

Proposed 2008
Supplemental Operating Budget

Budget Highlights

February 20, 2008

Representative Sommers, Chair
House Appropriations Committee

Proposed 2008 Supplemental Budget Highlights

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Overview

In April 2007, the Legislature enacted the 2007-09 biennial operating budget with an expected General Fund-State (GF-S) ending fund balance of \$560 million and Budget Stabilization Account (BSA) ending balance of \$165 million, for a total of \$725 million in reserve in these two accounts. (The Legislature assumed the Budget Stabilization Account would be approved by the voters in November 2007, which it was.) Since then, the revenue forecast resulted in these reserves increasing to \$954 million, with \$524 million in the GF-S ending balance and \$429 million in the BSA ending balance.

The Chair's proposal allocates these GF-S resources as follows:

Proposed 2008 supplemental GF-S appropriations:	\$223 million
Legislation impacting revenues and net transfers:	\$20 million
GF-S ending fund balance:	\$321 million

Appropriations Summary

The budget proposal appropriates \$223 million GF-S in the 2008 supplemental, for a new biennial GF-S total of \$29.9 billion. The Near General Fund-State supplemental appropriations total \$287 million, for a revised biennial NGF-S total of \$33.7 billion. The total supplemental budget appropriations are \$429 million, for a revised total budget for the biennium of \$57.1 billion.

Reserves

The budget proposal leaves an ending fund balance of \$321 million in the GF-S, and \$429 million in ending fund balance in the Budget Stabilization Account, for total reserves in these accounts of \$750 million.

2007-09 Revised Omnibus Operating Budget (2008 Supp)
House Chair Proposed
Near General Fund - State
(Dollars in Thousands)

K-12 Education

1% COLA Increase	35,583
Special Education Medicaid Change	21,219
NERC Enhancement	4,999
Career and Technical Education	3,000
Other	2,883
Apportionment and Financial Systems	1,800
Learning Assistance Program	1,638
Vocational Equipment Replacement	-4,669
WASL Changes	-9,753
Full Day Kindergarten Adjustment	-16,128
K-12 Education Total	40,572

Higher Education

1% COLA for I-732 Eligible Employees	3,434
Aerospace Apprenticeships	3,000
Other	2,440
21st Century Library Resources	1,500
Health Care Career Advancement	1,000
Child Care	650
Campus Safety Mental Health Counsel	477
Campus Safety & Emergency Preparedness	100
UW North	100
Higher Education Total	12,701

Health Care Including LTC, DD, and MH

Family Planning Support	6,900
Other	5,194
Move Pierce MH to Fee for Service	3,236
Nursing Home Funding Increase	3,000
Health Insurance Partnership	2,685
Judicial ITA Costs	2,373
State MH Hospital Staffing	2,278
Adult Family Home Rate Increase	2,257
Long Term Care Worker Training	1,998
DOH: Lost Federal Funds	1,640
RSN Rate Adjustment	1,391
DD: Education (RHC Children)	1,363
Health Care Workgroup Support	1,276
LTC Task Force Initiatives	1,203
Adverse Events	1,000
DD: Intensive In-Home Suppt/Children	910
LTC Taskforc- AFH 17 levels of care	505
ProviderOne Schedule Adjustment	-2,000

* Near General Fund-State = GF-S + EJA + ELT + HSA + PFSA + PSEA + SAF + VRDE + WQA

2007-09 Revised Omnibus Operating Budget (2008 Supp)
House Chair Proposed
Near General Fund - State
(Dollars in Thousands)

BHP underenrollment adjustment	-2,692
Utter Request Legislation *	-5,574
Healthy Options Premium Reduction	-6,352
Health Care Including LTC, DD, and MH Total	22,591
Other Human Services	
Family Medical Leave Implementation	6,218
Other	3,956
Other Foster Care Improvements	3,690
IRS Collections Distribution Change	2,739
Supervised Visitation	1,976
Sibling Visits	1,829
Additional Licensing Staff	1,140
Payment System for Providers	1,000
Childrens: 30 Day Visit Phase In	884
Add 5 SSI Facilitators	462
CWCMH Youth Inpatient Treatment	298
DD Community: One Time Savings	-1,000
One-time FTE Savings	-1,558
Other Human Services Total	21,634
Corrections and Other Criminal Justice	
Treatment Beds for Violators	9,845
Sex Offender Address Verification	5,000
Other	4,282
Compensation Increases	3,760
DOC: Supervision & Safety	3,070
JRA: Parole Services	2,808
Criminal Street Gang Initiative	2,380
Custody Overtime Expenditures	2,375
DOC: Staff Recruitment	1,624
Correctional Worker Training	994
Offender Reentry	-1,300
Comm Corrections Vacancy Savings	-2,151
Corrections and Other Criminal Justice Total	32,687
Lawsuits	
Shared Living Lawsuit	22,907
Other	2,389
Hyatt Lawsuit	1,000
Moore, et al v. HCA	1,000
Lawsuits Total	27,296

* Near General Fund-State = GF-S + EJA + ELT + HSA + PFSA + PSEA + SAF + VRDE + WQA

2007-09 Revised Omnibus Operating Budget (2008 Supp)
House Chair Proposed
Near General Fund - State
(Dollars in Thousands)

Natural Resources

DNR: Emergency Fire Suppression	3,707
Other	2,315
Fish & Wildlife	1,593
Green Collar Jobs	1,275
Puget Sound Partnership	1,183
Lake Roosevelt Water Availability	609
Water Quality Capital Acct Transfer	-2,875
Move Livestock Projects to Capital	-4,000
Natural Resources Total	3,807

All Other

PEBB System (BAIAS)	12,096
PEBB/Federal Audit Determination	11,000
Other	9,743
Housing	9,626
Property Tax Deferral	5,814
Fire Contingency	4,500
Other: Judicial Items	1,859
Home Buyer Education	1,500
Local Farms and Healthy Kids	1,000
Online Recruiting Service	699
Entrepreneurial Stars Program	-1,505
Critical Patient Information Init.	-2,000
Eastern State Hospital IHIS	-2,340
All Other Total	51,992

PEBB Rate Reduction

PEBB Rate Reduction	-115,524
PEBB Rate Reduction Total	-115,524

Plus Maintenance Changes

Plus Maintenance Changes	188,881
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Grand Total 286,637

* Near General Fund-State = GF-S + EJA + ELT + HSA + PFSA + PSEA + SAF + VRDE + WQA

2007-09 Enacted Budget Balance Sheet with Proposed 2008 Supplemental

General Fund-State

(dollars in millions)

RESOURCES

Beginning Fund Balance	780.5
November 2007 Forecast	29,886.4
February 2008 Update	(423.4)
Current Revenue Totals	29,462.9
Legislation with Revenue Impacts	(5.9)
Transfer to Budget Stabilization Account	(136.1)
Budget Driven Revenue	(0.2)
Transfers to/from Other Funds (2007)	39.8
Transfer to/from Other Funds (2008)	25.8
Total Resources (including beginning fund balance)	30,166.8

EXPENDITURES

2007-09 Enacted Budget	29,622.9
2008 Supplemental Budget	223.2
2007-09 Appropriations	29,846.1

RESERVES

Projected General Fund Ending Balance	320.8
Emergency Reserve Fund Beginning Balance	293.3
New Deposits	0.0
Transfer To Budget Stabilization Account	(293.3)
Projected Emergency Reserve Fund Ending Balance	0.0
Budget Stabilization Account Beginning Balance	0.0
Transfer To Budget Stabilization Account (From ERF)	293.3
New Deposits	136.1
Projected Budget Stabilization Account Ending Balance	429.4
Total Reserves (General Fund plus Budget Stabilization)	750.2

2008 Supplemental Detail of Fund Transfers

(Dollars in Millions)

	<u>2007-09</u>
Transfers To GFS	
Education Legacy Trust Account	60.000
Treasurers Service Account	11.000
Pension Funding Stabilization Account	10.000
Economic Development Strategic Reserve	4.000
Convention & Trade Center Operating	5.000
Total	<u>90.000</u>
Transfers From GFS	
Columbia River Water Delivery Account*	(8.175)
Health Services Account	(56.000)
Total	<u>(64.175)</u>
Net Transfers To/(From) GFS	25.825

* Transfer made in 2SHB 3309 (Columbia River Water)

2008 Supplemental Budget Revenue Legislation & Budget Driven Revenue

(dollars, in millions)

Bill	<u>2007-09 Total</u>
2543 Florists' personal property	0.1
1404 Trail Grooming Services	(0.0)
2460 Amphitheater property	(0.0)
1211 Solar hot water	(0.0)
1621 Manufactured/mobile home	(0.0)
2678 Timber industry tax	(0.0)
1129 Tax relief for zoos	(0.0)
2544 Temporary medical housing	(0.1)
3283 Military personnel/taxes	(0.1)
2053 Motor vehicle fuel	(0.1)
3362 Energy efficient equipment	(0.1)
3051 Transportation project tax	(0.3)
2847 Weatherization	(0.6)
3360 Linked Deposit	(0.8)
2585 Newspaper supplement tax	(0.9)
3275 Grocery distribution co-ops	(1.1)
2380 Taxpayer Relief	(2.0)
Total GFS Impact	(5.9)

<u>Agency</u>	<u>Budget Driven Revenue Item</u>	<u>2007-09 Total</u>
LCB	Policy Enhancements (net)	(0.2)
	Total GFS Impact	(0.2)

State Expenditure Limit (Fiscal Years 2008 and 2009)

(dollars, in millions)

	FY 08	FY 09
Unadjusted Limit (FY08: Adopted by ELC 11/07)	16,002.1	16,835.3
(FY 09 limit rebased to FY08 expenditures)		
Adjustments to The Expenditure Limit		
2007-09 Program Costs Shifts		
FY 09 Changes Adopted by the ELC		(54.4)
2008 Supplemental -- Program Cost Shifts		
WSP: Fingerprint ID Account/Criminal Records		(3.0)
WSP: Cost Allocation Adjustment	(1.5)	
DSHS/CFS: Targeted Case Mgt	4.6	9.3
DSHS/CFS: Mandatory Caseloads	(4.4)	1.0
DSHS/CFS: Foster Care Passport to College		0.1
DSHS/All: Reduced Federal Financial Participation	2.1	0.2
DSHS/MHD: State Hospital Revenues	(4.8)	(0.2)
DSHS/ESA: Federal Food Stamp Program-Bonus	(2.9)	2.9
DSHS/MAA: Medicare Part D Clawback Adjustment	(3.1)	(3.1)
DSHS/MAA: Hospital Hold Harmless Adjustment	(8.7)	14.8
DSHS/DVR: Technical Adjustment/Compensation	(1.1)	(0.5)
DSHS/Admin: Fund Source Adjustment	(0.4)	(0.0)
DSHS/All: FMAP Changes		27.6
DOH: Early Hearing Loss program (Fed Loss)		0.3
DOH: Local Funding Adjustments	(0.1)	(1.3)
DOH: Core Public Health Functions	0.1	0.3
DOH: Title XIX Changes	0.4	0.4
DVA: Federal and Local Fund Adjustments	(0.5)	(1.3)
Consv. Comm.: Move Livestock Projects to Capital	(2.0)	
DFW: HPA Backfill Technical Correction	(0.6)	0.6
PSP: Low Impact Development Fund Shift	(0.3)	
2008 Supplemental Budget -- Legislation Impacting The Limit		
HB 3309: Columbia River Water		(8.2)
Revised Limit (GFS Only in FY 07, Plus Related Funds In FY08/09)*	15,978.9	16,820.7
Expenditures Subject To The Limit	15,947.1	16,722.8
Remaining Capacity Under The Expenditure Limit	31.9	97.9

Adjustments are for display purposes only and are not official until adopted by the State Expenditure Limit Committee (ELC). The limit for FY 09 is rebased to FY 08 projected actual spending (FY 08 appropriations are used as the proxy). Fiscal Growth factors for FY 08 (5.53%) and FY 09 (5.57%) are as adopted at the November, 2007 Expenditure Limit Committee meeting.

K-12 EDUCATION & EARLY LEARNING

INITIATIVE 732 COLA

Initiative 732 COLA Increase for School Year 2008-09 in Maintenance Level (\$39.1 million General Fund-State)

The 2007-09 enacted base budget included an I-732 COLA of 2.8 percent for school year 2009. Updated consumer price index data has increased the COLA required to 3.9 percent for school year 2009.

ADDITIONAL SALARY INCREASE

Additional 1.0 Percent Salary Increase for K-12 Staff (\$35.6 million General Fund-State)

In addition to Initiative-732 salary increases, a 1.0 percent salary increase is provided in school year 2009 to certificated instructional staff, classified staff, and administrative staff funded by the state finance formulas. Funding will be allocated in the same manner as I-732 allocations.

WASL CHANGES

Shortening the WASL in Grades 3-8 & Developing End-of-Course Assessments for High School Math (\$14 million - General Fund-State)

A number of changes to the Washington Assessment of Student Learning (WASL) are funded in the budget. The costs of developing, scoring, and administering the WASL are expected to increase by \$25.4 million for fiscal year 2009. Separately, a net savings of \$11.4 million is realized through the combined effects of several new policies, including shortening the WASL in grades 3-8, and phasing in end-of-course assessments for high school math testing as described in Engrossed Substitute House Bill 3166 (State assessment system/WASL). The net cost increase for WASL in fiscal year 2009 is approximately \$14 million.

NERC ENHANCEMENT

Non-Employee Related Costs Enhancement (\$5.0 million General Fund-State)

The Non-Employee Related Costs (NERC) allocation is funding provided for items such as books, supplies, computers, utilities, and other school district costs not related to employee compensation. The NERC allocation is enhanced by \$5 million, translating into an increase of about \$5 per student.

ENGLISH LANGUAGE LEARNERS

LAP Enhancements for High Poverty School Districts with Concentrations of English Language Learners (\$1.6 million General Fund-State)

Districts with at least 40 percent of their students qualifying for free/reduced price lunch, and at least 20 percent of their students in the transitional bilingual program, will receive enhanced funding under the Learning Assistance Program. It is estimated that approximately 23 districts will receive a share of the \$1.6 million enhancement, as outlined in Substitute House Bill 2810 (English language learners).

CAREER & TECHNICAL EDUCATION

Secondary Career & Technical Education Programs (\$3.0 million General Fund-State)

Funding is provided for the various policy and resource enhancements to career and technical education programs in the state described in Engrossed Second Substitute Senate Bill 2826 (Career and technical education).

EARLY LEARNING

Child Care Quality Improvements (\$593,000 General Fund-State)

The Department of Early Learning will add five quality improvement specialists to focus on a team approach to review licensing actions. The department will also implement a pilot program in Pierce County. The program will allow for one intervention specialist to help children with special needs transition successfully into child care. The specialist will work with child care center staff to improve training techniques to adapt to serving children with special needs.

SAVINGS

Reduction in Funding for Vocational Education Equipment Replacement (\$4.7 million Education Legacy Trust-State Savings)

The 2007-09 enacted base budget included one-time funding for vocational and skills center programs to replace and upgrade equipment. The allocations for school year 2008-09 for this initiative have been eliminated. The allocations for school year 2007-08 for this initiative remain funded.

Suspend Phase-In of Full Day Kindergarten Programs (\$16.1 million General Fund-State Savings)

Grants supporting full-day kindergarten programs for the highest poverty schools (top 10 percent of poverty rates) in school year 2007-08 will be maintained in school year 2008-09. The scheduled phase-in to the top 20 percent high-poverty schools for school year 2008-09 is suspended.

HIGHER EDUCATION

CAREER TRAINING

Aerospace Apprenticeships (\$3.0 million General Fund-State)

Funding is provided to support apprenticeships in the aerospace sector. Of the \$3.0 million, \$2.0 million is to support program development, curriculum development, equipment purchases, training and related expenses of the apprenticeship program. The remaining \$1.0 million is to support 150 enrollment slots at no more than three community and technical colleges, with at least one college being located east of the Cascade Mountains.

Health Care Career Advancement (\$1.0 million General Fund-State)

Funding is provided for the State Board for Community and Technical Colleges to disburse competitive grants to labor, management and college partnerships. These grants will be used to develop or expand and evaluate innovative training programs for incumbent hospital workers that lead to careers in nursing and other high demand health care fields.

COMPENSATION

Initiative 732 COLA for Academic Year 2008-09 in Maintenance Level for Eligible Community and Technical College Staff (\$3.8 million General Fund-State)

The 2007-09 enacted budget included an I-732 COLA of 2.8 percent for fiscal year 2009. Updated consumer price index data has increased the COLA amount required to 3.9 percent for fiscal year 2009.

Increased Salaries for Eligible Community and Technical College Staff (\$3.4 million General Fund-State)

A 1.0 percent COLA increase will be given to all Initiative 732 eligible employees in the Community and Technical College System.

ENHANCING STUDENT SERVICES & SAFETY

Mental Health Services at Four-Year Institutions (\$477,000 General Fund-State)

Funding is provided to support one additional mental health professional FTE at each of the four-year public baccalaureate institutions. The additional mental health professionals will assist in shortening wait lists for mental health services and increasing services to students in need of assistance.

Child Care Grants (\$650,000 General Fund-State)

Funding for the existing \$250,000 Child Care Grant Program administered by the Higher Education Coordinating Board and the State Board for Community and Technical Colleges is increased by \$650,000. Funds will help students access affordable quality child care at the four- and two-year institutions.

21st Century Library Resources (\$1.5 million General Fund-State)

Funding is provided for the State Board for Community and Technical Colleges to purchase licenses that will allow college students throughout the community and technical college system to access online library resources including specialized periodicals, journals and books.

Washington State Campus Compact Mentoring Program (\$485,000 General Fund-State)

Funding is provided for outreach and training of college students to prepare them to serve as mentors to eighth through 12th grade students. Funds provided will also be used to support campus and school partnerships to develop or expand mentoring programs, and to improve accountability by developing assessment mechanisms that measure the impacts of mentoring on students.

INCREASING ACCESS

University of Washington Academic Planning for the Snohomish, Skagit and Island County Region (\$100,000 General Fund-State)

Funding is provided for the University of Washington to continue academic planning to meet the demands for higher education access in the Snohomish, Island and Skagit County region. Top priorities for the campus include expansion of upper division capacity for transfer and graduate students in high-demand programs, with a particular focus on science, technology, and engineering. A report is due to the Legislature on June 1, 2009.

HEALTH CARE

HEALTH CARE COVERAGE

Health Insurance Partnership (\$2.7 million Health Services Account)

Funding is provided for premium subsidies to low-income employees of small employers participating in the Health Insurance Partnership, beginning in March 2009. The program, enacted in 2007, assists small employers in providing health care coverage by pooling the purchasing of small group health benefit plans. Amounts are also provided to complete the administrative infrastructure necessary for the program and to pay for third-party administrator costs.

Family Planning Support (\$6.9 million General Fund-State)

Washington's Take Charge program expands Medicaid coverage for family planning services. Program goals are to reduce unintended pregnancies and to reduce state and federal Medicaid expenditures for births from unintended pregnancies and their associated costs. More than 20,000 people lost eligibility for certain family planning and sexually transmitted disease-related services from this program as a result of the Federal Center for Medicaid Services changing eligibility rules. Additional state funding for family planning restores services to clients.

Medical Homes (\$400,000 General Fund-State, \$200,000 Health Services Account)

Funding is provided to the Department of Health (DOH) to implement a pilot project for primary care medical homes, based on the DOH's current Collaborative to Improve Health, an approach to address chronic disease management in a comprehensive and coordinated way. The project for primary care medical homes will utilize the collaborative approach to implement medical home delivery of primary care in at least 20 practices. In addition, funding is provided to the Health Care Authority to modify its five-year plan for the restructuring of provider reimbursement protocols so as to accommodate the medical homes model of delivery.

Studying How to Expedite Medical Assistance Coverage for Persons Leaving Confinement (\$250,000 General Fund-State)

Funding is provided to the Department of Social and Health Services to evaluate mechanisms that would expedite medical assistance eligibility determinations for persons leaving confinement in a corrections institution or an institution for mental diseases. Under current law, persons leaving confinement must reapply for eligibility, a process that may take a number of weeks.

Lead Blood Level Assessment for Children on Medicaid (\$165,000 General Fund-State, \$269,000 Health Services Account)

Funding is provided for blood screening for lead toxicity levels for any Medicaid eligible child under the age of 21.

DETECTION & PREVENTION

Colon Cancer Screening (\$956,000 General Fund-State)

Funding is provided for colorectal cancer screening and diagnostic follow-up services that include case management and referrals for medical treatment of screened individuals. These funds will be primarily directed to low-income, uninsured, and underinsured individuals between 50 and 64 years of age, or those less than 50 with a high risk of colorectal cancer.

Cord Blood Collection (\$312,000 General Fund-State)

Funding is provided for Second Substitute House Bill 2805 (Cord blood collection). The bill requires the Department of Health (DOH) to identify and fund a work group on expanding cord blood collection practices. The bill also requires the DOH to identify an institution that conducts prematurity research to participate in a pilot project with three hospitals in Eastern Washington to increase the ethnic and racial diversity of umbilical cord blood units that are collected for research and transplantation.

Early Hearing Loss Program (\$325,000 General Fund-State)

Funding is provided to replace the loss of federal funding for the Early Hearing Loss Detection Diagnosis and Intervention Program. This funding will enable the program to continue support for hearing screening surveillance and tracking to ensure all infants receive hearing screening; and for those with hearing loss, to be referred to appropriate services. It will also provide technical assistance to hospitals, audiologists and early intervention providers who serve these infants. Contracts for tracking and surveillance system maintenance and data entry will also be funded.

OTHER

Counselors Credentialing Standards (\$558,000 Health Professions Account-State)

Funding is provided for Second Substitute House Bill 2674 (Counselor credentialing). Effective July 1, 2009, all registered counselors must obtain new health professions credentials. Seven new credentials are created: Mental Health Counselor Associate, Social Work Associate, Advanced Social Work Associate, Marriage and Family Therapy Associate, Chemical Dependency Professional Trainee, Agency Affiliated Counselor, and Certified Counselor (the latter is for private practice counseling). The existing registered counselor credential, and new initial credentials for certified counselors, are terminated July 2010. The Department of Health must establish continuing education requirements for all renewals and is required to educate the public on the new responsibilities of therapeutic counselors.

SAVINGS

Medical Assistance Managed Care Premium Growth (\$3.1 million General Fund-State savings, \$3.2 million Health Services Account savings)

Slowing growth in managed care premium rates within the Health Options program provides a \$6.3 million savings in fiscal year 2009.

OTHER HUMAN SERVICES

CHILD WELFARE

Additional Licensing Staff (\$1.1 million General Fund-State, \$360,000 General Fund-Federal)

Funding is provided to the Division of Licensed Resources to hire 15 additional licensors to address licensing backlog and allow for smaller licensing caseloads

Expedite 30-Day Visit Phase-in (\$884,000 General Fund-State, \$264,000 General Fund-Federal)

One-time funding is provided to expedite the phase-in of staff by May 2008 to achieve the goal of face-to-face contact with children, parents, and/or caregivers every 30 days, for both in-home dependencies and out-of-home placements.

Specialized Foster Parent Program (\$857,000 General Fund-State, \$140,000 General Fund-Federal)

Funding is provided to implement Engrossed Second Substitute House Bill 3145 (Foster parent licensing), which implements a specialized licensed foster parent program in two geographical areas with high concentrations of high-needs children in foster care. The specialized foster parent class will receive a monthly stipend, training, and professional consultation. The bill also grants collective bargaining rights to specialized foster parents.

Sibling Visits (\$1.8 million General Fund-State, \$578,000 General Fund-Federal)

Funding is provided for the Children's Administration to contract with non-profit organizations to facilitate twice-monthly visits between siblings living apart from each other in out-of-home care.

Additional CHET Screeners (\$812,000 General Fund-State, \$256,000 General Fund-Federal)

The Children's Administration undertakes a screening of all children who are in out-of-home care for 30 days or longer called the Child Health Education and Tracking (CHET) screen. Funding is provided for 12 additional staff to perform CHET screens.

Foster Youth Education (\$655,000 General Fund-State, \$38,000 General Fund-Federal)

Funding is provided to implement Section 4 of House Bill 2679 (Students in foster care), which authorizes two school district-based foster care recruitment pilots in one or more school districts with a high number of Child Protective Services' removals and out-of-home placements. Funding is also provided for contracted educational advocates to assist foster children in succeeding in school.

Multi-Dimensional Treatment Foster Care (\$581,000 General Fund-State, \$319,000 General Fund-Federal)

Funding is provided for a multi-dimensional treatment foster care program to recruit foster homes that have the tools to serve children with high behavioral and emotional needs.

Safety Assessments (\$420,000 General Fund-State, \$180,000 General Fund-Federal)

Funding is provided to conduct comprehensive safety assessments of high-risk families receiving in-home child protective services or family voluntary services. These safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors.

MENTAL HEALTH

State Hospital Direct Care Nursing Staff (\$2.3m General Fund-State)

Funding is provided to pilot a direct-care nurse staffing plan for six high-incident wards at Eastern and Western State Hospitals in an effort to improve patient and staff safety. The pilot includes funding for 36 direct-care positions to include registered nurses, licensed practical nurses, and mental health technicians. The department must monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.

Non-Medicaid Cost Study (\$125,000 General Fund- State)

Funding is provided solely for a mental health non Medicaid cost study and the development of a budgeting tool. Washington State Institute for Public Policy and the Mental Health Division must work in consultation to establish methodology and parameters for the study. The cost analysis must include Regional Support Network cost differentials according to urban and rural settings. A review of the prevalence of mental illness and the effects of involuntary inpatient treatment on outpatient care must also be considered. A final report is due to the Legislature by December 1, 2008.

Mental Health First Aid Train-the-Trainer Program (\$80,000 General Fund-State, \$80,000 General Fund-Federal)

One-time funding is provided pursuant to SHB 2690 (Mental health first aid) for a mental health first aid train-the-trainer program. The course will teach participants how to train others to recognize the symptoms of mental disorders; to determine possible causes or risk factors; to give appropriate initial help and support to a person suffering from a mental health disorder; and to recognize a mental health crisis and take appropriate action.

System Transformation Initiatives (\$100,000 General Fund-State)

Funding is provided for a facilitator to assist the Mental Health Division in conducting a review and developing recommendations on ward sizes and ward-patient case mix at Eastern and Western State Hospitals. In addition, the review and recommendations shall include discharge practices for all three state psychiatric hospitals and community placements for adults and children. Representation from regional support networks must be included in the development of recommendations for discharge practices and community placements. Recommendations must be provided to the Legislature by October 15, 2008.

Study on Residential Drift (\$75,000 General Fund-State)

Funding is provided for a review of residential drift in partnership with Washington Institute for Mental Illness Research and Training. A statewide analysis must be conducted of the county of origin for patients placed in Eastern and Western State Psychiatric Hospitals and the concentration of people with severe and persistent mental illness in communities proximate to these hospitals.

ITA Judicial Costs (\$2.4 Million General Fund-State)

Funding is provided for long-term detention judicial costs in Pierce and Spokane counties.

Pierce Transition Fee for Service (\$3.2 million General Fund-State, \$1.4 million General Fund-Local)

Funding is provided to enable the Department of Social and Health Services to contract with Pierce County Human Services for the provision of community mental health services to include crisis triage, evaluation and treatment, and mobile outreach crisis services. This item is the state-only component of the transition to fee-for-service caused by Pierce County opting out of renewing its Regional Support Network contract.

AGING AND DISABLED

17 CARE Level Payment System (\$505,000 General Fund-State, \$528,000 General Fund-Federal)

Funding is provided to update the cost base for the community residential long term care payment systems. As recommended by the Joint Legislative Task Force on Long Term Care Residential Facility Payment Systems, funding is also provided to begin a phase-in implementation of a payment system for 17 CARE levels that will more closely reflect the acuity of the client regardless of the care setting. Total vendor rate increases for the 2007-09 biennium for assisted living/boarding homes are between 3.0 - 6.0 percent depending on whether they are boarding homes, adult residential centers, or enhanced adult residential centers.

Adult Family Home Fiscal Year 2009 Vendor Rate Increase (\$2.3 million General Fund-State, \$2.4 million General Fund-Federal)

Chapter 184, Laws of 2007, gave adult family homeowners the ability to collectively bargain their rates. Since the owners did not elect a representative by October 1, 2007, bargaining did not take place. The rate for adult family homes is increased by 5.8 percent, rather than 2.0 percent in fiscal year 2009. As recommended by the Joint Legislative Task Force on Long Term Care Residential Facility Payment Systems, a portion of this funding is to help address increasing liability insurance costs. This makes a 9.0 percent overall rate increase in the 2007-09 fiscal period.

Shared Living Lawsuit (\$22.9 million General Fund-State, \$24.0 million General Fund-Federal)

Authorized service hours for in-home care providers who live with their clients are increased to comply with a Washington State Supreme Court decision that invalidated the Shared Living Rule. In-home providers who live with their clients and contract with the Department of Social and Health Services to provide direct care services to the disabled and elderly are now paid for services that were previously denied, including laundry, meal preparation, and shopping.

Nursing Home Vendor Rate Increases (\$3 million General Fund-State, \$3.1 Million General Fund-Federal)

Funding is provided to nursing homes for a vendor rate increase for FY 2009. The vendor rate increases are funded at 5.0 percent for direct care, a 3.5 percent for support services, a 1.4 percent for therapy care, and a 0.6 percent for operations. The overall vendor rate increase for nursing facilities is 7.3 percent for the 2007-09 biennium and includes cost rebasing and inflationary adjustments to the estimated state-wide weighted average for fiscal year 2009.

Long Term Care Task Force Initiatives (\$1.2 million General-State, \$82,000 General Fund-Federal)

As recommended by the Governor's Long Term Care Task Force, Engrossed Second Substitute House Bill 2668 (long-term care programs) expands services to seniors needing assistance with long term care. An additional 400 unpaid caregivers will receive services such as respite and training to help them to continue providing care for elderly, vulnerable, and developmentally disabled relatives in their own homes. In addition, funding is provided for adult protective services teams to conduct fatality reviews of deaths under suspicious circumstances to improve the safety of vulnerable senior citizens. These reviews will be conducted when the death of a vulnerable adult appears to be related to abuse, abandonment, exploitation, neglect, or self-neglect.

Intensive Behavior Support Services Program (\$910,000 General Fund-State, \$951,000 General Fund-Federal)

The Division of Developmental Disabilities' new comprehensive assessment tool will identify families who are eligible for Home and Community Based Services and who are most likely to request an out-of-home placement for their children. Those families will receive coordinated in-home support services, such as minor home or vehicle adaptations, respite, therapies, and intensive behavior management training for the family, other caregivers, or school staff.

Long Term Care Worker Training (\$2 Million General Fund-State, \$2m General Fund-Federal)

Engrossed Substitute House Bill 2693 (long-term care workers) establishes a new program of training and a registry for long term care workers beginning January 1, 2010. Funding is provided for information technology, rules, process, and policy development.

Education for Children in Residential Habilitation Centers (\$1.4 million General Fund-State)

Funding is provided to the Department of Social and Health Services for its contracts with the school districts to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in Residential Habilitation Centers.

Kinship Navigators (\$271,000 General Fund-State)

Funding is provided for Area Agencies on Aging (AAA), or entities with which AAAs contract, for two additional Kinship Navigators. Services are provided to grandparents and other kinship caregivers and include connecting families with community resources and assisting them in navigating the system of services for children in out-of-home care, thus diverting children from entering foster care. Funding is also provided for a one-time evaluation of the Kinship Navigator program.

Traumatic Brain Injury Strategic Partnership Advisory Council (\$772,000 Traumatic Brain Injury Account-State)

Funding is provided to implement Chapter 356, Laws of 2007 (2SHB 2055), which created the Washington Traumatic Brain Injury Strategic Partnership Advisory Council (Council). The DSHS is required to provide staff support to the Council and, in collaboration with the Council, a public awareness campaign to promote awareness of traumatic brain injuries (TBIs) through all forms of media, including television, radio, and print. Additionally, the Department is required to provide funding to programs that facilitate support groups to individuals with TBIs and their families. Activities are funded by a dedicated account established under the legislation, which is supported by an additional \$2 fee on traffic infractions. (Traumatic Brain Injury Account-State)

OTHER

SSI Facilitators and Other Enhancements (\$1.1 million General Fund-State)

Five additional Supplemental Security Income (SSI) facilitators are added to improve identification of SSI eligible people in the state and to reduce the time people spend on general assistance. Funding is provided to help people pass the additional requirements to the immigration and naturalization process. Additional staff are added to meet the increase level of participation in the food stamp program resulting from increasing the gross income limits for food stamp eligibility.

Central Washington Comprehensive Mental Health - Children's Co-Occurring Disorders Inpatient Program (\$298,000 General Fund-State, \$264,000 General Fund-Federal)

Central Washington Comprehensive Mental Health's Children's Co-Occurring Disorders Inpatient Program is scheduled to open in January 2009. Funding is provided to purchase the use of eight beds in the facility for youth being treated through the Division of Alcohol and Substance Abuse for co-occurring disorders, with the primary disorder being substance abuse.

Family Leave Insurance Implementation (\$6.2 million Family Leave Insurance Account-State)

In 2007, the Legislature established a family leave insurance program in Engrossed Second Substitute Senate Bill 5659 (Family and medical leave insurance) providing parents of a newborn or newly adopted child with temporary income for up to five weeks. The Employment Security Department will administer claims and pay benefits from the premiums collected and deposited into the Family Leave Insurance Account. Funding is provided to develop and implement a computer system to process and accept claims and administer the Family Leave Insurance Program.

SAVINGS

Children's Administration FTE Savings (\$1.6 million General Fund-State Savings, \$492,000 General Fund-Federal Savings)

The Children's Administration has not hired staff as quickly as was budgeted for fiscal year 2008; therefore, one-time under expenditures are taken in this category.

Community Residential Savings (\$1.0 million General Fund-State Savings, \$1.0 million General Fund-Federal Savings)

The Division of Developmental Disabilities has not filled the home and community-based waiver slots as quickly as was budgeted for fiscal year 2008. In addition, the average daily cost for clients with community protection issues is lower than anticipated. Therefore, there is one-time savings taken in this category.

PUBLIC SAFETY & THE JUDICIARY

SEX OFFENDERS

Sex Offender Address Verification (\$5.0 million Public Safety and Education Account-State)

Funding is provided for statewide in-person address verification of all registered sex offenders by local law enforcement. The funding will help ensure that offender addresses are verified every 12, six, or three months, depending on the risk category of the registrant.

Enhanced Supervision of Sex Offenders (\$1.4 million General Fund-State)

Funding is provided for enhanced supervision of sex offenders under community supervision by the Department of Corrections. The funds will be used to expand the use of electronic monitoring for certain offenders whose release plan indicates they may be susceptible to certain risk factors. Funding is provided for 75 offenders to participate in electronic monitoring by the end of fiscal year 2008, and 200 offenders by the end of fiscal year 2009. The funding will also provide for a pilot to add additional community correction officers specializing in intake and risk assessment to units dedicated to supervision of sex offenders, allowing existing officers to focus more on field visits.

CRIMINAL STREET GANGS

Criminal Street Gangs (\$1.0 million General Fund-State, \$1.0 million Public Safety and Education Account-State)

Funding is provided to implement Engrossed Second Substitute House Bill 2712 (Criminal street gangs). The Criminal Justice Training Commission will contract with the Washington Association of Sheriffs and Police Chiefs to administer local law enforcement grant programs that target gang violence and graffiti abatement efforts. Funding is also provided to the Department of Community, Trade and Economic Development to establish a temporary witness assistance and relocation program.

JUDICIAL PROGRAMS

Family and Juvenile Court Improvement Program (\$1.3 million General Fund--State)

Funding is provided for a court access and accommodation coordinator position at the Administrative Office of the Courts to review the needs of courts statewide, provide guidance and assistance to local courts on training and court services for persons with disabilities, and other assistance related to access to courts

Dependent Youth Representation Pilot Program (\$370,000 General Fund-State)

Funding is provided for a dependent youth representation pilot program in at least two counties that is designed to promote or provide adequate and effective legal representation for children 12 or over in dependency proceedings. The Office of Public Defense will contract with the University of Washington's Children and Youth Advocacy clinic for the administration and operation of the pilot program.

Access Coordinator (\$110,000 General Fund--State)

Funding is provided for a court access and accommodation coordinator position at the Administrative Office of the Courts to review the needs of courts statewide related to access to the courts for persons with disabilities. The position will offer guidance and assistance to local courts on training and other assistance related to providing accommodation for persons with disabilities.

OTHER

Federal Grants for Law Enforcement (\$1.2 million General Fund-Federal)

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

Court Crime Victims Advocates (\$750,000 Public Safety and Education Account-State)

Crime victim advocates work to assist people who have been victimized and to connect them with available services. Ongoing funding is provided through the Department of Community, Trade and Economic Development for more sexual assault victim advocates in county superior courts. These funds shall be contracted with the 39 county prosecuting attorneys' offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim-witness coordinator in each county.

Treatment Beds for Violators (\$9.8 million General Fund-State)

Funding is provided for 130 residential chemical dependency treatment beds for offenders who have violated certain conditions while under community supervision. These treatment beds provide an alternative to incarceration by providing intensive inpatient chemical dependency treatment to violators who are addicted.

Additional Funds for the Basic Law Enforcement Academy (\$853,000 Public Safety and Education Account-State)

Funds are provided for additional Basic Law Enforcement Academy classes at the Criminal Justice Training Commission facility in Burien.

Crisis Intervention Training (\$306,000 General Fund-State)

Funding is provided for a grant program to pay for the costs of local law enforcement agencies participating in specialized crisis intervention training. The goal of the training is to develop a community partnership between law enforcement and mental health organizations in order to increase the ability of first responders to provide safe and effective resolution of incidents involving persons with mental illnesses.

NATURAL RESOURCES

DEPARTMENT OF ECOLOGY

Lake Roosevelt Water Availability (\$8.0 million Columbia Water Resource Development Account-State)

Funding is provided for an agreement with the Confederated Tribes of the Colville Reservation and the Spokane Tribe that will provide an additional 132,000 acre-feet of water through Lake Roosevelt water releases. Resources are provided to nearby local governments to help mitigate possible adverse impacts from the loss of water.

Greenhouse Gas Emissions (\$1.0 million General Fund-State)

Pursuant to the enactment of Second Substitute House Bill 2815 (Green collar jobs), the Department of Ecology will develop and implement a program to limit statewide greenhouse gas emissions and to adopt rules requiring a reporting system to monitor greenhouse gas emissions. The department is authorized to develop a design for a regional multisector market-based system to limit and reduce greenhouse gas emissions. In addition, the bill creates a green collar job training account to train and transition workers to clean energy jobs. Finally, the Department of Transportation is directed to provide recommendations to reduce annual per capita vehicle miles traveled.

Standby Rescue Tug Stationed at Neah Bay (\$1.4 million Oil Spill Response Account-State, \$0.6 million Coastal Protection Account-State)

The standby rescue tug is stationed at Neah Bay for 235 days during the winter months to reduce the risk of a catastrophic oil spill. Since 1999, the tug has responded 34 times to ships losing power or steering, or experiencing other problems. Chapter 346, Laws of 2007 (2SHB 1488) provided funding for a standby rescue tug for fiscal year 2008, in anticipation of federal legislation establishing a permanent, industry-funded tug at the entrance of the Strait of Juan de Fuca, but no state funding was appropriated for fiscal year 2009. Federal funding has not been provided. One-time funding of dedicated accounts is provided for the remainder of the biennium.

DEPARTMENT OF FISH AND WILDLIFE

Conduct Joint Enforcement with the Confederated Tribes of the Colville Reservation (\$0.6 million General Fund-State)

Funding is provided to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline. The Department of Fish & Wildlife will also conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters.

Selective Fisheries in Puget Sound (\$0.6 million General Fund-State)

Funding is provided for selective recreational salmon fisheries in the Puget Sound to help protect naturally spawning wild-listed fish, while providing harvest opportunity for hatchery stocks.

DEPARTMENT OF NATURAL RESOURCES

Expanding the duties of the Washington Geological Survey (\$0.3 million General Fund-State)

Pursuant to the enactment of Substitute House Bill 2471 (Washington Geological Survey), funding is provided to expand the duties of the Department of Natural Resource's state geological survey.

Funding Supplemental Fire Suppression Costs (\$3.7 Million General Fund-State, \$2.6 million General Fund-Federal)

One-time funding is provided for incurred fire suppression activity and \$1.0 million for anticipated costs during fiscal year 2008, in excess of the Department of Natural Resources existing fire suppression appropriation of approximately \$18.0 million per year.

PUGET SOUND PARTNERSHIP

Puget Sound Partnership's Action Agenda Development (\$1.2 Million Water Quality Account-State, \$0.8 Million State Toxics Account-State)

Chapter 341, Laws of 2007 (Puget Sound Partnership) established the Puget Sound Partnership (Partnership) to lead efforts to protect and restore the Puget Sound. The Partnership is directed to create a long-term action agenda by September 1, 2008, that identifies and prioritizes actions for restoring Puget Sound by 2020. Funding is also provided for the Partnership to engage in consultation with government, public and stakeholder involvement, and scientific review of proposed actions. To the extent funding allows, the Partnership shall also pursue increased levels of stakeholder and public engagement.

GENERAL GOVERNMENT AND OTHER

FLOOD & DISASTER RESPONSE/PREPAREDNESS

Flood Response Funding (\$31.2 million General Fund-Federal, \$10.3 Disaster Response-State)

In response to the December 2007 storms and floods, a total of \$41.5 million federal and state funds is provided to the Military Department for recovery and rebuilding in the affected areas of Chehalis and Centralia.

Small Business Assistance (\$2.0 million Economic Development and Strategic Reserve Account)

Funding is provided to the Office of the Governor to assist small businesses in the Chehalis/Centralia area that were affected by the December 2007 storms and flooding.

Federal Funding Grants for Emergency Management Planning, Interoperable Communications and Pre-Disaster Mitigation (\$21.5 million General Fund-Federal)

The Military Department receives funding from the federal government to distribute grants for emergency management planning, interoperable communications and pre-disaster mitigation planning. Projects include public education planning, critical infrastructure planning, supporting statewide communications infrastructure, and mitigation planning for areas throughout the state.

DEPARTMENT OF REVENUE

Property Tax Deferral (\$5.8 million General Fund-State)

Substitute Senate Bill 6178 (Property tax deferral) provides a 50 percent property tax deferral for households with incomes of \$57,000 or less. Funds are provided to offset shortages experienced by counties as a result of this legislation.

Earned Income Tax Credit (\$250,000 General Fund-State)

Substitute House Bill 3234 (Earned income tax credit) requires the Department of Revenue to perform a study reviewing potential revenue sources for, and the fiscal cost of, a sales tax remittance program for low income workers.

DEPARTMENT OF VETERANS AFFAIRS

Veterans Conservation Corps (\$250,000 General Fund-State)

Funding is provided to the Veterans Conservation Corps for a 25-slot expansion. The Veterans Conservation Corps provides veterans with volunteer opportunities on projects that help protect and restore Washington's wildlife habitat and foster opportunities for specialized education and employment.

Services for Returning Veterans (\$291,000 General Fund-Private/Local, General Fund-State, General Fund-Federal)

A growing number of soldiers are returning from conflicts in Afghanistan and Iraq. Funding is provided for the Department of Veterans Affairs to work on-site at Fort Lewis and Madigan Hospital to link an estimated 3,360 soldiers with benefits. In addition, a county-funded Incarcerated Veterans Program will work with approximately 1,500 more veterans in King County and Pierce County jails to decrease recidivism for non-violent offenders. Funding from increased federal grants is included to expand programs helping homeless veterans return to employment and stable residences. Additional counselors will be recruited to provide therapy for veterans dealing with post-traumatic stress as they return to civilian life.

OTHER

Transitional Housing Assistance (\$3.5 million General Fund-State)

Funding is provided to the Department of Community, Trade and Economic Development for the Transitional Housing, Operating and Rent (THOR) program. This program assists homeless families with case management services to help them successfully transition to permanent housing. Within the amount provided, grants must be used for: rental assistance and eligible moving expenses, case management, operating expenses of housing facilities, and administrative costs of organizations. Thirty non-profit agencies, local governments, and housing authorities provide THOR assistance to homeless families with children in 34 counties.

Expanding Financial Literacy through Education and Counseling (\$1.5 million General Fund-State)

Senate Bill 6272 (Financial literacy) provides funding for education and outreach to Washington citizens in order to increase the public's knowledge and understanding of saving, investing, budgeting, and other skills necessary to obtain individual financial independence, fiscal responsibility, and financial management skills. In addition, counseling, marketing, and outreach programs regarding residential mortgage transactions, nontraditional or subprime mortgages, predatory lending practices, or other financial products or practices in the marketplace relating to homeownership are also included in the bill.

Human Remains (\$500,000 General Fund-State, Skeletal Human Remains Assistance Account)

Funding is provided to implement the provisions of Engrossed Second Substitute House Bill 2624 (Human remains). The bill establishes statutory guidelines and procedures for the inadvertent discovery of skeletal human remains, and requires the Department of Archaeology and Historic Preservation (DAHP) to develop and maintain a centralized database of all known cemeteries and known sites of burials of human remains in Washington. Additionally, the position of the State Physical Anthropologist is created in the DAHP to assist local governments in making determinations on the status of skeletal human remains; and to provide excavation services to private landowners, as well as removal and reinterment when necessary.

Washington Talking Book and Braille Library (\$341,000 General Fund-State)

The Washington Talking Book and Braille Library (WTBBL) serves 13,000 patrons annually, offering library services to Washington citizens with vision limitations and reading disabilities. The Seattle Public Library has been operating the WTBBL since 1931. The Washington State Library will assume responsibility for its operation on July 1, 2008. The Seattle Public Library employees who staff the WTBBL will become state employees. This ongoing funding will allow the WTBBL to continue all current services.

Port District Contracting (\$110,000 Legal Services Revolving Fund-State, \$25,000 Municipal Research Council)

Second Substitute House Bill 3274 (Port district contracting), clarifies the applicability of public works competitive contracting provisions to public port districts. The bill requires that a port district commission establish conditions under which competitive bid requirements may be waived. In addition, the bill creates a personal services competitive solicitation chapter for public port districts to cover consultant services and other personal services that must be procured by port districts. The bill also provides accountability requirements for public port district contracting.

Maritime National Heritage (\$150,000 General Fund-State)

One-time funding is provided to begin the application process for a Maritime Heritage Area Designation from the federal government. The proposed Maritime Heritage Area would include Puget Sound, the Strait of Juan de Fuca and the outer coast. With this designation, the area will become eligible for up to \$900,000 annually in federal grants to develop and promote the region as a tourist destination.

KCTS V-me Spanish Television and Internet Programming (\$250,000 General Fund-State)

Funding is provided in Department of Community, Trade and Economic Development for KCTS Public Television Seattle for its V-me Spanish language television and Internet programming. This funding is in addition to an appropriation of \$350,000 during the 2007 legislative session and is intended to expand the service from Western and Central Washington to the Tri-Cities, Walla Walla, Pullman and Spokane areas.

Underground Construction Industry (\$1.7 million Accident Account-State, Medical Aid Account-State, General Fund-State)

Second Substitute House Bill 3121 (Construction industry) provides a civil penalty for persons who falsify information on a contractor registration application. Additionally, it creates a public works contracting "strike" for certain contractor registration and industrial insurance violations and provides for a one-year bar from bidding on public works contracts for repeat violations. The Department of Labor and Industries is provided funding for additional contractor compliance staff and auditors, and for a social marketing campaign aimed at consumers regarding the hiring of unregistered contractors.

Pacific Science Center "Lucy" Exhibit (\$400,000 General Fund-State)

Funding is provided for an exhibit called "Lucy's Legacy: The Hidden Treasures of Ethiopia." The exhibit features the 3.18 million-year-old hominid skeleton, "Lucy." The exhibit will also feature over 100 Ethiopian artifacts.

SAVINGS

PEBB State Funding Rate Reduction (\$113.9 million General Fund-State Savings, \$97.5 million Other Funds Savings)

The state employer contribution rate to the Public Employees Benefits Board (PEBB) is reduced from \$732 per month to \$561 per month while the value of the benefit remains unchanged. The PEBB expenditures for the 2007-09 fiscal biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; and (2) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. Funds will be expended from the PEBB reserves, including those reserves accumulated due to lower than budgeted expenditures during the 2005-07 and 2007-09 fiscal biennia, to account for the cost of benefits that are in excess of budgeted revenues. The PEBB will maintain the state-paid 88 percent share of the total weighted average of the employee health care premium and also pay for the cost of dental, life and long-term disability insurance.

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