

**Proposed 2007-09
Biennial Operating Budget
&
2007 Supplemental**

Budget Highlights

March 20, 2007

**Representative Sommers, Chair
House Appropriations Committee**

Proposed 2007-09 Biennial Operating Budget & 2007 Supplemental Budget Highlights

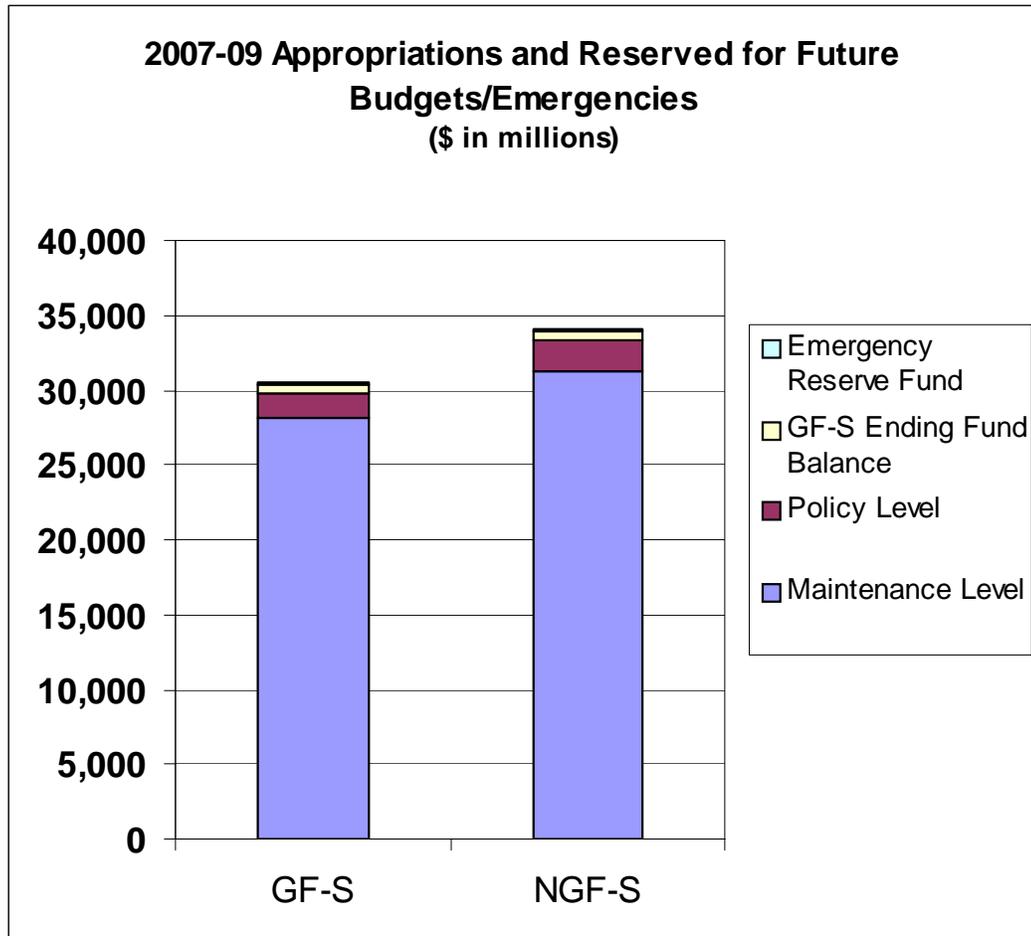
Table of Contents

Overview.....	1
Balance Sheets	6
Early Learning	11
K-12 Education	13
Higher Education	19
Health Care	23
Human Services	29
Public Safety	35
General Government.....	37
Judicial Agencies	41
Natural Resources	43
Employee Compensation	47

2007-09 Overview

The Appropriation Chair's 2007-09 operating budget proposal appropriates \$29.8 billion General Fund-State (GF-S) for the 2007-09 biennium. Near General Fund-State (NGF-S) appropriations total \$33.4 billion. The proposed policy changes are \$1.6 billion GF-S (\$2.1 billion NGF-S). The proposed budget leaves a GF-S ending fund balance of \$519 million, and \$144 million in the Emergency Reserve Fund, for a total of \$663 million in reserves for future budgets, revenue fluctuations, or emergencies.

NGF-S includes the General Fund, the Equal Justice Sub-Account, the Education Legacy Trust Account, the Student Achievement Fund, the Health Services Account, the Public Safety and Education Account, the Pension Funding Stabilization Account, the Violence Reduction and Drug Enforcement Account, and the Water Quality Account.



GF-S revenue is forecasted to be \$29.5 billion in 2007-09. This is \$2 billion (7.3 percent) above forecasted 2005-07 GF-S revenue. In addition to revenue, other 2007-09 resources include the GF-S beginning fund balance (\$798 million), as well as amounts in other funds.

In 2007-09, the expenditure limit is expanded to include several funds in addition to the traditional GF-S. These funds are the Health Services Account, the Student Achievement Fund, the Public Safety and Education Account, the Equal Justice Sub-Account, the Violence Reduction and Drug Enforcement Account, and the Water Quality Account. The 2007-09 expenditure limit is estimated to be \$33 billion, while expenditures from the applicable accounts are proposed to be \$32.5 billion.

Summary of Major 2007-09 Policy Level Appropriations (NGF-S unless specified otherwise)

Early Learning

- \$27 million for enhancements to the Early Childhood Education and Assistance Program.
- \$16 million for parent, family, and caregiver support, including \$8 million for home visitations.
- \$7 million to help implement a quality rating and improvement system for state-funded child care and for the wage ladder.

K-12 Public Schools

- \$61 million for special education programs.
- \$51 million to begin phasing in all-day kindergarten.
- \$44 million for teachers salary equity.
- \$40 million for math/science professional development.
- \$26 million to reduce the classified staff ratio.
- \$25 million for student transportation.
- \$13 million to reduce the teacher staff ratio for K-3.
- \$12 million for classified staff salary equity.
- \$12 million for Promoting Academic Success.
- \$10 million for end of course tests (HB 2327).
- \$10 million for targeted assistance math/science grants.
- \$9 million for LASER.
- \$8 million for focused assistance.
- \$8 million for skills center enrollment.

In addition to these policy level items, approximately \$379 million is appropriated in maintenance level for Initiative 732 COLAs, and \$138 for Initiative 728.

Higher Education

- \$54 million for 5,166 new general enrollment slots.
- \$50 million for financial aid.
- \$28 million for 2,105 new high demand enrollment slots.
- \$17 million for 1,085 new math and science enrollments at the 4-year schools and community and technical colleges.
- \$15 million for the Opportunity Grants Program (E2SHB 1096).
- \$14 million for eastern Washington health sciences expansion (extension of the UW medical and dental schools to Spokane).
- \$14 million for the GET math and science program (E2SHB 1779).
- \$9 million for expansion of WSU's agriculture programs.
- \$6 million for Global Health at UW.

The proposed budget authorizes a 5 percent tuition increase in each year of the biennium for the research universities (and provides funding to cover the revenue that would be generated from a 2 percent tuition increase), 5 percent for the regional universities, and 2 percent for the CTCs (and provides funding to cover the revenue that would be generated from a 1 percent tuition increase). \$17 million is provided to cover the enhancement to authorized tuition increases.

Health Care

- \$28 million GF-S, and \$28 million federal funds for additional children's health care coverage. (2SSB 5093).
- \$20 million for local public health funding.
- \$20 million for childhood vaccines.
- \$16 million GF-S and 13 million federal funds for pediatrics rate increases.
- \$16 million GF-S and \$49 million federal funds for the ProviderOne IT project.
- \$10 million GF-S and \$10 million federal funds for inpatient hospital payments.

Human Services

- \$85 million for child care provider rate increases.
- \$48 million GF-S and \$51 million federal funds for the compensation related components of an arbitration award for home care workers.
- \$30 million GF-S and \$31 million federal funds for nursing home rate increases.
- \$25 million GF-S and \$26 million federal funds for agency home care provider parity.
- \$24 million for the Department of Corrections for an offender reentry initiative.
- \$19 million to increase non-medicaid mental health services and hospital rates.
- \$13 million GF-S and \$13 million federal funds for community residential support services for individuals with developmental disabilities.
- \$12 million GF-S and \$12 million federal funds for boarding home and adult family home rate increases.
- \$11 million GF-S and \$4 million federal funds to improve children's mental health services.
- \$11 million for family caregiver support and respite for families of individuals with developmental disabilities.
- \$10 million GF-S and \$11 million federal funds for targeted vendor rate increases.
- \$9 million GF-S and \$5 million federal funds for community mental health workers

enhanced safety and wages.

General Government

- \$117 million federal funds for homeland security and disaster recovery.
- \$12 million for additional debt service.
- \$9 million from the State Convention and Trade Center Account for tourism (SHB 1276).
- \$8 million to the Office of Public Defense for public defense quality standards.
- \$6 million for local court appointed special advocates (CASA).
- \$5 million for civil legal aid enhancements.
- \$5 million for public television and radio.

Natural Resources

- \$39 million Water Quality Account for support of capital projects.
- \$9 million Local Toxics Account for local government stormwater grants.
- \$7 million Water Quality Account for farm related conservation practices and water quality efforts.

In addition, the Puget Sound Partnership is created as a state agency (\$9.6 million). The Puget Sound Action Team is replaced by the Puget Sound Partnership.

Compensation/Benefits

- \$258 million GF-S and \$194 million other funds to fund the collective bargaining agreements negotiated by the Governor.
- \$64 million GF-S and \$80 million other funds to fund non-represented salary and benefit increases.
- \$95 million GF-S savings from repeal of gainsharing after distributions made January 1, 2008. (HB 2391)

2007 Supplemental Operating Budget

The 2007 supplemental operating budget makes supplemental appropriations for a variety of items including:

- \$34 million for fire suppression costs.
- \$10 million for disaster response.
- \$7 million for student transportation assistance.

In addition to appropriations to agencies for specific programs or services, the 2007 supplemental operating budget makes appropriations from GF-S for deposit into other accounts, including \$215 million into the Education Legacy Trust Account, \$119 million into the Emergency Reserve Fund, \$45 million into the Health Services Account, \$50 million into the Tobacco Prevention Account, and \$30 million into the Education Construction Account.

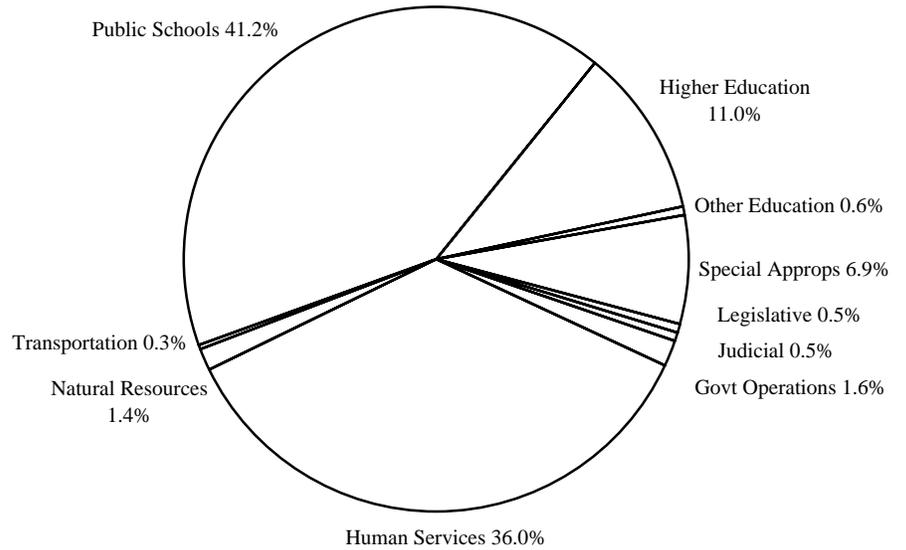
2007-09 Washington State Omnibus Operating Budget

Appropriation Chair's Proposal

(Dollars in Thousands)

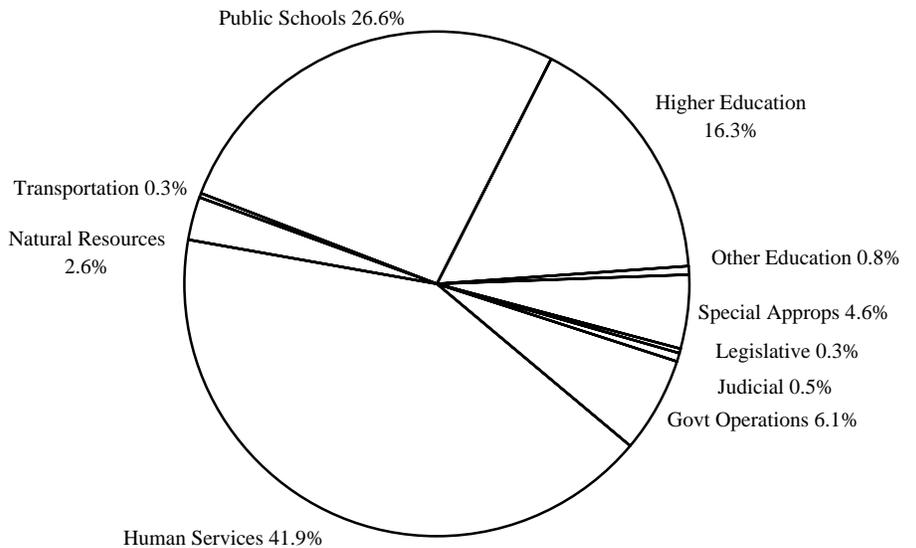
General Fund - State

Legislative	155,719
Judicial	152,857
Governmental Operations	482,827
Human Services	10,729,019
Natural Resources	424,490
Transportation	83,742
Public Schools	12,259,799
Higher Education	3,270,583
Other Education	181,258
Special Appropriations	2,047,956
Statewide Total	29,788,250



Total All Funds

Legislative	163,548
Judicial	272,443
Governmental Operations	3,456,078
Human Services	23,716,757
Natural Resources	1,479,527
Transportation	168,416
Public Schools	15,087,840
Higher Education	9,224,838
Other Education	465,538
Special Appropriations	2,598,762
Statewide Total	56,633,747



2007-09 Appropriation Chair's Proposed Balance Sheet
General Fund-State
Dollars in Millions

RESOURCES	
Beginning Fund Balance	797.9
November 2006 Forecast	29,533.3
March 2007 Update	(17.8)
Current Revenue Totals	29,515.5
Legislation with Revenue Impacts	(37.1)
Budget Driven Revenue (LCB, Dept. of Revenue)	(0.7)
Transfer to/from Other Funds	32.4
Total Resources (including beginning fund balance)	30,308.0
EXPENDITURES	
2007-09 Budget Proposal	29,788.3
RESERVES	
Projected General Fund Ending Balance	519.8
Emergency Reserve Fund Beginning Balance	144.0
New Deposits	0.0
Projected Emergency Reserve Fund Ending Balance	144.0
Total Reserves (General Fund plus Emergency Reserve)	663.8

2007-09: Revenue Legislation & Budget Driven Revenue

(dollars, in millions)

<u>Bill</u>		<u>2007-09</u>
1902	Repairs to Farm Machinery	(6.284)
5089	Streamlined Sales Tax	(5.900)
1376	Propane for Farm Use	(5.852)
1139	Annexation/White Center	(3.000)
2388	PFDs - under 10,000 seats	(2.773)
1981	Financial Information	(2.657)
1891	Sale of Prescription Drugs	(2.200)
1513	Forest Products Businesses	(2.071)
1512	Linked Deposit	(1.775)
1811	Automatic Sprinkler System	(1.500)
1705	Health Sciences Authorities	(1.082)
2158	Vehicle Sale to Nonresident	(0.941)
1566	Rural County Tax Credit	(0.870)
2352	Custom Farming	(0.444)
1549	Unprocessed Milk	(0.306)
1480	Tax Programs	(0.217)
2053	Gas Stations/Power Outages	(0.200)
1443	Agricultural Commodities	(0.179)
1404	Trail Grooming	(0.080)
1323	Excise Tax Relief-PDAs	(0.036)
1211	Solar Energy	(0.028)
2335	Amateur Radio Repeaters	(0.005)
1002	Out of State Vessels	1.291
	Total GFS Impact	<hr/> (37.109)
<u>Agency</u>	<u>Budget Driven Revenue Item</u>	<u>2007-09 Total</u>
LCB	Policy Enhancements (net)	(3.113)
DOR	County Auditor Filings	2.400
	Total GFS Impact	<hr/> (0.713)

2007-09: Detail of Fund Transfers

(Dollars in Millions)

	<u>2007-09</u>
Transfers To GFS	
Reduce Water Quality Account Transfer	12.400
Treasurers Service Account	20.000
Total	<u>32.400</u>
Transfers From GFS	
Total	-
Net Transfers To/(From) GFS	32.400

Note: Transfers to the Streamlined Sales and Use Tax Mitigation Account are included in the revenue impact for Senate Bill 5089 (Streamlined Sales Tax) displayed on the 2007-09 Revenue Legislation page.

**2005-07 Biennial Balance Sheet Including Appropriation
Chair's Proposed 2007 Supplemental Budget
General Fund-State
Dollars in Millions**

RESOURCES	
Beginning Fund Balance	869.7
November 2006 Forecast	27,365.8
March 2007 Update	144.3
Current Revenue Totals	27,510.1
Legislatively-enacted fund transfers and other adjustments	204.8
2007: Prior Period ERF Interest Earnings & Adjustments	(4.7)
2007: Spillover Into The Emergency Reserve Fund	(24.7)
Total Resources (Includes Fund Balance)	28,555.2
APPROPRIATIONS AND SPENDING ESTIMATES	
2005-07 Appropriations	27,297.9
2007 Supplemental	
Appropriation to Emergency Reserve Fund	119.3
Appropriation to Tobacco Prevention and Control Account	50.0
Appropriation to Education Construction Account	30.0
Appropriation to Education Legacy Trust Account	215.0
Appropriation To Health Services Account	45.0
All Other Appropriations to Agencies & Accounts (Net)	0.0
Spending Level	27,757.3
UNRESTRICTED RESERVES	
Projected General Fund Ending Balance	797.9
Emergency Reserve Fund Beginning Balance	0.0
New Deposits (Revenue Spillover plus Appropriation)	144.0
Projected Emergency Reserve Fund Ending Balance	144.0
Total Reserves (General Fund plus Emergency Reserve)	941.9

State Expenditure Limit (Fiscal Years 2007, 2008 and 2009)

(dollars, in millions)

	FY 07	FY 08	FY 09
Unadjusted Limit (FY07: Adopted by ELC 11/07)	14,131.9	16,174.5	16,971.3
Adjustments to The Expenditure Limit			
2007 Supplemental -- Program Cost Shifts			
DSHS: Mental Health State Hospital Revenues	(4.3)		
DSHS: MAA CPE Program Update	29.1		
2007-09 Biennial Budget -- Program Cost Shifts			
LSC: Other M/L Adjustments		(0.0)	
Human Rts: Replace Lost Federal Funds		0.2	
Vets: Federal and State Fund Shifts		(1.1)	(0.4)
DSB: Maintain Services		0.1	0.1
DOH: Local Health Assessments		0.1	
DOH: Metabolic Treatment Program		0.1	
DOH: Molecular Lab Federal Rev Loss		0.1	
DOE: Meeting Federal Air Requirements		0.3	
DOE: Wastewater Treatment Loan Processing		0.3	
OSPI: Special Education		0.5	0.1
DSHS: Econ Svcs Child Support Match		6.9	2.3
DSHS: Mental Health State Hospital Revenues		0.0	
DSHS: FMAP		(68.0)	(13.0)
DSHS: Medicare Part D		(8.5)	(0.6)
DNR: Fire Supression 10 Year Average		0.4	
2007-09 Biennial Budget -- Legislation Impacting The Limit			
ESHB 1139 (Local Sales & Use Tax/Annexation)			(6.2)
E2SHB 1705 (Health Sciences & Services Authorities)		(0.0)	(0.0)
HB 2388 (PFD Under 10,000 Seats)		(1.1)	(1.7)
SB 5089 (Streamlined Sales Tax)			(36.6)
Revised Limit (GFS Only in FY 07, Multiple Funds In FY08/09)	14,156.6	16,104.9	16,915.4
Expenditures: GFS Only (Applies to FY 07 Only)	14,136.3		
Expenditures: Includes Additional Funds (FY08 Forward)*		15,900.9	16,586.2
Remaining Capacity Under The Expenditure Limit	20.3	204.0	329.2

* Notes: Spending and the limit are applicable to the state general fund only. Starting in FY 08, the expenditure limit is calculated and applied against the total of: General Fund-State, Public Safety & Education Account-State, Equal Justice Subaccount, Health Services Account, Student Achievement Fund, Water Quality Account and the Violence Reduction and Drug Enforcement Account.

Adjustments are for display purposes only and are not official until adopted by the State Expenditure Limit Committee. The limit for FY 08 is rebased to FY 07 projected actual spending. The limit for FY 09 is calculated using the FY 08 limit. Fiscal Growth factors for FY 08 (5.53%) and FY 09 (5.38%) are those adopted by the Expenditure Limit Committee.

EARLY LEARNING

Expand Early Childhood Education (\$27.0 million General Fund-State)

The Early Childhood Education and Assistance Program (ECEAP) is expanded to serve an additional 2,000 children. The per-child reimbursement to ECEAP providers is increased by 15 percent for salary increase to teachers and for increased family supports.

Expand Early Reading Initiatives (\$2.0 million Reading Achievement Account)

Funding is provided to expand early reading initiatives aimed at promoting the development of a child's reading skills prior his or her enrollment in kindergarten. These funds will support grants to community-based organizations to develop reading programs and for statewide support of local initiatives.

Early Learning Information System (\$6.0 million General Fund-State)

Funding is provided to develop an early learning information system.

Child Care Quality Rating System and Wage Ladder (\$12.1 million General Fund-State)

Funding is provided to implement a voluntary child care rating system focused on improving early learning experiences for children and helping parents make informed child care choices. The amounts provided will assist child care centers with center improvements, staff training, and accreditation fees required for moving to the next level of child care rating. Of the amounts provided, \$2.8 million is provided for child care resource and referral services. In addition, \$1.8 million is provided to expand the child care career and wage ladder program to assist child care workers and centers in the retention of staff who are educated in early child development and education.

Parent, Family, and Caregiver Supports (\$15.8 million General Fund-State)

Increases are provided to parents and families for home visitation services, and for play and learn groups, educational materials, and a parent support hotline.

K-12 EDUCATION

MATH & SCIENCE

Professional Development in Math & Science (\$39.5 million - Education Legacy Trust Account)

Approximately \$22 million is provided to support additional job-embedded professional development opportunities for math and science teachers in grades 4-12. An additional \$17.5 million will support specialized training for one math and one science teacher in each middle and high school to build building-level expertise on the new math and science standards. Funding will support district efforts to align instruction with new math and science state standards.

Other Math and Science Programs (\$32.5 million Education Legacy Trust Account)

Funding is provided for a number of other programs to increase student achievement in math and science. These programs include increasing the number of math and science teachers through alternate routes and other strategies (\$6.6 million), supporting after school math programs (\$1 million), funding math and science instructional coaches (\$5.4 million), funding regional professional development specialists in the educational service districts (\$5.5 million), and expanding LASER (Learning and Assistance for Science Education Reform) to 780 new classrooms (\$9.4 million).

Math & Science Targeted Assistance Grants (\$10 million Education Legacy Trust Account)

Funding is provided for targeted grants to school districts to improve student achievement in math and science. The grants will be administered through education service districts and will be based on performance agreements with the school districts.

Funding for End-of-Course Tests in Math & Science (\$10 million General Fund-State)

Funding is provided to phase in end-of-course assessments to replace the high school WASL test in math and science. The funding will support the selection and purchase of the new tests, as well funding for school districts to offer additional math classes to struggling students as detailed in 2SHB 2327.

Adoption of New Math & Science Curriculum & Standards (\$4.3 million General Fund-State)

Funding is provided for projects to strengthen curriculum development and standards alignment in math and science in Washington.

COMPENSATION

Modifying Salary Schedule Requirements for Educational Staff Associates (\$9.4 million General Fund-State)

Funding is provided for educational staff associates - such as nurses, guidance counselors, and speech/language pathologists - to receive credit on the state salary schedule for up to five years of prior work experience in settings other than public schools.

Initiative 732 salary COLAs for school district staff (\$379 million General Fund-State)

In maintenance level as required by Initiative 732, funding is provided for cost of living adjustments for school district staff. The COLAs are 3.7 percent for the 2008 school year and 2.8 percent for the 2009 school year, based on the Seattle Consumer Price Index.

Salary equity enhancements for school district staff beyond 732 COLA amounts (\$60.6 million General Fund-State)

Salaries for certificated instructional staff in non-grandfathered salary districts are increased an additional 0.6 percent in the 2008 school year and 0.7 percent in the 2009 school year. Grandfathered salary districts will receive their standard 732 COLA. This reduces the total number of grandfathered salary districts from 34 to 13, and reduces the difference between the top grandfathered salary district (Everett) and the rest of the state from 6.3 percent to 4.9 percent by the end of the biennium. Minimum administrative staff salary allocations are increased from \$46,485 to \$54,405 in the 2008 school year and \$57,097 in the 2009 school year. This is an increase of an additional 0.5 percent in the 2008 school year, and 0.6 percent in the 2009 school year. This brings the total number of districts at the minimum salary from 23 up to 89, and reduces the difference between the districts with the highest and lowest administrative salary allocations from 68 percent to 46 percent by the end of the biennium. Minimum classified staff salary allocations are increased from \$22,454 to \$29,993 in the 2008 school year and \$31,218 in the 2009 school year. This is an increase of an additional 0.55 percent in the 2008 school year, and 0.65 percent in the 2009 school year. This brings the total number of districts at the minimum classified salary to 203, and reduces the difference between the districts with the highest and lowest administrative salary allocations from 51 percent to 16 percent by the end of the biennium.

Increase in K-12 Health Benefit Rates (\$66.25 million General Fund-State)

K-12 health benefits are increased to maintain parity with state employees. State allocation rates are increased from \$682 per month to \$707 in the 2008 school year and to \$732 in the 2009 school year.

STAFF OR CLASSROOM ENHANCEMENTS

Increase Certificated Instructional Staff in Grades K-3 (\$13.5 million General Fund-State)

Funding is provided to increase the maximum staffing level for which districts are eligible in grades K-3 from 53.2 to 53.5. This funds about one certificated instructional staff person for every 18.7 students.

Initiative 728 - Student Achievement Fund (\$138 million - Student Achievement Fund)

In maintenance level, per pupil allocation rates from the Student Achievement Fund increase to \$450 per student in the 2008 school year and \$459 per student in the 2009 school year. Beginning in the 2009 school year, the per pupil rate will be adjusted for inflation.

Bonuses for National Board Certified Teachers Serving in High Poverty Schools (\$9.5 million General Fund - State)

The bonus paid to all national board certified (NBPTS) teachers is increasing from \$3,500 per year to \$5,250 in the 2007-08 school year and \$5,400 in the 2008-09 school year. NBPTS teachers who teach in high poverty schools will receive an additional \$5,000 bonus. An additional \$5,000 bonus will be given to the NBPTS teachers who are certified in, and teach, math and science in the high poverty schools. A national board certified teachers who qualifies for all three levels of the bonus system can receive a bonus of over \$15,000 per year.

Classified Staffing Levels Increased to 1 per 59 Students (\$25.8 million General Fund-State)

Reducing the classified staff ratio from a 1:60 to 1:59 staff-to-student ratio increases state expenditures by 25.8 million for the 2007-09 biennium. This increases allocations for staff such as bus drivers, food service workers, maintenance workers, health technicians, and janitorial staff.

OTHER

Increasing the Scope of Focused Assistance Program (\$8.5 million General Fund-State)

Funding is provided to expand the number of high schools receiving assistance from the Office of the Superintendent of Public Instruction through the Focused Assistance Program, a program offering technical assistance on a voluntary basis to districts struggling to meet adequate yearly progress requirements in the No Child Left Behind Act.

\$50 Increase in the NERC (Non-Employee Related Cost) Allocation (\$5.4 million General Fund-State).

School districts receive a NERC allocation for each certificated staff unit. Funding is provided for a \$50 increase in the per staff unit allocation amount to address rising technology-related costs in schools. The NERC allocation in general apportionment will be \$9,753 in the 2008 school year and \$9,958 in the 2009 school year. The vocational education NERC will be \$23,881 in the 2008 school year and \$24,383 in the 2009 school year, and the skills center NERC allocation will be \$18,539 in the 2008 school year and \$18,928 in the 2009 school year.

Expansion of Promoting Academic Success Program to include 12th grade students (\$12.2 million GF-S)

The Promoting Academic Success (PAS) program was established in 2006 to help students who are unsuccessful on one or more sections of the 10th grade Washington Assessment of Student Learning (WASL). Funding is provided to expand this program beyond the 11th grade to serve students in 12th grade who have not yet passed the WASL.

Building Bridges for Drop Out Prevention (\$8.4 million Education Legacy Trust Account)

Funding is provided to support the implementation of a statewide program for comprehensive dropout prevention and intervention called the Building Bridges Program, as proposed in 2SHB 1573. The Office of the Superintendent of Public Instruction, in collaboration with education service districts, will create, administer, and monitor grant programs designed to build local partnerships of schools, families, and communities to keep students on track to graduate.

Full Day Kindergarten Phase-in (\$51 million - Education Legacy Trust Account)

Funding is provided to phase in a full day kindergarten program, beginning in the state's highest poverty schools. Funding is estimated to support a full day program for approximately 10 percent of the state's K enrollment during the 2007-08 school year, and 20 percent during the 2008-09 school year. The Office of the Superintendent of Public Instruction will fund as many schools as possible within the budgeted amount, and prioritize schools based on their poverty level.

Increase Funding for Special Education (\$60 million General Fund -State)

The special education funding formula for three- and four-year-olds is changed to be consistent with the funding formula for birth to three-year-olds. Three- and four-year-olds will be excluded from the calculation of the 12.7 percent funding cap, and the funding multiplier applied for these students is changed from 0.9309 to the 1.15 multiplier used for K-12 special education students. In addition, a new category within Safety Net is created for districts located in communities that draw a large number of families in need of special education services.

Increase the Enrollment Cap for Highly Capable Students (\$2.4 million General Fund-State)

Funding is provided to increase the cap on enrollment of highly capable students for each district from 2.0 to 2.3 percent.

HIGHER EDUCATION

ADDITIONAL ENROLLMENT

Math and Science Enrollment Increases (\$17.0 million General Fund-State, Education Legacy Trust Account)

Funding is provided to increase math and science enrollment capacity at the 4-year schools and community and technical colleges by 1,085 new slots. Math and science enrollment subsidies vary by program type and range from \$5,700 to \$17,000 per undergraduate slot.

High Demand Enrollment Increases (\$28.2 million General Fund-State, Education Legacy Trust Account)

Funding is provided to increase high demand enrollments in 4-year and community and technical colleges by 2,105 new slots in fields such as education and information technology as well as apprenticeships and Integrated Basic Education and Skills Training (I-BEST) at the community and technical colleges. High demand enrollment subsidies vary by program type and range from \$7,700 to \$10,000 per undergraduate slot.

General Enrollment Increases (\$54.4 million General Fund-State, Education Legacy Trust Account)

Funding is provided to increase the enrollment capacity of 4-year and community and technical colleges by 5,166 general enrollment slots. General enrollment subsidies vary by program type and range from \$5,700 to \$6,900 per undergraduate slot.

Eastern Washington Health Sciences Expansion (\$14.1 million Education Legacy Trust Account)

Funding is provided to create an extension of the University of Washington Medical and Dental Schools in Spokane. As a partnership between the University of Washington, Washington State University and Eastern Washington University, medical and dental students will complete first year courses in Spokane at the Riverpoint campus, complete additional course work at the University of Washington in Seattle and take part in clinical rotations and other upper level training in Eastern Washington. Funding is provided to support start-up costs and 93 new enrollments in medical, dental, and undergraduate, graduate and PhD nursing programs.

FINANCIAL AID

State Need Grant (\$33.0 million Education Legacy Trust Account)

Funding is provided to cover tuition increases and new state-funded enrollment. The current legislative policy of providing State Need Grants to resident undergraduate students from families with incomes up to 65 percent of the state median family income is maintained. Additionally, funding is provided to implement E2SHB 1179, which expands the State Need Grant to students attending college less than part-time.

Opportunity Grants (\$15.0 million Education Legacy Trust Account)

Funding is provided to implement 2SHB 1096 which supports the Opportunity Grants Program. The program provides financial aid to cover tuition, books, tools and fees for low-income community and technical college students enrolled in high demand programs. Program participants will earn credentials or certificates in industry-defined occupations with a need for skilled employees.

GET Ready for Math and Science (\$14.0 million Education Legacy Trust Account)

Funding is provided to implement E2SHB 1779, which creates the Guaranteed Education Tuition (GET) Ready for Math and Science program. The program will provide GET shares for 500 students who have shown math and science aptitude on the Washington Assessment of Student Learning (WASL), the SAT or the ACT. There is a private sector match requirement.

Passport to College Promise Program (\$2.5 million General Fund-State)

Funding is provided to create the Passport to College Promise program, pursuant to ESHB 1131. The program will provide college scholarships to former foster care youth. In an effort to expand higher education access to former foster care youth, funding is also provided to institutions of higher education for successfully recruiting, retaining, and graduating former foster care youth.

Field of Dreams Program (\$1.0 million General Fund-State)

Funding is provided to implement E2SHB 2082, which establishes the Field of Dreams program. The Field of Dreams program will provide eligible participants Guaranteed Education Tuition (GET) units in return for hours worked at a qualified agricultural job.

Other Financial Aid (\$2.0 million General Fund-State, Education Legacy Trust Account)

Funding of \$500,000 is provided for the Future Teacher Scholarship and Loan Forgiveness program, with priority going to those who teach math and science courses in high school. The State Work Study program will receive \$500,000 to allow aspiring teachers to earn money for college by working in secondary math and science classrooms. In addition, \$1.0 million in funding is provided to the Gaining Early Awareness and Readiness for Undergraduate Programs for student scholarships.

COMPENSATION

I-732 COLA (\$34.2 million General Fund-State)

Funding is provided in maintenance level for a cost-of-living adjustment at the Seattle consumer price index of 3.7 percent in Fiscal Year 2008 and 2.8 percent in Fiscal Year 2009 for eligible faculty and classified staff at the community and technical colleges.

Part-Time Faculty Equity Pay (\$7.5 million General Fund-State)

Funding is provided to help provide salary equity for part-time instructors at the community and technical colleges.

Community College Faculty Increments (\$7.5 million General Fund-State)

Funding is provided to help community and technical colleges fund salary increments to faculty.

TUITION

Tuition Increases (5% at Research and Regional Institutions and 2% at Community and Technical Colleges)

Annual tuition increases of 5 percent per year for research and regional universities and 2 percent per year for community and technical colleges will provide revenues for the institutions to recruit and retain faculty, expand research, and provide educational opportunities for students.

Higher Education Access-Tuition (\$16.7 million General Fund-State)

The community and technical colleges receive funding approximately equal to a 1 percent increase in tuition. This, in addition to the authorization to increase tuition by 2 percent per year, will provide the community and technical colleges funds similar to what would be generated by a 3 percent tuition increase. The research institutions receive funding approximately equal to a 2 percent increase in tuition which, when combined with the authorization to increase tuition by 5 percent per year, provides research institutions funds similar to what would be generated by a 7 percent tuition increase.

HIGHER EDUCATION RESEARCH

Food and Agriculture (\$9.5 million General Fund State)

Funding is provided to support agriculture initiatives at Washington State University to develop agricultural products and economically and environmentally sustainable food production; develop and fund competitive agriculture grants; and provide operating and program support for the university's research and extension center.

Bio-Products Technology (\$4.0 million General Fund-State)

Funding is provided for Washington State University and the Pacific Northwest National Laboratories to investigate new products and commodities to be developed from processed agricultural waste and to develop and to expand their knowledge in the field of bio-products including bio-fuels.

Research and Technology Building (\$3.3 million General Fund-State)

Funding is provided to support operations and routine maintenance for the University of Washington's Research and Technology Building.

Biomedical Research Activities in Neuroscience (BRAIN) (\$1.3 million General Fund-State)

Funding is provided for the development of the biomedical research activities in neuroscience (BRAIN) program at Western Washington University. The program will link biology and chemistry curriculum to prepare students for biomedical research positions in academia and industry.

Global Health Teaching and Research (\$6.3 million General Fund-State)

Funding is provided to support research and teaching activities at the Department of Global Health at the University of Washington.

OTHER

Retention and Outreach Programs (\$7.0 million Education Legacy Trust Account)

Funding is provided to each of the 4-year institutions and to the community and technical colleges to expand mentoring and academic support services to a total of 6,400 eligible students each year. Eligible students are low-income students, first generation college students, and students with disabilities.

Electrical Engineering Undergraduate Program (\$1.1 million General Fund State)

Funding is provided to help Washington State University establish an electrical engineering program at the Vancouver campus.

Gaining Early Awareness and Readiness for Undergraduate Programs Expansion (\$2.5 million General Fund-State)

The Gaining Early Awareness and Readiness for Undergraduates Program (GEAR UP) provides pre-collegiate preparation services to students in school districts without structured college access programs. Funding is provided to extend these services beyond the 43 participating school districts to 25 additional school districts.

HEALTH CARE

CHILDREN & FAMILIES

Basic Health For Foster Parents (\$2.9 million, Health Services Account)

Funding is provided to enroll foster parents with household incomes between 200 percent and 300 percent of the Federal Poverty Level into the Basic Health Plan. Eligibility is provided through changes to the subsidized enrollee category made in SHB 2098, implementing the recommendations of the Blue Ribbon Commission on Health Care Costs and Access.

Pediatrics Rate Increases (\$15.8 million General Fund-State, \$13.4 million General Fund-Federal)

The rates paid for pediatric services for fee-for-service Medicaid clients will be increased to a level equivalent to the rates paid for pediatric services under the state Uniform Medical Plan. This increase is intended to improve access to pediatric services for children using Medicaid.

Increase Health Coverage for Children (\$28.2 million General Fund-State, \$28.8 million General Fund-Federal)

Funding is provided to implement Chapter 5, Laws of 2007 (2SSB 5093), which directs the Department of Social and Health Services (DSHS) to provide health insurance coverage for children under age 19 in families with household incomes of up to 250 percent of the federal poverty level, and effective January 1, 2009, for children whose family income is not greater than 300 percent of the federal poverty level. Additionally, DSHS is directed to establish an outreach and education effort to identify and enroll eligible children in health coverage.

Childhood Vaccines (\$19.8 million Health Services Account-State)

The state's universal vaccine schedule is expanded to include vaccinations recently approved in the federal Vaccination for Children program, including rotavirus, a leading cause of childhood diarrhea, and human papilloma virus (HPV), recently discovered as a leading cause of cervical cancer.

Family Planning (\$5 million General Fund-State)

Family planning clinics will increase their capacity to provide family planning and reproductive health services to low-income men and women who are not otherwise eligible for services through the Department of Social and Health Services Medical Assistance Program.

TECHNOLOGY

Benefits Administration and Insurance Account System (\$4.5 million Health Services Account, \$21.0 million Other Funds)

The Health Care Authority is provided with funding to replace the benefit administration and insurance accounting information technology system for the Public Employees' Benefits Board (PEBB) and Basic Health Plan (BHP) programs.

Medicaid Management Information System Replacement Project (\$15.1 million General Fund-State, \$49 million General Fund-Federal)

Funding is provided for the ongoing implementation of ProviderOne, the system scheduled to replace the Medicaid Management Information System (MMIS), the Department of Social and Health Services primary provider payment system. The deployment of ProviderOne is anticipated to begin in February 2008. When fully operational, the system will pay more than 100,000 providers, support the delivery of services to more than one million clients, and manage roughly \$4 billion per year in Medicaid and other payments. The total cost of the MMIS replacement project is estimated to be \$115.6 million.

Health Record Banks Pilot Program (\$8.0 million Health Services Account)

Following the recommendations of the Health Information Infrastructure Advisory Board, funding is provided for a pilot program to establish an electronic health record data bank. The record bank will provide a single location to health care providers to 'deposit' health care client records, where they will thereafter be accessible by other providers caring for the same clients.

Health Technology and Health Literacy Grants (\$1.4 million Health Services Account)

Grants will be provided to health care providers to assist with the installation of information technology systems, including long-term care providers serving state clients. Grants will also be provided to community organizations that help families make informed decisions about children's health, including how to take care of common illnesses and when to go to the emergency room.

Critical Patient Information Initiative (\$2.0 million, Health Services Account)

A contract will be negotiated for a pilot project to develop an emergency medical response health management record system. Within two years, the pilot will begin to deliver records to emergency medical personnel in at least King, Snohomish, Thurston, and Whatcom counties and the city of Vancouver.

HEALTH PROFESSIONS

Health Professions Policy Legislation (\$142,000 General Fund-State, \$4.8 million Health Professions Account)

Funding is provided to implement legislation regarding the licensing and regulation of health professions, including dental & other health professions, genetic counselors, massage therapists and registered counselors. House Bill 1099 (Dental professions) would establish dental assistants and expanded function dental auxiliaries as new health professions to be regulated by the Dental Quality Assurance Commission. House Bill 2015 (Genetic counselors) would establish genetic counselors as a new health profession to be licensed by the Department of Health (DOH). House Bill 1103 (Health professions) would transfer primary responsibilities of health profession boards and commissions for investigations, summary suspensions, and charging decisions, to the Secretary of Health and require DOH to conduct background checks on all applicants for an initial credential to practice a health profession. House Bill 1397 (Massage therapy definition) would define "intraoral massage" and permit licensed massage therapists to obtain an endorsement to perform intraoral massage after completing required training. House Bill 1993 (Counselors) would separate the profession of registered counselors into two professions that can perform therapeutic counseling and establish associate and trainee credentials for individuals pursuing a license as a mental health counselor, social worker, marriage and family therapist, or certification as a chemical dependency professional.

Health Professions Disciplinary Backlog (\$4.7 million Health Professions Account-State)

Funding is provided for the Department of Health to eliminate a backlog of 699 health profession disciplinary cases.

PUBLIC HEALTH

Local Public Health Funding (\$20.0 million Local Public Health Financing Account)

Public health services in Washington are provided by the Department of Health and 35 local health jurisdictions. Increased funding in the amount of \$20 million is provided to local health jurisdictions to support activities relating to preventing and responding to communicable disease; protecting people from environmental health threats; assessing health status; promoting health and preventing chronic disease; and accessing health services. In accordance with E2SHB 1825 (public health funding), all local health jurisdictions will receive an equal portion of \$10.9 million to address core public health functions of statewide significance, including services related to communicable diseases, public health emergencies, chronic disease, healthy families and children, health assessment, and environmental health. The remaining funds will be distributed to local health jurisdictions on a per-capita basis.

OTHER

Basic Health Plan Benefit Improvements (\$6.4 million Health Services Account)

Funding is provided for benefit improvements in the Basic Health Plan, including reduced copayments for certain drugs and durable medical equipment.

Washington Health Insurance Partnership (\$7.4 million, Health Services Account)

The creation of the Washington Health Insurance Partnership (WHP) Board in the Office of Insurance Commissioner (OIC), as provided in E2SHB 1569, is funded. The function of the Washington Health Insurance Partnership is to pool purchasing of small group health benefit plans. Recommendations from the study will be included in a Request for Proposal (RFP) to seek a private entity to operate the WHP. The study and a summary of the RFP are due to the Legislature January 1, 2008. If the 2008 Legislature takes no action, the RFP will be issued April 1, 2008.

Inpatient Hospital Payments (\$9.5 million General Fund-State, \$9.8 million General Fund-Federal)

Funding is provided to implement changes to the hospital inpatient Medicaid reimbursement system as recommended by an independent contractor. The new payment system will also include adjustments to recommendations concerning children's outlier payments and psychiatric services. Overall, the changes should result in an updated payment system that reflects more current cost and claims data, limits the use of ratio-of-cost-to-charges payments, updates and expands the use of diagnosis related groupers or relative weights and conversion factors, limits the use of outlier payments, and makes payments more consistent for similar services.

Puget Sound Health Alliance Expansion (\$1.0 million Health Services Account, \$1.0 million other funds)

The Puget Sound Health Alliance data warehouse program is expanded to the entire state, so that a statewide database of claims and performance information can be gathered on state-purchased health care. Support is also provided for expanded participation in clinical improvement teams for targeted disease states.

Prescription Drug Consortium (\$0.9 million, Health Services Account)

The Prescription Drug Purchasing Consortium is continued for the 2007-2009 fiscal biennium, allowing local governments, private entities, and individuals who are uninsured or underinsured to continue to participate in the consortium. Funds are also provided for an interstate agreement with Oregon to expand the purchasing program.

**Recommendations of the Blue Ribbon Commission on Health Care Costs and Access
(\$2.25 million, Health Services Account)**

Portions of the recommendations of the Blue Ribbon Commission on Health Care Costs and Access that are detailed in SHB 2098, are the responsibility of the Health Care Authority, and that are not funded specifically under other provisions, are funded from the Health Services Account.

Dental Residency Program (\$1.7 million, Health Services Account)

The dental residency program is continued and expanded by six additional resident positions in fiscal year 2008, and by five more resident positions in fiscal year 2009. At least four of the additional dental resident positions established in fiscal year 2008 will be in Eastern Washington, and two will be in the Seattle area.

HUMAN SERVICES

CHILD WELFARE

Implement New Social Worker Computer System (\$7.6 million General Fund-State, \$7.6 million General Fund-Federal)

A total of \$15.2 million is provided to continue development of a statewide automated child welfare information systems (SACWIS) designed to be a comprehensive automated case management tool to support social worker case management practice, including child protective services, child welfare services, and other family support services. SACWIS development began in fiscal year 2007, and the system is expected to be fully functional beginning in fiscal year 2010. It will replace the current caseworker system, CAMIS.

Expand Kinship Foster Care Placements and Services (\$1.5 million General Fund-State, savings of \$5.4 million General Fund-Federal)

Funds are provided to expand relative searches and support services to ensure that more children in foster care may be placed with extended family. This item also assumes savings in traditional foster care placements and an increase in child-only TANF payments to support the needs of children in kinship placements.

Increase Behavioral Rehabilitation Services (BRS) Rates (\$6.6 million General Fund-State, \$2.8 million General Fund-Federal)

Funding is provided to increase rates paid to BRS providers for intensive foster care services by a total of 10 percent over the biennium, with a 5 percent increase provided in each fiscal year.

Increase Child Welfare Caseworker Visits (\$7.0 million General Fund-State, \$3.0 million General Fund-Federal)

A total of \$10 million is provided to ensure children in the state's care are visited at least monthly by their caseworkers. This is intended to improve monitoring of child safety and well-being and to ensure that case plans are progressing as expected.

Children's Advocacy Centers (\$1.0 million General Fund-State, \$0.4 million General Fund-Federal)

The budget includes \$1.4 million to increase services provided by children's advocacy centers. Children's advocacy centers provide a child-focused, community-oriented, facility-based program in which representatives from many disciplines meet to discuss and make decisions about investigation, treatment and prosecution of child abuse cases. They also work to prevent further victimization of children.

Partners for our Children (\$1.0 million General Fund-State)

One-time start-up funds are provided to establish the Partners for our Children program at the University of Washington. The program will provide: (1) policy analysis and evaluation related to effectiveness of policies and practices in meeting the needs of vulnerable children and families; (2) development, testing, implementation, and dissemination of promising programs and practices; and (3) education and training directed principally at social work professionals and foster parents.

Children's Services Practice Model (\$1.5 million General Fund-State, \$0.7 million General Fund-Federal)

Funding is provided to train social work staff in the use of evidence-based clinical practices to improve family functioning and reduce child maltreatment.

MENTAL HEALTH

Improve Children's Mental Health Services (\$10.7 million General Fund-State, \$4.2 million General Fund-Federal)

Funds are provided to improve children's mental health services, pursuant to HB 1088 (children's mental health). Funds will be used to establish a wraparound services pilot program in up to three counties designed to reduce inpatient psychiatric hospitalization and out-of-home placement of children. In addition, funding is provided to expedite Medicaid enrollment or reinstatement for children leaving juvenile confinement, establish a psychiatric consultation service for primary care providers, support a children's mental health center focused on evidence-based mental health services at the University of Washington, reexamine children's access to care standards, expand the Medicaid Healthy Options and fee-for-service mental health outpatient benefit from 12 to 20 visits per year, and to expand the types of service providers that may be reimbursed under the fee-for-service program.

Community Mental Health Care Workers (\$8.7 million General Fund-State, \$5.0 million General Fund-Federal)

\$13.7 million is provided to enhance the safety and wages of community mental health care workers.

Increase Non-Medicaid Mental Health Services and Hospital Rates (\$19.2 million General Fund-State)

Funding is provided for additional non-Medicaid services, to accommodate general population growth, and to increase non-Medicaid inpatient psychiatric rates.

State Hospital Safety Enhancements (\$3.8 million General Fund-State)

Funding is provided to increase staff at Western State Hospital during meal times to reduce the risk of patient assaults on other patients and staff, to train state mental institution staff on intervention techniques to manage patient behavior, to reinstate the Return to Work program at Western State Hospital, and to support a community policing partnership between Western State Hospital and the city of Lakewood.

AGING AND DISABLED

Nursing Home Rate Increases (\$29.5 Million General Fund-State, \$31.2 Million General Fund-Federal)

Funding is provided to rebase non-capital rate components pursuant to proposed policy legislation and to increase these component rate allocations by 3.2 percent effective July 1, 2007. Funding is provided for additional rate increases beginning July 1, 2008, in accordance with recommendations from the Joint Legislative Task Force on Long-Term Care Residential Payment Systems.

Boarding Home and Adult Family Home Rate Increase (\$11.8 Million General Fund-State, \$12.3 Million General Fund-Federal)

Funding is provided to increase payment rates by 3.2 percent in fiscal year 2008 and by 2.0 percent in fiscal year 2009 for adult family homes and boarding homes with assisted living, adult residential care, and enhanced adult residential care contracts.

Expand Employment Services (\$5.1 Million General Fund-State, \$2.4 Million General Fund-Federal)

Funding is provided to expand employment and day program opportunities for an additional 750 individuals with developmental disabilities during the 2007-09 biennium. Funds provided are for clients currently receiving waiver services and for non-waiver clients, and are prioritized for young adults graduating from high school.

Family Caregiver Support and Respite (\$11.4 Million General Fund-State)

Funding is provided to families who are providing care and support for family members with developmental disabilities in the home. Awards will be provided to approximately 1,520 individuals receiving state-only family support services by the end of Fiscal Year 2009. Funding is also provided to expand the family caregiver support and respite program to accommodate an additional 2,000 family caregivers providing services to elderly and disabled persons.

Community Residential Supports for Individuals with Developmental Disabilities (\$12.8 Million General Fund-State, \$13.1 Million General Fund-Federal)

Funding is provided for community residential support services for up to 129 clients, including 48 placements for individuals needing community protection placements and an additional 81 other community placements. Priority for the placements will include clients without residential services who are in crisis or in immediate risk of needing out-of-home placement, children aging out of other state services, and current waiver clients who need additional services.

Medically-Intensive Home Care/Private Duty Nursing Increase (\$3.8 Million General Fund-State, \$4.0 Million General Fund-Federal)

Funding is provided for a 10 percent rate increase for Private Duty Nursing services, which provide nursing care to approximately 200 children with disabilities through the Medically-Intensive Home Care Program and to 75 clients over age 18 who otherwise would be institutionalized in skilled nursing facilities or receive care in hospitals.

Home Care Worker Interest Arbitration Award (\$48.1 Million General Fund-State, \$50.7 Million General Fund-Federal)

Funding is provided to implement the compensation-related components of an interest arbitration award to the approximately 23,000 individuals who contract with the state to provide publicly funded home care services to elderly and disabled persons. Pursuant to the arbitration award, home care worker wages will increase to \$10.22 per hour by the end of the 2007-09 biennium. In addition, home care workers will receive differential pay when they serve as mentors or trainers; will be offered reimbursement for client-related travel in their personal vehicles; will have the employee share of worker's compensation premiums subsidized by the state; and will be receive an increase in vacation accrual levels. Resources are also provided to increase certain hours of work for providers who are caring for clients with complex behavioral and cognitive needs. Health care contributions for medical, vision, and dental benefits are increased by ten percent, from \$532 per worker per month to \$585 per worker per month, effective July 1, 2008.

Agency Provider Parity (\$24.6 Million General Fund-State, \$25.7 Million General Fund-Federal)

Funding is provided to increase home care agency provider payments and health benefit contributions for direct care workers employed by agencies commensurate with the compensation-related provisions of the interest arbitration award for individual providers of home care services. In accordance with RCW 74.39A.310, the Department of Social and Health Services provider payment rates and contribution levels for health care benefits are increased for agency providers of home services at the same rate as negotiated and funded for individual providers.

Residential Provider Rate Increase - \$10.4 Million General Fund-State, \$11.0 Million General Fund-Federal

Funding is provided for a vendor rate increase for residential providers including Supported Living, Group Homes, and Companion Homes who serve clients with developmental disabilities. The rate will be increased by 3.2 percent in fiscal year 2008 and 2.0 percent in fiscal year 2009.

OTHER

Increase Supplemental Security Income (SSI) Recoveries (Savings of \$8.8 million General Fund-State)

\$1.6 million is provided to hire 10 additional SSI facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment on the federal disability program. These targeted efforts are expected to generate \$10.4 million in additional recoveries from the federal government during fiscal year 2008 and fiscal year 2009.

Low-Income Family Supports (\$13.2 million General Fund-State, \$4.9 million General Fund-Federal)

\$7.9 million is provided to establish a post-TANF (Temporary Assistance for Needy Families) program to help families become more self-sufficient. The program will be designed to help families stay employed, move into higher paying jobs, increase family stability, and improve child outcomes. \$500,000 is provided for a specialized program for families in sanction status, or whose assistance has been terminated due to non-participation, targeted at increasing engagement and reducing barriers to employment. In addition, \$9.6 million is provided for a child support pass through to allow more of the state-collected child support dollars to go directly to families.

Child Care Provider Rate Increases (\$85.3 million General Fund-State)

Rates paid by the state for children in subsidized child care in licensed settings are increased by 10 percent. This rate increase is provided for licensed home child care providers pursuant to the home child care provider collective bargaining agreement. A commensurate increase is provided for rates paid to licensed child care centers for children in state subsidized child care. Rate increases are also provided to license-exempt home child care providers. The amounts provided also include funding for child care worker health benefits, supplemental payments for infant care and non-standard hours, and training.

Increase Substance Abuse Treatment Outpatient Rates (\$5.0 million General Fund-State, \$1.4 million General Fund-Federal)

\$6.4 million is provided to increase rates paid to substance abuse assessment and treatment providers.

Transitional Housing and Employment (\$1.3 million General Fund-State, General Fund-Federal, General Fund-Private/Local)

A transitional housing program for homeless veterans is established on the Retsil Veterans Home campus to support veterans in their transition to independent living. Funding for the program will serve up to 40 veterans through assessment, treatment, vocational training and education, and re-integration into the community.

Eastern Washington Veterans' Cemetery (\$0.2 million Veterans' Stewardship Account)

Funding is provided for House Bill 1292 to begin establishing the Eastern Washington Veterans' Cemetery. A cemetery director will lead the Eastern Washington State Veterans Cemetery project during the design and construction phase in the 2007-09 Biennium, and continuing through the commencement of operations in the 2009-11 Biennium.

PUBLIC SAFETY

Sentencing Legislation (\$4 million General Fund-State)

Funding is provided for the implementation of sentencing legislation, including ESHB 1030 (eluding a police vehicle), SHB 1097 (vulnerable adults), SHB 1319 (correctional agency employee), and HB 1592 (sentence review board). ESHB 1030 creates a 12 month and one day sentencing enhancement if a person convicted of attempting to elude a police vehicle endangered another while committing that crime. SHB 1097 expands the crimes of Rape in the Second Degree and Indecent Liberties to include specific situations with a frail elder, vulnerable adult, and a person with a developmental disability. SHB 1319 expands the class of people covered under the stalking statute, at the felony level, to include employees and volunteers of a state or locally operated correctional facility and the Indeterminate Sentence Review Board. HB 1592 increases the minimum term established by the Indeterminate Sentence Review Board for determinate plus offenders who are not released from a maximum of two years to a maximum of five years.

Offender Reentry Initiative (\$23.9 million General Fund-State, \$.5 million Cost of Supervision Account-Nonappropriated)

Funding is provided to implement the Offender Reentry Initiative which expands and coordinates programs to target the primary causes of recidivism. The initiative emphasizes education, workforce skills, and treatment programs that address dependency and mental health issues. The initiative also provides support services and employment opportunities for offenders leaving prison. These programs are projected to eliminate the need for at least 1,000 prison beds by 2017.

Technology Projects with the Washington Association of Sheriffs and Police Chiefs (\$2.4 Million Public Safety and Education Account-State)

Funding is provided to the Washington Association of Sheriffs and Police Chiefs to implement a crime mapping enhancement to the national incident-based reporting system (NIBRS) and continue the Jail Booking and Reporting System (JBRS) and the Statewide Automated Victim Information and Notification System (SAVIN). JBRS allows criminal justice users who are licensed for access to have a single query system that integrates county and city jail information systems throughout the state. SAVIN is based on JBRS and provides a tool for victims of crime to gain knowledge about the status of their offender or offenders.

Additional Rental Bed Contracts (\$11.0 Million General Fund-State)

Funding is provided for an additional 225 rental beds for violators in Enumclaw, Nisqually, Puyallup, Snohomish, and Yakima obtained as a result of overcrowding of existing bed space and a Gubernatorial directive that does not allow the Department of Corrections to release a violator due to bed capacity constraints.

Auto Theft (\$1.7 Million General Fund-State, \$14.0 Million Washington Auto Theft Prevention Authority Account-State)

Funding is provided for the implementation of E3SHB 1001 (auto theft), which increases auto theft-related penalties and triple scores prior offenses, counts prior vehicle prowling offenses, increases penalties for juvenile offenders, creates a new crime for the making and possessing of motor vehicle theft tools, and establishes the Washington Auto Theft Prevention Authority under the umbrella of the Washington Association of Sheriffs and Police Chiefs to review and analyze methods for combating the auto theft.

Crane Safety (\$1.3 million Accident Account-State, Medical Aid Account-State)

The Department of Labor and Industries is required by Engrossed Substitute House Bill 2171 to establish a crane certification program for cranes used in construction. The bill also prohibits an employer or contractor from allowing a person who does not meet qualified crane operator requirements to operate a crane without direct supervision.

GENERAL GOVERNMENT

THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

Tourism Partnership (\$9.0 million State Convention & Trade Center Account-State)

Substitute House Bill 1276 expands the private-sector led group that implements the state's tourism plan. Additionally, the bill provides funding to tourism to create a new marketing program requiring private-sector matches.

Associate Development Organizations (\$5.0 million General Fund-State)

Second Substitute House Bill 1178 provides additional funding and performance requirements for Associate Development Organizations (ADOs). There are currently 39 ADOs providing economic services in the communities they represent (in most areas they are known as Economic Development Councils). The ADOs provide assistance to companies who need support to stay in business, expand, or relocate to Washington from out of state or other countries.

Public Television and Radio Investment (\$4.9 million General Fund-State)

Funding is reinstated for grants to public television and radio stations throughout the state under funding formulas currently in statute to support educational and public affairs programming. Additionally, a portion of this funding will allow KCTS Public Television to offer Spanish-language programming in Western and Central Washington through television and the internet.

Family Prosperity and Individual Development Accounts (\$2.7 million General Fund-State)

The Family Prosperity Act created by Second Substitute House Bill 2256 forms the Washington Asset Building Coalition to provide statewide leadership on initiatives that foster financial self-sufficiency and economic security for low-income working families. Additionally, funding is provided for the Department's Individual Development Accounts program that assists low-income residents in Washington invest in homeownership, small business, education, computers, cars, home improvements and assistive technology by creating matched savings accounts.

Community Service Block Grants (\$3.0 million General Fund-State)

Additional funding is provided for technical assistance and support to 31 statewide Community Action Agencies (CAAs) that work to assist people in poverty. CAAs prioritize services according to local needs assessments. Services include housing, energy assistance, nutrition, employment and training as well as transportation, family development, health care, emergency food and asset development.

Anaerobic Digesters (\$2.0 million Clean Streams and Clear Sky Subaccount of the Energy Freedom Account-State)

Anaerobic digesters are devices that use the natural processes of bacteria to breakdown organic materials such as livestock manure and wet organic materials to produce methane gas that can be converted to energy. Engrossed Second Substitute House Bill 1035 creates a grant program to subsidize the capital costs associated with building digesters.

Emergency Food Assistance Program (\$1.5 million General Fund-State)

The Emergency Food Assistance Program provides support for 320 food banks and distribution centers to pay for staff, operational expenses, equipment, and food to increase the food security of vulnerable children and adults. Funding is also allocated for 31 tribes to issue emergency food vouchers and administer food bank programs.

Dispute Resolution Centers (\$1.0 million General Fund-State)

Dispute Resolution Centers (DRCs) are funded through a surcharge on court filing fees capped at the same level per case filed since 1991. DRCs are mandated to provide services independent of a clients' ability to pay. Additional funding will build statewide capacity for dispute resolution centers, and provide new services such as: parenting seminars, youth gang facilitations, training of neighborhood associations, prisoner education, and elder and small claims court mediations.

Independent Youth Housing Program (\$1.0 million General Fund-State)

The Independent Youth Housing Program created by Second Substitute House Bill 1922 provides housing stipends and case management services to foster youth, ages 18-23, who have exited the state dependency system. The Department is directed to contract with organizations to distribute housing stipends, and provide services such as assisting clients in developing living plans and educating them on tenant rights and responsibilities.

THE DEPARTMENT OF INFORMATION SERVICES

Medical Records Technology Gap (\$2.7 million General Fund-State)

Funding is provided to evaluate the information technology infrastructure capacity for institutions operated by the Department of Social and Health Services, the Department of Veterans' Affairs, and the Department of Corrections. The evaluation will detail the status of the participating institution's infrastructure and recommend an improvement strategy, which, if implemented, will support the use of electronic medical records.

MILITARY DEPARTMENT

Federal Funding Grants for Homeland Security and Disaster Recovery Projects (\$117.9 million General Fund-Federal)

The Military Department receives funding from the federal government to distribute grants for homeland security projects and for disaster recovery projects in federally declared disaster areas. Homeland security projects include transit security and terrorism prevention, and federally declared disasters include fires and flooding in 2007.

LIQUOR CONTROL BOARD

Retail Business Operations (\$11.2 million Liquor Revolving Account-State)

Based on the pilot project conducted in the 2005-07 biennium, the Liquor Control Board will increase the number of staff at many of the state owned liquor stores. The additional staff will provide increased customer support. The pilot project has shown a corresponding increase in net revenue from the additional staff.

OFFICE OF FINANCIAL MANAGEMENT

Office of Regulatory Assistance (\$4.3 million General Fund-State)

The Office of Regulatory Assistance was scheduled to sunset on June 30, 2007. Funding is provided to continue operations in the 2007-09 biennium (\$2.1 million); to continue a pilot project for improving and integrating environmental permitting and mitigation processes for federal, state, and local agencies (\$1.2 million); to work with state agencies to develop statewide, multi-agency permits for transportation infrastructure projects (\$640,000); and to improve the capacity of the service center (\$400,000).

WASHINGTON STATE PATROL

Forensic Laboratory Staffing (\$4.6 million - Violence Reduction and Drug Enforcement Account, Death Investigations Account)

Funding is provided for the fourth phase of the Forensic Laboratory Services Bureau's strategic improvement plan initiated in 2001. The funding will provide additional forensic scientists to staff the new laboratory space created in the 2005-07 biennium.

JUDICIAL AGENCIES

ADMINISTRATIVE OFFICE OF THE COURTS

Court Appointed Special Advocates - Child Representation (\$6.0 million General Fund-State)

Court Appointed Special Advocate (CASA) volunteers support abused and neglected children in the court system. Funding is provided for local Court Appointed Special Advocate (CASA) programs to hire volunteer coordinators to increase the ratio of volunteer coordinators to volunteers in accordance with National CASA best practice standards. The funds will be distributed to local programs throughout the state based on a plan approved by the Superior Court Judges' Association and the Washington Association of Juvenile Court Administrators.

BECCA Funding for Court Operations (\$2.9 million General Fund-State)

The state's truancy law or "Becca" mandates that if a student accumulates at least five, and not more than seven unexcused absences in a month (or ten in a year), the school must file a truancy petition in juvenile court. Additional funding will be allocated to juvenile courts to help offset the costs associated with truancy petitions, At-Risk Youth (ARY) petitions, and Children in Need of Services (CHINS).

Interpreter Services (\$1.0 million General Fund-State)

Funding is provided for interpreter services and for state reimbursement of half the cost of interpreters appointed in court proceedings.

OFFICE OF PUBLIC DEFENSE

Public Defense Quality Standards (\$7.5 million General Fund-State)

In 2005, the Legislature adopted House Bill 1542, which directs the Office of Public Defense to disburse funding to counties contingent on their fulfillment of quality and caseload standards for public defense services. Additional funding is provided to the Office of Public Defense to reduce attorney caseloads related to public defense.

Parents' Representation Program (\$5.2 million General Fund-State)

Additional funding is provided to the Parents' Representation Program to support indigent parents in dependency and termination proceedings.

OFFICE OF CIVIL LEGAL AID

Civil Legal Aid Enhancements (\$4.8 million General Fund-State)

Additional funding is provided to the Office of Civil Legal Aid for legal aid presence in eight rural regions, equitable allocation of civil legal aid capacity in other regions of the state that are disproportionately underserved, and new and expanded client service efficiencies in King County.

NATURAL RESOURCES

DEPARTMENT OF ECOLOGY

Implementing Local Watershed Plans (\$2.8 million General Fund-State)

The 1998 Watershed Planning Act provided a framework for state, local, and tribal governments to create watershed plans that address local water needs, reduce pollution, and protect fish habitat. These plans are all funded by \$44 million in watershed planning grants. Funding is provided to begin implementing priority activities indentified in approximately 28 plans that are now ready for implementation.

Litter Prevention (\$2.7 million Waste Reduction/Recycling/Litter Control Account-State)

Funding is provided for on-going litter prevention advertising in addition to increased and strategically targeted litter enforcement and roadside clean-up efforts.

Local Government Stormwater Grants (\$9.0 Local Toxics Control Account)

Funding is provided for grants to local governments for municipal stormwater programs including implementation of phase II municipal stormwater permits, stormwater source control for toxics in association with clean-up of contaminated sediment sites, and stormwater source control programs for shellfish protection districts. Of this amount, \$2 million is provided specifically for local governments that are located outside of Puget Sound.

DEPARTMENT OF NATURAL RESOURCES

Trails and Recreation Sites (\$1 million General Fund-State, \$1.2 million Nonhighway/Off-Road Vehicle Activities Account)

The Department actively manages about 15 percent of the state trust lands that are used for recreation. Funding will support trail stewards to maintain trails, educate the public on use of trust lands for recreation, and install signs to separate off-road vehicle use from other uses.

Small Forest Landowners (\$1.9 million General Fund-State)

Small family forest landowners must comply with the same forest practices rules as industrial forest landowners. Funding is provided for a rule-based process to develop fifteen-year permits for small forest landowners, for participation grants for involvement of small forest landowners in the Forest and Fish Cooperative Monitoring, and for a monitoring and tracking system to meet requirements of the state's forest practices habitat conservation plan.

Supplemental Wildfire Suppression (\$34.9 million General Fund-State)

With over 380,000 acres burned, the 2007 wildfire season has been one of the worst in state history. The Department is responsible for the cost of wildfire suppression on state protected lands and receives base funding of approximately \$13.2 million per year. Funding is provided for additional fire suppression costs of \$34.9 million, for a total cost to the state general fund for fiscal year 2007 of approximately \$48.1 million.

DEPARTMENT OF AGRICULTURE

Invasive Weed Control (\$1 million General Fund-State)

Funding is provided for the control of noxious weeds, including Japanese knotweed, in counties with weed boards.

Animal Health/Emergency Response (\$1.1 million General Fund-State)

Funding is provided to address threats to animal health from the transport of domesticated animals, as well as the introduction of diseases from wild species. An increase in enforcement and disease outbreak response capability is provided to monitor and respond to potential disease outbreaks, and additional staff will investigate, monitor, test, and enforce animal health laws for all livestock entering the state.

PARKS & RECREATION

Preventative Park Maintenance (\$3.2 million General Fund-State)

The State Parks system includes 120 developed parks, 40 marine parks, and numerous monuments and historic structures. Funding is provided to complete one-third of identified preventive maintenance tasks, which include maintaining wells and irrigation systems, painting and roofing structures, and repairing docks and boat launches.

Outdoor Education (\$1.0 million Outdoor Education and Recreation Account)

Pursuant to Second Substitute House Bill 1677, funding is provided to establish an outdoor education and recreation program. Funding is provided to improve students' performance on the Essential Academic Learning Requirements (EARLs) for science through participation in outdoor educational and recreational opportunities.

Cama Beach Park Operations (\$1.9 million General Fund-State)

Cama Beach State Park is a new park located on Camano Island and is scheduled to open this biennium. The park has numerous cabins and buildings from its history as a 1930's private fishing resort, and archeological excavations have confirmed that the site was historically used by tribal groups. Funding is provided for the operation of Cama Beach State Park.

DEPARTMENT OF FISH AND WILDLIFE

Regional Fisheries Enhancement Groups (\$1 million Regional Fisheries Enhancement Group Account)

Additional funding is provided to regional fisheries enhancement groups to participate in enhancing the state's salmon population, including salmon research, increased natural and artificial production, and habitat improvement.

Hatchery Operations/Maintenance (\$2.5 million General Fund-State)

Funding is provided to maintain fish production at various hatcheries, and for the maintenance of hatchery buildings, rearing structures, fish loss prevention alarm systems, and electrical and plumbing systems.

Wind Power Guidelines (\$540,000 General Fund-State)

Funding is provided to update the state's wind power guidelines by reviewing wind power facility permits and making sure that new sites are appropriately sited, which will help to reduce impacts to birds.

PUGET SOUND PARTNERSHIP

Clean up and Protect Puget Sound (\$1.0 million General Fund-State, \$5.6 million Water Quality Account)

Funding is provided to create the Puget Sound Partnership, a new state agency, focused on cleaning up and restoring the environmental health of Puget Sound. The Puget Sound Partnership must create an action agenda for clean-up and restoration goals.

OTHER

Boating Activities and Enforcement (\$5 million Boating Activities Account)

Funding is provided for a boating activities grant program created by Substitute House Bill 1651 (boating activities). Funding will support boater safety, boater education, boating-related law enforcement, and boating-related environmental programs, such as pumpout stations, to enhance clean waters for boating.

Implementing Conservation Practices/Farm Plans (\$7.7 million Water Quality Account)

Funding is provided for farm conservation plans that specify best-management practices designed to improve water quality and habitat or prevent soil erosion. Funding will also support grants to conservation districts to provide outreach and education services, technical and financial assistance to implement farm plans, and manage watershed restoration projects.

EMPLOYEE COMPENSATION

Increases in Salaries and Benefits as Provided in the Collective Bargaining Agreements Negotiated by the Governor (\$257.6 million General Fund-State, \$194.3 million Other Funds)

The provisions of the state employee collective bargaining agreements negotiated by the Governor are funded, providing increases in salaries across the board of 3.2 percent on July 1, 2007, and 2.0 percent on July 1, 2008. Other salary improvements include funding the Salary Survey conducted by the Department of Personnel is funded to bring employee classes that lag more than 25 percent behind their benchmark levels up to 25 percent behind. Health benefit funding levels are also increased to reflect an 88 percent employer and 12 percent employee sharing of health benefit costs in the upcoming fiscal biennium.

Increases in Salaries and Benefits for Non-Represented State Employees (\$64.0 million General Fund-State, \$79.6 million Other Funds)

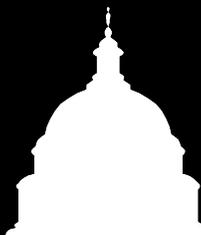
Increases in salaries and benefits are funded for state agencies, including providing increases in salaries across the board of 3.2 percent on September 1, 2007, and 2.0 percent on September 1, 2008. Other salary improvements include funding the Salary Survey conducted by the Department of Personnel is funded to bring employee classes that lag more than 25 percent behind their benchmark levels up to 25 percent behind. Health benefit funding levels are also increased to reflect an 88 percent employer and 12 percent employee sharing of health benefit costs in the upcoming fiscal biennium.

Gain-sharing repeal and new retirement benefits (\$95 million General Fund-State Savings, \$2.9 million Other Funds Savings)

Consistent with HB 2391 (gain sharing revisions), pension system contribution rates are decreased to reflect the repeal of gain-sharing for members of the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) Plans 1 and 3, and the School Employees' Retirement System (SERS) Plan 3. The final distribution of gain-sharing under current law will be January 1, 2008. Benefit enhancements are provided to PERS and TRS Plan 1 members in the form of a one-time increase in the Uniform COLA on July 1, 2009 of up to 13 cents, depending on investment return, and improved early retirement reduction factors for members of PERS, TRS, and SERS plans 2 and 3. New members of TRS and SERS will have the option of joining Plan 2 or Plan 3.

2007

2009



House of Representatives
Office of Program Research