

Governmental Operations

Secretary of State

A total of \$400,000 of state funds is provided to the Secretary of State for election reform, which will allow an increase in the frequency of review of county election procedures. In addition, \$27 million in federal funds made available to the state under the federal Help America Vote Act (HAVA) will improve state election administration and voter outreach and education.

Office of the Attorney General

Consumer Protection Enhancement

The budget provides \$1.6 million in additional funding to expand the delivery of consumer protection services in the Attorney General's Office. These funds will be used for consumer education and outreach, complaint resolution, and efforts to reduce identity theft and internet fraud.

Department of Community, Trade, and Economic Development

Housing Assistance

The budget provides \$10.4 million from the Homeless Housing Account to implement Chapter 484, Laws of 2005, Partial Veto (E2SHB 2163). Utilizing the \$10 surcharge to document filing, the Department and counties will prepare 10-year plans to reduce homelessness by 50 percent.

The budget also provides \$1.3 million to allow the Department to administer a statewide homeless management information system (HMIS). The HMIS will satisfy the federal HUD McKinney-Vento requirement that recipients of federal funds must create and maintain.

Additionally, \$1.3 million is added to the Washington Housing Trust Account by increasing from 4 percent to 5 percent the administrative cap available for use by the Department for its operation of the Housing Assistance program and the Affordable Housing program, in accordance with Chapter 219, Laws of 2005 (EHB 1074).

Early Childhood Education and Assistance (ECEAP)

ECEAP is a preschool program designed to help low-income and at-risk children and their families. The budget provides \$6.2 million to provide for 282 additional placements and for inflationary vendor rate increases of 4.0 percent on July 1, 2005, and 4.0 percent on July 1, 2006.

Community Assistance

The budget provides \$1.2 million from the Violence Reduction and Drug Enforcement Account to increase the number of grants to community organizations that develop and implement comprehensive strategies to prevent and reduce alcohol, tobacco, and other drug abuse and violence. The Department will also provide statewide training on community organizing and offer follow-up technical assistance to increase a community's capacity to reduce crime through community activities such as block-by-block organizing. The budget also provides \$1 million to Snohomish County for a law enforcement treatment methamphetamine pilot program and to Pierce County for the extension of treatment alternatives and for targeting the identification and prosecution of perpetrators of methamphetamine-related crimes.

The Small Communities Initiative is a collaboration between the Washington State Departments of Health, Ecology, and Community, Trade, and Economic Development that provides intensive technical assistance to very small, rural communities struggling with economic viability and compliance with health and environmental regulations due to failing water or wastewater systems. The budget provides \$240,000 from the Public Works

Assistance Account in enhancement funding to add one additional staff person to work with and assist such communities.

Additional assistance to communities provided in the budget includes: \$1 million in enhancement funding to complement federal funding to assist community action agencies; \$1.5 million in one-time funding for food banks to obtain and distribute nutritious food and to purchase equipment to transport and store perishable products; and \$1 million to fund the Individual Development Account to implement Chapter 402, Laws of 2005 (SHB 1408).

Mobile Home Ombudsman

Pursuant to Chapter 429, Laws of 2005 (ESHB1640), the budget provides \$500,000 from the newly-created Mobile Home Investigations Account to implement a process for resolving disputes between mobile home owners and tenants.

Other Enhancements

The budget provides funding to various entities: America's Freedom Salute (\$50,000); Cascade Dialogue (\$150,000); Safe Neighborhoods (\$50,000); NW Food Processors Association (\$50,000); Long-Term Care Ombudsman (\$108,000); Center for Advanced Manufacturing (\$215,000); domestic violence (\$340,000); HistoryLink (\$150,000); Women's Hearth (\$50,000); Small Business Incubator (\$470,000); Farm Innovation Incubator (\$300,000); Center for Water & Environment (\$575,000); and Pierce County Youth Assessment Center (\$150,000).

Byrne Grant Reductions

The budget recognizes that the federal fiscal year 2005 enacted budget combined and reduced two existing grants used to prevent violence and substance abuse, the Byrne Grant and the Local Law Enforcement Block Grant (LLEBG), into a new grant known as the Justice Assistance Grant. While the LLEBG portion is unaffected, the level of funding for Byrne Grant programs is cut by over 50 percent, resulting in \$8.6 million in savings. Remaining federal funding is distributed according to the recommendations of the Department of Community, Trade, and Economic Development and the Governor. In addition, the budget uses state funds to replace funding for domestic violence legal advocacy.

Office of Financial Management

A total of \$600,000 is appropriated for the Government Management and Accountability Program. The Office of the Governor and the Office of Financial Management (OFM) will provide guidance to agencies, oversight of the process, and will review performance of all agencies.

The budget also provides \$150,000 for Base Realignment and Closure Assistance. OFM will provide grants to counties where a military base is at risk of being identified for closure as a result of the federal base realignment and closure process. Eligible counties may include Island, Kitsap, Pierce, Snohomish, and Spokane.

Washington State Military Department

The budget provides \$127.6 million in federal funding for Homeland Security funding based on recommendations from the Domestic Security Executive Group, the Committee on Homeland Security, and the federal government. Federal rules require that a minimum of 80 percent of these awards be passed through to local jurisdictions. The remaining 20 percent will be spent by state agencies on activities that support the Washington State Homeland Security Strategic Plan.

A total of \$900,000 from the Disaster Response Account will be provided as one-time funding to the Cowlitz County 911 Communications Center for the purpose of purchasing interoperable radio communication technology for emergency communications in the Mt. St. Helens area.

Department of Archaeology and Historic Preservation

The budget appropriates \$13,000 to implement Chapter 333, Laws of 2005 (2SSB 5056), which establishes the Office of Archaeology and Historic Preservation as a separate department of state government.

Other

A total of \$150,000 is appropriated for start-up funding to implement the Life Sciences Discovery Fund Authority, which will provide grants for life sciences research, using a portion of the state's tobacco settlements funds.

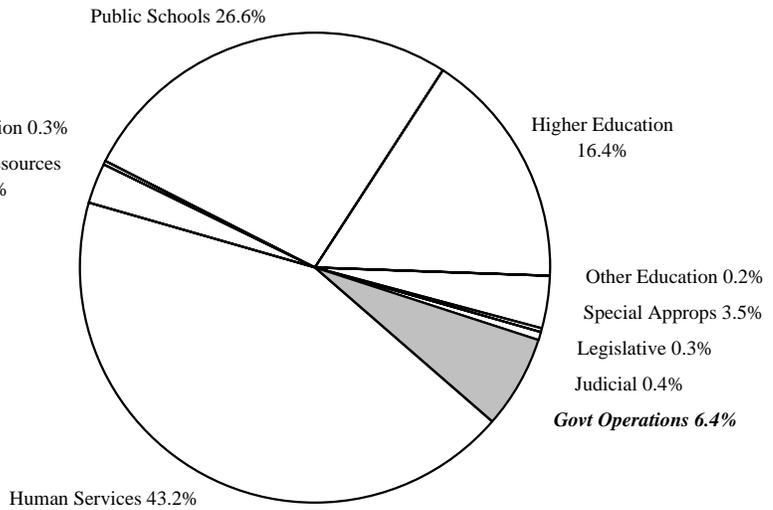
Additionally, the budget assumes increased efficiency and accountability by reducing middle management positions and implementing strategic purchasing initiatives based on lessons learned from the private sector, for a total savings of \$42.3 million.

2005-07 Washington State Operating Budget

Total Budgeted Funds

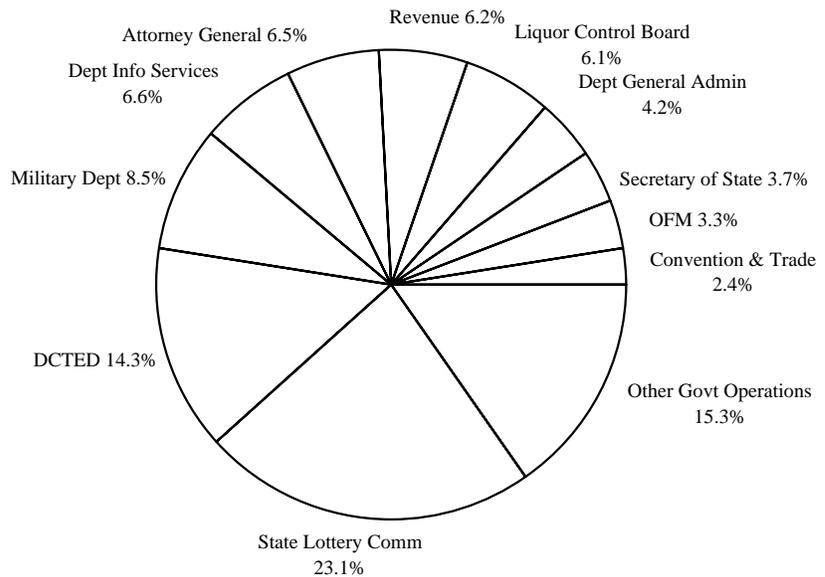
(Dollars in Thousands)

| | |
|--------------------------------|-------------------|
| Legislative | 148,103 |
| Judicial | 205,183 |
| Governmental Operations | 3,188,651 |
| Human Services | 21,370,163 |
| Natural Resources | 1,296,763 |
| Transportation | 145,790 |
| Public Schools | 13,147,661 |
| Higher Education | 8,105,412 |
| Other Education | 105,940 |
| Special Appropriations | 1,736,187 |
| Statewide Total | 49,449,853 |



Washington State

| | |
|--------------------------------|------------------|
| Lottery Commission | 735,244 |
| Comm/Trade/Econ Dev | 455,910 |
| Military Department | 270,001 |
| Dept Information Services | 210,065 |
| Attorney General | 205,976 |
| Dept of Revenue | 197,487 |
| Liquor Control Board | 193,548 |
| Dept General Administration | 132,990 |
| Secretary of State | 117,285 |
| Office of Financial Mgmt | 105,616 |
| Convention & Trade Center | 76,982 |
| Other Govt Operations | 487,547 |
| Governmental Operations | 3,188,651 |



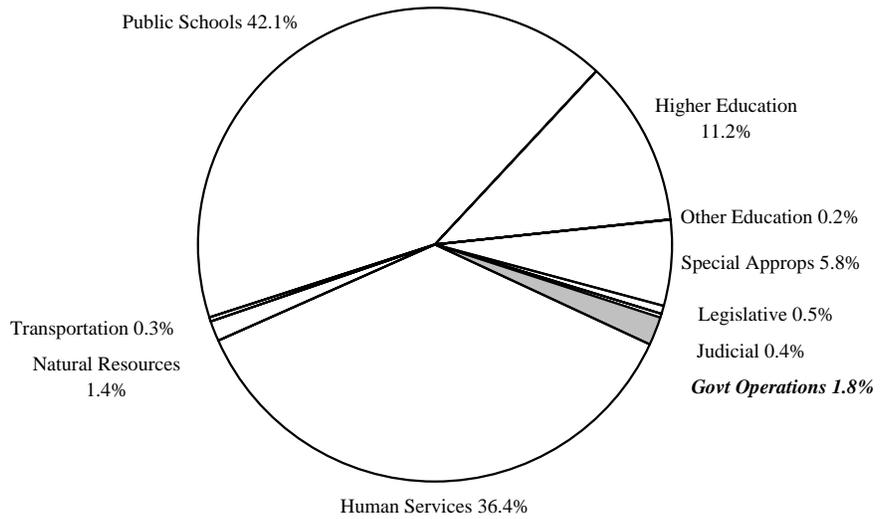
Governmental Operations

2005-07 Washington State Operating Budget

General Fund-State

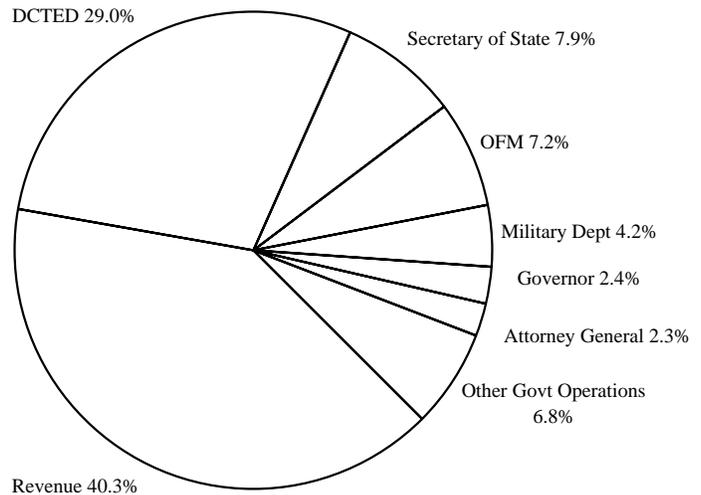
(Dollars in Thousands)

| | |
|--------------------------------|-------------------|
| Legislative | 140,970 |
| Judicial | 95,869 |
| Governmental Operations | 460,076 |
| Human Services | 9,458,768 |
| Natural Resources | 366,902 |
| Transportation | 70,464 |
| Public Schools | 10,914,763 |
| Higher Education | 2,900,607 |
| Other Education | 43,974 |
| Special Appropriations | 1,500,021 |
| Statewide Total | 25,952,414 |



Washington State

| | |
|--------------------------------|----------------|
| Dept of Revenue | 185,448 |
| Comm/Trade/Econ Dev | 133,319 |
| Secretary of State | 36,425 |
| Office of Financial Mgmt | 33,043 |
| Military Department | 19,446 |
| Office of the Governor | 10,879 |
| Attorney General | 10,379 |
| Other Govt Operations | 31,137 |
| Governmental Operations | 460,076 |



Governmental Operations

Office of the Governor

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|---------------|--------------|---------------|
| 2003-05 Expenditure Authority | 7,784 | 4,994 | 12,778 |
| 2005 Supplemental * | 172 | 0 | 172 |
| Total 2003-05 Biennium | 7,956 | 4,994 | 12,950 |
| 2005-07 Maintenance Level | 9,571 | 5,197 | 14,768 |
| Policy Changes | | | |
| 1. Ombudsman System Specialist | 68 | 0 | 68 |
| 2. Public Involvement and Education | 0 | 100 | 100 |
| 3. Hood Canal Corrective Action | 400 | 200 | 600 |
| 4. Middle Management Reduction | 0 | -32 | -32 |
| 5. COLA-Non-Represented | 212 | 105 | 317 |
| 6. Non-Represented Health Benefit Chg | 62 | 37 | 99 |
| 7. PSWQ Expenditures | 0 | 26 | 26 |
| 8. General Inflation | -33 | -13 | -46 |
| 9. Early Learning Council (E2SHB 1152) | 350 | 0 | 350 |
| 10. Hood Canal Program (ESHB 2097) | 200 | 0 | 200 |
| 11. Pension Rate for Gain Sharing | -34 | -16 | -50 |
| 12. Suspend Unfunded Liability Contribs | -117 | -56 | -173 |
| 13. Oil Spill Advisory Council | 0 | 508 | 508 |
| 14. Salmon Recovery Office | 0 | 0 | 0 |
| 15. Ocean Policy Review Commission | 200 | 0 | 200 |
| Total 2005-07 Biennium | 10,879 | 6,056 | 16,935 |
| Fiscal Year 2006 Total | 5,600 | 3,169 | 8,769 |
| Fiscal Year 2007 Total | 5,279 | 2,887 | 8,166 |

Comments:

- Ombudsman System Specialist** - The Office of the Family and Children's Ombudsman is provided funding for a half-time position that will provide technical assistance, data entry, and information management regarding complaint investigations as well as systemic investigations initiated by the ombudsman.
- Public Involvement and Education** - The Puget Sound Water Quality Action Team's public involvement and education funding is increased. (Water Quality Account-State)
- Hood Canal Corrective Action** - The Puget Sound Water Quality (PSWQ) Action Team will take corrective action for Hood Canal, including removing salmon carcasses out of the area and implementing alternative septic technology. (General Fund-State, General Fund-Federal)
- Middle Management Reduction** - Middle management positions are reduced.
- COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, General Fund-Federal, Water Quality Account-State)
- Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, Water Quality Account-State)
- PSWQ Expenditures** - Staffing of the Ballast Water Work Group is transferred from the Department of Fish and Wildlife to the PSWQ Action Team. The work group is directed to prepare a report on all issues related to the implementation of the state ballast water program for the Legislature by December 15, 2006. (Water Quality Account-State)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Early Learning Council (E2SHB 1152)** - Funds are provided for the operation of the Early Learning Council, created by Chapter 490, Laws of 2005 (E2SHB 1152).
- Hood Canal Program (ESHB 2097)** - Funding is provided to implement Chapter 479, Laws of 2005 (ESHB 2097, establishing a management program for Hood Canal rehabilitation). The bill designates PSWQ Action Team as the state lead agency for the Hood Canal rehabilitation program and the Hood Canal Coordinating Council as the local management board for the program.
- Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB

Office of the Governor

1044). (General Fund-State, General Fund-Federal, Water Quality Account-State)

12. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, Water Quality Account-State)
13. **Oil Spill Advisory Council** - Funding is provided for implementation of Chapter 304, Laws of 2005 (ESSB 5432), creating the Oil Spill Advisory Council. (Oil Spill Prevention Account)
14. **Salmon Recovery Office** - A portion of the funding for the Office of Salmon Recovery is shifted from the second year of the biennium to the first year to equalize the funding between the fiscal years.
15. **Ocean Policy Review Commission** - One-time funding is provided to review and recommend policies to more effectively manage and protect the state's coastal and ocean resources.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Office of the Lieutenant Governor

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| 2003-05 Expenditure Authority | 1,098 | 0 | 1,098 |
| 2005-07 Maintenance Level | 1,202 | 0 | 1,202 |
| Policy Changes | | | |
| 1. Legislative and Community Liaison | 300 | 0 | 300 |
| 2. COLA-Non-Represented | 27 | 3 | 30 |
| 3. Non-Represented Health Benefit Chg | 10 | 0 | 10 |
| 4. General Inflation | -2 | 0 | -2 |
| 5. Pension Rate for Gain Sharing | -4 | 0 | -4 |
| 6. Suspend Unfunded Liability Contribs | -15 | -2 | -17 |
| Total 2005-07 Biennium | 1,518 | 1 | 1,519 |
| Fiscal Year 2006 Total | 752 | 0 | 752 |
| Fiscal Year 2007 Total | 766 | 1 | 767 |

Comments:

1. **Legislative and Community Liaison** - Additional funding is provided for a Legislative and Community Liaison position, as well as administrative support.
2. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, General Fund-Private/Local)
3. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)
6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Private/Local)

Public Disclosure Commission

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| 2003-05 Expenditure Authority | 3,561 | 0 | 3,561 |
| 2005-07 Maintenance Level | 3,912 | 0 | 3,912 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 90 | 0 | 90 |
| 2. Non-Represented Health Benefit Chg | 33 | 0 | 33 |
| 3. Salary Survey-Non-Rep Staff | 36 | 0 | 36 |
| 4. General Inflation | -9 | 0 | -9 |
| 5. Pension Rate for Gain Sharing | -14 | 0 | -14 |
| 6. Suspend Unfunded Liability Contribs | -50 | 0 | -50 |
| Total 2005-07 Biennium | 3,998 | 0 | 3,998 |
| Fiscal Year 2006 Total | 1,989 | 0 | 1,989 |
| Fiscal Year 2007 Total | 2,009 | 0 | 2,009 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)
2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)
3. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)
6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

Office of the Secretary of State

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|---------------|---------------|----------------|
| 2003-05 Expenditure Authority | 41,428 | 66,423 | 107,851 |
| 2005 Supplemental * | 1,854 | 46 | 1,900 |
| Total 2003-05 Biennium | 43,282 | 66,469 | 109,751 |
| 2005-07 Maintenance Level | 35,704 | 49,959 | 85,663 |
| Policy Changes | | | |
| 1. Middle Management Reduction | -244 | -235 | -479 |
| 2. WFSE COLA/Salary Survey | 0 | 147 | 147 |
| 3. Super Coalition Health Benefits | 0 | 129 | 129 |
| 4. Classification Revisions | 22 | 1 | 23 |
| 5. COLA-Non-Represented | 583 | 206 | 789 |
| 6. Non-Represented Health Benefit Chg | 238 | 343 | 581 |
| 7. Salary Survey-Non-Rep Staff | 343 | 36 | 379 |
| 8. General Inflation | -340 | -101 | -441 |
| 9. Digital Archive Technology | 0 | 1,343 | 1,343 |
| 10. Grants to Local Government Agencies | 0 | 300 | 300 |
| 11. Security Microfilm Project - Local | 0 | 740 | 740 |
| 12. Realignment of Funding Splits | 0 | 0 | 0 |
| 13. Help America Vote Act-HAVA Funding | 0 | 27,000 | 27,000 |
| 14. Records Management Training | 0 | 89 | 89 |
| 15. Archives Processing & Operations | 0 | 1,012 | 1,012 |
| 16. Pass Through Adjustment for TVW | 161 | 0 | 161 |
| 17. Pension Rate for Gain Sharing | -94 | -52 | -146 |
| 18. State Library Grant | 0 | 125 | 125 |
| 19. Suspend Unfunded Liability Contribs | -317 | -182 | -499 |
| 20. County Election Reviews | 369 | 0 | 369 |
| Total 2005-07 Biennium | 36,425 | 80,860 | 117,285 |
| Fiscal Year 2006 Total | 19,102 | 64,326 | 83,428 |
| Fiscal Year 2007 Total | 17,323 | 16,534 | 33,857 |

Comments:

- Middle Management Reduction** - Middle management positions are reduced. comments for "State Employee Compensation." (General Fund-State, Local Government Archives Account-State)
- WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Archives and Records Management Account-State, Local Government Archives Account-State, Imaging Account-Non-Appropriated)
- Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Archives and Records Management Account-State, Local Government Archives Account-State, Imaging Account-Non-Appropriated)
- Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general
- COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)
- Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
- Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, General Fund-Federal, various other funds)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Office of the Secretary of State

9. **Digital Archive Technology** - The Digital Archives was designed with scalable enterprise architecture, capable of being expanded based upon the number of local governments and state agencies connected to its infrastructure. In the 2005-07 biennium, additional hardware, software, maintenance agreements, and content management purchased services will be procured so that more local government and state agency digital documents may be stored by the Digital Archives. (Archives and Records Management Account-State, Local Government Archives Account-State)
10. **Grants to Local Government Agencies** - The State Archivist, in partnership with the Archives Oversight Committee, administers the Local Government Grant program that provides \$200,000 in funding for local government records management programs and projects. In the 2005-07 biennium, this funding will be increased to \$500,000. The added \$300,000 in funding will allow an additional 25 local grant projects, for a total of 47 projects. Enhancing the grants program will allow additional local agencies to implement effective records management programs, records inventory and retention scheduling projects, essential records protection plans, disaster preparedness plans, records technology upgrade plans, and to replace or recover damaged records, making public records readily available. (Local Government Archives Account-State)
11. **Security Microfilm Project - Local** - During the 2005-07 biennium, the next phase of the local government security microfilm project will occur. This phase includes inspection, data entry of inspection results, reparation of silver duplicate microfilm, and ongoing funding for copying and brown-toning of incoming film. (Local Government Archives Account-State)
12. **Realignment of Funding Splits** - The funding sources for the five regional archive branches and security microfilm are realigned to more accurately reflect the proportion of local and state activities in these programs. (Archives and Records Management Account-State, Local Government Archives Account-State)
13. **Help America Vote Act-HAVA Funding** - The Secretary of State has received \$47 million in federal Help America Vote Act (HAVA) funds to spend in the 2005-07 biennium (\$20 million carried forward from the 2003-05 biennium and \$27 million in new federal funds). The \$27 million in new Title II HAVA federal funds are added to assist the state and counties in complying with HAVA requirements. The state has already received \$13 million in Title I funds to replace punch card voting machines and the development of a statewide voter registration database. The spending plan includes the following activities: developing a local government grant program, completing the development of a statewide voter registration database, implementing and maintaining this new database, and certifying electronic voting equipment. (Elections Account-Federal)
14. **Records Management Training** - The State Archivist provides assistance and training to state and local government agencies on a variety of records management topics. These include basic records management, disaster preparedness and recovery, essential records protection, conservation and preservation, microfilming and imaging standards, electronic records management, and state archives' services. A local government records management trainer will be hired to identify and prioritize needed training; develop new curricula, training plans, and web-based training modules; conduct training; and monitor progress toward meeting local government and Archives/Records Management Division goals. (Local Government Archives Account-State)
15. **Archives Processing & Operations** - Beginning in the 2005-07 biennium and continuing for the next several biennia, the State Archives and the five regional archives will undertake a project to repackage and reorganize a significant portion of their current archival collections to ensure the collections' long-term preservation. The collections will also be reorganized for enhanced use by citizens and researchers. Six staff will be added - one at the State Archives and one at each of the five regional archives to conduct the reorganization and description of 13,500 cubic feet of collections in order to make them available for researchers. Temporary project staff will process collections that require repackaging. (Archives and Records Management Account-State, Local Government Archives Account-State)
16. **Pass Through Adjustment for TVW** - The funding level for Public Affairs Broadcasting is adjusted to reflect changes in the implicit price deflator.
17. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, General Fund-Federal, various other funds)
18. **State Library Grant** - The Bill and Melinda Gates Foundation Grant is provided to support public access computing sustainability efforts in public libraries. (General Fund-Local)
19. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, various other funds)
20. **County Election Reviews** - Funding is provided for the Secretary of State to increase the frequency of county election reviews, as provided in Chapter 240, Laws of 2005 (HB 1749).

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Governor's Office of Indian Affairs

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|------------|----------|------------|
| 2003-05 Expenditure Authority | 467 | 0 | 467 |
| 2005 Supplemental * | 11 | 0 | 11 |
| Total 2003-05 Biennium | 478 | 0 | 478 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 485 | 0 | 485 |
| Policy Changes | | | |
| 1. Office Relocation | 54 | 0 | 54 |
| 2. COLA-Non-Represented | 10 | 0 | 10 |
| 3. Non-Represented Health Benefit Chg | 4 | 0 | 4 |
| 4. General Inflation | -2 | 0 | -2 |
| 5. Pension Rate for Gain Sharing | -2 | 0 | -2 |
| 6. Suspend Unfunded Liability Contribs | -5 | 0 | -5 |
| 7. Workload Adjustment | 22 | 0 | 22 |
| <hr/> | | | |
| Total 2005-07 Biennium | 566 | 0 | 566 |
| Fiscal Year 2006 Total | 277 | 0 | 277 |
| Fiscal Year 2007 Total | 289 | 0 | 289 |

Comments:

1. **Office Relocation** - Funding is provided for the Governor's Office of Indian Affairs (GOIA) to relocate to the General Administration (GA) Building. The relocation includes access to GA support services, including the motor pool, conference room facilities, and information technology support.
2. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)
3. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)
6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is

provided in the general comments for "State Employee Compensation." (General Fund-State)

7. **Workload Adjustment** - GOIA is experiencing increased demand from the public to serve as a liaison between tribal communities and agencies within state government. Funding is provided to increase the deputy director position to full-time and provide additional travel funding for GOIA to meet these needs.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|------------|----------|------------|
| 2003-05 Expenditure Authority | 388 | 0 | 388 |
| 2005-07 Maintenance Level | 454 | 0 | 454 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 8 | 0 | 8 |
| 2. Non-Represented Health Benefit Chg | 3 | 0 | 3 |
| 3. General Inflation | -2 | 0 | -2 |
| 4. Pension Rate for Gain Sharing | -2 | 0 | -2 |
| 5. Suspend Unfunded Liability Contribs | -5 | 0 | -5 |
| 6. Workload Adjustment | 17 | 0 | 17 |
| Total 2005-07 Biennium | 473 | 0 | 473 |
| Fiscal Year 2006 Total | 235 | 0 | 235 |
| Fiscal Year 2007 Total | 238 | 0 | 238 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State) to full-time and provide additional funding for the Commission to meet these needs.

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

6. **Workload Adjustment** - The Commission on Asian-Pacific-American Affairs is experiencing increased demand from the public to serve as a liaison between Asian-Pacific-Americans in Washington State and agencies within state government. Funding is provided to increase the executive assistant position

Office of the State Treasurer

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|--|-------------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 13,463 | 13,463 |
| 2005-07 Maintenance Level | 0 | 13,865 | 13,865 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -112 | -112 |
| 2. Classification Revisions | 0 | 3 | 3 |
| 3. COLA-Non-Represented | 0 | 333 | 333 |
| 4. Non-Represented Health Benefit Chg | 0 | 96 | 96 |
| 5. Salary Survey-Non-Rep Staff | 0 | 208 | 208 |
| 6. General Inflation | 0 | -31 | -31 |
| 7. Pension Rate for Gain Sharing | 0 | -56 | -56 |
| 8. Suspend Unfunded Liability Contribs | 0 | -182 | -182 |
| Total 2005-07 Biennium | 0 | 14,124 | 14,124 |
| Fiscal Year 2006 Total | 0 | 7,043 | 7,043 |
| Fiscal Year 2007 Total | 0 | 7,081 | 7,081 |

Comments:

1. **Middle Management Reduction** - Middle management positions are reduced.
2. **Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (State Treasurer's Service Account-State)
3. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (State Treasurer's Service Account-State)
4. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (State Treasurer's Service Account-State)
5. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (State Treasurer's Service Account-State)
6. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
7. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (State Treasurer's Service Account-State)
8. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (State Treasurer's Service Account-State)

Office of the State Auditor

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|---------------|---------------|
| 2003-05 Expenditure Authority | 1,503 | 43,730 | 45,233 |
| 2005-07 Maintenance Level | 1,478 | 45,731 | 47,209 |
| Policy Changes | | | |
| 1. Middle Management Reduction | -12 | -323 | -335 |
| 2. COLA-Non-Represented | 38 | 1,223 | 1,261 |
| 3. Non-Represented Health Benefit Chg | 10 | 111 | 121 |
| 4. Salary Survey-Non-Rep Staff | 0 | 118 | 118 |
| 5. General Inflation | -2 | -84 | -86 |
| 6. Government Performance (ESHB 1064) | 2,825 | 2 | 2,827 |
| 7. Pension Rate for Gain Sharing | -6 | -198 | -204 |
| 8. Suspend Unfunded Liability Contribs | -22 | -663 | -685 |
| 9. Special Education Study | 16 | 0 | 16 |
| Total 2005-07 Biennium | 4,325 | 45,917 | 50,242 |
| Fiscal Year 2006 Total | 1,884 | 22,842 | 24,726 |
| Fiscal Year 2007 Total | 2,441 | 23,075 | 25,516 |

Comments:

1. **Middle Management Reduction** - Middle management positions are reduced. 1044). (General Fund-State, Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)
2. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)
3. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Auditing Services Revolving Account-State)
4. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)
5. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. **Government Performance (ESHB 1064)** - Funding is provided for the implementation of Chapter 385, Laws of 2005, Partial Veto (ESHB 1064).
7. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB
8. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)
9. **Special Education Study** - In conjunction with the Joint Legislative Audit and Review Committee (JLARC), the State Auditor's Office will review special education excess cost accounting methodology and expenditure reporting requirements. The review will include an examination of whether school districts are appropriately implementing the excess cost accounting methodology; consistently charging special education expenses to the special education and basic education programs; appropriately determining the percentage of expenditures that should be charged to the special education and basic education programs; and appropriately and consistently reporting special education expenditures. The results of this review will be included in JLARC's report issued in January 2006.

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

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|---------------------------------------|-------------|--------------|--------------|
| 2003-05 Expenditure Authority | 304 | 0 | 304 |
| 2005-07 Maintenance Level | 335 | 0 | 335 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 5 | 0 | 5 |
| 2. Non-Represented Health Benefit Chg | 3 | 0 | 3 |
| Total 2005-07 Biennium | 343 | 0 | 343 |
| Fiscal Year 2006 Total | 137 | 0 | 137 |
| Fiscal Year 2007 Total | 206 | 0 | 206 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)
2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

Office of the Attorney General

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|---------------|----------------|----------------|
| 2003-05 Expenditure Authority | 8,511 | 175,633 | 184,144 |
| 2005 Supplemental * | 352 | 4,122 | 4,474 |
| Total 2003-05 Biennium | 8,863 | 179,755 | 188,618 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 8,629 | 186,292 | 194,921 |
| Policy Changes | | | |
| 1. Palermo Well Field | 0 | 100 | 100 |
| 2. Fulfill Forest & Fish Commitments | 0 | 204 | 204 |
| 3. Livestock Nutrient Program | 0 | 100 | 100 |
| 4. Modernize Water Resource Management | 0 | 180 | 180 |
| 5. Implementation of Initiative 297 | 0 | 1,008 | 1,008 |
| 6. Middle Management Reduction | -39 | -485 | -524 |
| 7. Office Relocation in Seattle | 126 | 716 | 842 |
| 8. Estate Recoveries | 0 | 600 | 600 |
| 9. COLA-Non-Represented | 186 | 4,779 | 4,965 |
| 10. Non-Represented Health Benefit Chg | 68 | 1,481 | 1,549 |
| 11. Salary Survey-Non-Rep Staff | 2 | 500 | 502 |
| 12. General Inflation | -28 | -647 | -675 |
| 13. DSHS Litigation Costs | 0 | 1,950 | 1,950 |
| 14. Property and Estate Taxes | 0 | 391 | 391 |
| 15. Public Counsel Legal Services | 0 | 80 | 80 |
| 16. Office Consolidation in Tumwater | 0 | 1,418 | 1,418 |
| 17. Executive Ethics Board | 0 | 203 | 203 |
| 18. Pension Rate for Gain Sharing | -30 | -768 | -798 |
| 19. Suspend Unfunded Liability Contribs | -101 | -2,605 | -2,706 |
| 20. Consumer Protection Expansion | 1,566 | 0 | 1,566 |
| 21. OSPI Special Ed Lawsuit | 0 | 100 | 100 |
| <hr/> | | | |
| Total 2005-07 Biennium | 10,379 | 195,597 | 205,976 |
| Fiscal Year 2006 Total | 5,223 | 97,907 | 103,130 |
| Fiscal Year 2007 Total | 5,156 | 97,690 | 102,846 |

Comments:

1. **Palermo Well Field** - Funding is provided for legal and technical services in preparation of legal actions by the Environmental Protection Agency involving the Department of Transportation's share of costs to mitigate and clean up solvents that leached into the city of Tumwater's water supply at the Palermo well field. (Legal Services Revolving Account-State)
3. **Livestock Nutrient Program** - Legislation enacted in 2003 transferred the state's livestock nutrient management program from the Department of Ecology (DOE) to the Department of Agriculture. Attorney General (AG) costs have been higher than anticipated at the time of the transfer. Funding is provided to cover these additional legal costs. (Legal Services Revolving Account-State)
2. **Fulfill Forest & Fish Commitments** - In 1999, the Legislature adopted the Forests and Fish Report, a science-based plan for protecting water quality and fish habitat in non-federal forestland in Washington State. Since that time, the Department of Natural Resources (DNR) has been developing a habitat conservation plan (HCP) in order to obtain federal assurances under the Endangered Species Act (ESA) that the state's regulatory approach to forest practices meets all ESA and Clean Water Act requirements. Without such assurances, individual landowners would need to work with federal agencies on a case-by-case basis to ensure compliance. In addition to other DNR activities, legal resources will be dedicated to overseeing implementation of the HCP and defending it against anticipated legal challenges. (Legal Services Revolving Account-State)
4. **Modernize Water Resource Management** - Effective water resources management requires compliance with laws and efficient use of water to stretch existing water supplies. DOE lacks sufficient capacity in these areas to effectively implement emerging local watershed planning recommendations and requests. Four water masters will work toward compliance in high priority watersheds as requested by planning units, and two metering staff will work toward compliance with a recent court decision that requires the agency to enforce existing water metering laws. (Legal Services Revolving Account-State)
5. **Implementation of Initiative 297** - The Cleanup Priority Act (Initiative 297) was enacted by the voters in November 2004. This act impacts waste disposal and cleanup efforts at the Hanford Nuclear Reservation. It requires DOE to order cessation of radioactive waste disposal in unlined trenches;

Office of the Attorney General

- implement additional permitting requirements; establish enhanced public participation; and adopt additional cleanup standards for radioactive waste. Legal counsel is necessary to perform these actions and prepare for potential litigation. (Legal Services Revolving Account-State)
6. **Middle Management Reduction** - Middle management positions are reduced.
 7. **Office Relocation in Seattle** - One-time relocation costs are funded for the April 2006 relocation of the Seattle office of the AG's Office. These one-time costs will be offset by lease savings of \$3.9 million in the 2007-09 biennium and additional savings in subsequent biennia.
 8. **Estate Recoveries** - The Department of Social and Health Services (DSHS) will increase efforts to recover the cost of publicly funded care from the estates of deceased Medicaid recipients. Specific changes anticipated include earlier initiation of probate proceedings, improved notification of a client's death, and the statutory authority to place liens on the property of clients whose condition is such that discharge is not likely. Additional legal services are provided to support these efforts. (Legal Services Revolving Account-State)
 9. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)
 10. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
 11. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, Public Safety & Education Account-State, Legal Services Revolving Account-State)
 12. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
 13. **DSHS Litigation Costs** - DSHS is experiencing increased costs of litigation support for complex, protracted program litigation, including expert witnesses, document management services, and special assistant attorneys general contracts. (Legal Services Revolving Account-State)
 14. **Property and Estate Taxes** - Two utility companies have filed lawsuits challenging the state's property tax valuation procedures. Also, the decoupling of the state's estate tax from the federal estate tax is resulting in numerous disputes regarding state estate tax liability and valuations. These major legal challenges to the Department of Revenue's collections require the provision of additional legal services to protect state revenues. (Legal Services Revolving Account-State)
 15. **Public Counsel Legal Services** - Involvement by the Public Counsel in regulated utility matters before the Washington State Utilities and Transportation Commission will be enhanced by an additional capability for analysis and the testimony of expert witnesses. (Legal Services Revolving Account-State)
 16. **Office Consolidation in Tumwater** - Offices in four different locations in Olympia and Lacey will consolidate into one location in Tumwater. Two of the old buildings currently used would require major repairs, and lease costs in the new building are estimated to be less than in the old buildings. The offices will move in two phases, in December 2005 and December 2006. Tenant improvements and moving expenses are one-time costs. (Legal Services Revolving Account-State)
 17. **Executive Ethics Board** - Additional staff are added to the Executive Ethics Board to eliminate the current backlog and to respond to the increasing numbers of complaints and investigations. (Legal Services Revolving Account-State)
 18. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, General Fund-Federal, various other funds)
 19. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, various other funds)
 20. **Consumer Protection Expansion** - Additional funding is provided to the Consumer Protection Division for consumer education and outreach, complaint resolution and mediation, and litigation. Funding is included for the implementation of Chapter 500, Laws of 2005 (ESHB 1012 - Computer Spyware).
 21. **OSPI Special Ed Lawsuit** - Eleven school districts have filed a lawsuit in Thurston County Superior Court claiming that the state has underfunded special education based on an unconstitutional funding system. This lawsuit will require additional services from the AG's Office, the costs of which will be billed to the Office of the Superintendent of Public Instruction. (Legal Services Revolving Account-State)

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Caseload Forecast Council

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|--------------|----------|--------------|
| 2003-05 Expenditure Authority | 1,340 | 0 | 1,340 |
| 2005-07 Maintenance Level | 1,398 | 0 | 1,398 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 38 | 0 | 38 |
| 2. Non-Represented Health Benefit Chg | 10 | 0 | 10 |
| 3. General Inflation | -2 | 0 | -2 |
| 4. Information Technology Upgrade | 17 | 0 | 17 |
| 5. Pension Rate for Gain Sharing | -6 | 0 | -6 |
| 6. Suspend Unfunded Liability Contribs | -22 | 0 | -22 |
| Total 2005-07 Biennium | 1,433 | 0 | 1,433 |
| Fiscal Year 2006 Total | 719 | 0 | 719 |
| Fiscal Year 2007 Total | 714 | 0 | 714 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Information Technology Upgrade** - Funding is provided for the council to purchase six replacement computers in order to provide the council with current technology and ensure warranty coverage.

5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------------|----------------|----------------|
| 2003-05 Expenditure Authority | 128,371 | 307,241 | 435,612 |
| 2005 Supplemental * | 194 | 675 | 869 |
| Total 2003-05 Biennium | 128,565 | 307,916 | 436,481 |
| 2005-07 Maintenance Level | 127,964 | 307,639 | 435,603 |
| Policy Changes | | | |
| 1. 7E7 Project Coordination Office | -396 | 0 | -396 |
| 2. 2010 Olympics | 0 | 300 | 300 |
| 3. Byrne Grant Reduction | 0 | -8,614 | -8,614 |
| 4. Middle Management Reduction | -399 | -206 | -605 |
| 5. Housing Program Administration | 0 | 900 | 900 |
| 6. Cost Allocation Fund Adjustment | 0 | -58 | -58 |
| 7. WFSE COLA/Salary Survey | 234 | 307 | 541 |
| 8. Super Coalition Health Benefits | 152 | 199 | 351 |
| 9. Classification Revisions | 3 | 4 | 7 |
| 10. COLA-Non-Represented | 564 | 351 | 915 |
| 11. Non-Represented Health Benefit Chg | 189 | 128 | 317 |
| 12. Salary Survey-Non-Rep Staff | 133 | 132 | 265 |
| 13. General Inflation | -127 | -148 | -275 |
| 14. Transfers | 0 | 14,642 | 14,642 |
| 15. America's Freedom Salute | 50 | 0 | 50 |
| 16. Cascade Dialogue | 150 | 0 | 150 |
| 17. Methamphetamine Initiative | 1,000 | 0 | 1,000 |
| 18. Pension Rate for Gain Sharing | -128 | -102 | -230 |
| 19. Homeless Housing Program-E2SHB 2163 | 0 | 10,350 | 10,350 |
| 20. Mobile Home Ombudsman (ESHB 1640) | 0 | 469 | 469 |
| 21. Safe Neighborhoods | 50 | 0 | 50 |
| 22. Suspend Unfunded Liability Contribs | -434 | -348 | -782 |
| 23. Individual Developmt Acct-SHB 1408 | 0 | 1,021 | 1,021 |
| 24. Lead Based Paint | 20 | 0 | 20 |
| 25. Housing Assist Admin Cap Increase | 0 | 1,288 | 1,288 |
| 26. Homeless Data Management | 0 | 1,270 | 1,270 |
| 27. Emergency Food Assistance Program | 1,450 | 0 | 1,450 |
| 28. Community Mobilization | 0 | 1,154 | 1,154 |
| 29. Small Communities Initiative | 0 | 235 | 235 |
| 30. Infrastructure Data System | 0 | 400 | 400 |
| 31. NW Food Processors Assoc | 50 | 0 | 50 |
| 32. Long Term Care Ombudsman | 108 | 0 | 108 |
| 33. Increase ECEAP Placements | 2,994 | 0 | 2,994 |
| 34. Targeted Vendor Rate Increase | 3,198 | 0 | 3,198 |
| 35. Create Archaeology Dept (2SSB 5056) | -1,099 | -1,460 | -2,559 |
| 36. Center for Advanced Manufacturing | 215 | 0 | 215 |
| 37. Archaeology Transf Costs-2SSB 5056 | 13 | 0 | 13 |
| 38. Community Services Block Grant | 1,000 | 0 | 1,000 |
| 39. Job Development Fund Pgm-ESHB 1903 | 0 | 430 | 430 |
| 40. Domestic Violence | 340 | 0 | 340 |
| 41. HistoryLink | 150 | 0 | 150 |
| 42. Women's Hearth | 50 | 0 | 50 |
| 43. Transfer Civil Legal Svc (SHB 1747) | -5,715 | -7,692 | -13,407 |
| 44. Small Business Incubator | 470 | 0 | 470 |
| 45. NW Farm Innovation Incubator | 300 | 0 | 300 |
| 46. Center for Water & Environment | 575 | 0 | 575 |
| 47. Pierce County Youth Assessment Ctr | 150 | 0 | 150 |
| 48. Small Business Assistance-SSB 5902 | 45 | 0 | 45 |
| Total 2005-07 Biennium | 133,319 | 322,591 | 455,910 |
| Fiscal Year 2006 Total | 66,146 | 161,026 | 227,172 |
| Fiscal Year 2007 Total | 67,173 | 161,565 | 228,738 |

Department of Community, Trade, & Economic Development

Comments:

1. **7E7 Project Coordination Office** - The 7E7 Project Office provides coordination services between state agencies, local jurisdictions, and private industries to promote economic development opportunities related to the Boeing 7E7 Dream Liner. By June 30, 2005, coordination issues will be resolved and this office will close.
2. **2010 Olympics** - One-time funding is provided to the Department to support the Governor's 2010 Olympics Task Force. The Task Force will develop and implement a strategic plan capturing the economic opportunities for Washington's communities and businesses. (Tourism Development and Promotion Account-State)
3. **Byrne Grant Reduction** - Congress has combined two federal grants focused on the prevention of violence and substance abuse, the Local Law Enforcement Block Grant and the Byrne Grant. Byrne Grant funding is estimated to be reduced by approximately 40 percent. Remaining funds (approximately \$5.9 million per year) will be used for the highest priority programs that achieve the best results. (General Fund-Federal)
4. **Middle Management Reduction** - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
5. **Housing Program Administration** - Funding is provided to cover housing program current administrative costs. Past appropriations applied to bond proceeds that are not allowed for administration. (Washington Housing Trust Account-State)
6. **Cost Allocation Fund Adjustment** - One-time funding is provided for the Department's new cost allocation model, to be implemented on July 1, 2005. (General Fund-Federal, General Fund-Private/Local, various other funds)
7. **WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
8. **Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
9. **Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
10. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)
11. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
12. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
13. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
14. **Transfers** - The federal Victims of Crimes Act grant award is transferred from the Department of Social and Health Services to the Department of Community, Trade, and Economic Development. The purpose of the transfer is to provide a more integrated and effective approach to developing services to crime victims through local governments and community-based programs. (General Fund-Federal)
15. **America's Freedom Salute** - One-time funding is provided to support safety and security related costs of the America's Freedom Salute event to be held in the Vancouver, Washington area.
16. **Cascade Dialogue** - One-time funding is provided to the Cascade Land Conservancy in FY 2006 to develop and implement a plan for regional conservation within King, Kittitas, Pierce, and Snohomish counties.
17. **Methamphetamine Initiative** - Funding is provided to Snohomish County for a law enforcement and treatment methamphetamine pilot program. Funds are also provided to Pierce County for the extension of treatment alternatives and targeting the identification, arrest, and prosecution of perpetrators of methamphetamine-related crimes.
18. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB

Department of Community, Trade, & Economic Development

- 1044). (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
19. **Homeless Housing Program-E2SHB 2163** - Funding is provided for the Department of Community, Trade, and Economic Development to conduct a homeless census or count pursuant to Chapter 484, Laws of 2005, Partial Veto (E2SHB 2163). (Homeless Housing Account-Non-Appropriated)
 20. **Mobile Home Ombudsman (ESHB 1640)** - Appropriation authority is provided to expand the existing ombudsman service to resolve landlord tenant disputes, pursuant to Chapter 429, Laws of 2005 (ESHB 1640). (Mobile Home Investigations Account-Non-Appropriated)
 21. **Safe Neighborhoods** - One-time funding is provided for one pilot project to promote the study and implementation of safe neighborhoods through community planning.
 22. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
 23. **Individual Developmt Acct-SHB 1408** - Funds are transferred from the state general fund to the newly created Individual Development Account. Chapter 402, Laws of 2005 (SHB 1408), creates the Individual Development Account Program to assist low-income individuals and foster youth. (Individual Development Account-Non-Appropriated).
 24. **Lead Based Paint** - One-time funding is provided for the Department to compile a report on housing stock in Washington State to identify areas of potentially high risk for child lead exposure. This report will include an analysis of existing data regarding the ages of housing stock in specific regions. This analysis will also include data regarding actual lead poisoning cases, which will be provided by the Washington State Department of Health's Childhood Lead Poisoning Surveillance Program.
 25. **Housing Assist Admin Cap Increase** - Chapter 219, Laws of 2005 (EHB 1074), increases the administrative cap available for use by the Department for its operation of the Housing Assistance Program and the Affordable Housing Program from 4 percent to 5 percent of the annual funds available for both programs. (Washington Housing Trust Account-State)
 26. **Homeless Data Management** - Funding is provided for the Department to administer a statewide Homeless Management Information System (HMIS) to track homeless individuals. HMIS will satisfy the federal HUD McKinney-Vento requirement that recipients of federal funds must create and maintain a HMIS system. (General Fund-Private/Local)
 27. **Emergency Food Assistance Program** - One-time funding is provided for food banks to purchase equipment to transport and store perishable products. Funds may also be used to purchase and distribute additional nutritious food and collaborate with other agencies and experts on nutrition and obesity for services provided by food banks and tribal voucher programs.
 28. **Community Mobilization** - The Community Mobilization program provides grants to community organizations that implement prevention programs reducing substance abuse and violence. Additional dollars will increase the number of programs. Funds are to be allocated to programs that have demonstrated the capability to implement prevention strategies based on the quality of program evaluations and attaining performance measures. The Department also will provide four statewide trainings on community organizing and offer follow-up technical assistance to increase a community's capacity to reduce crime through community activities such as block-by-block organizing and enforcement of code ordinances, with the goal of making the community uninviting to drug trafficking, drug manufacturing, and drug use. (Violence Reduction and Drug Enforcement Account-State)
 29. **Small Communities Initiative** - The Small Communities Initiative is a collaboration between the Washington State Departments of Health, Ecology, and Community, Trade, and Economic Development that provides intensive technical assistance to very small, rural communities struggling with economic viability and compliance with health and environmental regulations due to failing water or wastewater systems. Over 50 rural communities have chronic water regulation compliance issues. Funding is provided for one additional staff person to work with communities in need of this assistance. (Public Works Assistance Account-State)
 30. **Infrastructure Data System** - The Public Works Program maintains data management systems to support infrastructure projects throughout the state. Funding is provided to update the contracts management system, implement the local government infrastructure data system in partnership with the Transportation Improvement Board, and develop an archaeological predictive model that uses geographic information systems data to predict the probability of finding archaeologically significant features in areas being considered for infrastructure projects. (Public Works Assistance Account-State)
 31. **NW Food Processors Assoc** - One-time funding is provided to the Northwest Food Processors Association for work associated with the Food Processing Cluster Development Project.
 32. **Long Term Care Ombudsman** - Enhancement funding is provided to the Long Term Care Ombudsman Program to improve the safety and quality of care received by long-term care facility residents.

Department of Community, Trade, & Economic Development

33. **Increase ECEAP Placements** - Enhancement funding is provided to serve an additional 282 children in the Early Childhood Education and Assistance Program (ECEAP).
34. **Targeted Vendor Rate Increase** - Funding is provided to ECEAP providers for inflationary vendor rate increases of 4 percent on July 1, 2005, and 4 percent on July 1, 2006.
35. **Create Archaeology Dept (2SSB 5056)** - Effective July 1, 2005, the Office of Archaeology and Historic Preservation (OAHP) is established as a separate agency of state government pursuant to Chapter 333, Laws of 2005 (2SSB 5056). (General Fund-State, General Fund-Federal, General Fund-Local)
36. **Center for Advanced Manufacturing** - One-time matching funds for a federal Economic Development Administration grant awarded to the city of Kent to conduct a feasibility study and economic analysis for the establishment of a Center for Advanced Manufacturing.
37. **Archaeology Transf Costs-2SSB 5056** - One-time funding is provided to the Department for costs associated with the transfer of the Department of Archaeology and Historic Preservation, pursuant to Chapter 333, Laws of 2005 (2SSB 5056).
38. **Community Services Block Grant** - Enhancement funding is provided to compliment federal funding to assist community action agencies.
39. **Job Development Fund Pgm-ESHB 1903** - Chapter 425, Laws of 2005 (ESHB 1903), creates the Job Development Fund Program under the jurisdiction of the Community Economic Revitalization Board (CERB) to provide loans and grants for public infrastructure projects. Funding is provided for CERB to cover the cost of administering this new program. (Public Works Assistance Account-State)
40. **Domestic Violence** - Funding is provided to continue domestic violence legal advocacy services in recognition of reduced federal grant funding.
41. **HistoryLink** - One-time funding is provided for HistoryLink to expand its free, non-commercial online encyclopedia service on state and local history.
42. **Women's Hearth** - One-time funding is provided to Women's Hearth, a nonprofit program serving Spokane area homeless and low-income women.
43. **Transfer Civil Legal Svc (SHB 1747)** - A reduction of funding reflects the implementation of Chapter 105, Laws of 2005 (SHB 1747). The funding for civil legal aid is transferred to the newly created Office of Civil Legal Aid. (General Fund-State, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account-State)
44. **Small Business Incubator** - A small business incubator program established to give new and existing service and light manufacturing businesses the training and tools to become successful. Funding is provided to the Department to implement the Small Business Incubator Program.
45. **NW Farm Innovation Incubator** - One-time funding is provided for the Northwest Agriculture Incubator project to support small farms.
46. **Center for Water & Environment** - One-time funding is provided to Walla Walla Community College to establish the Water and Environmental Studies Center (Center). The Center will provide workforce education and training, encourage innovative approaches and practices that address environmental and cultural issues, and to facilitate the Walla Walla Watershed Alliance's role in promoting communication leading to cooperative conservation efforts that effectively address urban and rural water and environmental issues.
47. **Pierce County Youth Assessment Ctr** - A final appropriation is provided to the Youth Assessment Center in Pierce County for activities dedicated to reducing the rate of incarceration of juvenile offenders.
48. **Small Business Assistance-SSB 5902** - Chapter 357, Laws of 2005 (SSB 5902), appropriates one-time funding to the Department of Community, Trade, and Economic Development to establish a small business innovation research assistance program at the Washington Technology Center.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Economic & Revenue Forecast Council

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|--------------|----------|--------------|
| 2003-05 Expenditure Authority | 1,037 | 0 | 1,037 |
| 2005-07 Maintenance Level | 1,077 | 0 | 1,077 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 28 | 0 | 28 |
| 2. Non-Represented Health Benefit Chg | 7 | 0 | 7 |
| 3. General Inflation | -2 | 0 | -2 |
| 4. Pension Rate for Gain Sharing | -4 | 0 | -4 |
| 5. Suspend Unfunded Liability Contribs | -16 | 0 | -16 |
| Total 2005-07 Biennium | 1,090 | 0 | 1,090 |
| Fiscal Year 2006 Total | 573 | 0 | 573 |
| Fiscal Year 2007 Total | 517 | 0 | 517 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

Office of Financial Management

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|---------------|---------------|----------------|
| 2003-05 Expenditure Authority | 25,492 | 67,697 | 93,189 |
| 2005 Supplemental * | 95 | 0 | 95 |
| Total 2003-05 Biennium | 25,587 | 67,697 | 93,284 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 28,779 | 68,319 | 97,098 |
| Policy Changes | | | |
| 1. Hi Ed Facilities Preservation Study | 166 | 0 | 166 |
| 2. ORM Risk Management | 0 | 140 | 140 |
| 3. ORM Content Management System | 0 | 1,200 | 1,200 |
| 4. Statewide Financial System | 0 | 2,045 | 2,045 |
| 5. Home Care Worker Contract | 66 | 0 | 66 |
| 6. Middle Management Reduction | -76 | -177 | -253 |
| 7. Education Finance Study | 1,747 | 0 | 1,747 |
| 8. Infrastructure Review | 0 | 200 | 200 |
| 9. GMAP | 558 | 0 | 558 |
| 10. Residential Svcs - Develop Disabled | 182 | 0 | 182 |
| 11. Classification Revisions | 0 | 4 | 4 |
| 12. COLA-Non-Represented | 872 | 534 | 1,406 |
| 13. Non-Represented Health Benefit Chg | 237 | 152 | 389 |
| 14. Salary Survey-Non-Rep Staff | 294 | 419 | 713 |
| 15. General Inflation | -84 | -39 | -123 |
| 16. Pension Rate for Gain Sharing | -146 | -86 | -232 |
| 17. Permit Assistance | 200 | 0 | 200 |
| 18. Suspend Unfunded Liability Contribs | -474 | -288 | -762 |
| 19. Medical Assistance Forecast | 322 | 0 | 322 |
| 20. State Budget Process (ESHB 1242) | 400 | 0 | 400 |
| 21. Tire Waste & Removal - SHB 2085 | 0 | 150 | 150 |
| <hr/> | | | |
| Total 2005-07 Biennium | 33,043 | 72,573 | 105,616 |
| Fiscal Year 2006 Total | 16,993 | 36,616 | 53,609 |
| Fiscal Year 2007 Total | 16,050 | 35,957 | 52,007 |

Comments:

- | | |
|---|--|
| <p>1. Hi Ed Facilities Preservation Study - The 2004 Supplemental Capital budget provided funding for a capital budget analyst in the Office of Financial Management (OFM) (Section 207, Chapter 277, Laws of 2004, Partial Veto). Funding is provided to continue this position.</p> <p>2. ORM Risk Management - The Office of Risk Management (ORM) will hire one paraprofessional to support the loss prevention review team program. This will increase completed reviews to 12 each year and provide more detailed benchmarking and loss prevention analysis to agencies, based on agency-reported incident data. (Risk Management Administration Account-Non-Appropriated)</p> <p>3. ORM Content Management System - ORM will implement a system to improve the efficiency of claims-related processes so that less time is spent capturing, creating, aggregating, locating, and disseminating needed information. (Risk Management Administration Account-Non-Appropriated)</p> <p>4. Statewide Financial System - The Statewide Financial Systems office plans to design and release enhancements in the following systems: Budget and Allotment Support System, FastTrack Report System, Travel Voucher System, and the</p> | <p>Disbursement Reporting System. These enhancements are necessary to ensure alignment with other systems, like the new Human Resource Management System, to enable capacity for new methods such as the Priorities of Government view of the budget and to provide tools that customers want, such as the capacity in the travel system for travel advances. (Data Processing Revolving Account-Non-Appropriated)</p> <p>5. Home Care Worker Contract - Pursuant to RCW 74.39A.270, a statewide unit of individual providers of home care services may bargain collectively over wages and benefits with the Governor or Governor's designee acting as the public employer of individual providers solely for the purpose of collective bargaining. Under RCW 74.39A.300, a request for funds necessary to implement the compensation and fringe benefits provisions of a collective bargaining agreement must be submitted to the director of OFM by October 1 prior to the legislative session at which the request is to be considered. The Governor must include the costs to meet the agreement terms and the cost of implementation of the agreement in the Governor's budget. This year, an impasse in negotiations led to an interest arbitration proceeding. Funding is needed based on the interest arbitration award as approved by the Legislature. This includes funding for OFM, the Home Care Quality</p> |
|---|--|

Office of Financial Management

Authority, and the Department of Social and Health Services (DSHS). OFM funds will be matched through an interagency agreement with DSHS.

6. **Middle Management Reduction** - Middle management positions are reduced.
7. **Education Finance Study** - Funding is provided for Chapter 496, Laws of 2005 (E2SSB 5441), which provides for comprehensive studies on early learning, K-12 finance, and higher education. The legislation establishes a steering committee that will direct and coordinate the studies and develop recommendations. The steering committee is required to provide interim reports to the appropriate policy and fiscal committees of the Legislature by November 15, 2005, and June 16, 2006. The final report and recommendations of the steering committee shall be submitted by November 15, 2006.
8. **Infrastructure Review** - Provides one-time funding to review statewide programs that support infrastructure in local jurisdictions and seek potential collaboration, efficiencies, and long-term funding solutions to meet the goals of job creation, public health, environmental protection, and community development. The study shall also inventory all state revolving loan funds for local jurisdictions, other than the Housing Trust Fund. The inventory shall describe each program's administering agency, objectives, annual loan amounts, outstanding loans, repayments, and interest rates. (Public Works Assistance Account-State)
9. **GMAP** - The Governor will implement the Government Management and Accountability Program (GMAP) under Chapter 384, Laws of 2005 (2SHB 1970). The Office of the Governor and OFM will provide guidance to agencies and oversight of the process and will review performance of all agencies.
10. **Residential Svcs - Develop Disabled** - Provides funding to study residential services for developmentally disabled persons. A commission of 13 members will oversee the study. The commission will provide a report of its study to the Legislature by January 2006. OFM will enter into an interagency agreement with DSHS to access matching federal funds for the study.
11. **Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-Non-Appropriated)
12. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)
13. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
14. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, Data Processing Revolving Account-Non-Appropriated, Risk Management Administration Account-Non-Appropriated)
15. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
16. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, General Fund-Federal, various other funds)
17. **Permit Assistance** - Provides one-time funding for the Office of Regulatory Assistance for an enhanced planning and permit pilot program involving two local planning and permit offices.
18. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, various other funds)
19. **Medical Assistance Forecast** - Funding is provided to increase the quality, accuracy, and timeliness of Medical Assistance budget forecasting and monitoring. The forecast, which involves approximately \$3.8 billion of state and federal expenditures per year, will be produced by DSHS Medical Assistance Administration with assistance and guidance from a technical workgroup chaired by OFM with participation from legislative fiscal committee and DSHS staff. Federal matching funds for this expenditure are provided in the DSHS Medical Assistance Administration budget.
20. **State Budget Process (ESHB 1242)** - Funding is provided for implementation of Chapter 386, Laws of 2005 (ESHB 1242).
21. **Tire Waste & Removal - SHB 2085** - Appropriations are made from the Waste Tire Removal Account to the Department of Revenue and OFM for the purposes specified in Chapter 354, Laws of 2005 (SHB 2085).

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Office of Administrative Hearings

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 27,033 | 27,033 |
| 2005-07 Maintenance Level | 0 | 28,567 | 28,567 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -34 | -34 |
| 2. COLA-Non-Represented | 0 | 700 | 700 |
| 3. Non-Represented Health Benefit Chg | 0 | 233 | 233 |
| 4. Salary Survey-Non-Rep Staff | 0 | 55 | 55 |
| 5. General Inflation | 0 | -110 | -110 |
| 6. Maintain ALJ/IAJ Salary Alignment | 0 | 350 | 350 |
| 7. Convert To Digital Recording | 0 | 103 | 103 |
| 8. Replace Computers | 0 | 154 | 154 |
| 9. Pension Rate for Gain Sharing | 0 | -110 | -110 |
| 10. Suspend Unfunded Liability Contribs | 0 | -368 | -368 |
| Total 2005-07 Biennium | 0 | 29,540 | 29,540 |
| Fiscal Year 2006 Total | 0 | 14,705 | 14,705 |
| Fiscal Year 2007 Total | 0 | 14,835 | 14,835 |

Comments:

1. **Middle Management Reduction** - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency. (Administrative Hearings Revolving Account-State)
2. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Administrative Hearings Revolving Account-State)
3. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Administrative Hearings Revolving Account-State)
4. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Administrative Hearings Revolving Account-State)
5. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Administrative Hearings Revolving Account-State)
6. **Maintain ALJ/IAJ Salary Alignment** - Administrative Law Judges' (ALJ) salaries are increased by 2.5 percent to maintain alignment with those of Industrial Appeals Judges (IAJ). (Administrative Hearings Revolving Account-State)
7. **Convert To Digital Recording** - Hearings recordings are converted from cassette tape to digital recording. (Administrative Hearings Revolving Account-State)
8. **Replace Computers** - Funding is provided to replace 65 computers used for the Department of Employment Security caseload. The new computers will enable the Office of Administrative Hearings to participate in the Department of Information Services' managed Enterprise Active Directory and to utilize single sign-on and self-service capabilities of the new Human Resource Management System. (Administrative Hearings Revolving Account-State)
9. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Administrative Hearings Revolving Account-State)
10. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Administrative Hearings Revolving Account-State)

Department of Personnel

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 42,575 | 42,575 |
| 2005 Supplemental * | 0 | 2,607 | 2,607 |
| Total 2003-05 Biennium | 0 | 45,182 | 45,182 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 0 | 51,855 | 51,855 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -386 | -386 |
| 2. Classification Revisions | 0 | 7 | 7 |
| 3. COLA-Non-Represented | 0 | 883 | 883 |
| 4. Non-Represented Health Benefit Chg | 0 | 277 | 277 |
| 5. Salary Survey-Non-Rep Staff | 0 | 549 | 549 |
| 6. General Inflation | 0 | -313 | -313 |
| 7. Simplified Classification System | 0 | 197 | 197 |
| 8. Personnel System Reform Act of 2002 | 0 | 1,894 | 1,894 |
| 9. Pension Rate for Gain Sharing | 0 | -144 | -144 |
| 10. Suspend Unfunded Liability Contribs | 0 | -487 | -487 |
| <hr/> | | | |
| Total 2005-07 Biennium | 0 | 54,332 | 54,332 |
| Fiscal Year 2006 Total | 0 | 30,649 | 30,649 |
| Fiscal Year 2007 Total | 0 | 23,683 | 23,683 |

Comments:

- | | |
|--|---|
| <p>1. Middle Management Reduction - Middle management positions are reduced. (Department of Personnel Services Account-State, Data Processing Revolving Account-Non-Appropriated)</p> <p>2. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Department of Personnel Services Account-State, Data Processing Revolving Account-Non-Appropriated)</p> <p>3. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Department of Personnel Services Account-State, Data Processing Revolving Account-Non-Appropriated, Higher Ed Personnel Services-State)</p> <p>4. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Department of Personnel Services Account-State, Data Processing Revolving Account-Non-Appropriated, Higher Ed Personnel Services-State)</p> <p>5. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002</p> | <p>Salary Survey. (Department of Personnel Services Account-State, Data Processing Revolving-Non-Appropriated)</p> <p>6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>7. Simplified Classification System - Funding is provided to implement a simplified employee classification pursuant to the Personnel System Reform Act of 2002. (Department of Personnel Services Account-State)</p> <p>8. Personnel System Reform Act of 2002 - Funding is provided for additional resources to implement elements of the civil service reform plan initiated by the Personnel System Reform Act of 2002. The funding supports additional staff to develop new programs and forms for the new Human Resources Information System, train outside agency personnel for civil service reform changes, and provide administrative support. Professional expertise will also be developed to evaluate the performance of reform efforts, and a Leadership Development Program Manager will create and implement a program in support of the Priorities of Government initiative. (Department of Personnel Services Account-State)</p> <p>9. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Dept of Personnel Services-State, Data Processing Revolving-Non-Appropriated, Higher Ed Personnel Services-State)</p> |
|--|---|

Department of Personnel

10. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Dept of Personnel Services-State, Data Processing Revolving-Non-Appropriated, Higher Ed Personnel Services-State)

* Please see the 2005 Supplemental Operating Budget Section for additional information.

State Lottery Commission

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|----------------|----------------|
| 2003-05 Expenditure Authority | 0 | 705,818 | 705,818 |
| 2005-07 Maintenance Level | 0 | 736,531 | 736,531 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -23 | -23 |
| 2. WFSE COLA/Salary Survey | 0 | 111 | 111 |
| 3. WPEA COLA/Salary Survey | 0 | 163 | 163 |
| 4. Super Coalition Health Benefits | 0 | 239 | 239 |
| 5. Classification Revisions | 0 | 1 | 1 |
| 6. COLA-Non-Represented | 0 | 280 | 280 |
| 7. Non-Represented Health Benefit Chg | 0 | 85 | 85 |
| 8. Salary Survey-Non-Rep Staff | 0 | 148 | 148 |
| 9. General Inflation | 0 | -1,924 | -1,924 |
| 10. Pension Rate for Gain Sharing | 0 | -84 | -84 |
| 11. Suspend Unfunded Liability Contribs | 0 | -283 | -283 |
| Total 2005-07 Biennium | 0 | 735,244 | 735,244 |
| Fiscal Year 2006 Total | 0 | 368,545 | 368,545 |
| Fiscal Year 2007 Total | 0 | 366,699 | 366,699 |

Comments:

It is the intention of the Legislature that the Washington State Lottery shall not use their appropriation to investigate, evaluate, develop, implement, or otherwise support any game that allows or requires a player to become eligible for a prize or to otherwise play any portion of the game by using either (1) the internet; or (2) any interactive device or terminal involving electronic, digital, or video representations of pull-tabs, bingo, poker or other cards, dice, roulette, keno, or other games of chance.

1. **Middle Management Reduction** - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency.
2. **WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)
3. **WPEA COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association (WPEA). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)
4. **Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is

provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)

5. **Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)
6. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Lottery Administration Account-State)
7. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)
8. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Lottery Administration Account-State)
9. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
10. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07

State Lottery Commission

biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Lottery Administration Account-State)

11. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Lottery Administration Account-State)

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|------------|----------|------------|
| 2003-05 Expenditure Authority | 408 | 0 | 408 |
| 2005-07 Maintenance Level | 451 | 0 | 451 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 8 | 0 | 8 |
| 2. Non-Represented Health Benefit Chg | 3 | 0 | 3 |
| 3. General Inflation | -2 | 0 | -2 |
| 4. Pension Rate for Gain Sharing | -2 | 0 | -2 |
| 5. Suspend Unfunded Liability Contribs | -5 | 0 | -5 |
| 6. Workload Adjustment | 32 | 0 | 32 |
| Total 2005-07 Biennium | 485 | 0 | 485 |
| Fiscal Year 2006 Total | 238 | 0 | 238 |
| Fiscal Year 2007 Total | 247 | 0 | 247 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State)

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

6. **Workload Adjustment** - The Commission on Hispanic Affairs is experiencing increased demand from the public to serve as a liaison between the Hispanic community in Washington State and agencies within state government. Funding is provided to increase the executive assistant position to full-time and provides funding for the Commission to meet these needs.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|------------|----------|------------|
| 2003-05 Expenditure Authority | 397 | 0 | 397 |
| 2005-07 Maintenance Level | 454 | 0 | 454 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 8 | 0 | 8 |
| 2. Non-Represented Health Benefit Chg | 3 | 0 | 3 |
| 3. General Inflation | -2 | 0 | -2 |
| 4. Pension Rate for Gain Sharing | -2 | 0 | -2 |
| 5. Suspend Unfunded Liability Contribs | -5 | 0 | -5 |
| 6. Workload Adjustment | 21 | 0 | 21 |
| Total 2005-07 Biennium | 477 | 0 | 477 |
| Fiscal Year 2006 Total | 237 | 0 | 237 |
| Fiscal Year 2007 Total | 240 | 0 | 240 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State) to full time and provides additional funding for the Commission to meet these needs.

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

6. **Workload Adjustment** - The Commission on African-American Affairs is experiencing increased demand from the public to serve as a liaison between African-Americans in Washington State and agencies within state government. Funding is provided to increase the executive assistant position

Personnel Appeals Board

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 1,725 | 1,725 |
| 2005-07 Maintenance Level | 0 | 1,019 | 1,019 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 46 | 46 |
| 2. Non-Represented Health Benefit Chg | 0 | 16 | 16 |
| 3. General Inflation | 0 | -5 | -5 |
| 4. Pension Rate for Gain Sharing | 0 | -8 | -8 |
| 5. Suspend Unfunded Liability Contribs | 0 | -25 | -25 |
| Total 2005-07 Biennium | 0 | 1,043 | 1,043 |
| Fiscal Year 2006 Total | 0 | 906 | 906 |
| Fiscal Year 2007 Total | 0 | 137 | 137 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Department of Personnel Services Account-State)
2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Department of Personnel Services Account-State)
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Department of Personnel Services Account-State)
5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Department of Personnel Services Account-State)

Department of Retirement Systems

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 49,303 | 49,303 |
| 2005-07 Maintenance Level | 0 | 48,348 | 48,348 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -324 | -324 |
| 2. WPEA COLA/Salary Survey | 0 | 760 | 760 |
| 3. Super Coalition Health Benefits | 0 | 581 | 581 |
| 4. COLA-Non-Represented | 0 | 345 | 345 |
| 5. Non-Represented Health Benefit Chg | 0 | 101 | 101 |
| 6. Salary Survey-Non-Rep Staff | 0 | 205 | 205 |
| 7. General Inflation | 0 | -188 | -188 |
| 8. LEOFF 2 Service Credit Purchase | 0 | 10 | 10 |
| 9. LEOFF 2 Post Retirement Employment | 0 | 55 | 55 |
| 10. LEOFF 1 Ex-Spouse Benefits | 0 | 26 | 26 |
| 11. Military Service Credit | 0 | 46 | 46 |
| 12. TRS Service Credit Purchase | 0 | 13 | 13 |
| 13. LEOFF 1 Reduced Survivor Benefit | 0 | 79 | 79 |
| 14. Emergency Medical Technicians | 0 | 56 | 56 |
| 15. Pension Rate for Gain Sharing | 0 | -168 | -168 |
| 16. Suspend Unfunded Liability Contribs | 0 | -565 | -565 |
| 17. Disability Service Credit Purchase | 0 | 16 | 16 |
| Total 2005-07 Biennium | 0 | 49,396 | 49,396 |
| Fiscal Year 2006 Total | 0 | 24,781 | 24,781 |
| Fiscal Year 2007 Total | 0 | 24,615 | 24,615 |

Comments:

1. **Middle Management Reduction** - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency. (Department of Retirement Systems Expense Account-State, Dependent Care Administrative Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
2. **WPEA COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association (WPEA). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
3. **Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
4. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
5. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
6. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
7. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Retirement Systems

8. **LEOFF 2 Service Credit Purchase** - Funding is provided for administrative costs related to allowing members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) to purchase up to five years of additional service credit at the time of retirement, pursuant to Chapter 21, Laws of 2005 (HB 1269). (Department of Retirement Systems Expense Account-State)
9. **LEOFF 2 Post Retirement Employment** - Funding is provided for administrative costs related to allowing retired members of LEOFF 2 who are employed in a position eligible for membership in another state retirement system to choose either to continue collecting LEOFF 2 retirement benefits or to enroll in the new retirement system, pursuant to Chapter 372, Laws of 2005, Partial Veto (HB 1270). (Department of Retirement Systems Expense Account-State)
10. **LEOFF 1 Ex-Spouse Benefits** - Funding is provided for administrative costs related to continuing the court-awarded portion of a benefit paid to the former spouse of a member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1) following the member's death, pursuant to Chapter 62, Laws of 2005 (HB 1319). (Department of Retirement Systems Expense Account-State)
11. **Military Service Credit** - Funding is provided for administrative costs related to permitting members or survivors of a members of LEOFF 2, the Public Employees' Retirement System (PERS) Plan 2/3, the Public Safety Employees' Retirement System Plan 2, the School Employees' Retirement System (SERS) Plan 2/3, or the TRS Plan 2/3 to purchase military service credit following honorable discharge if a member is disabled from further employment or killed in the line of duty, pursuant to Chapter 64, Laws of 2005 (HB 1325). (Department of Retirement Systems Expense Account-State)
12. **TRS Service Credit Purchase** - Funding is provided for administrative costs related to members of the TRS Plans 2 and 3 to purchase up to five years of service credit at the time of early retirement, pursuant to Chapter 65, Laws of 2005 (HB 1327). (Department of Retirement Systems Expense Account-State)
13. **LEOFF 1 Reduced Survivor Benefit** - Funding is provided for administrative costs related to extending the availability of an optional, actuarially-reduced survivor benefit for members of LEOFF 1 that have benefits subject to a property division order from a prior divorce, pursuant to Chapter 67, Laws of 2005 (HB 1329). (Department of Retirement Systems Expense Account-State)
14. **Emergency Medical Technicians** - Funding is provided for administrative costs related to including emergency medical technicians (EMTs) currently covered by PERS in LEOFF 2, pursuant to Chapter 459, Laws of 2005 (SHB 1936). Members transferred to LEOFF 2 have the opportunity to pay additional contributions and transfer past service earned in PERS as an EMT to LEOFF 2. Employers of EMTs transferring service will make payments to the LEOFF 2 retirement system to ensure that contribution rates do not increase as a result of the past service credit transfer. (Department of Retirement Systems Expense Account-State)
15. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
16. **Suspend Unfunded Liability Contris** - Funding levels for employer contributions to PERS, TRS, and SERS are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non-Appropriated)
17. **Disability Service Credit Purchase** - Funding is provided for administrative costs associated with allowing members of PERS to purchase up to two years of service credit for time spent separated from employment due to injuries incurred in the line of duty, pursuant to Chapter 363, Laws of 2005 (SB 5522). (Department of Retirement Systems Expense Account-State)

State Investment Board

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|------------|---------------|---------------|
| 2003-05 Expenditure Authority | 100 | 13,262 | 13,362 |
| 2005-07 Maintenance Level | 0 | 14,236 | 14,236 |
| Policy Changes | | | |
| 1. Recruitment and Retention | 0 | 340 | 340 |
| 2. Middle Management Reduction | 0 | -67 | -67 |
| 3. COLA-Non-Represented | 0 | 322 | 322 |
| 4. Non-Represented Health Benefit Chg | 0 | 73 | 73 |
| 5. Salary Survey-Non-Rep Staff | 0 | 78 | 78 |
| 6. General Inflation | 0 | -35 | -35 |
| 7. Invest. Perform. & Accountability | 0 | 2,586 | 2,586 |
| 8. Investment Personnel Svc Contracts | 0 | -1,283 | -1,283 |
| 9. Pension Rate for Gain Sharing | 0 | -52 | -52 |
| 10. Suspend Unfunded Liability Contribs | 0 | -178 | -178 |
| Total 2005-07 Biennium | 0 | 16,020 | 16,020 |
| Fiscal Year 2006 Total | 0 | 8,224 | 8,224 |
| Fiscal Year 2007 Total | 0 | 7,796 | 7,796 |

Comments:

- | | |
|---|---|
| <p>1. Recruitment and Retention - Funding is provided to address issues of recruitment and retention of investment officers. (State Investment Board Expense Account-State)</p> <p>2. Middle Management Reduction - Middle management positions are reduced. (State Investment Board Expense Account-State)</p> <p>3. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (State Investment Board Expense Account-State)</p> <p>4. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (State Investment Board Expense Account-State)</p> <p>5. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (State Investment Board Expense Account-State)</p> <p>6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>7. Invest. Perform. & Accountability - Funding is provided for additional portfolio manager positions in order to increase the capacity for investment manager selection and oversight, policy</p> | <p>analysis, portfolio construction, research, and participation in corporate governance. (State Investment Board Expense Account-State)</p> <p>8. Investment Personnel Svc Contracts - Funding for a contract to provide the Board's investment accounting system is transferred from appropriated agency expenditures to non-appropriated expenditures. (State Investment Board Expense Account-State)</p> <p>9. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (State Investment Board Expense Account-State)</p> <p>10. Suspend Unfunded Liability Contribs - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (State Investment Board Expense Account-State)</p> |
|---|---|

Department of Revenue

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------------|---------------|----------------|
| 2003-05 Expenditure Authority | 164,680 | 11,255 | 175,935 |
| 2005 Supplemental * | 570 | 0 | 570 |
| Total 2003-05 Biennium | 165,250 | 11,255 | 176,505 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 175,938 | 12,324 | 188,262 |
| Policy Changes | | | |
| 1. Middle Management Reduction | -1,480 | -50 | -1,530 |
| 2. WPEA COLA/Salary Survey | 3,214 | 208 | 3,422 |
| 3. Super Coalition Health Benefits | 2,309 | 152 | 2,461 |
| 4. Classification Revisions | 36 | 0 | 36 |
| 5. COLA-Non-Represented | 1,103 | 47 | 1,150 |
| 6. Non-Represented Health Benefit Chg | 338 | 13 | 351 |
| 7. Salary Survey-Non-Rep Staff | 285 | 18 | 303 |
| 8. General Inflation | -642 | -29 | -671 |
| 9. Revenue Enhancement | 2,630 | 0 | 2,630 |
| 10. Pension Rate for Gain Sharing | -634 | -36 | -670 |
| 11. Suspend Unfunded Liability Contribs | -2,140 | -128 | -2,268 |
| 12. REET Enforcement | 206 | 0 | 206 |
| 13. Renewable Energy | 9 | 0 | 9 |
| 14. Unclaimed Property | 0 | -520 | -520 |
| 15. Vehicle Enforcement | 100 | 0 | 100 |
| 16. Veterans' Widows Tax Asst-SHB 1509 | 276 | 0 | 276 |
| 17. Tire Waste & Removal - SHB 2085 | 0 | 40 | 40 |
| 18. Real Estate Excise Fees - 2SHB 1240 | 3,900 | 0 | 3,900 |
| <hr/> | | | |
| Total 2005-07 Biennium | 185,448 | 12,039 | 197,487 |
| Fiscal Year 2006 Total | 94,058 | 5,936 | 99,994 |
| Fiscal Year 2007 Total | 91,390 | 6,103 | 97,493 |

Comments:

- | | |
|--|---|
| <p>1. Middle Management Reduction - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency.</p> <p>2. WPEA COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association (WPEA). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>3. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>4. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general</p> | <p>comments for "State Employee Compensation." (General Fund-State)</p> <p>5. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, Timber Tax Distribution Account-State, Unclaimed Personal Property Account-Non-Appropriated)</p> <p>6. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Timber Tax Distribution Account-State, Unclaimed Personal Property Account-Non-Appropriated)</p> <p>7. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, Timber Tax Distribution Account-State, Unclaimed Personal Property Account-Non-Appropriated)</p> |
|--|---|

Department of Revenue

8. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
9. **Revenue Enhancement** - Funding is provided for additional audit emphasis including, but not limited to, the areas of real estate excise tax, out-of-state auditing, and internal desk audits. These strategies are projected to generate \$15.2 million in state general fund revenue and \$2.6 million for local governments in the 2005-07 biennium.
10. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, Timber Tax Distribution Account-State, Unclaimed Personal Property Account-Non-Appropriated)
11. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)
12. **REET Enforcement** - Funding is provided for detection of transfers of controlling interest in a corporation or other entity in order to increase compliance of real estate excise tax (REET) laws pursuant to Chapter 326, Laws of 2005 (HB 1315).
13. **Renewable Energy** - Funding is provided for the implementation of Chapter 300, Laws of 2005 (SSB 5101). This legislation creates a public utility tax credit for light and power businesses that provide incentive payments to individuals, businesses, and local governments who provide renewable energy.
14. **Unclaimed Property** - Funding is reduced as a result of Chapter 367, Laws of 2005 (SB 5948), which makes changes to the Unclaimed Property Program's administration. The changes include eliminating requirements regarding advertising and record retention and allows the sale of dividend re-investment plans and mutual funds similar to the current sale of other securities. (Unclaimed Personal Property Account-Non-Appropriated)
15. **Vehicle Enforcement** - Funding is provided for the Department to implement the provisions Chapter 323, Laws of 2005 (EHB 1241). The Department will work with the Washington State Patrol and the Department of Licensing to increase enforcement for state residents whose vehicles and driver's licenses are illegally registered in another state. This strategy is expected to generate \$2.1 million in state general fund revenue.
16. **Veterans' Widows Tax Asst-SHB 1509** - Chapter 253, Laws of 2005 (SHB 1509), establishes a grant program to provide property tax assistance to widows of veterans.
17. **Tire Waste & Removal - SHB 2085** - Appropriations are made from the Waste Tire Removal Account to the Department of Revenue and the Office of Financial Management for the purposes specified in Chapter 354, Laws of 2005 (SHB 2085 - Cleanup of Waste Tires).
18. **Real Estate Excise Fees - 2SHB 1240** - Under Chapter 480, Laws of 2005 (2SHB 140), funding is provided for the development and implementation of an electronic processing and reporting system for real estate excise tax administration.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Board of Tax Appeals

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|--------------|----------|--------------|
| 2003-05 Expenditure Authority | 2,219 | 0 | 2,219 |
| 2005-07 Maintenance Level | 2,299 | 0 | 2,299 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 55 | 0 | 55 |
| 2. Non-Represented Health Benefit Chg | 16 | 0 | 16 |
| 3. General Inflation | -7 | 0 | -7 |
| 4. Tax Referee and Law Clerk | 248 | 0 | 248 |
| 5. Pension Rate for Gain Sharing | -8 | 0 | -8 |
| 6. Suspend Unfunded Liability Contribs | -30 | 0 | -30 |
| Total 2005-07 Biennium | 2,573 | 0 | 2,573 |
| Fiscal Year 2006 Total | 1,362 | 0 | 1,362 |
| Fiscal Year 2007 Total | 1,211 | 0 | 1,211 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Tax Referee and Law Clerk** - Funding is provided to hire an additional tax referee and an additional 0.5 FTE law clerk. The additional staff is added due to the Board's increased workload.

5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

Municipal Research Council

(Dollars in Thousands)

| | GF-S | Other | Total |
|--------------------------------------|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 4,621 | 4,621 |
| 2005-07 Maintenance Level | 0 | 4,621 | 4,621 |
| Policy Changes | | | |
| 1. Contractor Increase | 0 | 300 | 300 |
| Total 2005-07 Biennium | 0 | 4,921 | 4,921 |
| Fiscal Year 2006 Total | 0 | 2,455 | 2,455 |
| Fiscal Year 2007 Total | 0 | 2,466 | 2,466 |

Comments:

1. **Contractor Increase** - The Municipal Research Council will increase its contract with the Municipal Research and Services Center to cover the following items: a 4 percent salary increase for employees in the first year of the biennium; an increase in the existing lease agreement; and an increase in the costs of travel, goods, and services. (County Research Services Account-State, City and Town Research Services-State)

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 1,990 | 1,990 |
| 2005 Supplemental * | 0 | 344 | 344 |
| Total 2003-05 Biennium | 0 | 2,334 | 2,334 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 0 | 2,411 | 2,411 |
| Policy Changes | | | |
| 1. Interagency Agreements | 0 | 525 | 525 |
| 2. WFSE COLA/Salary Survey | 0 | 59 | 59 |
| 3. Super Coalition Health Benefits | 0 | 26 | 26 |
| 4. COLA-Non-Represented | 0 | 30 | 30 |
| 5. Non-Represented Health Benefit Chg | 0 | 11 | 11 |
| 6. General Inflation | 0 | -12 | -12 |
| 7. Small Business and Grant Support | 0 | 180 | 180 |
| 8. Pension Rate for Gain Sharing | 0 | -10 | -10 |
| 9. Suspend Unfunded Liability Contribs | 0 | -34 | -34 |
| <hr/> | | | |
| Total 2005-07 Biennium | 0 | 3,186 | 3,186 |
| Fiscal Year 2006 Total | 0 | 1,577 | 1,577 |
| Fiscal Year 2007 Total | 0 | 1,609 | 1,609 |

Comments:

- | | |
|---|--|
| <p>1. Interagency Agreements - Technical adjustments are made to an interagency agreement with Washington State Department of Transportation to match expenditures with available revenue. (Minority and Women's Business Enterprises Account-State)</p> <p>2. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Minority and Women's Business Enterprises Account-State)</p> <p>3. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Minority and Women's Business Enterprises Account-State)</p> <p>4. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Minority and Women's Business Enterprises Account-State)</p> <p>5. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Minority and Women's Business Enterprises Account-State)</p> | <p>6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Minority and Women's Business Enterprises Accountt-State)</p> <p>7. Small Business and Grant Support - The Office of Minority and Women's Business Enterprises applies for and administers private sector grants as one of its revenue sources. Funding is provided for 1.0 FTE to manage these grants and coordinate additional support services to small businesses in Washington State. Grants will be used to fund this position. (Minority and Women's Business Enterprises Account-State)</p> <p>8. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Minority and Women's Business Enterprises Account-State)</p> <p>9. Suspend Unfunded Liability Contribs - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Minority and Women's Business Enterprises Account-State)</p> |
|---|--|

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Department of General Administration

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|------------|----------------|----------------|
| 2003-05 Expenditure Authority | 468 | 131,423 | 131,891 |
| 2005 Supplemental * | 0 | 454 | 454 |
| Total 2003-05 Biennium | 468 | 131,877 | 132,345 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 497 | 127,536 | 128,033 |
| Policy Changes | | | |
| 1. Transfer Capital Costs | 0 | 2,214 | 2,214 |
| 2. Middle Management Reduction | -24 | -946 | -970 |
| 3. WFSE COLA/Salary Survey | 0 | 1,070 | 1,070 |
| 4. Super Coalition Health Benefits | 0 | 738 | 738 |
| 5. Classification Revisions | 0 | 195 | 195 |
| 6. COLA-Non-Represented | 10 | 1,153 | 1,163 |
| 7. Non-Represented Health Benefit Chg | 3 | 442 | 445 |
| 8. Salary Survey-Non-Rep Staff | 0 | 994 | 994 |
| 9. General Inflation | 0 | -931 | -931 |
| 10. Non-Appropriated Fund Adjustment | 0 | 106 | 106 |
| 11. Alternative Public Works-ESHB 1830 | 75 | 0 | 75 |
| 12. State Enterprise Procurement System | 0 | 251 | 251 |
| 13. Engineer and Architect Services | 0 | 2,747 | 2,747 |
| 14. Motor Pool to Non-Appropriated | 0 | 0 | 0 |
| 15. Custodial Standards in Office Areas | 0 | 0 | 0 |
| 16. Improve Parking Enforcement | 0 | 56 | 56 |
| 17. Implement a Business Support System | 0 | 100 | 100 |
| 18. Pension Rate for Gain Sharing | -2 | -292 | -294 |
| 19. Legislative Building Security | 0 | -2,009 | -2,009 |
| 20. Suspend Unfunded Liability Contribs | -5 | -988 | -993 |
| <hr/> | | | |
| Total 2005-07 Biennium | 554 | 132,436 | 132,990 |
| Fiscal Year 2006 Total | 321 | 66,367 | 66,688 |
| Fiscal Year 2007 Total | 233 | 66,069 | 66,302 |

Comments:

- | | |
|--|---|
| <p>1. Transfer Capital Costs - Funding for the ongoing costs for general support of the capital program is transferred from the capital budget to the operating budget. (General Administration Services Account-State)</p> <p>2. Middle Management Reduction - Middle management positions are reduced.</p> <p>3. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)</p> <p>4. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)</p> | <p>5. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)</p> <p>6. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)</p> <p>7. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>8. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (State Veh Park Account-Non-Appropriated,</p> |
|--|---|

Department of General Administration

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

9. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Administration Services Account-State, General Fund-Federal)
10. **Non-Appropriated Fund Adjustment** - Funding is provided for increased debt service costs for 2005-07. (General Administration Services Account-Non-Appropriated)
11. **Alternative Public Works-ESHB 1830** - Funding is provided for the implementation of Chapter 377, Laws of 2005 (ESHB 1830). This bill establishes the Capital Projects Advisory Review Board to examine capital projects construction processes, including alternative public works procurement process.
12. **State Enterprise Procurement System** - In the 2003-05 biennium, the Procurement Contract Administration Office implemented the new Washington Electronic Business Solutions enterprise procurement support system that provides vendors and state agencies with a new procurement on-line portal for vendor registration, bid notification, bid quotes, and contract usage reporting. In the 2005-07 biennium, a new system module will be added that will allow the vendor community and state agencies to conduct the following procurement activities on-line: pre-bids, bid evaluation, contract award, and contract management. This new statewide procurement system will allow the state to more effectively aggregate purchases of goods and services, resulting in state agency savings from cheaper goods and services. (General Administration Services Account-Non-Appropriated)
13. **Engineer and Architect Services** - The Engineering and Architectural Services Division's reimbursable project management activities are transferred from the capital budget to the Department of General Administration's (GA) internal service fund in the operating budget. (General Administration Services Account-Non-Appropriated)
14. **Motor Pool to Non-Appropriated** - GA's motor pool was established to provide a central fleet of vehicles for use by other state agencies, through a fee-for-service cost recovery funding model. Expenses related to staff and vehicle purchase were appropriated, and expenses related to vehicle maintenance and fuel were non-appropriated. As provided for in Chapter 214, Laws of 2005 (HB 1008), all expenses will now be charged to the non-appropriated account. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
15. **Custodial Standards in Office Areas** - During the 2005-07 biennium, GA will conduct a pilot to test a new office building cleaning approach that prescribes cleaning for health first, then appearance. A standard, high level of cleaning will be performed on the one million square feet of state-owned office space, instead of reimbursable service contracts where state agencies decide the cleanliness level of office space. Agencies will be billed for this service through a revolving fund. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
16. **Improve Parking Enforcement** - GA will contract with the Washington State Patrol (WSP) for a trooper to conduct full-time parking enforcement on the capitol campus. Increased enforcement is required to reduce unauthorized parking in capitol campus parking spaces. In previous biennia, WSP troopers' time on the campus was split between providing a security presence, responding to reports of criminal activity, and enforcing laws and regulations. (State Vehicle Parking Account-Non-Appropriated)
17. **Implement a Business Support System** - The Division of Facility and Planning Management will implement a short-term consolidated data repository for a facilities operations management system to enable the division to more effectively manage facilities, building space, campus grounds, Capitol Lake, roads, paved walkways, capitol campus infrastructure, and parking spaces that are maintained by GA. In addition, a long-term strategy will be developed to integrate facilities' infrastructure data contained in the multiple agency systems. (State Parking Account-Non-Appropriated, General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
18. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, various other funds)
19. **Legislative Building Security** - Security operations in the Legislative Building that began in January 2005, including perimeter security, entrance screening, and camera monitoring are eliminated. (General Administration Services Account-State)
20. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, various other funds)

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Department of Information Services

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|--------------|----------------|----------------|
| 2003-05 Expenditure Authority | 2,650 | 205,897 | 208,547 |
| 2005 Supplemental * | 121 | 0 | 121 |
| Total 2003-05 Biennium | 2,771 | 205,897 | 208,668 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 39 | 207,591 | 207,630 |
| Policy Changes | | | |
| 1. Business Continuity | 0 | 500 | 500 |
| 2. Middle Management Reduction | 0 | -714 | -714 |
| 3. WFSE COLA/Salary Survey | 0 | 1,427 | 1,427 |
| 4. Super Coalition Health Benefits | 0 | 858 | 858 |
| 5. Classification Revisions | 0 | 33 | 33 |
| 6. COLA-Non-Represented | 0 | 597 | 597 |
| 7. Non-Represented Health Benefit Chg | 0 | 147 | 147 |
| 8. Salary Survey-Non-Rep Staff | 0 | 268 | 268 |
| 9. General Inflation | -39 | -1,975 | -2,014 |
| 10. Justice Information Network | 0 | 684 | 684 |
| 11. Pension Rate for Gain Sharing | 0 | -300 | -300 |
| 12. Suspend Unfunded Liability Contribs | 0 | -1,016 | -1,016 |
| 13. Small Agency Client Services | 0 | 974 | 974 |
| 14. Enterprise Business Support | 0 | 610 | 610 |
| 15. Enhanced Radio Communications | 0 | 381 | 381 |
| <hr/> | | | |
| Total 2005-07 Biennium | 0 | 210,065 | 210,065 |
| Fiscal Year 2006 Total | 0 | 104,639 | 104,639 |
| Fiscal Year 2007 Total | 0 | 105,426 | 105,426 |

Comments:

1. **Business Continuity** - Funding is provided for the development of a statewide business continuity governance structure, an enterprise business continuity framework, and a statewide business continuity plan and budget. The business continuity plan will identify the state's vital systems and services that must remain operational in a disaster and the planned level of availability required for each service. (Data Processing Revolving Account-Non-Appropriated)
2. **Middle Management Reduction** - Middle management positions are reduced. (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)
3. **WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated)
4. **Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated)
5. **Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-Non-Appropriated)
6. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, and Education Technology Revolving Account-Non-Appropriated)
7. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)
8. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002

Department of Information Services

Salary Survey. (Data Processing Revolving Account-Non-Appropriated)

project office within DIS. The SIEC office will serve as a link between public safety and public service communications systems and will manage state-designated and state-owned radio frequencies across the state. SIEC office staff will also assist state agencies with migration to the Federal Communications Commission's mandated narrow band technology. (Data Processing Revolving Account-Non-Appropriated)

9. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)
10. **Justice Information Network** - Funding is provided for an executive director and support staff for the Justice Information Network office. Previously, the office has operated through support from partner agencies, including the Department of Licensing, the Washington State Patrol, the Department of Corrections, and judicial agencies. Separate funding for the office will allow greater independence, ensuring better oversight of the Justice Information Network. The office has also pursued grant funding. (Public Safety & Education Account-State)
11. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)
12. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)
13. **Small Agency Client Services** - Funding is provided for small agency information technology (IT) technical/security and facility assessments, critical IT infrastructure equipment acquisition, and resource-sharing of IT infrastructure through collocation with larger agencies or migration to Department of Information Services (DIS) centralized e-mail and server hosting services. (Data Processing Revolving Account-Non-Appropriated)
14. **Enterprise Business Support** - Funding is provided to support workload increases resulting from development of the Department of Personnel's Human Resource Management system and the Department of Labor and Industries' Online Reporting and Customer Access system. (Data Processing Revolving Account-Non-Appropriated)
15. **Enhanced Radio Communications** - Funding is provided to create a State Interoperability Executive Committee (SIEC)

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Office of the Insurance Commissioner

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 33,840 | 33,840 |
| 2005-07 Maintenance Level | 0 | 35,193 | 35,193 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -312 | -312 |
| 2. WFSE COLA/Salary Survey | 0 | 530 | 530 |
| 3. Super Coalition Health Benefits | 0 | 323 | 323 |
| 4. Classification Revisions | 0 | 60 | 60 |
| 5. COLA-Non-Represented | 0 | 404 | 404 |
| 6. Non-Represented Health Benefit Chg | 0 | 108 | 108 |
| 7. Salary Survey-Non-Rep Staff | 0 | 14 | 14 |
| 8. General Inflation | 0 | -89 | -89 |
| 9. Financial Analysis Improvement | 0 | 194 | 194 |
| 10. Accreditation Standard | 0 | 281 | 281 |
| 11. Pension Rate for Gain Sharing | 0 | -138 | -138 |
| 12. HP 3000 Computer Replacement | 0 | 3,514 | 3,514 |
| 13. Suspend Unfunded Liability Contribs | 0 | -472 | -472 |
| 14. Illegal Insurer Investigations | 0 | 162 | 162 |
| 15. IT Asset Replacement | 0 | 594 | 594 |
| 16. Market Analysis Development Project | 0 | 108 | 108 |
| 17. SHIBA HelpLine | 0 | 452 | 452 |
| Total 2005-07 Biennium | 0 | 40,926 | 40,926 |
| Fiscal Year 2006 Total | 0 | 21,208 | 21,208 |
| Fiscal Year 2007 Total | 0 | 19,718 | 19,718 |

Comments:

- Middle Management Reduction** - Middle management positions are reduced. represented employees. (Insurance Commissioners Regulatory Account-State)
- WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-Federal, Insurance Commissioners' Regulatory Account-State)
- Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-Federal, Insurance Commissioners Regulatory Account-State)
- Classification Revisions** - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Insurance Commissioners Regulatory Account-State)
- COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-
- Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Insurance Commissioners Regulatory Account-State)
- Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Insurance Commissioners Regulatory Account-State)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Financial Analysis Improvement** - Funding is provided to hire an additional insurance examiner that will enable the Office of the Insurance Commissioner (OIC) to identify financially troubled insurers earlier, allowing the agency to take corrective action sooner, thus reducing the risk to consumers. OIC performs a basic analysis of domestic insurers' financial statements, which identifies companies with the potential of

Office of the Insurance Commissioner

becoming financially distressed. Through early detection and intervention, the agency can assist companies before they face serious financial problems or insolvency. Currently, OIC is only able to perform an analysis of the most troubled companies. (Insurance Commissioner's Regulatory Account-State)

10. **Accreditation Standard** - Funding and staff are provided for the insurance commissioner to meet national accreditation standards.
11. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-Federal and Insurance Commissioners Regulatory Account-State)
12. **HP 3000 Computer Replacement** - OIC's Hewlett Packard (HP) 3000 mainframe computer will no longer be supported by the manufacturer as of December 2006. All mission critical agency insurance data reside on this system. Funding is provided to replace the mainframe and to redesign all mission critical applications. Funding for the requirements definition phase of this project was approved in the 2004 Supplemental Budget. (Insurance Commissioner's Regulatory Account-State)
13. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-Federal, Insurance Commissioners Regulatory Account-State)
14. **Illegal Insurer Investigations** - Washington consumers are being victimized by criminal enterprises selling fraudulent insurance products. This funding will enable OIC to evaluate and investigate all referrals of suspected criminal activity involving insurance transactions. Funding for one investigator position is needed to supplement the work of the current investigator. (Insurance Commissioner's Regulatory Account-State)
15. **IT Asset Replacement** - OIC's current personal computer and network infrastructure has reached the end of its life cycle. Funding is provided for an information technology (IT) asset replacement cycle for all IT equipment and standard desktop software. (Insurance Commissioner's Regulatory Account-State)
16. **Market Analysis Development Project** - Funding is provided for a one-year project position to determine the feasibility, design, structure, and organizational impact of establishing a market analysis program as a tool for regulating insurance products sold in the state of Washington. This development

project is being driven at the national level to better focus limited resources on consumer protection. (Insurance Commissioner's Regulatory Account-State)

17. **SHIBA HelpLine** - OIC's Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a statewide network of trained volunteers who provide one-on-one counseling and community education to consumers on health care and health insurance. SHIBA volunteers are supported by a county sponsor, usually a single community organization working with consumers in that county. The increasingly diverse population of Washington, including many non-English speaking residents, has strained sponsor capability, particularly in King, Pierce, and Snohomish counties. Funding is provided for sponsor reimbursements and a health insurance advisor to improve service to the diverse populations of this three-county area. (Insurance Commissioner's Regulatory Account-State)

State Board of Accountancy

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 1,985 | 1,985 |
| 2005-07 Maintenance Level | 0 | 1,946 | 1,946 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 35 | 35 |
| 2. Non-Represented Health Benefit Chg | 0 | 13 | 13 |
| 3. General Inflation | 0 | -9 | -9 |
| 4. Pension Rate for Gain Sharing | 0 | -6 | -6 |
| 5. Suspend Unfunded Liability Contribs | 0 | -17 | -17 |
| Total 2005-07 Biennium | 0 | 1,962 | 1,962 |
| Fiscal Year 2006 Total | 0 | 978 | 978 |
| Fiscal Year 2007 Total | 0 | 984 | 984 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (CPA Account-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (CPA Account-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (CPA Account-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (CPA Account-State)

Forensic Investigations Council

(Dollars in Thousands)

| | GF-S | Other | Total |
|--------------------------------------|----------|------------|------------|
| 2003-05 Expenditure Authority | 0 | 274 | 274 |
| 2005-07 Maintenance Level | 0 | 282 | 282 |
| Total 2005-07 Biennium | 0 | 282 | 282 |
| Fiscal Year 2006 Total | 0 | 266 | 266 |
| Fiscal Year 2007 Total | 0 | 16 | 16 |

Comments:

There were no policy level changes.

Washington Horse Racing Commission

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 4,609 | 4,609 |
| 2005-07 Maintenance Level | 0 | 8,516 | 8,516 |
| Policy Changes | | | |
| 1. WFSE COLA/Salary Survey | 0 | 84 | 84 |
| 2. Super Coalition Health Benefits | 0 | 47 | 47 |
| 3. COLA-Non-Represented | 0 | 52 | 52 |
| 4. Non-Represented Health Benefit Chg | 0 | 9 | 9 |
| 5. General Inflation | 0 | -20 | -20 |
| 6. Pension Rate for Gain Sharing | 0 | -18 | -18 |
| 7. Suspend Unfunded Liability Contribs | 0 | -61 | -61 |
| Total 2005-07 Biennium | 0 | 8,609 | 8,609 |
| Fiscal Year 2006 Total | 0 | 4,276 | 4,276 |
| Fiscal Year 2007 Total | 0 | 4,333 | 4,333 |

Comments:

1. **WFSE COLA/Salary Survey** - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Horse Racing Commission Account-State)
2. **Super Coalition Health Benefits** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Horse Racing Commission Account-State)
3. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Horse Racing Commission Account-State)
4. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Horse Racing Commission Account-State)
5. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Horse Racing Commission Account-State)
7. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement

System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Horse Racing Commission Account-State)

Washington State Liquor Control Board

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|--------------|----------------|----------------|
| 2003-05 Expenditure Authority | 2,909 | 158,160 | 161,069 |
| 2005 Supplemental * | 0 | 4,832 | 4,832 |
| Total 2003-05 Biennium | 2,909 | 162,992 | 165,901 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 3,049 | 168,083 | 171,132 |
| Policy Changes | | | |
| 1. Change Expense to Non-Appropriated | 0 | 58 | 58 |
| 2. Middle Management Reduction | -15 | -532 | -547 |
| 3. WPEA COLA/Salary Survey | 61 | 1,163 | 1,224 |
| 4. UFCW COLA/Salary Survey | 0 | 1,138 | 1,138 |
| 5. Super Coalition Health Benefits | 47 | 2,135 | 2,182 |
| 6. Classification Revisions | 0 | 94 | 94 |
| 7. COLA-Non-Represented | 10 | 604 | 614 |
| 8. Non-Represented Health Benefit Chg | 3 | 218 | 221 |
| 9. Salary Survey-Non-Rep Staff | 0 | 241 | 241 |
| 10. General Inflation | -7 | -1,116 | -1,123 |
| 11. Staff Training | 0 | 402 | 402 |
| 12. Criminal Justice Training | 32 | 126 | 158 |
| 13. Enhance Stores Network Connection | 0 | 2,228 | 2,228 |
| 14. Alcohol Education Initiative | 0 | 186 | 186 |
| 15. Optional Redemption of COPs | 0 | 4,315 | 4,315 |
| 16. Improve Core Technology Operations | 0 | 2,261 | 2,261 |
| 17. Financing Warehouse Expansion | 0 | 2,800 | 2,800 |
| 18. Increase Shipping Capacity | 0 | 3,233 | 3,233 |
| 19. More Store FTEs for Revenue Growth | 0 | 2,746 | 2,746 |
| 20. Pension Rate for Gain Sharing | -10 | -392 | -402 |
| 21. Suspend Unfunded Liability Contribs | -34 | -1,323 | -1,357 |
| 22. Liquor Retail Business Plan | 0 | 1,435 | 1,435 |
| 23. Tobacco Products Enforc. (SB 6097) | 309 | 0 | 309 |
| <hr/> | | | |
| Total 2005-07 Biennium | 3,445 | 190,103 | 193,548 |
| Fiscal Year 2006 Total | 1,739 | 93,313 | 95,052 |
| Fiscal Year 2007 Total | 1,706 | 96,790 | 98,496 |

Comments:

- | | |
|---|--|
| <p>1. Change Expense to Non-Appropriated - Bags to carry purchased liquor are changed from an appropriated to a non-appropriated/budgeted expense. This change allows the Liquor Control Board to continue to provide bags to customers without having to seek additional appropriation authority when liquor sales increase. (Liquor Revolving Account-Non-Appropriated)</p> <p>2. Middle Management Reduction - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency.</p> <p>3. WPEA COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association (WPEA). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Liquor Revolving Account-State)</p> | <p>4. UFCW COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the United Food and Commercial Workers (UFCW). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Liquor Revolving Account-State)</p> <p>5. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Liquor Revolving Account-State)</p> <p>6. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Liquor Revolving Account-State)</p> |
|---|--|

Washington State Liquor Control Board

7. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, Liquor Revolving Account-State)
8. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Liquor Revolving Account-State)
9. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Liquor Revolving Account-State)
10. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
11. **Staff Training** - Funding is provided for an FTE and for staff training courses. (Liquor Revolving Account-State)
12. **Criminal Justice Training** - All newly hired liquor enforcement officers (LEOs) are required to receive 720 hours of basic law enforcement academy (BLEA) training. Currently, there are 40 LEOs employed prior to this period that have not received this training. Beginning in the 2005-07 biennium, five of these LEOs will attend the BLEA per year. This funding allows for all LEOs to meet the minimum law enforcement training standards established by the Washington State Criminal Justice Training Commission. (Liquor Revolving Account-State)
13. **Enhance Stores Network Connection** - Funding is provided for a high-speed wide area network to be installed in all of the 161 state liquor stores, which will reduce credit card transaction times, allow for access to on-line lottery games, and the ability to conduct product searches. (Liquor Revolving Account-State)
14. **Alcohol Education Initiative** - Funding is provided for an alcohol education staff coordinator to leverage resources for direct alcohol abuse prevention services such as a media campaign or educational materials targeted toward middle school and high school students, with input from the Department of Social and Health Service's Division of Alcohol and Substance Abuse and the Governor's Council on Substance Abuse. (Liquor Revolving Account-State)
15. **Optional Redemption of COPs** - Funding is provided for the Liquor Control Board to make an accelerated final payment on the certificate of participation (COP) that was used to finance the new Seattle Liquor Distribution Center. Making this accelerated final payment saves the state \$390,000 in interest expenses. Once the debt is eliminated, the agency will retain the 20 cent per liter surcharge to finance the expansion of the Seattle Distribution Center. (Liquor Control Board Construction and Maintenance Account-State)
16. **Improve Core Technology Operations** - Funding is provided for information technology investments in the following areas: replacement of essential computer equipment; improvement of security measures; and improvement of the technical support for core infrastructure. The improvement of security measures involves hiring an information technology security coordinator to bring the Liquor Control Board into full compliance with all Information Services Board security standards. The improvement of technical support for the core infrastructure includes adding three additional staff to address network and management concerns. (Liquor Revolving Account-State)
17. **Financing Warehouse Expansion** - Funding is provided to expand the Seattle Liquor Distribution Center to meet annual growth in liter sales of 4.8 percent. The additional space will support expanded receiving docks, floor and rack storage, and staging areas. Construction is expected to be completed by December 2007, and the project cost is estimated at \$17.5 million. The Board will fund the expansion through a certificate of participation and continuation of the 20 cent per liter surcharge that funded the existing Distribution Center. (Liquor Control Board Construction and Maintenance Account-State)
18. **Increase Shipping Capacity** - Funding is provided to improve the material handling equipment at the Seattle Liquor Distribution Center. Additions include: an upgrade to the latest version of the warehouse management system (WMS) software, modifications to the WMS software to allow for more efficient product retrieval, purchase of a carousel maintenance agreement, and additional product retrieval equipment and material handling system back-up parts. The upgrades to the material handling equipment and WMS, to be made in FY 2005 and early FY 2006, will generate an additional \$14.86 million in revenue. (Liquor Revolving Account-State)
19. **More Store FTEs for Revenue Growth** - Funding is provided for new staff in stores with the greatest potential for revenue growth. The Liquor Control Board, with the assistance of two new retail business analysts and an independent consultant, will analyze the impact of additional staff on customer satisfaction and revenue growth and make recommendations concerning the need for additional state liquor store staff, store relocations, new state and contract liquor stores, and other retail organizational structure changes. (Liquor Revolving Account-State)
20. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, Liquor Revolving Account-State)
21. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology).

Washington State Liquor Control Board

For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, Liquor Revolving Account-State)

22. **Liquor Retail Business Plan** - Funding is provided to implement Chapter 231, Laws of 2005 (SHB 1379), which requires the Liquor Control Board to implement a liquor retail business plan. The business plan includes opening at least 20 stores on Sunday and allows for in-store merchandising and point of sale advertising. (Liquor Revolving Account-State)
23. **Tobacco Products Enforc. (SB 6097)** - Funding is provided for two enforcement officers to enforce the new licensing and compliance requirements set out in Chapter 180, Laws of 2005 (SB 6097), on merchandisers of tobacco products.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Utilities and Transportation Commission

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 30,267 | 30,267 |
| 2005-07 Maintenance Level | 0 | 32,136 | 32,136 |
| Policy Changes | | | |
| 1. National Energy Policy Devt | 0 | 120 | 120 |
| 2. Middle Management Reduction | 0 | -253 | -253 |
| 3. WFSE COLA/Salary Survey | 0 | 476 | 476 |
| 4. Super Coalition Health Benefits | 0 | 286 | 286 |
| 5. COLA-Non-Represented | 0 | 289 | 289 |
| 6. Non-Represented Health Benefit Chg | 0 | 62 | 62 |
| 7. General Inflation | 0 | -68 | -68 |
| 8. Information Services Support | 0 | 145 | 145 |
| 9. Statewide Systems Increase | 0 | 46 | 46 |
| 10. Public Counsel Legal Services | 0 | 70 | 70 |
| 11. Pension Rate for Gain Sharing | 0 | -106 | -106 |
| 12. Suspend Unfunded Liability Contribs | 0 | -355 | -355 |
| Total 2005-07 Biennium | 0 | 32,848 | 32,848 |
| Fiscal Year 2006 Total | 0 | 16,410 | 16,410 |
| Fiscal Year 2007 Total | 0 | 16,438 | 16,438 |

Comments:

- | | |
|--|--|
| <p>1. National Energy Policy Devt - Funding is provided to further the state's interest in national energy policy development currently being considered in Congress and by the Federal Energy Regulatory Commission. (Public Service Revolving Account-State)</p> <p>2. Middle Management Reduction - Statewide, the number of middle management positions will be reduced by 1,000 positions by the end of the biennium. The reductions are phased in over the entire two-year period. Funds are reduced to reflect the portion of the reduction attributable to this agency.</p> <p>3. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)</p> <p>4. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)</p> <p>5. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)</p> | <p>6. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)</p> <p>7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>8. Information Services Support - Funding is provided to the Information Services section for one additional staff position to address backlog and multiple developmental projects. (Public Service Revolving Account-State)</p> <p>9. Statewide Systems Increase - Funding is provided to improve the agency cost allocation and revenue systems that were developed in the 1960s. This enhancement will allow the Commission to utilize the state's Agency Financial Reporting System and implement the new state time-keeping system in FY 2005. (Public Service Revolving Account-State)</p> <p>10. Public Counsel Legal Services - Funding is provided to improve the ability of the Public Counsel to address consumer issues through expert witness testimony and analysis. Recent changes in telecommunications, electric, and natural gas industries require the use of expert witnesses beyond the capacity of the current budget. (Public Service Revolving Account-State)</p> <p>11. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07</p> |
|--|--|

Utilities and Transportation Commission

biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)

12. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Public Service Revolving Account-State, Pipeline Safety-State, Pipeline Safety-Federal)

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

Board for Volunteer Firefighters

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|------------|------------|
| 2003-05 Expenditure Authority | 0 | 733 | 733 |
| 2005-07 Maintenance Level | 0 | 765 | 765 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 12 | 12 |
| 2. Non-Represented Health Benefit Chg | 0 | 4 | 4 |
| 3. Salary Survey-Non-Rep Staff | 0 | 8 | 8 |
| 4. General Inflation | 0 | -2 | -2 |
| 5. Contract for IT Support Services | 0 | 18 | 18 |
| 6. Hire an Office Assistant | 0 | 45 | 45 |
| 7. Civil Service Reform Training | 0 | 1 | 1 |
| 8. Pension Rate for Gain Sharing | 0 | -2 | -2 |
| 9. Suspend Unfunded Liability Contribs | 0 | -6 | -6 |
| Total 2005-07 Biennium | 0 | 843 | 843 |
| Fiscal Year 2006 Total | 0 | 415 | 415 |
| Fiscal Year 2007 Total | 0 | 428 | 428 |

Comments:

- | | |
|--|--|
| <p>1. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> <p>2. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> <p>3. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> <p>4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> <p>5. Contract for IT Support Services - Funding is provided for information technology support provided by the Department of Information Services. (Volunteer Firefighters' & Reserve Officers' Administrative Account-Non-Appropriated)</p> <p>6. Hire an Office Assistant - Funding is provided to meet additional staffing requirements, including separating duties and meeting increased workload demands. (Volunteer Firefighters' & Reserve Officers' Administrative Account-Non-Appropriated)</p> | <p>7. Civil Service Reform Training - Funding is provided for costs associated with civil service reform training required to comply with the Personnel System Reform Act of 2002. (Volunteer Firefighters' & Reserve Officers' Administrative Account-Non-Appropriated)</p> <p>8. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> <p>9. Suspend Unfunded Liability Contribs - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Volunteer Firefighters' & Reserve Officers' Administrative Account-State)</p> |
|--|--|

Military Department

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|---------------|----------------|----------------|
| 2003-05 Expenditure Authority | 17,044 | 269,075 | 286,119 |
| 2005 Supplemental * | 28 | -34,429 | -34,401 |
| Total 2003-05 Biennium | 17,072 | 234,646 | 251,718 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 17,868 | 247,090 | 264,958 |
| Policy Changes | | | |
| 1. E-911 Database Upgrade | 0 | 2,900 | 2,900 |
| 2. Middle Management Reduction | -122 | -135 | -257 |
| 3. WFSE COLA/Salary Survey | 107 | 284 | 391 |
| 4. WPEA COLA/Salary Survey | 118 | 291 | 409 |
| 5. Super Coalition Health Benefits | 135 | 329 | 464 |
| 6. Classification Revisions | 45 | 71 | 116 |
| 7. COLA-Non-Represented | 228 | 180 | 408 |
| 8. Non-Represented Health Benefit Chg | 69 | 58 | 127 |
| 9. Salary Survey-Non-Rep Staff | 102 | 119 | 221 |
| 10. General Inflation | -81 | -211 | -292 |
| 11. Alert & Warning Ctr Staffing | 386 | 0 | 386 |
| 12. Pension Rate for Gain Sharing | -64 | -98 | -162 |
| 13. Suspend Unfunded Liability Contribs | -212 | -323 | -535 |
| 14. Mt. St. Helens Emerg Communications | 867 | 0 | 867 |
| <hr/> | | | |
| Total 2005-07 Biennium | 19,446 | 250,555 | 270,001 |
| Fiscal Year 2006 Total | 10,084 | 145,853 | 155,937 |
| Fiscal Year 2007 Total | 9,362 | 104,702 | 114,064 |

Comments:

- | | |
|---|---|
| <p>1. E-911 Database Upgrade - Funding is appropriated to upgrade the enhanced 911 (E-911) database to meet the National Emergency Number Association's Extensible Markup Language standards. This upgrade will permit data sharing between multiple systems, including wireline, wireless, and voice-over-Internet Protocol technology. These applications have been endorsed by the Federal Communications Commission. (Enhanced 911 Account-State)</p> <p>2. Middle Management Reduction - Middle management positions are reduced.</p> <p>3. WFSE COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Federation of State Employees (WFSE). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>4. WPEA COLA/Salary Survey - Funding is provided to cover the cost of the contract negotiated between the Governor's Office of Labor Relations and the Washington Public Employees Association (WPEA). More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal)</p> <p>5. Super Coalition Health Benefits - Funding is provided for the current health benefit package and level of cost sharing during</p> | <p>the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>6. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>7. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, various other funds)</p> <p>8. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, various other funds)</p> <p>9. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, General Fund-Federal, Enhanced 911 Account-State)</p> |
|---|---|

Military Department

10. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
11. **Alert & Warning Ctr Staffing** - Funding is appropriated to add three FTEs for the Emergency Operations Alert and Warning Center to provide the center with two employees per shift. This will reduce overtime costs and eliminate periods where only one employee covers the shift.
12. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, General Fund-Federal, various other funds)
13. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)
14. **Mt. St. Helens Emerg Communications** - One-time funding is appropriated for to the Cowlitz County 911 Communications Center for the purposes of purchasing or reimbursing the cost of purchasing interoperable radio communication technology to improve disaster response in the Mt. St. Helens area.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Public Employment Relations Commission

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|--------------|--------------|--------------|
| 2003-05 Expenditure Authority | 4,799 | 2,542 | 7,341 |
| 2005 Supplemental * | -41 | 0 | -41 |
| Total 2003-05 Biennium | 4,758 | 2,542 | 7,300 |
| 2005-07 Maintenance Level | 5,186 | 2,723 | 7,909 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 142 | 76 | 218 |
| 2. Non-Represented Health Benefit Chg | 40 | 22 | 62 |
| 3. Salary Survey-Non-Rep Staff | 350 | 185 | 535 |
| 4. General Inflation | -16 | -7 | -23 |
| 5. Pension Rate for Gain Sharing | -24 | -12 | -36 |
| 6. Suspend Unfunded Liability Contribs | -78 | -42 | -120 |
| Total 2005-07 Biennium | 5,600 | 2,945 | 8,545 |
| Fiscal Year 2006 Total | 2,776 | 1,435 | 4,211 |
| Fiscal Year 2007 Total | 2,824 | 1,510 | 4,334 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State, Department of Personnel Services Account-State)
2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State, Department of Personnel Services Account-State)
3. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (General Fund-State, Department of Personnel Services Account-State)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Services Account-State)
5. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State, Department of Personnel Services Account-State)
6. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology).

For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State, Department of Personnel Services Account-State)

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Growth Management Hearings Board

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|--------------|----------|--------------|
| 2003-05 Expenditure Authority | 3,003 | 0 | 3,003 |
| 2005 Supplemental * | 55 | 0 | 55 |
| Total 2003-05 Biennium | 3,058 | 0 | 3,058 |
| <hr/> | | | |
| 2005-07 Maintenance Level | 3,065 | 0 | 3,065 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 74 | 0 | 74 |
| 2. Non-Represented Health Benefit Chg | 17 | 0 | 17 |
| 3. General Inflation | -7 | 0 | -7 |
| 4. Pension Rate for Gain Sharing | -12 | 0 | -12 |
| 5. Suspend Unfunded Liability Contribs | -41 | 0 | -41 |
| 6. Caseload Increases | 62 | 0 | 62 |
| <hr/> | | | |
| Total 2005-07 Biennium | 3,158 | 0 | 3,158 |
| Fiscal Year 2006 Total | 1,571 | 0 | 1,571 |
| Fiscal Year 2007 Total | 1,587 | 0 | 1,587 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (General Fund-State)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (General Fund-State)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (General Fund-State)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (General Fund-State)

6. **Caseload Increases** - One-time funding is provided to meet the anticipated increase in cases filed for review due to counties and cities updating their natural resource lands designations,

critical areas ordinances, comprehensive plans and development regulations.

* Please see the 2005 Supplemental Operating Budget Section for additional information.

Washington State Gambling Commission

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 27,284 | 27,284 |
| 2005-07 Maintenance Level | 0 | 29,010 | 29,010 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 656 | 656 |
| 2. Non-Represented Health Benefit Chg | 0 | 225 | 225 |
| 3. Salary Survey-Non-Rep Staff | 0 | 115 | 115 |
| 4. General Inflation | 0 | -91 | -91 |
| 5. Gambling Information Management Sys | 0 | 500 | 500 |
| 6. Pension Rate for Gain Sharing | 0 | -106 | -106 |
| 7. Suspend Unfunded Liability Contribs | 0 | -355 | -355 |
| Total 2005-07 Biennium | 0 | 29,954 | 29,954 |
| Fiscal Year 2006 Total | 0 | 14,209 | 14,209 |
| Fiscal Year 2007 Total | 0 | 15,745 | 15,745 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Gambling Revolving Account-Non-Appropriated)
2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Gambling Revolving Account-Non-Appropriated)
3. **Salary Survey-Non-Rep Staff** - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Gambling Revolving Account-Non-Appropriated)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **Gambling Information Management Sys** - Funding is included for the Gambling Commission to replace its current licensing system with a gambling information management system that integrates its stand-alone databases into one comprehensive database with a web-based interface. (Gambling Revolving Account-Non-Appropriated)
6. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Gambling Revolving Account-Non-Appropriated)
7. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement

System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Gambling Revolving Account-Non-Appropriated)

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

| | GF-S | Other | Total |
|----------------------------------|--------------|--------------|--------------|
| 2005-07 Maintenance Level | 0 | 0 | 0 |
| Policy Changes | | | |
| 1. Establishment of Agency | 1,099 | 1,460 | 2,559 |
| <hr/> | | | |
| Total 2005-07 Biennium | 1,099 | 1,460 | 2,559 |
| Fiscal Year 2006 Total | 550 | 730 | 1,280 |
| Fiscal Year 2007 Total | 549 | 730 | 1,279 |
| <hr/> | | | |

Comments:

1. **Establishment of Agency** - The Department of Archaeology and Historic Preservation (DAHP) is established as a separate agency of state government. The creation of this new agency will allow for institutional efficiencies, creating a greater funding base to distribute to local governments for preservation-related activities. (General Fund-State, General Fund-Federal, General Fund-Local)

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

State Convention and Trade Center

(Dollars in Thousands)

| | GF-S | Other | Total |
|--------------------------------------|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 71,752 | 71,752 |
| 2005-07 Maintenance Level | 0 | 76,649 | 76,649 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 487 | 487 |
| 2. General Inflation | 0 | -154 | -154 |
| Total 2005-07 Biennium | 0 | 76,982 | 76,982 |
| Fiscal Year 2006 Total | 0 | 37,809 | 37,809 |
| Fiscal Year 2007 Total | 0 | 39,173 | 39,173 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (State Convention & Trade Center Account-State)

2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Financial Institutions

(Dollars in Thousands)

| | GF-S | Other | Total |
|---|----------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 28,442 | 28,442 |
| 2005-07 Maintenance Level | 0 | 30,974 | 30,974 |
| Policy Changes | | | |
| 1. Middle Management Reduction | 0 | -167 | -167 |
| 2. Classification Revisions | 0 | 4 | 4 |
| 3. COLA-Non-Represented | 0 | 700 | 700 |
| 4. Non-Represented Health Benefit Chg | 0 | 214 | 214 |
| 5. Salary Survey-Non-Rep Staff | 0 | 304 | 304 |
| 6. General Inflation | 0 | -84 | -84 |
| 7. Pension Rate for Gain Sharing | 0 | -116 | -116 |
| 8. Suspend Unfunded Liability Contribs | 0 | -382 | -382 |
| 9. Financial & Acct. Fraud, Securities | 0 | 677 | 677 |
| 10. Exam Enhancement, Banks | 0 | 417 | 417 |
| 11. Exam Enhancement, Credit Unions | 0 | 217 | 217 |
| 12. Exam Enhancement, Consumer Services | 0 | 1,861 | 1,861 |
| 13. Information Technology Package | 0 | 1,661 | 1,661 |
| 14. Communication, Outreach & Education | 0 | 235 | 235 |
| 15. Licensing, Consumer Services | 0 | 259 | 259 |
| 16. Enforcement, Consumer Services | 0 | 703 | 703 |
| 17. Refund Anticipation Loans-SSB 5692 | 0 | 13 | 13 |
| Total 2005-07 Biennium | 0 | 37,490 | 37,490 |
| Fiscal Year 2006 Total | 0 | 18,303 | 18,303 |
| Fiscal Year 2007 Total | 0 | 19,187 | 19,187 |

Comments:

- | | |
|---|--|
| <p>1. Middle Management Reduction - Middle management positions are reduced.</p> <p>2. Classification Revisions - Funding is provided to continue phasing in the classification consolidation and revisions required by the Personnel System Reform Act of 2002. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Financial Services Regulation Account-Non-Appropriated)</p> <p>3. COLA-Non-Represented - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Financial Services Regulation Account-Non-Appropriated)</p> <p>4. Non-Represented Health Benefit Chg - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Financial Services Regulation Account-Non-Appropriated)</p> <p>5. Salary Survey-Non-Rep Staff - Funding is provided for salary increases for non-represented employees in job classifications identified as being compensated more than 25 percent lower than the market rate in the Department of Personnel's 2002 Salary Survey. (Financial Services Regulation Account-Non-Appropriated)</p> | <p>6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>7. Pension Rate for Gain Sharing - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Financial Services Regulation Account-Non-Appropriated)</p> <p>8. Suspend Unfunded Liability Contribs - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Financial Services Regulation Account-Non-Appropriated)</p> <p>9. Financial & Acct. Fraud, Securities - Funding is included for the Department to hire a financial legal examiner and two financial examiners, at midrange on their respective salary steps, to investigate companies using fraudulent corporate and financial accounting techniques in connection with an offering of securities or in communications with investors or financial</p> |
|---|--|

Department of Financial Institutions

- markets. (Financial Services Regulation Account-Non-Appropriated)
10. **Exam Enhancement, Banks** - Funding is included for the Division of Banks to hire three financial examiner assistants, at midrange on the salary step, to examine state chartered financial institutions for safety and soundness purposes and supervise and examine state chartered institutions identified by federal regulators as having less than satisfactory Community Reinvestment Act or consumer compliance ratings, or having other identified issues. (Financial Services Regulation Account-Non-Appropriated)
 11. **Exam Enhancement, Credit Unions** - Funding is included for an additional financial examiner, at midrange on the salary step, in the Credit Union Division to meet increased workload demands in the area of credit union compliance with federally-mandated consumer protection laws, including anti-terrorism laws. (Financial Services Regulation Account-Non-Appropriated)
 12. **Exam Enhancement, Consumer Services** - Funding is included for the Division of Consumer Services to enter into personal service contracts in the 2005-07 biennium. These personal service contracts will provide examinations of the following: consumer loan companies, mortgage brokers, check cashiers and sellers (payday lenders), and money transmitters and currency exchangers. The contracts will also include external audits of predatory practices and emerging issues such as stored value electronic payment systems and Internet-based financial transactions. (Financial Services Regulation Account-Non-Appropriated)
 13. **Information Technology Package** - Funding is included for the Department of Financial Institutions (DFI) to develop an integrated regulatory database system. DFI will expand imaging to new areas of the agency, support document retention, and workflow management. Examination and enforcement activities will be enhanced by developing or purchasing tools that will scan, read, and store information from bank statements, manage investigative cases, collect and manipulate financial information, and expand the capacity to perform computer forensics on confiscated computers. (Financial Services Regulation Account-Non-Appropriated)
 14. **Communication, Outreach & Education** - Funding is included for DFI to hire a communications director, at midrange on the salary step, to improve the Department's consumer outreach, education, and communications functions. (Financial Services Regulation Account-Non-Appropriated)
 15. **Licensing, Consumer Services** - Funding is included for the Division of Consumer Services to hire a customer service representative and a financial examiner, at midrange on their respective salary steps, to reduce license application review turn-around times and improve the quality of license application reviews. (Financial Services Regulation Account-Non-Appropriated)
 16. **Enforcement, Consumer Services** - Funding is included for the Division of Consumer Services to hire a financial examiner and 2.5 financial legal examiners, at midrange on their respective salary steps, to enforce state financial regulation and consumer protection laws regarding sub-prime lending by consumer loan companies, mortgage brokers, and payday lenders, and money laundering and criminal activity by money transmitters and currency exchangers. (Financial Services Regulation Account-Non-Appropriated)
 17. **Refund Anticipation Loans-SSB 5692** - Funding is included for the Department to implement Chapter 471, Laws of 2005 (SSB 5692 - Refund Anticipation Loans). (Financial Services Regulation Account-Non-Appropriated)

Public Printer

(Dollars in Thousands)

| | <u>GF-S</u> | <u>Other</u> | <u>Total</u> |
|--|-------------|---------------|---------------|
| 2003-05 Expenditure Authority | 0 | 66,000 | 66,000 |
| 2005-07 Maintenance Level | 0 | 66,485 | 66,485 |
| Policy Changes | | | |
| 1. Press-Printing and Copying | 0 | 165 | 165 |
| 2. On Demand Printing | 0 | 128 | 128 |
| 3. Tech Efficiencies/Savings & Redist | 0 | -1,327 | -1,327 |
| 4. COLA-Non-Represented | 0 | 416 | 416 |
| 5. Non-Represented Health Benefit Chg | 0 | 189 | 189 |
| 6. Pension Rate for Gain Sharing | 0 | -66 | -66 |
| 7. Suspend Unfunded Liability Contribs | 0 | -223 | -223 |
| Total 2005-07 Biennium | 0 | 65,767 | 65,767 |
| Fiscal Year 2006 Total | 0 | 32,938 | 32,938 |
| Fiscal Year 2007 Total | 0 | 32,829 | 32,829 |

Comments:

- 1. Press-Printing and Copying** - The budget includes funding for additional costs and 1.8 FTEs associated with operating the printing press to meet increased customer demand for printing and copying. (Printing Plant Revolving Account-Non-Appropriated)
- 2. On Demand Printing** - Funding is provided for additional costs and 3 FTEs associated with increased customer orders for printing services. (Printing Plant Revolving Account-Non-Appropriated)
- 3. Tech Efficiencies/Savings & Redist** - Saving are realized from a net reduction in costs due to the Department's redistribution of current staff to higher demand activities of bindery and shipping, printing and copying, and the Department's use of more sophisticated equipment. (Printing Plant Revolving Account-Non-Appropriated)
- 4. COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Printing Plant Revolving-Non-Appropriated)
- 5. Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (Printing Plant Revolving Account-Non-Appropriated)
- 6. Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (Printing Plant Revolving Account-Non-Appropriated)
- 7. Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and

the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (Printing Plant Revolving Account-Non-Appropriated)

LEOFF 2 Retirement Board

(Dollars in Thousands)

| | GF-S | Other | Total |
|--|----------|--------------|--------------|
| 2003-05 Expenditure Authority | 0 | 889 | 889 |
| 2005-07 Maintenance Level | 0 | 1,895 | 1,895 |
| Policy Changes | | | |
| 1. COLA-Non-Represented | 0 | 32 | 32 |
| 2. Non-Represented Health Benefit Chg | 0 | 9 | 9 |
| 3. General Inflation | 0 | -5 | -5 |
| 4. Pension Rate for Gain Sharing | 0 | -6 | -6 |
| 5. Suspend Unfunded Liability Contribs | 0 | -17 | -17 |
| Total 2005-07 Biennium | 0 | 1,908 | 1,908 |
| Fiscal Year 2006 Total | 0 | 949 | 949 |
| Fiscal Year 2007 Total | 0 | 959 | 959 |

Comments:

1. **COLA-Non-Represented** - Funding is provided to give cost-of-living adjustments (COLAs) of 3.2 percent on September 1, 2005, and 1.6 percent on September 1, 2006, to non-represented employees. (Law Enforcement Officers' and Fire Fighters' [LEOFF] Retirement System Plan 2 Expense Account-Non-Appropriated)

2. **Non-Represented Health Benefit Chg** - Funding is provided for the current health benefit package and level of cost sharing during the 2005-07 biennium for both represented and non-represented employees. More detailed information about this item is provided in the general comments for "State Employee Compensation." (LEOFF Retirement System Plan 2 Expense Account-Non-Appropriated)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (LEOFF Retirement System Plan 2 Expense Account-Non-Appropriated)

4. **Pension Rate for Gain Sharing** - Contributions toward the future costs of gain sharing are suspended for the 2005-07 biennium, consistent with Chapter 370, Laws of 2005 (ESHB 1044). (LEOFF Retirement System Plan 2 Expense Account-Non-Appropriated)

5. **Suspend Unfunded Liability Contribs** - Funding levels for employer contributions to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are adjusted consistent with ESHB 1044 (Pension Funding Methodology). For employers and members of retirement plans unaffected by ESHB 1044, funding levels are provided consistent with the contribution rates recommended by the Pension Funding Council. Additional detail on pension contribution rates is provided in the general comments for "State Employee Compensation." (LEOFF Retirement System Plan 2 Expense Account-Non-Appropriated)