

Special Appropriations

State Employee Compensation

The descriptions below provide more information on the compensation items that were allocated to each individual agency. The first two sets of figures on this page exclude K-12 and Higher Education programs. Those amounts are shown on the summary pages for those areas.

Increases in Salaries and Benefits for Non-Represented State Employees (\$71.1 Million Near General Fund-State, \$72.5 Million Other Funds)

- **Nonrepresented Staff Health Benefit** - Funding is provided to increase employer funding rates for nonrepresented employee health benefits sufficiently so that employer payments defray 88 percent of the cost of health insurance premiums. Funding rates at this level are projected to be \$707 per month for FY 2008 and \$732 per month for FY 2009. (General Fund-State, various other funds)
- **Nonrepresented Salary Increase** - Funding is provided for salary adjustments of 3.2 percent on September 1, 2007, and 2.0 percent on September 1, 2008, for state employees not covered by a collective bargaining agreement or by the provisions of Initiative 732. (General Fund-State, various other funds)
- **Nonrepresented Salary Survey** - Funding is provided for state employees who lag most severely behind market rates in the 2006 Department of Personnel salary survey. Funding is provided to increase pay for those more than 25 percent below market rates and for other affected classes. (General Fund-State, various other funds)
- **Nonrepresented Agency Request** - Funding for increases for specific job classes for state employees not covered by a bargaining unit are provided corresponding to those made in collective bargaining agreements negotiated by the Governor. (General Fund-State, various other funds)
- **Nonrepresented Class Consolidation** - Funding for increases for specific job classes for state employees not covered by a bargaining unit are provided corresponding to those made in collective bargaining agreements negotiated by the Governor. (General Fund-State, various other funds)
- **Nonrepresented Additional Step** - Funding for an additional 2.5 percent step L on the salary grid is provided to those who have been at Step K for at least one year for state employees not covered by a bargaining unit. (General Fund-State, various other funds)

Increases in Salaries and Benefits as Provided in the Collective Bargaining Agreements Negotiated by the Governor (\$270.9 Million Near General Fund-State, \$180.9 Million Other Funds)

- **WFSE Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the Washington Federation of State Employees (WFSE). The agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, implementation of Phase 4 of Class Consolidation under chapter 41.80 RCW, Agency Requests for Reclassification that meet the

criteria outlined in RCW 41.06.152, implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate, and a new Step L on the salary grid. (General Fund-State, various other funds)

- **WPEA Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the Washington Public Employees' Association (WPEA). Provisions of this agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, implementation of Phase 4 of Class Consolidation under chapter 41.80 RCW, Agency Requests for Reclassification that meet the criteria outlined in RCW 41.06.152, implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate, and a new Step L on the salary grid. (General Fund-State, various other funds)
- **Teamsters' Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the Teamsters. Provisions of this agreement include a pay increase of
 - 3.2 percent effective July 1, 2007; a second increase of 2.0 percent effective July 1, 2008; implementation of Phase 4 of Class Consolidation under chapter 41.80 RCW; Agency Requests for Reclassification that meet the criteria outlined in RCW 41.06.152; implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate; a new Step L on the salary grid; and a 5 percent geographic pay increase for corrections and custody officers 1, 2, and 3 in Franklin, Snohomish, and Walla Walla counties.
- **UFCW Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the United Food and Commercial Workers (UFCW). Provisions of this agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, and a new Step L on the salary grid.
- **Local 17 Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the International Federation of Professional and Technical Employees, Local 17. Provisions of this agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate, and a new Step L on the salary grid.
- **1199 Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the Service Employees' International Union, Local 1199. Provisions of this agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, and implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate.
- **Coalition Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the state employee Coalition. Provisions of this agreement include a pay increase of 3.2 percent effective July 1, 2007, a second increase of 2.0 percent effective July 1, 2008, implementation Phase 4 of Class Consolidation under chapter 41.80 RCW, Agency Requests for Reclassification that meet the criteria outlined in RCW 41.06.152, implementation of the 2006 Department of Personnel salary survey for classes more than 25 percent below market rate, and a new Step L on the salary grid.

Gain-Sharing Repeal and New Retirement Benefits (\$94.9 Million Near General Fund-State Savings, \$2.8 Million Other Funds Savings)

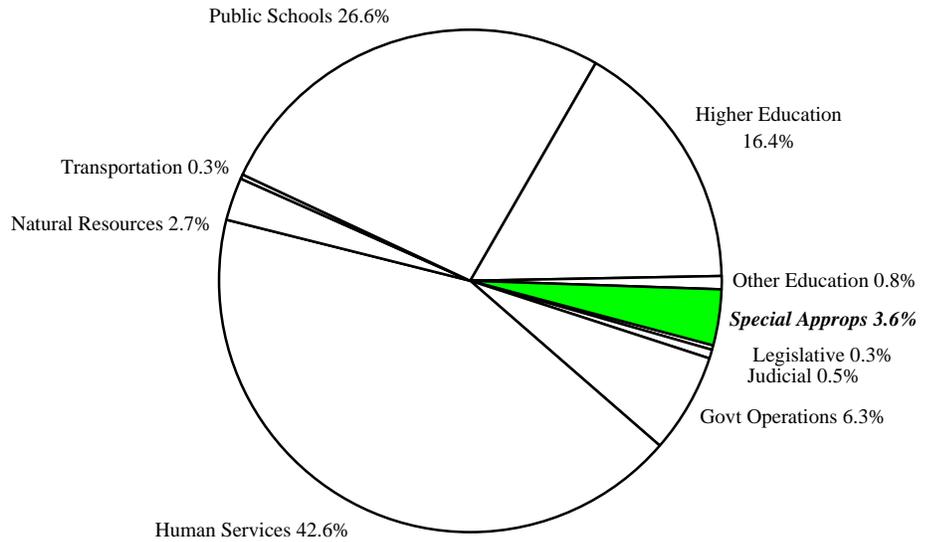
Consistent with Chapter 491, Laws of 2007 (EHB 2391), pension system contribution rates are decreased to reflect the repeal of gain sharing for members of the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) Plans 1 and 3 and the School Employees' Retirement System (SERS) Plan 3. The final distribution of gain sharing under current law will be January 1, 2008. Benefit enhancements are provided to PERS and TRS Plan 1 members in the form of a one-time increase in the Uniform cost-of-living adjustment on July 1, 2009, of up to 20 cents, depending on investment return. Benefit enhancements are provided to PERS, TRS, and SERS Plan 2 and 3 members in the form of improved early retirement reduction factors, including unreduced retirement beginning at age 62 and 30 years of service. New members of TRS and SERS will have the option of joining Plan 2 or Plan 3. As a result of these changes, employer contribution rates for fiscal year 2008 will be 5.97 percent in PERS, 5.66 percent in TRS, and 5.72 percent in SERS. Employer contribution rates in fiscal year 2009 will be 8.15 percent in PERS, 8.22 percent in TRS, and 7.38 percent in SERS.

2007-09 Washington State Omnibus Operating Budget

Total Budgeted Funds

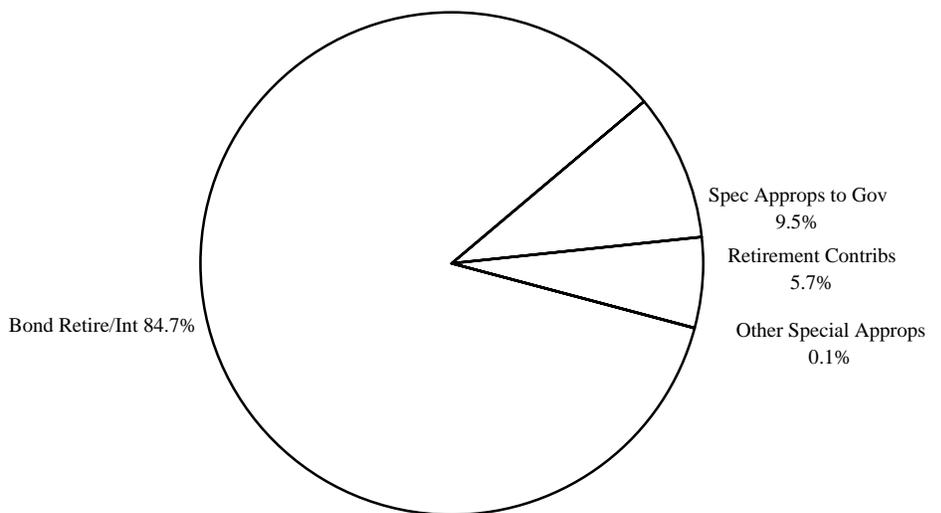
(Dollars in Thousands)

Legislative	170,750
Judicial	284,457
Governmental Operations	3,569,722
Human Services	24,186,777
Natural Resources	1,540,992
Transportation	169,985
Public Schools	15,070,666
Higher Education	9,282,202
Other Education	443,499
Special Appropriations	2,043,434
Statewide Total	56,762,484



Washington State

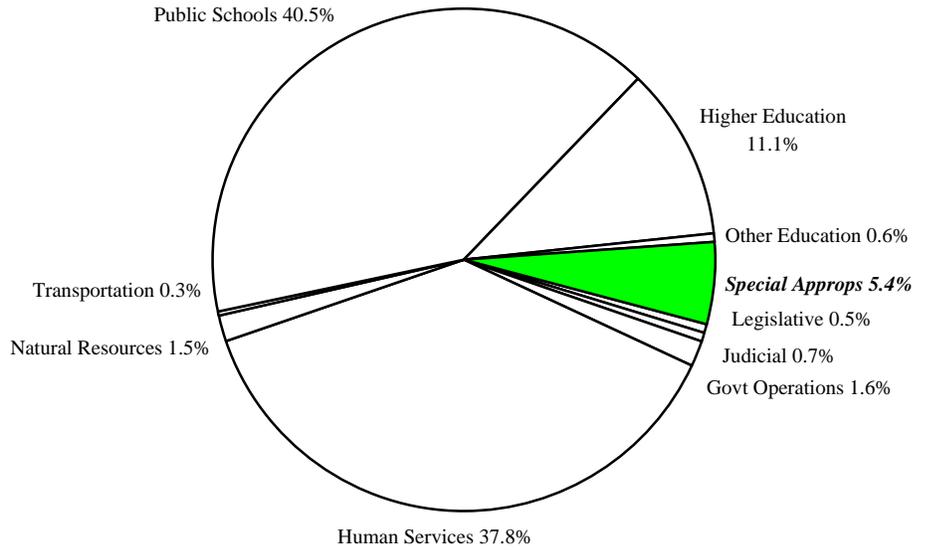
Bond Retire/Int	1,731,686
Spec Approps to Gov	193,818
Retirement Contributions	116,400
Other Special Approps	1,530
Special Appropriations	2,043,434



Special Appropriations

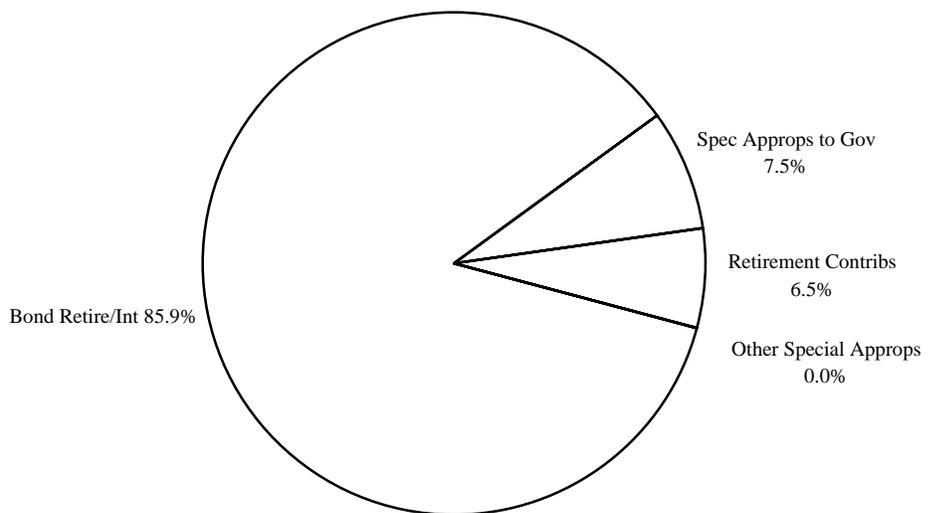
2007-09 Washington State Omnibus Operating Budget
Near General Fund - State
(Dollars in Thousands)

Legislative	165,845
Judicial	245,020
Governmental Operations	548,713
Human Services	12,611,120
Natural Resources	506,430
Transportation	90,176
Public Schools	13,524,072
Higher Education	3,689,446
Other Education	184,163
<i>Special Appropriations</i>	<i>1,799,422</i>
Statewide Total	33,364,407



Washington State

Bond Retire/Int	1,546,530
Spec Approps to Gov	135,662
Retirement Contributions	116,400
Other Special Approps	830
<i>Special Appropriations</i>	<i>1,799,422</i>



For a definition of Near General Fund-State, please see page 12.

Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Expenditure Authority	1,377,608	182,595	1,560,203
2007 Supplemental *	-4,090	725	-3,365
Total 2005-07 Biennium	1,373,518	183,320	1,556,838
2007-09 Maintenance Level	1,534,410	182,650	1,717,060
Policy Changes - Non-Comp			
1. 2007-09 GO Bond Debt Service	12,120	0	12,120
2. Underwriters' Costs	0	2,004	2,004
3. Bond Sale Expenses	0	502	502
Policy -- Non-Comp Total	12,120	2,506	14,626
Total 2007-09 Biennium	1,546,530	185,156	1,731,686
Fiscal Year 2008 Total	752,787	95,412	848,199
Fiscal Year 2009 Total	793,743	89,744	883,487

Comments:

1. **2007-09 GO Bond Debt Service** - Debt service expenses will be incurred for new general obligation (GO) debt issued to fund the proposed capital plan for the 2007-09 biennium.
2. **Underwriters' Costs** - Underwriter expenses will be incurred for new debt issued to fund the proposed capital plan for the 2007-09 biennium. (State Building Construction Account-State, State Taxable Building Construction Account-State)
3. **Bond Sale Expenses** - Bond sale expenses will be incurred for new debt issued to fund the proposed capital plan for the 2007-09 biennium. (State Building Construction Account-State, State Taxable Building Construction Account-State)

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

* Please see the 2007 Supplemental Operating Budget Section for additional information.

Special Appropriations to the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2005-07 Expenditure Authority	101,640	18,689	120,329
2007 Supplemental *	499,309	931	500,240
Total 2005-07 Biennium	600,949	19,620	620,569
2007-09 Maintenance Level	77,642	4,000	81,642
Policy Changes - Non-Comp			
1. Water Quality Capital Account	25,135	0	25,135
2. Reinvesting in Youth Program	1,414	0	1,414
3. Water Pollution Control Revol Acct	14,054	0	14,054
4. Legislative Gift Center	150	0	150
5. Regional Fisheries Enhancement Grp	500	0	500
6. Outdoor Education and Rec Program	1,500	0	1,500
7. Independent Youth Housing Account	1,000	0	1,000
8. Community Preservation Account	350	0	350
9. Disaster Response Account FEMA	6,729	0	6,729
10. Geoduck Aquaculture Research Acct	750	0	750
11. State Agency Green Energy	2,000	0	2,000
12. County Controlled Substances Funds	1,200	0	1,200
13. Extraordinary Criminal Justice Cost	908	0	908
14. Ferry County PUD	50	0	50
15. Firefighter Apprenticeship Program	250	0	250
16. Derelict Vessel Removal Account	2,000	0	2,000
17. Information Technology Funding Pool	0	54,156	54,156
18. SHB 1279 - Poet Laureate Program	30	0	30
Policy -- Non-Comp Total	58,020	54,156	112,176
Total 2007-09 Biennium	135,662	58,156	193,818
Fiscal Year 2008 Total	87,321	29,480	116,801
Fiscal Year 2009 Total	48,341	28,676	77,017

Comments:

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| <p>1. Water Quality Capital Account - Chapter 233, Laws of 2007 (HB 1137), creates the Water Quality Capital Account, which will be used to implement water quality projects and activities. (Water Quality Account-State)</p> <p>2. Reinvesting in Youth Program - The Reinvesting in Youth pilot program supports evidence-based programming for at-risk youth in their communities. General Fund-State dollars are appropriated to the Reinvesting in Youth Account.</p> <p>3. Water Pollution Control Revol Acct - Water Quality Account funds are appropriated to the Water Pollution Control Revolving Account to provide the required 20 percent state match for water pollution control projects. (Water Quality Account-State)</p> <p>4. Legislative Gift Center - General Fund-State dollars are appropriated to the Legislative Gift Center Account created by Chapter 453, Laws of 2007 (2SHB 1896).</p> <p>5. Regional Fisheries Enhancement Grp - General Fund-State moneys are provided for expenditure into the Regional Fisheries Enhancement Group Account.</p> | <p>6. Outdoor Education and Rec Program - General Fund-State moneys are appropriated to the Outdoor Education and Recreation Program Account created by Chapter 176, Laws of 2007 (2SHB 1677).</p> <p>7. Independent Youth Housing Account - General Fund-State dollars are provided for expenditure into the Independent Youth Housing Account created by Chapter 316, Laws of 2007 (2SHB 1922).</p> <p>8. Community Preservation Account - General Fund-State dollars are provided for expenditure into the Community Development Authorities Account created in Chapter 501, Laws of 2007, Partial Veto (SSB 6156).</p> <p>9. Disaster Response Account FEMA - General Fund-State dollars are appropriated to the Disaster Response Account to be used as matching funds for Federal Emergency Management Agency (FEMA) grants related to the floods and winter storms of 2006.</p> <p>10. Geoduck Aquaculture Research Acct - General Fund-State moneys are appropriated to the Geoduck Aquaculture Research Account pursuant to Chapter 216, Laws of 2007 (2SHB 2220).</p> |
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Special Appropriations to the Governor

11. **State Agency Green Energy** - General Fund-State funds are appropriated to the Office of Financial Management (OFM) in order to provide grants to state agencies to purchase green power.
12. **County Controlled Substances Funds** - Enacted in 2006, E2SSB 6239 (Chapter 339, Laws of 2006), expressed the Legislature's intent to provide \$100,000 per year to counties that imposed the 1/10 of 1 percent sales tax for chemical dependency or substance abuse treatment, starting in FY 2008 and ending in FY 2010. As of April 2007, the following six counties will have imposed the tax and are eligible for funding: Clallam, Jefferson, Spokane, Okanogan, Clark, and Skagit.
13. **Extraordinary Criminal Justice Cost** - Funding is provided to Yakima and Grant counties to assist with extraordinary criminal justice costs.
14. **Ferry County PUD** - Funds are provided for the Ferry County Public Utility District (PUD) to provide an Americans with Disabilities Act compliant special needs transportation program within the county.
15. **Firefighter Apprenticeship Program** - Funding is provided for deposit to the the Fire Service Training Account for the purposes of the joint firefighter apprenticeship program.
16. **Derelict Vessel Removal Account** - The derelict vessel removal program provides funding and expertise to assist authorized ports and local governments in the removal and disposal of abandoned vessels. The increased appropriation will be used to remove approximately 26 additional derelict and abandoned vessels that are a public nuisance or safety hazard. Increased spending authority reflects enactment of Chapter 342, Laws of 2007 (E2SSB 6044).
17. **Information Technology Funding Pool** - Funding is appropriated into the Data Processing Revolving Account for new information technology projects in the upcoming biennium. This approach follows the recommendation of the Joint Legislative Audit and Review Committee report entitled "Evaluation of Budget Process for Information Technology Projects." The funds are under the joint control of OFM and the Department of Information Services (DIS). The pool allows OFM and DIS to seek opportunities to reduce costs and achieve economies of scale by leveraging statewide investments in systems and data and other common or enterprise-wide solutions.
18. **SHB 1279 - Poet Laureate Program** - Chapter 128, Laws of 2007 (SHB 1279), appropriates funding for the poet laureate program.

* Please see the 2007 Supplemental Operating Budget Section for additional information.

Contributions to Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2005-07 Expenditure Authority	87,840	0	87,840
2007-09 Maintenance Level	116,400	0	116,400
Total 2007-09 Biennium	116,400	0	116,400
Fiscal Year 2008 Total	55,800	0	55,800
Fiscal Year 2009 Total	60,600	0	60,600

Comments:

There were no policy level changes.

State Employee Compensation Adjustments

(Dollars in Thousands)

	NGF-S	Other	Total
2005-07 Expenditure Authority	5,500	-3,700	1,800
2007 Supplemental *	-4,400	3,827	-573
Total 2005-07 Biennium	1,100	127	1,227
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2007-09 Maintenance Level	0	0	0
Policy Changes - Comp			
1. Plan 1 COLA Increases	830	700	1,530
Policy -- Comp Total	830	700	1,530
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Total 2007-09 Biennium	830	700	1,530
Fiscal Year 2008 Total	415	350	765
Fiscal Year 2009 Total	415	350	765

Comments:

1. **Plan 1 COLA Increases** - Funding is provided for additional employer contributions towards retirement systems as a result of modifications to the eligibility criteria for the Uniform cost of living adjustment (COLA) in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1 pursuant to Chapter Law 89, Laws of 2007 (SB 5175). (General Fund-State, other funds)

* Please see the 2007 Supplemental Operating Budget Section for additional information.

Sundry Claims

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Expenditure Authority	55	102	157
2007 Supplemental *	137	-23	114
Total 2005-07 Biennium	192	79	271
2007-09 Maintenance Level	0	0	0
Total 2007-09 Biennium	0	0	0

Comments:

There were no policy level changes.

* Please see the 2007 Supplemental Operating Budget Section for additional information.

