3	0	3
9. PEBB Funding Rate Reduction	-38	-14	-52
Policy -- Comp Total	-35	-14	-49
<hr/>			
2011-13 Revised Appropriations	163,129	223,190	386,319
Fiscal Year 2012 Total	58,876	111,570	170,446
Fiscal Year 2013 Total	104,253	111,620	215,873

Comments:

- Project Lead the Way** - Funding is provided pursuant to Chapter 1, Laws of 2011, 2nd sp.s. (EHB 2159). Project Lead the Way (PLTW) is a program emphasizing a multi-disciplinary, hands-on, and problem-solving approach to science, technology, engineering, and math (STEM) subjects. One-time funding is provided for 10 high schools to implement advanced PLTW coursework beginning in the 2012-13 school year. Funding will support the participating schools' course implementation costs, including training, curriculum, and materials.
- Skills Centers as Training Hubs** - One-time funding is provided pursuant to Chapter 1, Laws of 2011, 2nd sp.s. (EHB 2159), for aerospace and manufacturing course equipment and curriculum to two skills centers starting in the 2012-13 school year. The skills centers will provide: 1) local high schools with access to laboratory space for manufacturing courses leading to industry-recognized employment certifications offered at their school; 2) the opportunity to offer more specialized training; and 3) a central location for teachers in the region to attend technical professional training in the instruction of courses leading to student employment and certification in aerospace and manufacturing industries.
- Expand Aerospace Assembler Program** - Funding is provided pursuant to Chapter 1, Laws of 2011, 2nd sp.s. (EHB 2159). The Aerospace Assembler program developed by the Washington Aerospace and Research Center offers entry-level aerospace training opportunities for adults. One-time funding is provided for start-up grants to establish similar programs at 12 high schools by spring of the 2012-13 school year. Each participating high school will offer the entry-level aerospace assembler training program through a combination of online and hands-on instruction. At completion, students will have earned a skill certificate to be ready for employment in entry-level jobs upon graduating from high school.
- Certificated Employee Evaluations** - Funding is provided pursuant to Chapter 35, Laws of 2012 (ESSB 5895), implementing a statewide teacher and principal evaluation system. The evaluation system is an extension of the findings of eight pilot programs and establishes a four-tier rating system for evaluating teacher and principal performance. The tiers range from satisfactory to distinguished and include student growth data as a substantial factor in the evaluations.
- Career & Tech Ed Grants** - Funding is provided to support statewide supervision activities for career and technical education student leadership organizations.
- Services for At-Risk Students** - Funds are provided for the American Academy, an online high school, to provide social support and academic intervention to students who have been suspended or expelled, are pregnant or parenting teens, have dropped out of school, or are significantly at risk of dropping out of school. Students are eligible to participate with the recommendation and approval of their resident school district. This item was vetoed by the Governor (see Governor Veto item).
- Governor Veto** - The Governor vetoed Section 511(18) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB

Public Schools Education Reform

2127). The subsection contained an appropriation for the American Academy to provide social support and academic intervention to at-risk students.

8. **Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.
9. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

**Public Schools
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	172,539	71,001	243,540
Total Maintenance Changes	-12,640	0	-12,640
Policy Changes - Early Action Savings			
1. Enrollment Reporting Change	337	0	337
Policy Changes - Early Action Savings	337	0	337
Policy Changes - Comp			
2. Pension Rate Correction	5	0	5
Policy -- Comp Total	5	0	5
<hr/>			
2011-13 Revised Appropriations	160,241	71,001	231,242
Fiscal Year 2012 Total	79,575	25,496	105,071
Fiscal Year 2013 Total	80,666	45,505	126,171

Comments:

- 1. Enrollment Reporting Change** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).
- 2. Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	252,221	581,207	833,428
Total Maintenance Changes	3,229	-89,000	-85,771
Policy Changes - Early Action Savings			
1. Enrollment Reporting Change	-69	0	-69
Policy Changes - Early Action Savings	-69	0	-69
Policy Changes - Comp			
2. Pension Rate Correction	7	0	7
Policy -- Comp Total	7	0	7
<hr/>			
2011-13 Revised Appropriations	255,388	492,207	747,595
Fiscal Year 2012 Total	126,609	235,711	362,320
Fiscal Year 2013 Total	128,779	256,496	385,275

Comments:

- 1. Enrollment Reporting Change** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).
- 2. Pension Rate Correction** - Effective April 1, 2012, pension rates applied to K-12 employees will revert to those funded in the 2011-13 budget. Allocations to school districts for pension rate contributions are adjusted accordingly.

Higher Education

Summary

Appropriation levels for the state's four-year institutions of higher education and the community and technical college system are left largely unchanged. Annual resident undergraduate tuition increases for the current biennium assumed in the operating budget were also unchanged at 16 percent per year for the University of Washington, Washington State University, and Western Washington University; 14 percent per year for The Evergreen State College and Central Washington University; 11 percent per year for Eastern Washington University; and 12 percent per year for the Community and Technical College System.

Major Increases

Engineering Degree Production

\$3.8 million is set aside for the Schools of Engineering at both the University of Washington and Washington State University to expand engineering education opportunities. Each University will convert existing student full-time equivalents (FTEs) to engineering FTEs.

Student Achievement Council

A total of \$1.0 million is provided pursuant to Chapter 229, Laws of 2012, Partial Veto, which creates the Student Achievement Council to replace the Higher Education Coordinating Board. The Council will set goals for increasing the educational attainment in Washington and monitor progress toward meeting those goals.

Leadership 1000

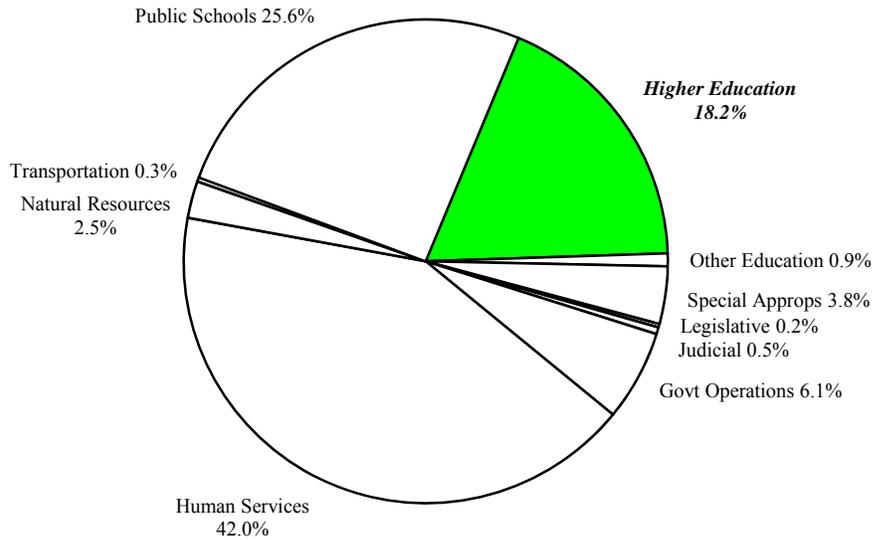
\$1.0 million is provided for the Leadership 1000 Scholarship Program. This program matches private donors with selected economically disadvantaged students who would otherwise be unable to attend college after depleting all other sources of financial aid.

Aerospace Innovation Center

A total of \$1.5 million from the Economic Development Strategic Reserve Account is provided for the new Center of Aerospace Technology Innovation. This joint venture of the University of Washington and Washington State University will produce research on new technologies and innovations in aviation, aerospace, and defense.

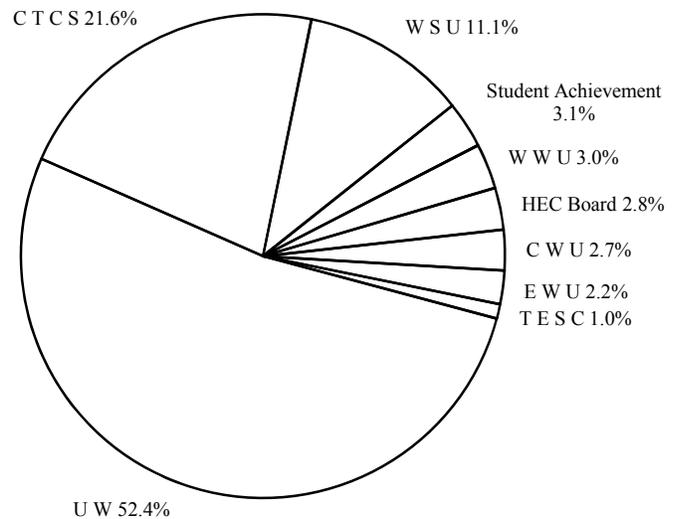
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

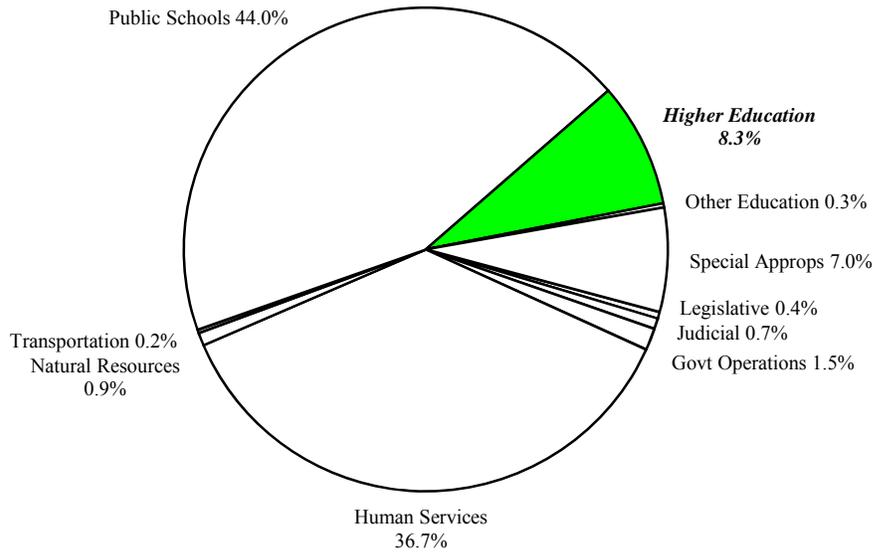
Univ of Washington	5,817,247
C T C S	2,399,034
Washington State Univ	1,229,991
Student Achievement	345,430
Western Washington Univ	335,753
Higher Ed Coord Bd	310,738
Central Washington Univ	300,240
Eastern Washington Univ	248,399
The Evergreen State Coll	108,506
Higher Education	11,095,338



Higher Education

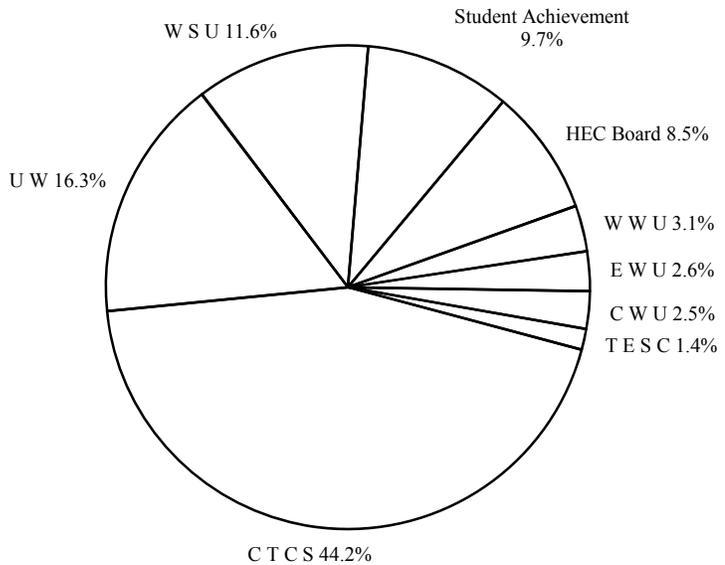
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

CTCS	1,144,958
Univ of Washington	421,417
Washington State Univ	301,211
Student Achievement	251,968
Higher Ed Coord Bd	218,980
Western Washington Univ	79,715
Eastern Washington Univ	68,085
Central Washington Univ	65,058
The Evergreen State Coll	36,248
Higher Education	2,587,640



Higher Education

Higher Education
Budgeted Enrollment Increases
 By Academic Year

FTE Student Enrollment

	Budgeted Level 2009-10	Increase for 2010-11	Total Budgeted 2010-11	Increase for 2011-12	Total Budgeted 2011-12
Community & Technical Colleges	139,237	3,809	143,046	-3,809	139,237
Four-Year Schools	91,328	1,601	92,929	-22	92,907
University of Washington	36,546	616	37,162	0	37,162
Seattle					
Bothell					
Tacoma					
Washington State University	22,250	0	22,250	-22	22,228
Pullman/Spokane					
Tri-Cities					
Vancouver					
Eastern Washington University	8,477	257	8,734	0	8,734
Central Washington University	8,469	339	8,808	0	8,808
The Evergreen State College	4,213	0	4,213	0	4,213
Western Washington University	11,373	389	11,762	0	11,762
Total Higher Education	230,565	5,410	235,975	-3,831	232,144

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment							Budgeted	
	<u>2004-05⁽¹⁾</u>	<u>2005-06⁽¹⁾</u>	<u>2006-07⁽¹⁾</u>	<u>2007-08⁽¹⁾</u>	<u>2008-09⁽¹⁾</u>	<u>2009-10⁽¹⁾</u>	<u>2010-11⁽¹⁾</u>	<u>2011-12</u>	<u>2012-13</u>
Community & Technical Colleges	141,283	141,217	143,019	147,908	159,845	173,237	175,010	150,795	150,795
Adult Students	131,489	130,933	132,176	136,723	148,000	160,778	162,328	139,237	139,237
Running Start Students ⁽²⁾	9,794	10,284	10,843	11,185	11,845	12,459	12,682	11,558	11,558
Four-Year Schools	91,358	91,547	92,182	94,310	98,292	101,165	103,214	92,907	92,907
University of Washington ⁽³⁾	36,357	36,022	36,647	37,525	39,729	40,943	42,303	37,162	37,162
Washington State University	21,157	21,301	21,244	22,334	23,316	23,992	24,233	22,228	22,228
Eastern Washington University	9,126	9,281	9,189	9,111	9,287	9,486	9,640	8,734	8,734
Central Washington University	8,885	9,057	9,204	8,931	9,082	9,673	9,832	8,808	8,808
The Evergreen State College	4,120	4,131	4,114	4,269	4,470	4,596	4,559	4,213	4,213
Western Washington University	11,713	11,755	11,784	12,140	12,408	12,475	12,647	11,762	11,762
Total Higher Education ⁽²⁾	222,847	222,480	224,358	231,033	246,292	261,943	265,542	232,144	232,144

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

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

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

Community & Technical College System

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	1,154,723	1,252,005	2,406,728
Total Maintenance Changes	-1,489	-658	-2,147
Policy Changes - Other			
1. Auditor Charges	-213	-213	-426
2. Attorney General Reduction	-63	-63	-126
3. Sec of State Archive Reduction	-37	-37	-74
4. Central Services Savings	38	38	76
5. Central Service Reforms	-184	-184	-368
6. Workforce Training/Aerospace	131	0	131
7. Alternative Financing Debt Service	0	4,756	4,756
Policy -- Other Total	-328	4,297	3,969
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-7,948	-1,568	-9,516
Policy -- Comp Total	-7,948	-1,568	-9,516
<hr/>			
2011-13 Revised Appropriations	1,144,958	1,254,076	2,399,034
Fiscal Year 2012 Total	580,544	604,233	1,184,777
Fiscal Year 2013 Total	564,414	649,843	1,214,257

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **Workforce Training/Aerospace** - Funding is provided for the implementation of chapter 50, Laws of 2012 (2SHB 2156). This bill coordinates information and research regarding workforce training in the aerospace industry.
7. **Alternative Financing Debt Service** - Funding is provided to cover debt service for capital projects at Skagit Valley Community College and Lower Columbia Community College. (Community and Technical College Capital Projects Account)
8. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

University of Washington

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	426,573	5,402,669	5,829,242
Total Maintenance Changes	-489	-833	-1,322
Policy Changes - Other			
1. Auditor Charges	69	69	138
2. Attorney General Reduction	-240	-240	-480
3. Sec of State Archive Reduction	-48	-48	-96
4. Central Services Savings	-29	-29	-58
5. Central Service Reforms	-82	-82	-164
6. Aerospace Innovation Center	0	1,500	1,500
7. Ruckleshaus Center	-90	0	-90
8. Tax Increment Study	-25	0	-25
Policy -- Other Total	-445	1,170	725
Policy Changes - Comp			
9. PEBB Funding Rate Reduction	-4,222	-7,176	-11,398
Policy -- Comp Total	-4,222	-7,176	-11,398
2011-13 Revised Appropriations	421,417	5,395,830	5,817,247
Fiscal Year 2012 Total	211,952	2,654,643	2,866,595
Fiscal Year 2013 Total	209,465	2,741,187	2,950,652

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Aerospace Innovation Center** - Funding is provided for the Center of Aerospace Technology Innovation, a joint venture of the University of Washington and Washington State University. The Center will produce research on new technologies and innovations in aviation, aerospace, and defense. (Economic Development Strategic Reserve Account-State)
- Ruckleshaus Center** - Funding for the Ruckelshaus Center is transferred from the University of Washington to Washington State University.
- Tax Increment Study** - Unused funds provided for a tax increment study pursuant to Chapter 164, Laws of 2010 (E2SSB 6609) are removed.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State University

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	303,366	935,240	1,238,606
Total Maintenance Changes	54	-5,563	-5,509
Policy Changes - Other			
1. Auditor Charges	-23	-23	-46
2. Attorney General Reduction	-35	-35	-70
3. Sec of State Archive Reduction	-15	-15	-30
4. Central Service Reforms	-58	-58	-116
5. Ruckleshaus Center	90	0	90
Policy -- Other Total	-41	-131	-172
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-2,168	-766	-2,934
Policy -- Comp Total	-2,168	-766	-2,934
<hr/>			
2011-13 Revised Appropriations	301,211	928,780	1,229,991
Fiscal Year 2012 Total	150,987	452,426	603,413
Fiscal Year 2013 Total	150,224	476,354	626,578

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
5. **Ruckleshaus Center** - Funding for the Ruckelshaus Center is transferred from the University of Washington to Washington State University.
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Eastern Washington University

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	68,957	180,723	249,680
Total Maintenance Changes	-240	-241	-481
Policy Changes - Other			
1. Auditor Charges	-14	-14	-28
2. Attorney General Reduction	-12	-12	-24
3. Sec of State Archive Reduction	-4	-4	-8
4. Central Services Savings	2	2	4
5. Central Service Reforms	-12	-12	-24
Policy -- Other Total	-40	-40	-80
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-592	-128	-720
Policy -- Comp Total	-592	-128	-720
<hr/>			
2011-13 Revised Appropriations	68,085	180,314	248,399
Fiscal Year 2012 Total	34,285	87,387	121,672
Fiscal Year 2013 Total	33,800	92,927	126,727

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Central Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	64,141	235,444	299,585
Total Maintenance Changes	-148	-150	-298
Policy Changes - Other			
1. Attorney General Reduction	-10	-10	-20
2. Sec of State Archive Reduction	-3	-3	-6
3. Central Services Savings	2	2	4
4. Central Service Reforms	-13	-13	-26
5. Unrealized Tuition Revenue	1,627	0	1,627
Policy -- Other Total	1,603	-24	1,579
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-538	-88	-626
Policy -- Comp Total	-538	-88	-626
<hr/>			
2011-13 Revised Appropriations	65,058	235,182	300,240
Fiscal Year 2012 Total	32,800	112,747	145,547
Fiscal Year 2013 Total	32,258	122,435	154,693

Comments:

1. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
2. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
3. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
5. **Unrealized Tuition Revenue** - Tuition revenue projections assumed during the 2009-11 biennium were not realized. Funding is provided to replace this revenue.
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

The Evergreen State College

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	36,344	72,219	108,563
Total Maintenance Changes	4	5	9
Policy Changes - Other			
1. Auditor Charges	-19	-19	-38
2. Attorney General Reduction	-6	-6	-12
3. Sec of State Archive Reduction	-2	-2	-4
4. Central Services Savings	1	1	2
5. Central Service Reforms	-8	-8	-16
6. Forest Fire Protection Study	0	100	100
7. Child Welfare/Contracting	50	0	50
8. Domestic Violence	46	0	46
9. WSIPP State Need Grant Study	100	0	100
10. WSIPP Pension Benefits Review	65	0	65
11. Competency Restoration Treatment	17	0	17
Policy -- Other Total	244	66	310
Policy Changes - Comp			
12. PEBB Funding Rate Reduction	-344	-32	-376
Policy -- Comp Total	-344	-32	-376
2011-13 Revised Appropriations	36,248	72,258	108,506
Fiscal Year 2012 Total	18,359	34,515	52,874
Fiscal Year 2013 Total	17,889	37,743	55,632

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates a vacant administrative position at the OAH, and reduces LRO services.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Forest Fire Protection Study** - One-time funding is provided for the Washington State Institute for Public Policy (WSIPP) to conduct an analysis of the efficiency and effectiveness of the state's funding mechanisms for fire prevention and suppression activities. WSIPP will report to the appropriate committees of the Legislature by June 30, 2012. (Forest Fire Protection Assessment Account)
- Child Welfare/Contracting** - Per Chapter 205, Laws of 2012 (E2SHB 2264), funding is provided for WSIPP to evaluate the implementation of performance-based contracts by Department of Social and Health Services for the purchase of certain services provided to children and families involved in the child welfare system. An initial report on the conversion to performance-based contracting is due June 30, 2014. A second report on the effects of performance-based contracting on increased use of evidence-based practices, and improvements in child safety, child permanency, and child well-being is due June 30, 2016.
- Domestic Violence** - Per Chapter 223, Laws of 2012 (ESHB 2363), funding is provided for WSIPP to assess recidivism by domestic violence offenders.
- WSIPP State Need Grant Study** - One-time funds are provided for WSIPP to conduct a longitudinal study of the State Need Grant program and its outcomes. A preliminary report of the findings, including a comparison of Washington's program to similar programs in other states, is to be submitted to the Governor and the Legislature no later than December 1, 2012. A final report, including recommendations for more efficient use of the funds, is due no later than December 1, 2013.

The Evergreen State College

10. **WSIPP Pension Benefits Review** - One-time funds are provided for the WSIPP to conduct an evaluation of the benefits provided in the pension plans offered by public employers in the state.
11. **Competency Restoration Treatment** - Per Chapter 256, Laws of 2012 (SSB 6492), one-time funds are provided for WSIPP to study and report on the timeframes within which treatment to restore competency to stand trial is most likely to be effective.
12. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Western Washington University

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	80,629	256,181	336,810
Total Maintenance Changes	39	40	79
Policy Changes - Other			
1. Auditor Charges	-28	-28	-56
2. Attorney General Reduction	-10	-10	-20
3. Sec of State Archive Reduction	-4	-4	-8
4. Central Services Savings	5	5	10
5. Central Service Reforms	-26	-26	-52
Policy -- Other Total	-63	-63	-126
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-890	-120	-1,010
Policy -- Comp Total	-890	-120	-1,010
2011-13 Revised Appropriations	79,715	256,038	335,753
Fiscal Year 2012 Total	40,375	121,131	161,506
Fiscal Year 2013 Total	39,340	134,907	174,247

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Council for Higher Education

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	997	2,377	3,374
Total Maintenance Changes	-5	0	-5
Policy Changes - Transfers			
1. Transfer - Cncl for Higher Ed	-992	-2,377	-3,369
Policy -- Transfer Total	-992	-2,377	-3,369
2011-13 Revised Appropriations	0	0	0

Comments:

- 1. Transfer - Cncl for Higher Ed** - Per Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483), funding for the Council for Higher Education is transferred to the Student Achievement Council.

Office of Student Financial Assistance

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	247,932	93,696	341,628
Total Maintenance Changes	-5	-2,590	-2,595
Policy Changes - Early Action Savings			
1. Aerospace Trng Scholarships & Loans	1,000	0	1,000
Policy Changes - Early Action Savings	1,000	0	1,000
Policy Changes - Transfers			
2. Transfer - Student Achievement Cncl	-248,927	-91,106	-340,033
Policy -- Transfer Total	-248,927	-91,106	-340,033
<hr/>			
2011-13 Revised Appropriations	0	0	0

Comments:

1. **Aerospace Trng Scholarships & Loans** - Additional funds are provided for the Aerospace Training Student Loan Program. This program provides loans for students in aerospace training or educational programs at the Washington Aerospace Training and Research Center, the Spokane Aerospace Technology Center, and Renton Technical College.
2. **Transfer - Student Achievement Cncl** - Per Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483), funding for the Office of Student Financial Assistance is transferred to the Student Achievement Council.

Higher Education Coordinating Board

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	218,980	93,299	312,279
Total Maintenance Changes	-6	-1,544	-1,550
Policy Changes - Other			
1. Auditor Charges	6	3	9
Policy -- Other Total	6	3	9
<hr/>			
2011-13 Revised Appropriations	218,980	91,758	310,738
Fiscal Year 2012 Total	218,980	91,758	310,738
<hr/>			

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.

Student Achievement Council

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	0	0
Total Maintenance Changes	-11	-1	-12
Policy Changes - Other			
1. Auditor Charges	13	7	20
2. Attorney General Reduction	-1	0	-1
3. Sec of State Archive Reduction	-1	0	-1
4. Central Service Reforms	-18	-1	-19
5. Leadership 1000	1,000	0	1,000
6. HELP Work Group	50	0	50
7. Student Achievement Council	1,043	0	1,043
Policy -- Other Total	2,086	6	2,092
Policy Changes - Comp			
8. PEBB Funding Rate Reduction	-26	-26	-52
Policy -- Comp Total	-26	-26	-52
Policy Changes - Transfers			
9. Transfer - From Student Fin Aid Ofc	248,927	91,106	340,033
10. Transfer - From Cncl for Higher Ed	992	2,377	3,369
Policy -- Transfer Total	249,919	93,483	343,402
2011-13 Revised Appropriations	251,968	93,462	345,430
Fiscal Year 2013 Total	251,968	93,462	345,430

Comments:

- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
- Leadership 1000** - Funding is provided for the Leadership 1000 Scholarship Program. This program matches private donors with selected economically disadvantaged students who would otherwise be unable to attend college after depleting all other sources of financial aid.
- HELP Work Group** - Funds are provided for the Student Achievement Council to convene a work group on the Higher Education Loan Program.
- Student Achievement Council** - Funding is provided for the implementation of Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483). This bill creates and sets out the duties and mission of the Student Achievement Council.
- PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
- Transfer - From Student Fin Aid Ofc** - Per Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483), funding for the Office of Student Financial Assistance is transferred to the Student Achievement Council.
- Transfer - From Cncl for Higher Ed** - Per Chapter 229, Laws of 2012, Partial Veto (E2SHB 2483), funding for the Council for Higher Education is transferred to the Student Achievement Council.

Other Education

Department of Early Learning

Federal funding of \$17.9 million is provided in the 2011-13 biennium for a Race to the Top Early Learning Challenge Grant that was awarded to Washington State. The grant is for four years and will total \$60 million. The grant will be used primarily to implement and expand the Quality Rating and Improvement System (QRIS) and to support the Washington Kindergarten Inventory of Developing Skills assessment, professional development, and various system supports.

Administration of the Seasonal Child Care Program is transferred to the Department of Social and Health Services, resulting in \$2.07 million in administrative savings to the state general fund. Seasonal child care services are not impacted by this reduction.

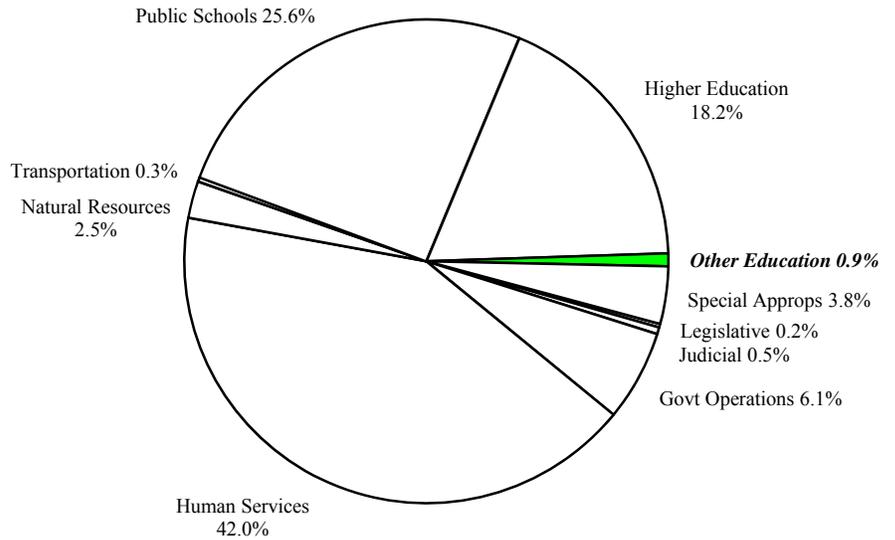
Savings of \$1.1 million General Fund-State is achieved through administrative reductions and shifting programs to federal funds.

Other Changes

In addition to the changes discussed above, agency appropriations are reduced to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, and Department of Enterprise Services) as well as improved management of information technology resources. The budget-wide impact of these changes is described in the special appropriations sections (for employee health benefits) and the governmental operations section (for central services and information technology).

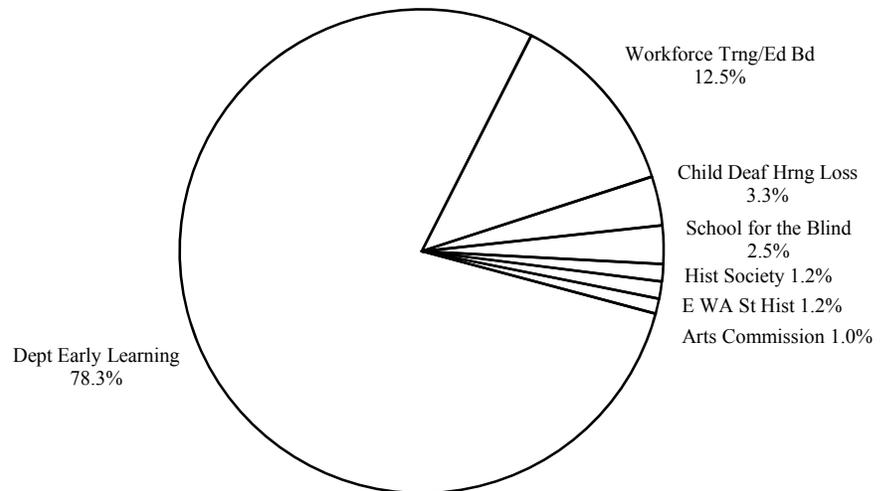
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
Special Appropriations	2,333,705
Statewide Total	60,952,973



Washington State

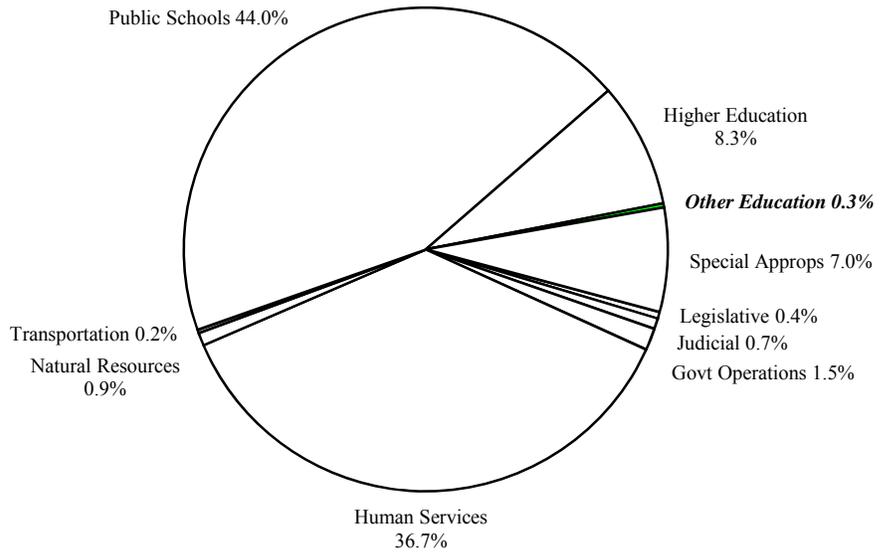
Dept Early Learning	411,985
Workforce Trng/Ed Bd	65,891
Child Deaf Hrng Loss	17,300
School for the Blind	13,400
Historical Society	6,086
East WA State Hist Society	6,082
Arts Commission	5,307
Other Education	526,051



Other Education

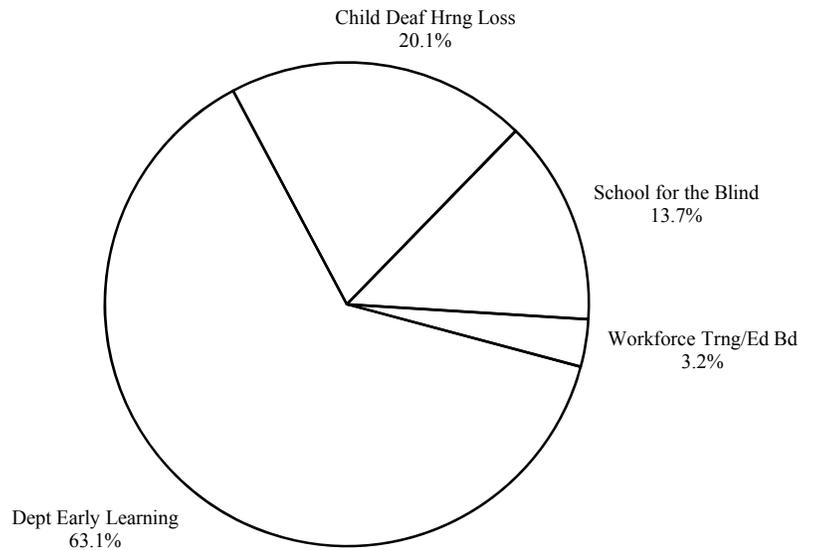
2011-13 Revised Washington State Omnibus Operating Budget
Including 2012 Supplemental
Near General Fund-State
(Dollars in Thousands)

Legislative	139,294
Judicial	222,202
Governmental Operations	453,876
Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
Special Appropriations	2,159,026
Statewide Total	31,024,211



Washington State

Dept Early Learning	52,687
Child Deaf Hrng Loss	16,774
School for the Blind	11,447
Workforce Trng/Ed Bd	2,655
Other Education	83,563



Other Education

Workforce Training & Education Coordinating Board

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	2,770	63,261	66,031
Total Maintenance Changes	-3	-2	-5
Policy Changes - Other			
1. Auditor Charges	-3	-3	-6
2. Attorney General Reduction	-1	-1	-2
3. Service Reduction	-139	0	-139
4. Central Service Reforms	-5	-3	-8
5. Workforce Training/Aerospace	36	0	36
Policy -- Other Total	-112	-7	-119
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	0	-16	-16
Policy -- Comp Total	0	-16	-16
<hr/>			
2011-13 Revised Appropriations	2,655	63,236	65,891
Fiscal Year 2012 Total	1,310	30,726	32,036
Fiscal Year 2013 Total	1,345	32,510	33,855

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Service Reduction** - Funding for Workforce Training and Coordinating Board activities is reduced by 5 percent.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
5. **Workforce Training/Aerospace** - Funding is provided pursuant to Chapter 50, Laws of 2012 (2SHB 2156) to produce a skills gap analysis and to conduct an annual evaluation of aerospace and advanced materials manufacturing training programs.
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Early Learning

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	55,127	333,908	389,035
Total Maintenance Changes	-2,321	8,198	5,877
Policy Changes - Other			
1. Agency Administrative Reduction	-446	0	-446
2. Seasonal Care Administration	-2,070	0	-2,070
3. State Child Care Referral	-574	574	0
4. Training Database Module	-116	0	-116
5. Auditor Charges	11	182	193
6. Attorney General Reduction	-3	-46	-49
7. Central Services Savings	0	-4	-4
8. Central Service Reforms	-8	-41	-49
9. Electronic Benefit System	1,100	0	1,100
10. Align Funding Sources	2,000	-2,000	0
11. Program Shift to Federal Funding	-712	0	-712
12. Race to the Top	0	17,900	17,900
13. Reach Out and Read	-300	300	0
14. Seasonal Child Care Subsidy	1,025	0	1,025
Policy -- Other Total	-93	16,865	16,772
Policy Changes - Comp			
15. PEBB Funding Rate Reduction	-26	-104	-130
Policy -- Comp Total	-26	-104	-130
Policy Changes - Transfers			
16. Council for Child & Fam Transfer	0	431	431
Policy -- Transfer Total	0	431	431
2011-13 Revised Appropriations	52,687	359,298	411,985
Fiscal Year 2012 Total	25,497	175,095	200,592
Fiscal Year 2013 Total	27,190	184,203	211,393

Comments:

- Agency Administrative Reduction** - General Fund-State funding is reduced for agency administration and program management.
- Seasonal Care Administration** - State funds to administer child care subsidies to seasonal agricultural workers through nonprofit organizations are eliminated. Eligibility determinations are now administered through the Department of Social and Health Services (DSHS), and the Department of Early Learning (DEL) no longer requires these funds. Funding for seasonal child care subsidies is not reduced.
- State Child Care Referral** - A portion of funding to provide child care resource information to parents and to improve child care quality is shifted from state funds to federal funds on a one-time basis.
- Training Database Module** - Funding to create a database module on subsidy payment trainings and other related administrative expenses is eliminated.
- Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
- Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
- Electronic Benefit System** - State funding is transferred from the DSHS to the DEL for implementation of an electronic

Department of Early Learning

benefit transfer system to electronically track child care attendance, make payments, and interface with the eligibility information technology system. Funding is also provided for an independent consultant to evaluate and recommend the optimum system for the eligibility determination process.

10. **Align Funding Sources** - Costs are shifted from the Opportunity Pathways Account to the state general fund to address a projected shortfall in the Opportunity Pathways Account. (General Fund-State, Opportunity Pathways Account)
11. **Program Shift to Federal Funding** - General Fund-State funding for Homeless Child Care subsidies is eliminated effective February 1, 2012. The program will continue to operate, but will be funded with federal funds.
12. **Race to the Top** - Federal expenditure authority is provided to the DEL for the Race to the Top Early Learning Challenge Grant that was awarded to the state in December 2011. The state was awarded a total of \$60 million under the grant. The four-year grant will primarily be used to implement and expand the Quality Rating and Improvement System (QRIS) that the Department piloted in the 2009-11 biennium. The grant will also be used to support the Washington Kindergarten Inventory of Developing Skills assessment, professional development, and various system supports.
13. **Reach Out and Read** - Funding for a contract with a non-profit entity experienced in the provision of promoting early literacy for children through pediatric office visits is shifted from the state general fund to federal funds on a one-time basis for the 2011-13 biennium.
14. **Seasonal Child Care Subsidy** - State funding for Seasonal Child Care subsidies is transferred from the DSHS to the DEL, where the federal funding for the program is appropriated. The Seasonal Child Care Program provides subsidized child care for eligible seasonally employed agricultural families.
15. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.
16. **Council for Child & Fam Transfer** - As a result of Chapter 32, Laws of 2011, 1st. sp. s. (E2SHB 1965), the Council for Children and Families is eliminated and relevant duties and funding are transferred to the DEL. Federal Community-Based Child Abuse Prevention funds are transferred from the DSHS to the DEL. (General Fund-Federal)

State School for the Blind

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	11,526	1,961	13,487
Total Maintenance Changes	-2	0	-2
Policy Changes - Other			
1. Attorney General Reduction	-3	0	-3
2. Central Services Savings	-1	0	-1
3. Central Service Reforms	-24	0	-24
4. Commute Trip Reduction	-1	0	-1
Policy -- Other Total	-29	0	-29
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-48	-8	-56
Policy -- Comp Total	-48	-8	-56
<hr/>			
2011-13 Revised Appropriations	11,447	1,953	13,400
Fiscal Year 2012 Total	5,776	970	6,746
Fiscal Year 2013 Total	5,671	983	6,654

Comments:

1. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
2. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
4. **Commute Trip Reduction** - Funding is reduced to reflect the elimination of state general funds for the Commute Trip Reduction program.
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Center for Childhood Deafness & Hearing Loss

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	16,900	526	17,426
Total Maintenance Changes	-18	0	-18
Policy Changes - Other			
1. Attorney General Reduction	-3	0	-3
2. Sec of State Archive Reduction	-1	0	-1
3. Central Services Savings	-1	0	-1
4. Central Service Reforms	-31	0	-31
Policy -- Other Total	-36	0	-36
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	-72	0	-72
Policy -- Comp Total	-72	0	-72
2011-13 Revised Appropriations	16,774	526	17,300
Fiscal Year 2012 Total	8,439	242	8,681
Fiscal Year 2013 Total	8,335	284	8,619

Comments:

1. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
2. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
3. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology.
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Washington State Arts Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	5,230	5,230
Total Maintenance Changes	0	101	101
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Attorney General Reduction	0	-7	-7
3. Central Service Reforms	0	-3	-3
Policy -- Other Total	0	-16	-16
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-8	-8
Policy -- Comp Total	0	-8	-8
<hr/>			
2011-13 Revised Appropriations	0	5,307	5,307
Fiscal Year 2012 Total	0	2,695	2,695
Fiscal Year 2013 Total	0	2,612	2,612

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Washington State Historical Society

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	6,134	6,134
Total Maintenance Changes	0	-17	-17
Policy Changes - Other			
1. Auditor Charges	0	-16	-16
2. Attorney General Reduction	0	-6	-6
3. Central Service Reforms	0	-7	-7
Policy -- Other Total	0	-29	-29
Policy Changes - Comp			
4. PEBB Funding Rate Reduction	0	-2	-2
Policy -- Comp Total	0	-2	-2
<hr/>			
2011-13 Revised Appropriations	0	6,086	6,086
Fiscal Year 2012 Total	0	3,067	3,067
Fiscal Year 2013 Total	0	3,019	3,019

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
4. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Eastern Washington State Historical Society

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	6,092	6,092
Total Maintenance Changes	0	-7	-7
Policy Changes - Other			
1. Auditor Charges	0	5	5
2. Central Service Reforms	0	-6	-6
Policy -- Other Total	0	-1	-1
Policy Changes - Comp			
3. PEBB Funding Rate Reduction	0	-2	-2
Policy -- Comp Total	0	-2	-2
<hr/>			
2011-13 Revised Appropriations	0	6,082	6,082
Fiscal Year 2012 Total	0	3,072	3,072
Fiscal Year 2013 Total	0	3,010	3,010

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
3. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Special Appropriations

Special Appropriations (Non-Compensation Related Items)

Forest Development Account

The Department of Natural Resources is authorized to distribute excess funds totaling \$10 million from the Forest Development Account to 20 timber counties in the state. The sum represents an excess fund balance from timber sales on forest lands in which the DNR manages on each county's behalf and is distributed based on a 10-year average.

Life Sciences Discovery Fund

A total of \$4 million state general funds are appropriated into the Life Sciences Discovery Fund (LSDF) in fiscal year 2013. The LSDF is used for life sciences research.

Office of the Attorney General Legal Services

A total of \$3 million (\$972,000 General Fund-State) is provided for the Office of Financial Management to distribute to agencies for billings associated with legal services of the Office of the Attorney General.

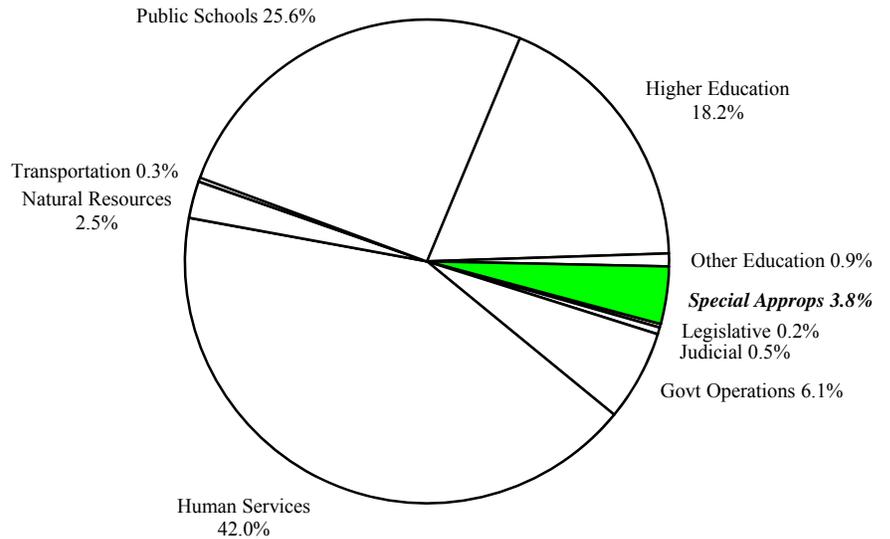
Special Appropriations (Compensation Related Items)

State Employee Health Benefits -\$32.9 Million General Fund-State Savings, \$24.6 Million Other Fund Savings.

Employee health benefit funding rates appropriated from agency budgets for contribution to the Public Employees' Benefits Board (PEBB) are reduced from \$850 to \$800 per eligible employee per month for fiscal year 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) more than fully funded at the end of the 2011-13 biennium.

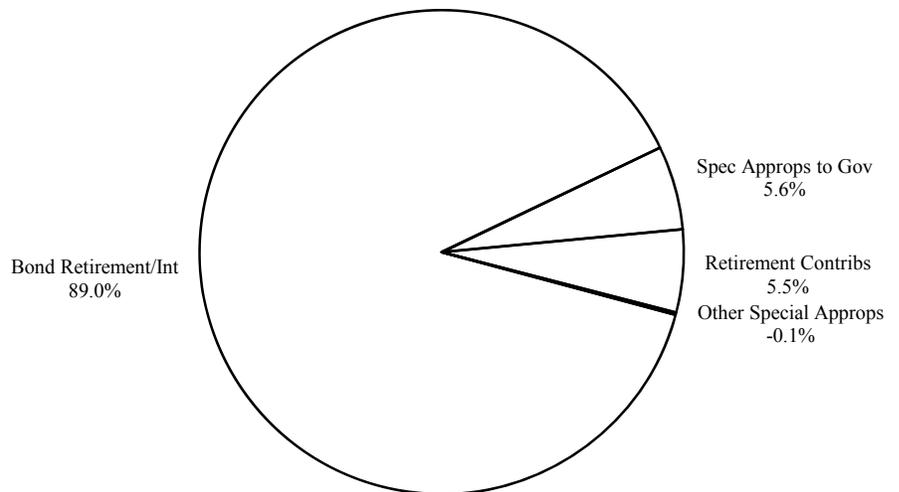
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Including 2012 Supplemental
Total Budgeted Funds**
(Dollars in Thousands)

Legislative	146,551
Judicial	281,381
Governmental Operations	3,697,364
Human Services	25,576,787
Natural Resources	1,505,305
Transportation	170,099
Public Schools	15,620,392
Higher Education	11,095,338
Other Education	526,051
<i>Special Appropriations</i>	<i>2,333,705</i>
Statewide Total	60,952,973



Washington State

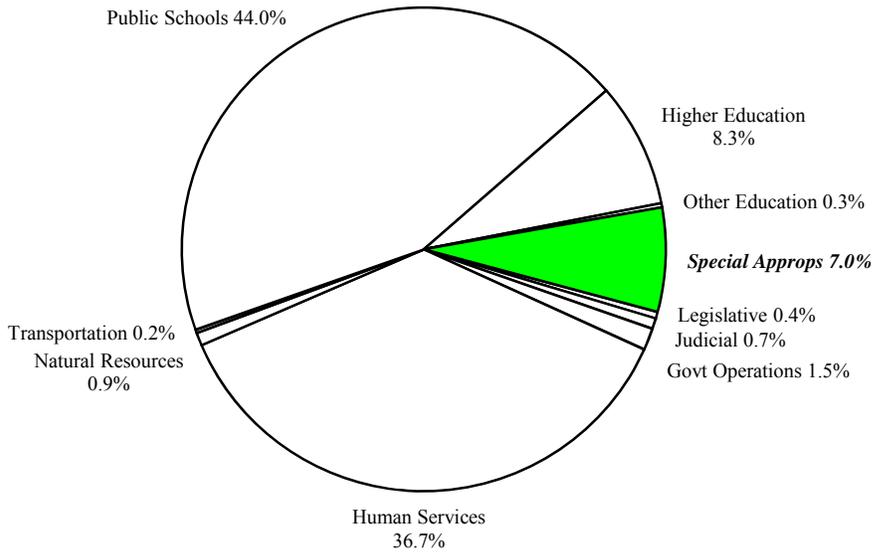
Bond Retire/Int	2,076,825
Spec Approps to Gov	130,972
Retirement Contributions	129,476
Other Special Approps	-3,568
<i>Special Appropriations</i>	<i>2,333,705</i>



Special Appropriations

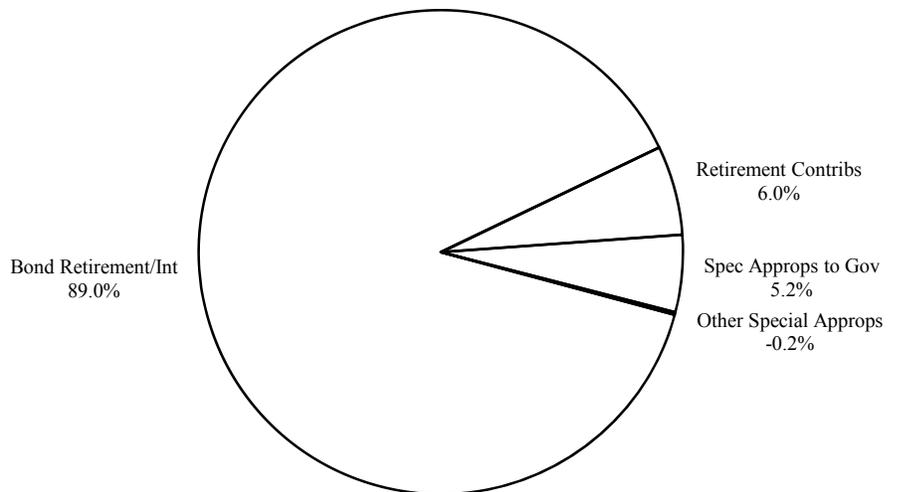
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Human Services	11,394,475
Natural Resources	266,777
Transportation	70,160
Public Schools	13,647,198
Higher Education	2,587,640
Other Education	83,563
<i>Special Appropriations</i>	<i>2,159,026</i>
Statewide Total	31,024,211



Washington State

Bond Retire/Int	1,921,678
Retirement Contributions	129,476
Spec Approps to Gov	111,444
Other Special Approps	-3,572
<i>Special Appropriations</i>	<i>2,159,026</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	1,966,521	154,293	2,120,814
Total Maintenance Changes	-45,763	854	-44,909
Policy Changes - Other			
1. Adjustment for New Bond Issuance	920	0	920
Policy -- Other Total	920	0	920
<hr/>			
2011-13 Revised Appropriations	1,921,678	155,147	2,076,825
Fiscal Year 2012 Total	940,400	77,962	1,018,362
Fiscal Year 2013 Total	981,278	77,185	1,058,463

Comments:

- Adjustment for New Bond Issuance** - Funding is provided for the increase in debt service payments resulting from the new general obligation bonds authorized in the capital budget.

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

Special Appropriations to the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	98,007	7,500	105,507
Total Maintenance Changes	42,717	23,669	66,386
Policy Changes - Early Action Savings			
1. Central Service Agency Charges	-5,642	-7,537	-13,179
2. Self Insurance Premium	-10,948	-4,176	-15,124
3. Personnel Services Rate Reduction	-9,537	-8,352	-17,889
4. Procurement Rate Reduction	-1,186	-748	-1,934
Policy Changes - Early Action Savings	-27,313	-20,813	-48,126
Policy Changes - Other			
5. FDA Excess Fund Distribution	0	10,000	10,000
6. Attorney General Reduction	972	2,028	3,000
7. Self Insurance Premium	-7,500	-2,856	-10,356
8. Criminal Justice Costs	511	0	511
9. Information Technology	-5,000	0	-5,000
10. Life Sciences Discovery	4,000	0	4,000
11. Income and Tax Burden Study	50	0	50
12. Governor Veto	5,000	0	5,000
Policy -- Other Total	-1,967	9,172	7,205
2011-13 Revised Appropriations	111,444	19,528	130,972
Fiscal Year 2012 Total	61,284	14,426	75,710
Fiscal Year 2013 Total	50,160	5,102	55,262

Comments:

1. **Central Service Agency Charges** - Agency funding for central service billings and related charges to client agencies for legal services, audits, and records management are reduced. Agencies will control costs and make fewer requests for service. (Various Funds)
2. **Self Insurance Premium** - During the 2011-13 biennium, charges to agencies for self-insurance premiums are reduced. (Various Funds)
3. **Personnel Services Rate Reduction** - Funding is reduced in agency budgets for expenditures related to personnel services such as recruitment, compensation, and classification. (Various Funds)
4. **Procurement Rate Reduction** - Funding is reduced in agencies for the procurement of goods and services. (Various Funds)
5. **FDA Excess Fund Distribution** - One-time authority is provided to the Department of Natural Resources to distribute excess funds from the Forest Development Account. (Forest Development Account-State)
6. **Attorney General Reduction** - Funding is provided for distribution by the Office of Financial Management to agencies for billings associated with legal services provided the Attorney General's Office. (Other Funds)
7. **Self Insurance Premium** - Funding is adjusted to reflect reduction in self-insurance premium charges to agencies. (Various Funds)
8. **Criminal Justice Costs** - Funding is provided for the Office of Financial Management to distribute funds to Franklin County (\$163,000), Yakima County (\$161,000), and King County (\$187,000) for extraordinary criminal justice costs.
9. **Information Technology** - Funding is reduced to reflect technology savings as identified by the the state Chief Information Officer (CIO), in collaboration with agency directors, and implemented by agencies. The state CIO will assist agencies in achieving greater transparency on information technology spending and identify emerging trends to reduce expenditures while preserving service delivery. This item was vetoed (please see Governor Veto item below).
10. **Life Sciences Discovery** - State funds are appropriated into the Life Sciences Discovery Fund in FY 2013.
11. **Income and Tax Burden Study** - The Office of Financial Management is required to conduct a study on incomes and tax burdens in Washington. The study will include estimates of income, wealth, and tax burdens by decile and will show changes over time.
12. **Governor Veto** - The Governor vetoed Section 714 of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127), which directed the state Chief Information Officer (CIO), in collaboration with agency directors, to identify agency savings related to information technology.

Sundry Claims

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	0	0	0
Policy Changes - Other			
1. Sundry Claims	278	0	278
Policy -- Other Total	278	0	278
<hr/>			
2011-13 Revised Appropriations	278	0	278
Fiscal Year 2012 Total	278	0	278

Comments:

1. **Sundry Claims** - On the recommendation of the Division of Risk Management at the Department of Enterprise Services, payment is made under RCW 9A.16.110 for claims reimbursing legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

Other Legislation

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2011-13 Original Appropriations	-3,850	0	-3,850
Policy Changes - Other			
1. Grass Seed Account - SSB 6581	0	4	4
Policy -- Other Total	0	4	4
<hr/>			
2011-13 Revised Appropriations	-3,850	4	-3,846
Fiscal Year 2012 Total	-1,500	0	-1,500
Fiscal Year 2013 Total	-2,350	4	-2,346

Comments:

- Grass Seed Account - SSB 6581** - In accordance with Chapter 198, Laws of 2012 (SSB 6581), the remaining fund balance of the Special Grass Seed Burning Research Account is appropriated to the Washington Turfgrass Seed Commission. (Special Grass Seed Burning Research Account)