

Omnibus Appropriations Act - Agency Detail

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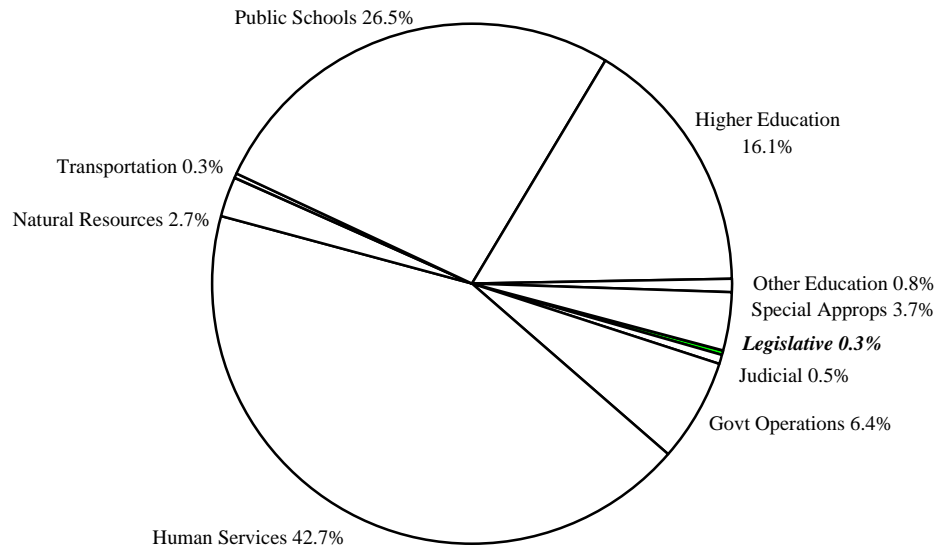
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Legislative

A total of \$1.3 million is provided to implement Chapter 311, Laws of 2008 (ESSB 6333), establishing the Washington citizen's work group on health care. The Legislature will contract for an independent economic analysis of several health care reform proposals, due in December 2008. The work group will review the analysis and meet with citizens statewide on the proposals. A final report is due in November 2009. Funds to support this legislation are split between the House of Representatives (\$388,000), the Senate (\$388,000), and the Office of Financial Management (\$500,000).

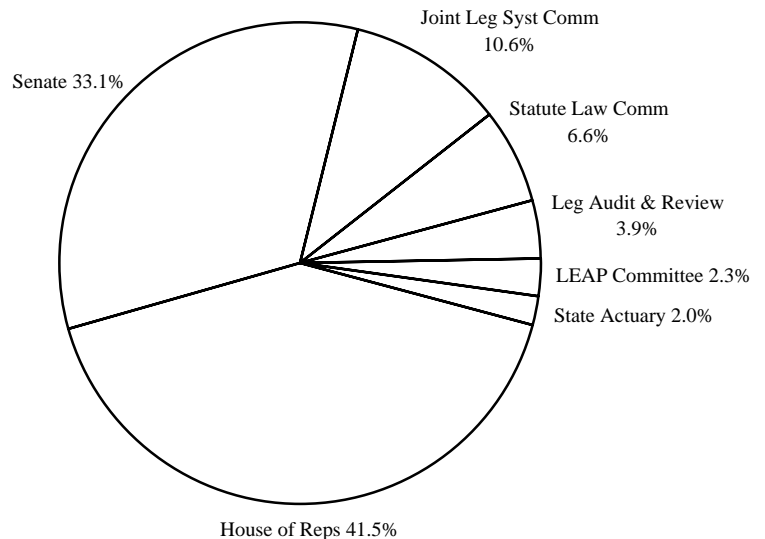
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

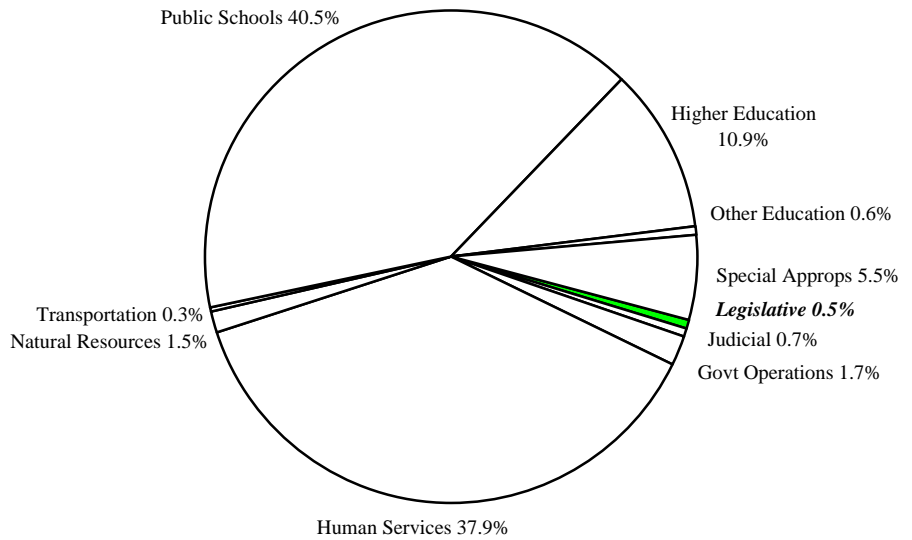
House of Representatives	71,453
Senate	56,966
Jt Leg Systems Comm	18,300
Statute Law Committee	11,278
Jt Leg Audit & Rev Comm	6,669
LEAP Committee	3,922
State Actuary	3,516
Legislative	172,104



Legislative

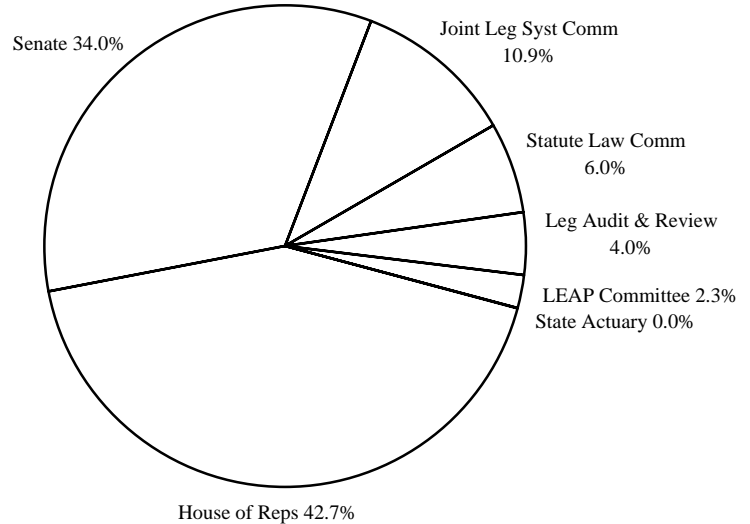
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

<i>Legislative</i>	<i>167,290</i>
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

House of Representatives	71,377
Senate	56,891
Jt Leg Systems Comm	18,300
Statute Law Committee	10,106
Jt Leg Audit & Rev Comm	6,669
LEAP Committee	3,922
State Actuary	25
<i>Legislative</i>	<i>167,290</i>



Legislative

House of Representatives

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	70,680	76	70,756
Total Maintenance Changes	813	0	813
Policy Changes - Non-Comp			
1. Wheeler Site Tenant Relocation Cost	105	0	105
2. Info Tech Workgroup Support	100	0	100
3. Health Care Workgroup Support	388	0	388
4. Oral History	52	0	52
Policy -- Non-Comp Total	645	0	645
Policy Changes - Comp			
5. PEBB Rate Reduction	-761	0	-761
Policy -- Comp Total	-761	0	-761
2007-09 Revised Appropriations	71,377	76	71,453
Fiscal Year 2008 Total	194	0	194
Fiscal Year 2009 Total	-310	0	-310

Comments:

1. **Wheeler Site Tenant Relocation Cost** - Funding is provided for the increased lease costs and one-time moving and infrastructure costs associated with relocation to facilitate the development of the Wheeler Lot development project.
2. **Info Tech Workgroup Support** - Funding is provided for an Information Technology (IT) consultant to review the recommendations of the Joint Legislative IT Work Group conducted during the 2007 interim.
3. **Health Care Workgroup Support** - Funding is provided pursuant to Chapter 311, Laws of 2008 (ESSB 6333), to create the Washington citizen's work group on health care reform. The Legislature will contract for an independent economic and actuarial analysis of health care reform proposals outlined in the legislation. The Washington citizen's work group on health care reform will review the analysis of the proposals and conduct public meetings through the state, and provide a final report by November 1, 2009. Funding for the coordination and staffing of the work group is provided in the Office of Financial Management's budget.
4. **Oral History** - Funding is provided pursuant to Chapter 222, Laws of 2008, Partial Veto (3SHB 1741), to transfer the Oral History Program to the Secretary of the Senate and the Chief Clerk of the House of Representatives from the Office of the Secretary of State for the purpose of conducting oral histories of current and former members and staff of the Legislature. The legislation also allows the Secretary of State to conduct oral histories of current and former government officials and employees of government officials.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Senate

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	56,146	75	56,221
Total Maintenance Changes	678	0	678
Policy Changes - Non-Comp			
1. Wheeler Site Tenant Relocation Cost	105	0	105
2. Health Care Workgroup Support	388	0	388
3. Oral History	52	0	52
Policy -- Non-Comp Total	545	0	545
Policy Changes - Comp			
4. PEBB Rate Reduction	-478	0	-478
Policy -- Comp Total	-478	0	-478
2007-09 Revised Appropriations	56,891	75	56,966
Fiscal Year 2008 Total	194	0	194
Fiscal Year 2009 Total	-127	0	-127

Comments:

- 1. Wheeler Site Tenant Relocation Cost** - Funding is provided for the increased lease costs and one-time moving and infrastructure costs associated with relocation to facilitate the development of the Wheeler Lot development project.
- 2. Health Care Workgroup Support** - Funding is provided pursuant to Chapter 311, Laws of 2008 (ESSB 6333), to create the Washington citizen's work group on health care reform. The Legislature will contract for an independent economic and actuarial analysis of health care reform proposals outlined in the legislation. The Washington citizen's work group on health care reform will review the analysis of the proposals and conduct public meetings through the state, and provide a final report by November 1, 2009. Funding for the coordination and staffing of the work group is provided in the Office of Financial Management's budget.
- 3. Oral History** - Funding is provided pursuant to Chapter 222, Laws of 2008, Partial Veto (3SHB 1741), to transfer the Oral History Program to the Secretary of the Senate and the Chief Clerk of the House of Representatives from the Office of the Secretary of State for the purpose of conducting oral histories of current and former members and staff of the Legislature. The legislation also allows the Secretary of State to conduct oral histories of current and former government officials and employees of government officials.
- 4. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	6,568	0	6,568
Total Maintenance Changes	2	0	2
Policy Changes - Non-Comp			
1. Higher Ed Accountability Project	38	0	38
2. Recreational Facilities Study	100	0	100
3. State Conveyances/Mineral Interests	112	0	112
4. Governor Veto	-100	0	-100
Policy -- Non-Comp Total	150	0	150
Policy Changes - Comp			
5. PEBB Rate Reduction	-51	0	-51
Policy -- Comp Total	-51	0	-51
2007-09 Revised Appropriations	6,669	0	6,669
Fiscal Year 2009 Total	99	0	99

Comments:

1. **Higher Ed Accountability Project** - Funding is provided to conduct an evaluation of the higher education performance agreement pilot pursuant to Chapter 160, Laws of 2008 (EHB 2641).
2. **Recreational Facilities Study** - Funds are provided for a cost-benefit analysis of a state-supported recreational facility. The study will select a large recreational facility that was constructed with state support and identify the costs and benefits that have accrued from building and operating the facility, including indirect economic impacts. However, the Governor vetoed funding for this item (see Governor Veto item below).
3. **State Conveyances/Mineral Interests** - The amount of \$112,000 is provided to the Joint Legislative Audit and Review Committee to evaluate public policy issues raised with respect to the conveyance of public lands that include the reservation to the state of mineral rights. The Committee's review shall address the extent and nature of mineral interests reserved in such conveyances and compliance with applicable statutory requirements for conveyance of public lands and mineral interests in such lands. The Committee shall evaluate as a case study one or more conveyances, such as the conveyances by the state of Washington of lands located on Maury Island in section 29, township 22N, range 03E, and conveyed by the state in deeds dated in 1910 and 1923. The Committee will provide a report together with recommendations to the Water, Energy, and Telecommunications Committee in the Senate and the Ecology and Parks Committee in the House of Representatives by December 1, 2008.
4. **Governor Veto** - The Governor vetoed Section 103(14) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for a cost-benefit analysis of a state-supported recreational facility.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,952	0	3,952
Policy Changes - Comp			
1. PEBB Rate Reduction	-30	0	-30
Policy -- Comp Total	-30	0	-30
2007-09 Revised Appropriations	3,922	0	3,922
Fiscal Year 2009 Total	-30	0	-30

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Legislative Evaluation & Accountability Program Committee's budget is shown in the Transportation Budget Section of this document.

Office of the State Actuary

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	3,517	3,517
Policy Changes - Non-Comp			
1. Contracted Actuarial Services	25	0	25
Policy -- Non-Comp Total	25	0	25
Policy Changes - Comp			
2. PEBB Rate Reduction	0	-26	-26
Policy -- Comp Total	0	-26	-26
2007-09 Revised Appropriations	25	3,491	3,516
Fiscal Year 2009 Total	25	-26	-1

Comments:

- 1. Contracted Actuarial Services** - Funding is provided to contract for specialized actuarial services to assist in the evaluation of medical insurance benefit proposals.
- 2. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Joint Legislative Systems Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	18,313	65	18,378
Total Maintenance Changes	87	-65	22
Policy Changes - Comp			
1. PEBB Rate Reduction	-100	0	-100
Policy -- Comp Total	-100	0	-100
2007-09 Revised Appropriations	18,300	0	18,300
Fiscal Year 2009 Total	-100	0	-100

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Statute Law Committee

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	10,186	1,172	11,358
Total Maintenance Changes	2	0	2
Policy Changes - Comp			
1. PEBB Rate Reduction	-82	0	-82
Policy -- Comp Total	-82	0	-82
2007-09 Revised Appropriations	10,106	1,172	11,278
Fiscal Year 2009 Total	-82	0	-82

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Judicial

Superior Court Judges

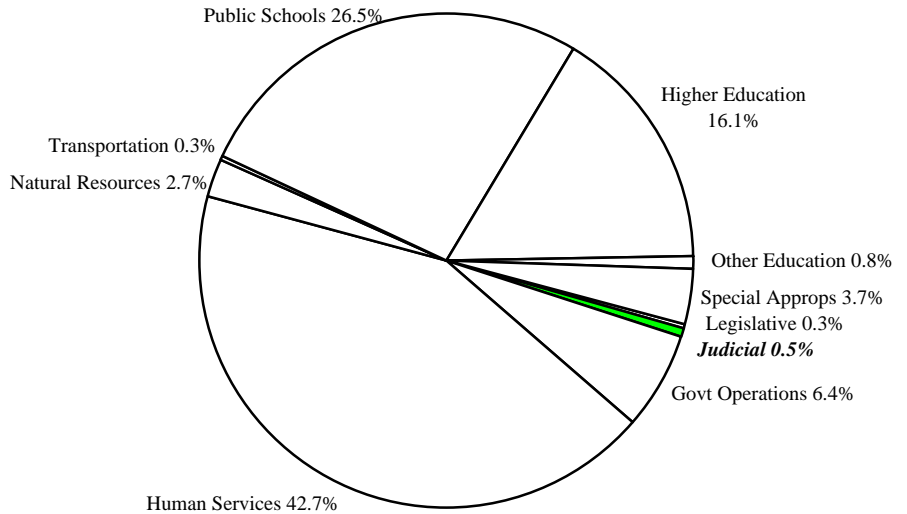
Funding in the amount of \$3.8 million is provided to the Administrative Office of the Courts in the maintenance level for an increase in Superior Court judge's salaries and benefits as adopted by the Washington Citizens' Commission on Salaries for Elected Officials and to fund five additional judges throughout the state.

Family & Juvenile Court Improvement

Also provided is \$800,000 to the Administrative Office of the Courts to begin implementation of Chapter 279, Laws of 2008 (2SHB 2822). The funding will provide for family court coordinators, additional judicial officer training, and planning and improvement grants to participating courts.

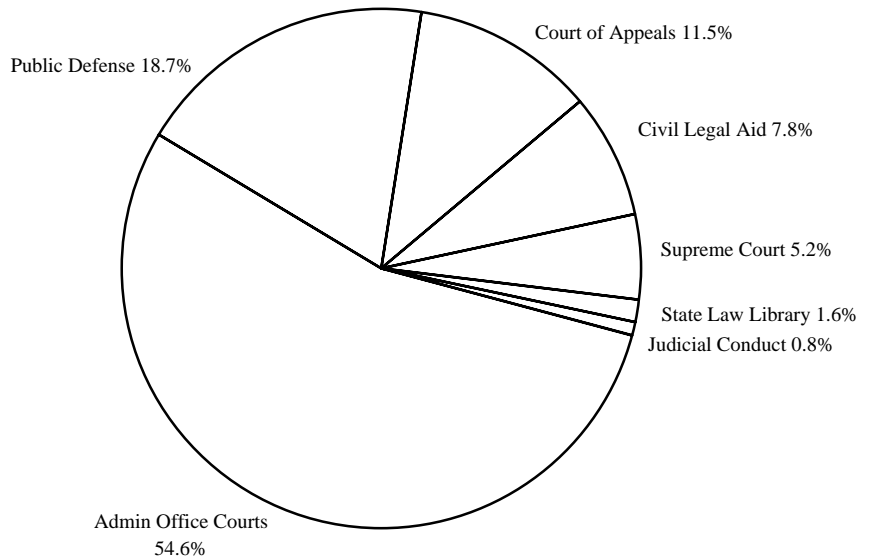
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Washington State

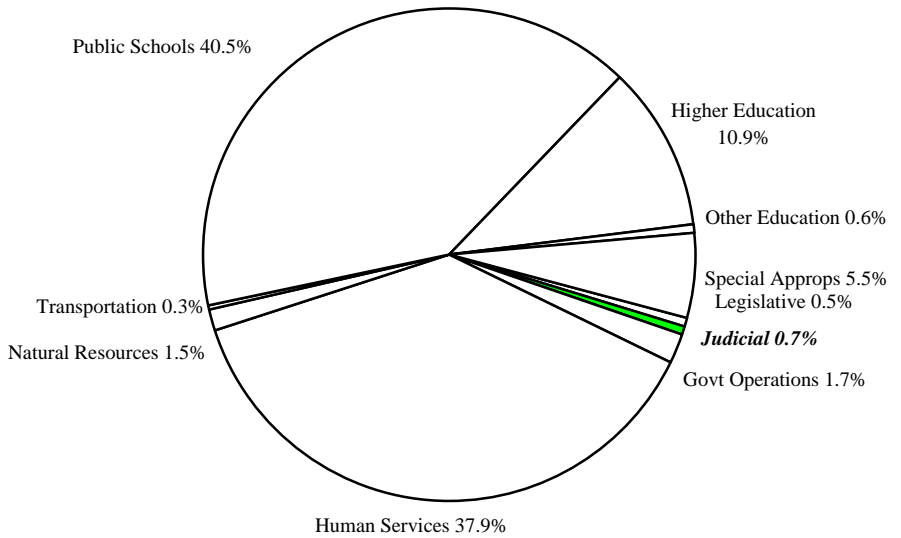
Admin Office Courts	158,136
Office of Public Defense	54,133
Court of Appeals	33,237
Civil Legal Aid	22,477
Supreme Court	14,990
State Law Library	4,537
Judicial Conduct Comm	2,251
Judicial	289,761



Judicial

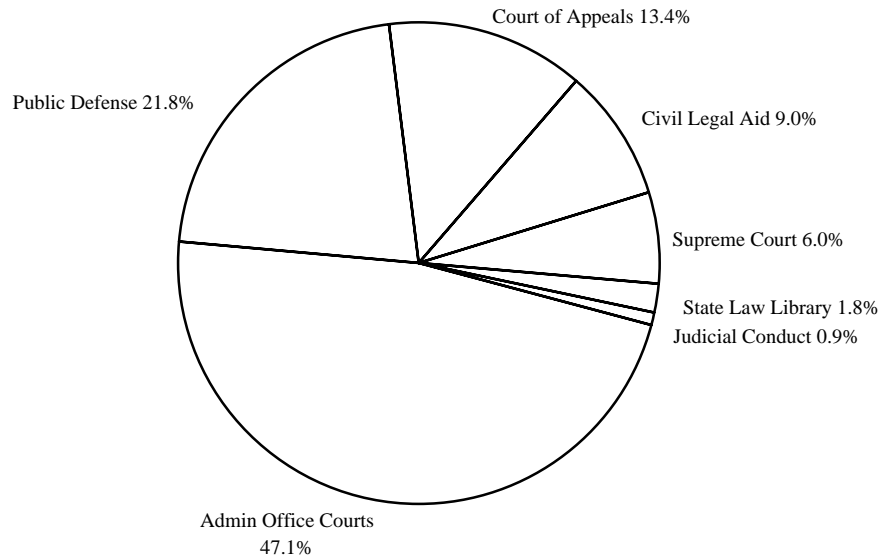
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Washington State

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Office of Public Defense	54,133
Court of Appeals	33,237
Civil Legal Aid	22,477
Supreme Court	14,990
State Law Library	4,537
Judicial Conduct Comm	2,251
Judicial	248,838



Judicial

Supreme Court

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	14,765	0	14,765
Total Maintenance Changes	357	0	357
Policy Changes - Comp			
1. PEBB Rate Reduction	-132	0	-132
Policy -- Comp Total	-132	0	-132
<hr/>			
2007-09 Revised Appropriations	14,990	0	14,990
Fiscal Year 2009 Total	-132	0	-132

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Law Library

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	4,490	0	4,490
Total Maintenance Changes	11	0	11
Policy Changes - Non-Comp			
1. Online Computer Library Center	18	0	18
2. Innovative Interfaces Incorporated	43	0	43
Policy -- Non-Comp Total	61	0	61
Policy Changes - Comp			
3. PEBB Rate Reduction	-25	0	-25
Policy -- Comp Total	-25	0	-25
2007-09 Revised Appropriations	4,537	0	4,537
Fiscal Year 2008 Total	30	0	30
Fiscal Year 2009 Total	6	0	6

Comments:

1. **Online Computer Library Center** - Funding is provided to cover costs associated with operation of the Online Computer Library Center, an electronic bibliographic utility that tracks legal materials for court personnel. Funding for the system was previously included in the budget for the Administrative Office of the Courts (AOC).
2. **Innovative Interfaces Incorporated** - Funding is provided for operating costs for Innovative Interfaces Incorporated, an integrated library system that links bibliographic information across functions. Funding for the system was previously included in the budget for AOC.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Court of Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	32,598	0	32,598
Total Maintenance Changes	799	0	799
Policy Changes - Non-Comp			
1. Additional Staff	138	0	138
2. Security Services	10	0	10
Policy -- Non-Comp Total	148	0	148
Policy Changes - Comp			
3. PEBB Rate Reduction	-308	0	-308
Policy -- Comp Total	-308	0	-308
2007-09 Revised Appropriations	33,237	0	33,237
Fiscal Year 2008 Total	2	0	2
Fiscal Year 2009 Total	-162	0	-162

Comments:

- 1. Additional Staff** - Funding is provided for the Court of Appeals, Division II, to add one full-time staff attorney position.
- 2. Security Services** - Funding is provided to expand courtroom security services to include contract security services during Court of Appeals commissioners' oral arguments in Division III.
- 3. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Commission on Judicial Conduct

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	2,265	0	2,265
Policy Changes - Comp			
1. PEBB Rate Reduction	-14	0	-14
Policy -- Comp Total	-14	0	-14
2007-09 Revised Appropriations	2,251	0	2,251
Fiscal Year 2009 Total	-14	0	-14

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Administrative Office of the Courts

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	113,803	39,437	153,240
Total Maintenance Changes	4,717	2	4,719
Policy Changes - Non-Comp			
1. Disaster Recovery	0	107	107
2. Family & Juvenile Court Improvement	800	0	800
3. Transfer of Library Systems	-57	0	-57
4. Access Coordinator	90	0	90
5. Judicial Information Fund Adj	-1,500	1,500	0
Policy -- Non-Comp Total	-667	1,607	940
Policy Changes - Comp			
6. PEBB Rate Reduction	-640	-123	-763
Policy -- Comp Total	-640	-123	-763
2007-09 Revised Appropriations	117,213	40,923	158,136
Fiscal Year 2008 Total	-1,861	1,552	-309
Fiscal Year 2009 Total	554	-68	486

Comments:

1. **Disaster Recovery** - One-time funding is provided for restoration of the Judicial Information Systems, and statewide court connectivity to those systems, in the event of a disaster that disables access to the Administrative Office of the Courts (AOC) data center. The funding provides for hardware, mainframe, server, and network components needed for successful testing and recovery in the event of a disaster. (Judicial Information Systems Account-State)
2. **Family & Juvenile Court Improvement** - Funding is provided to begin implementation of Chapter 279, Laws of 2008 (2SHB 2822). The funding will provide for family court coordinators, additional judicial officer training, and planning and improvement grants to participating courts in order to implement improvements consistent with Unified Family Court Principles.
3. **Transfer of Library Systems** - Funding for law library management systems is transferred from AOC to the State Law Library.
4. **Access Coordinator** - Funding is provided for a court access and accommodation coordinator position, pursuant to Chapter 148, Laws of 2008 (2SHB 2903), to review the needs of courts statewide and to provide guidance and assistance to local courts on training and other assistance related to access to courts and court services for persons with disabilities.
5. **Judicial Information Fund Adj** - Revenues to the Judicial Information Systems (JIS) Account are \$1.5 million above forecast. A one-time transfer of \$1.5 million is made to fund JIS costs out of the JIS Account instead of the state's near general fund. (Judicial Information Systems Account-State, Public Safety and Education Account-State)
6. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of Public Defense

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	54,622	0	54,622
Policy Changes - Non-Comp			
1. Parents Rep Program -Whatcom County	398	0	398
2. One-Time Lapsed Funding	-200	0	-200
3. Self-Sufficient Pilots	-500	0	-500
4. Child Long-Term Well Being	235	0	235
5. Governor Veto	-398	0	-398
Policy -- Non-Comp Total	-465	0	-465
Policy Changes - Comp			
6. PEBB Rate Reduction	-24	0	-24
Policy -- Comp Total	-24	0	-24
2007-09 Revised Appropriations	54,133	0	54,133
Fiscal Year 2008 Total	-200	0	-200
Fiscal Year 2009 Total	-289	0	-289

Comments:

- 1. Parents Rep Program -Whatcom County** - The Office of Public Defense operates a program providing legal representation to indigent parents involved in dependency and termination proceedings. Funding is provided to expand this program to indigent parents in Whatcom County starting October 1, 2008. This item was vetoed (please see Governor Veto item below).
- 2. One-Time Lapsed Funding** - A one-time adjustment is made to the Office of Public Defense to reflect under-expenditures due to three and four month delays in executing the contracts for the Parents Representation program in FY 2008.
- 3. Self-Sufficient Pilots** - Chapter 457, Laws of 2005 (ESSB 5454 - Courts Funding), provided \$500,000 per year in funding for the Office of Public Defense to perform pilot projects to improve criminal indigent defense. The three pilots, located in Bellingham Municipal Court, Thurston District Court, and Grant Juvenile Court, received funding. The jurisdictions and the Office expect the pilots to become self-sufficient as of June 30, 2008. (Equal Justice Sub-Account-State)
- 4. Child Long-Term Well Being** - Chapter 152, Laws of 2008 (E2SHB 3205), requires the Superior Court to direct the filing of a petition to terminate parental rights when a child has been in foster care for 15 of the past 22 months unless a good cause exemption is determined by the court. Funding is provided for the increased workload due to the requirements of E2SHB 3205.
- 5. Governor Veto** - The Governor vetoed Section 113(2) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to expand the Parents Representation program to Whatcom County starting October 1, 2008.
- 6. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution

rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Governmental Operations

Housing

The sum of \$5.8 million is provided for Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178), to implement a property tax deferral for homeowners in which the household income is less than \$57,000. The deferral is for 50 percent of the property taxes due on a residence. A homeowner electing to take the deferral must pay the first half of their taxes and may then defer the second half. Funds will be used to reimburse local taxing districts for amounts that are deferred.

Chapter 2, Laws of 2008 (SSB 6335), appropriates \$6.0 million from the state general fund to the Homeless Families Services Fund. The account provides state matching funds for housing-based services for homeless families.

An additional \$2.5 million in state general funds are added to the current appropriation of \$5.0 million in the 2007-09 biennial budget for the Transitional Housing, Operating, and Rent program in the Department of Community, Trade, and Economic Development. The program assists homeless families with case management services and helps them transition to permanent housing.

The sum of \$1.5 million is provided pursuant to Chapter 3, Laws of 2008 (SB 6272), to implement financial literacy programs for home buyers, including counseling, marketing, and outreach programs to educate consumers on residential mortgage transactions, nontraditional or subprime mortgages, and predatory lending practices. An additional \$250,000 is provided to implement Chapter 322, Laws of 2008 (SSB 6711), to assist low- and moderate-income households facing foreclosure.

Additional funding for housing projects is provided in Chapter 328, Laws of 2008, Partial Veto (ESHB 2765 – Capital Budget). See the Capital Budget section for further details.

Flooding

The sum of \$1.3 million is provided to the Military Department to work with the Department of Natural Resources, the Department of Ecology, and others to remove accumulated woody debris in and around waterways that was caused by the December 2007 storms and flooding.

The amount of \$2 million is provided from the Economic Development Strategic Reserve Account to assist small businesses in the Chehalis-Centralia area that were affected by the December 2007 storms and flooding.

A combined total of \$41.5 million is provided to the Military Department from state and federal funds for recovery and rebuilding in response to the December 2007 storms and flooding.

Federal funding of \$21.8 million is provided for emergency management planning, interoperable communication, and pre-disaster mitigation planning.

Additional funding for flood warning and mitigation projects in the Chehalis River Basin is provided in the Capital Budget. See the Capital Budget section for further details.

Secretary of State

Funding in the amount of \$341,000 is provided to the Washington Talking Book and Braille Library. This library serves 13,000 patrons annually and has been offering services to Washington residents with vision limitations and reading disabilities since 1931. The State Library will discontinue its contract with the Seattle Public Library and will assume full responsibility for its operation on July 1, 2008.

In December 2007, Congress authorized \$2.3 million in new federal Help America Vote Act funding for Washington State. The Secretary of State's Office is provided the 5 percent state matching funds requirement to leverage this additional federal funding.

Attorney General

Funding in the amount of \$110,000 is provided for legal services related to Chapter 130, Laws of 2008 (2SHB 3274). The legislation clarifies the applicability of public works competitive contracting provisions to public port districts and provides accountability requirements for public port district contracting.

Department of Community, Trade, and Economic Development

Community Assistance and Support

- Additional ongoing state funding in the amount of \$750,000 is provided to the Department of Community, Trade, and Economic Development (DCTED) for an increase in victim advocates in county superior courts. Additionally, one-time funding of \$75,000 is provided to update the statewide sexual assault victim assistance protocols through a coordinated effort led by the Washington Coalition of Sexual Assault Programs.
- The sum of \$600,000 is provided for the Office of Crime Victims Advocacy in DCTED to distribute grants to community sexual assault programs to enhance services provided to child victims of sexual assault and their families.
- The Pacific Science Center is provided \$400,000 to host "Lucy's Legacy: The Hidden Treasures of Ethiopia" an exhibit of the Lucy of Laetoli hominid fossils and other Ethiopian artifacts.
- The sum of \$344,000 is provided for the newly-created Washington New Americans Program to provide naturalization assistance for legal permanent residents who are eligible to become citizens.
- An appropriation of \$250,000 is provided for a grant to KCTS Public Television to expand Spanish-language programming offered through "V-me", a channel on public television.

Economic Development

- State funding in the amount of \$306,000 is provided to implement Chapter 315, Laws of 2008 (SSB 6510). This legislation creates the Washington Manufacturing Innovation and Modernization Extension Services Program to be administered by DCTED. The program allows a small manufacturer or industry association to receive a voucher for up to \$200,000 in services by a qualified manufacturing extension partnership affiliate.
- The sum of \$225,000 in state funding is provided for the development of the Lewis County watershed planning and economic development demonstration project to identify lands and resources suitable for economic development within Lewis County and outside of the floodplains of Chehalis and Cowlitz River watersheds.
- Funding in the amount of \$150,000 is provided for Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111). This legislation directs DCTED and the Energy Facility Site Evaluation Council to convene and co-chair a work group on hydrokinetic energy. Hydrokinetic energy is electricity generated from ocean wave, tides, or currents and free-flowing rivers. The work group is responsible for developing recommendations on the creation of the Washington State Center for Excellence in Hydrokinetic Energy that is intended to support a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.
- A total of \$50,000 is provided to Port Townsend and Keystone/Coupeville to promote tourism in response to disruptions in Washington State Ferry service.

Office of Financial Management

The sum of \$175,000 is provided for a business outreach position in the Governor's Executive Policy Office. The primary responsibility of the position will be to act as a liaison between the Office of the Governor and businesses in the state as well as new businesses seeking to locate in Washington.

Department of Information Services

The Department of Information Services (DIS) has received two one-time federal grants for activities related to law enforcement totaling \$1.22 million. The U.S. Department of Justice's National Criminal History Improvement program provided funding to develop and improve criminal history records throughout the state. The Department also received a grant of \$50,000 from the National Governors Association for activities initiated and supported by the U.S. Department of Justice.

The Department is provided \$195,000 to implement Chapter 262, Laws of 2008 (E2SSB 6438); DIS is directed to develop a strategy in cooperation with state agencies and other groups involved in telecommunications to ensure statewide access to affordable and reliable high-speed Internet services pursuant to legislation passed during the 2008 session.

Department of Archaeology and Historic Preservation

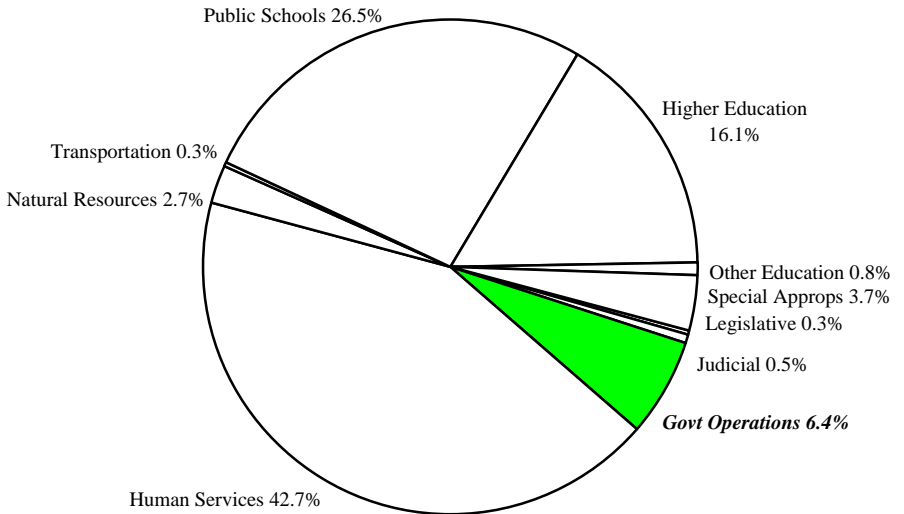
A total of \$1.1 million is provided to implement Chapter 275, Laws of 2008 (E2SHB 2624). The legislation establishes statutory guidelines, procedures, and assistance for the inadvertent discovery of skeletal human remains and requires the Department to develop and maintain a centralized database of all known cemeteries and sites of burials of human remains in Washington. A State Physical Anthropologist position is also created to assist local governments in making determinations on the status of skeletal human remains.

State Convention and Trade Center

A total of \$57 million is transferred from the State Convention and Trade Center accounts to the state general fund. After the transfers, sufficient funds remain in the accounts for debt service, operating costs, a retrofit of the Museum of History and Industry, and a sufficient capital reserve. Please see page 15 for additional detail.

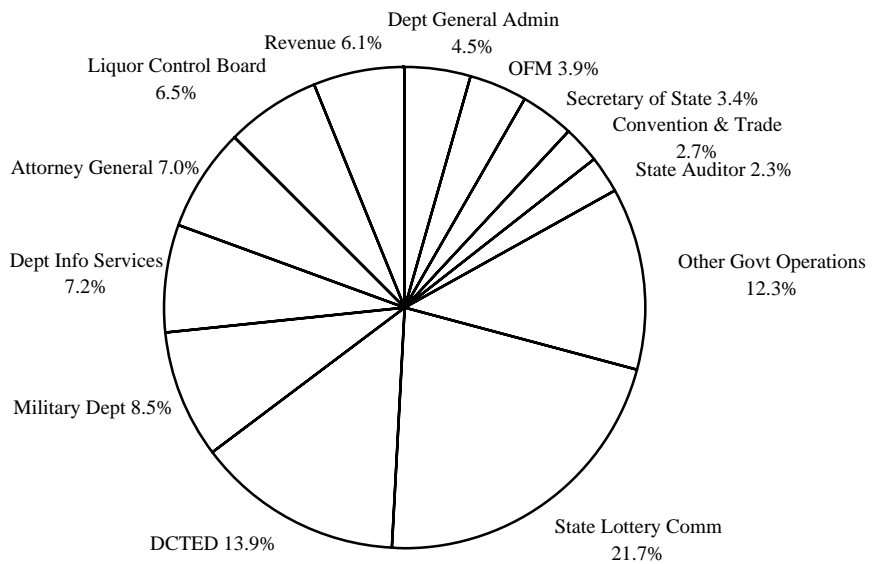
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
<i>Governmental Operations</i>	<i>3,660,925</i>
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

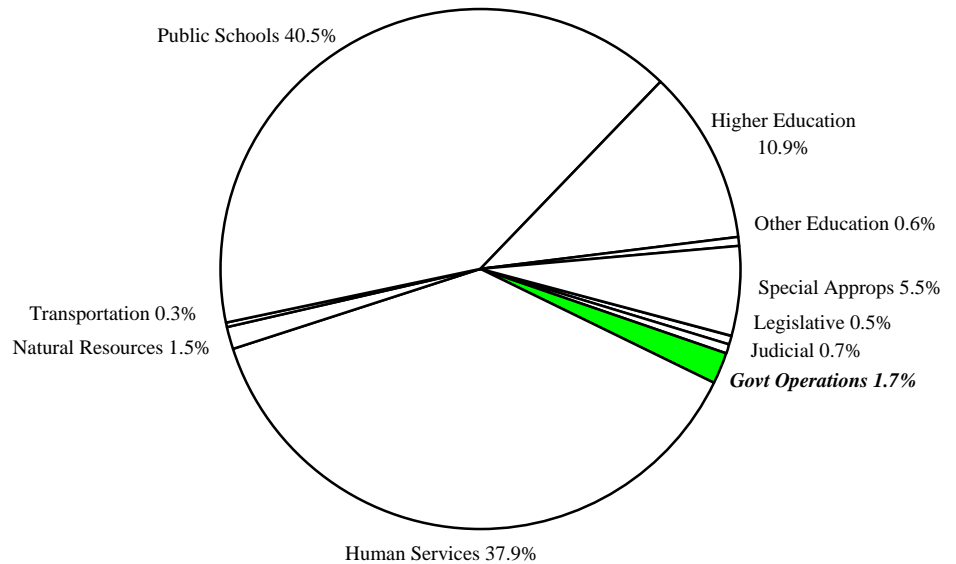
Lottery Commission	795,454
Dept Comm/Trade/Econ Dev	507,086
Military Department	310,693
Dept Info Services	264,996
Attorney General	254,446
Liquor Control Board	236,135
Dept Revenue	224,064
Dept General Administration	166,035
Office Financial Mgmt	143,219
Secretary of State	125,912
Convention & Trade Ctr	98,523
State Auditor	82,601
Other Govt Operations	451,761
<i>Governmental Operations</i>	<i>3,660,925</i>



Governmental Operations

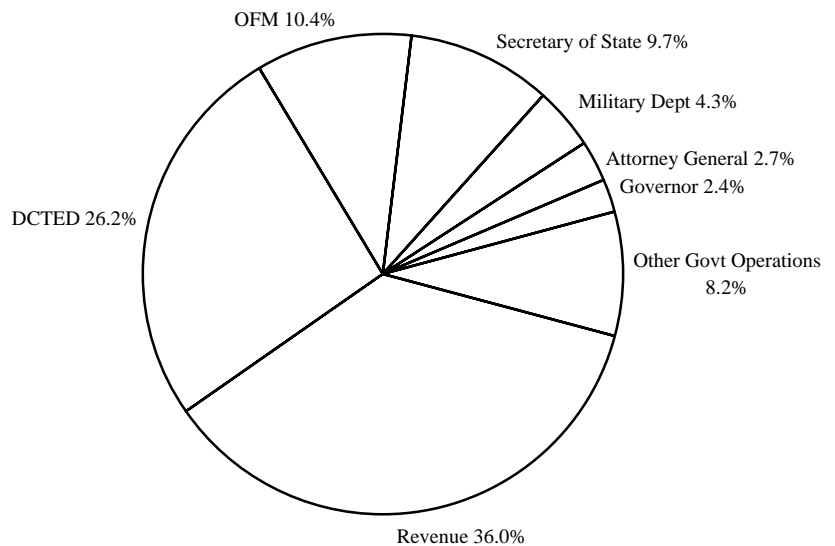
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Dept Revenue	206,471
Dept Comm/Trade/Econ Dev	150,316
Office Financial Mgmt	59,646
Secretary of State	55,679
Military Department	24,875
Attorney General	15,336
Office of the Governor	13,549
Other Govt Operations	47,077
Governmental Operations	572,949



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	13,372	4,750	18,122
Total Maintenance Changes	2	-35	-33
Policy Changes - Non-Comp			
1. Eco Development Strategic Reserve	0	2,000	2,000
2. Family & Children's Ombudsman	275	0	275
3. Recognizing Disability History	25	0	25
4. Governor Veto	-25	0	-25
Policy -- Non-Comp Total	275	2,000	2,275
Policy Changes - Comp			
5. PEBB Rate Reduction	-100	0	-100
Policy -- Comp Total	-100	0	-100
2007-09 Revised Appropriations	13,549	6,715	20,264
Fiscal Year 2008 Total	0	2,000	2,000
Fiscal Year 2009 Total	175	0	175

Comments:

- 1. Eco Development Strategic Reserve** - Funding is provided to assist small businesses in the Chehalis/Centralia area that were affected by the December 2007 storms and flooding.
(Economic Development Strategic Reserve Account-State)
- 2. Family & Children's Ombudsman** - Funding is provided for the duties of the Office of Family and Children's Ombudsman (OFCO) pursuant to Chapter 211, Laws of 2008 (2SSB 6206). The legislation requires notification to a child's guardian ad litem and to OFCO regarding child abuse and neglect referrals under certain circumstances. The legislation also requires the Department of Social and Health Services to notify OFCO when a near fatality occurs regarding a child who is receiving, or who in the past year received, child welfare services. OFCO is directed to report annually on implementation of the recommendations from fatality review reports.
- 3. Recognizing Disability History** - Funding is provided pursuant to Chapter 167, Laws of 2008 (SB 6313). Specifically, funding is provided for the Governor's Committee on Disability Issues and Employment for coordination and development of a web site to assist public schools, colleges, and universities in recognizing and promoting disability history. However, this item was vetoed (please see Governor Veto item below).
- 4. Governor Veto** - The Governor vetoed Section 114(2) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for the Governor's Committee on Disability Issues and Employment for coordination and development of a web site to assist public schools, colleges, and universities in recognizing and promoting disability history.
- 5. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY

2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Lieutenant Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,635	90	1,725
Policy Changes - Comp			
1. PEBB Rate Reduction	-16	0	-16
Policy -- Comp Total	-16	0	-16
2007-09 Revised Appropriations	1,619	90	1,709
Fiscal Year 2009 Total	-16	0	-16

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Disclosure Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	5,045	0	5,045
Policy Changes - Comp			
1. PEBB Rate Reduction	-51	0	-51
Policy -- Comp Total	-51	0	-51
<hr/>			
2007-09 Revised Appropriations	4,994	0	4,994
Fiscal Year 2009 Total	-51	0	-51

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Secretary of State

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	54,715	76,488	131,203
Total Maintenance Changes	4	0	4
Policy Changes - Non-Comp			
1. Legal Settlement Costs	575	0	575
2. Federal Expenditure Authority Adj	0	-9,890	-9,890
3. Archives Grants to Local Government	0	1,500	1,500
4. Preserve Local Government Records	0	110	110
5. Oral History Program	-104	0	-104
6. Presidential Election Year Costs	175	0	175
7. Appellate Legal Costs	208	0	208
8. Talking Book and Braille Library	341	0	341
9. Federal Elections Matching Funds	122	2,313	2,435
Policy -- Non-Comp Total	1,317	-5,967	-4,650
Policy Changes - Comp			
10. PEBB Rate Reduction	-357	-288	-645
Policy -- Comp Total	-357	-288	-645
2007-09 Revised Appropriations	55,679	70,233	125,912
Fiscal Year 2008 Total	920	805	1,725
Fiscal Year 2009 Total	40	-7,060	-7,020

Comments:

- Legal Settlement Costs** - One-time funding is provided for settlement costs and attorney fees resulting from the resolution of the *Washington Association of Churches v. Reed* case.
- Federal Expenditure Authority Adj** - Federal expenditure authority is reduced to match the amounts allotted for the 2007-09 biennium. (Election Account-Federal)
- Archives Grants to Local Government** - The Office of the Secretary of State administers a local records competitive grant program to improve local governments' ability to manage, protect, and provide access to public records. A one-time fund balance is available to fund the 50 additional grant applications that have already been received, scored, and approved and to increase funding for 45 existing grants. Local governments will use this grant funding for projects such as creating disaster preparedness plans, implementing records management programs, and developing records protection plans. (Local Government Archives Account-State)
- Preserve Local Government Records** - One-time funding is provided to image approximately 600,000 pages of family history records kept at the southwest and northwest regional branch archives. Imaging will improve public access to these records by making them digitally accessible and searchable and make more efficient use of available storage by allowing hard copies to be stored wherever capacity exists in the regional archives system. (Local Government Archives Account-State)
- Oral History Program** - Pursuant to Chapter 222, Laws of 2008, Partial Veto (3SHB 1741), funding is reduced for the Oral History Program in the Office of the Secretary of State so that the Legislature may operate the Legislative Oral History Program created in this legislation as it relates to subjects and history important to the Legislature. These funds are transferred to the House and Senate budgets.
- Presidential Election Year Costs** - Funding is provided for increased costs related to the 2008 presidential election year for the printing, storage, and distribution of materials, the need for temporary staff, and increased travel associated with testing county-based voter tabulation equipment. One-time funding is provided to meet these additional requirements.
- Appellate Legal Costs** - One-time funding is provided for appellate legal services costs related to the *Washington State Republican Party v. State* litigation.
- Talking Book and Braille Library** - The Washington Talking Book and Braille Library (WTBBL) serves 13,000 patrons annually, offering library services to Washington residents with vision limitations and reading disabilities. The Seattle Public Library has been operating WTBBL since 1931. The Washington State Library will assume responsibility for its operation on July 1, 2008. The Seattle Public Library employees who staff WTBBL will become state employees. This ongoing funding will allow WTBBL to continue all current services.
- Federal Elections Matching Funds** - Under the federal Help America Vote Act of 2002 (HAVA), the state receives federal funding for upgrades to the statewide voter registration database. In December 2007, Congress authorized \$2.3 million in new federal HAVA funding for Washington State, subject to

Office of the Secretary of State

a 5 percent state matching funds requirement. Funding is provided to meet this requirement. (General Fund-State, Election Account-Federal)

10. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	665	0	665
Policy Changes - Non-Comp			
1. Native American Student Achievement	150	0	150
Policy -- Non-Comp Total	150	0	150
Policy Changes - Comp			
2. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
2007-09 Revised Appropriations	811	0	811
Fiscal Year 2009 Total	146	0	146

Comments:

1. **Native American Student Achievement** - Funding is provided for the Governor's Office of Indian Affairs to engage a contractor to conduct a detailed analysis of the achievement gap for Native American students and recommend a strategy for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	509	0	509
Policy Changes - Non-Comp			
1. Asian American Student Achievement	150	0	150
2. Pac Islander Student Achievement	150	0	150
Policy -- Non-Comp Total	300	0	300
Policy Changes - Comp			
3. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
2007-09 Revised Appropriations	805	0	805
Fiscal Year 2009 Total	296	0	296

Comments:

1. **Asian American Student Achievement** - Funding is provided to engage a contractor to conduct a detailed analysis of the achievement gap for Asian American students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.
2. **Pac Islander Student Achievement** - Funding is provided to engage a contractor to conduct a detailed analysis of the achievement gap for Pacific Islander American students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the State Treasurer

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	15,687	15,687
Total Maintenance Changes	0	2	2
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-150	-150
Policy -- Comp Total	0	-150	-150
2007-09 Revised Appropriations	0	15,539	15,539
Fiscal Year 2009 Total	0	-150	-150

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the State Auditor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,623	81,344	82,967
Total Maintenance Changes	0	10	10
Policy Changes - Non-Comp			
1. Whistle-Blower Protections	0	313	313
Policy -- Non-Comp Total	0	313	313
Policy Changes - Comp			
2. PEBB Rate Reduction	-23	-666	-689
Policy -- Comp Total	-23	-666	-689
2007-09 Revised Appropriations	1,600	81,001	82,601
Fiscal Year 2009 Total	-23	-353	-376

Comments:

- 1. Whistle-Blower Protections** - Funding is provided for the costs of additional whistle-blower investigations resulting from implementation of Chapter 266, Laws of 2008 (ESSB 6776). (State Auditing Services Revolving Account-State)
- 2. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	388	0	388
Policy Changes - Comp			
1. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
<hr/>			
2007-09 Revised Appropriations	384	0	384
Fiscal Year 2009 Total	-4	0	-4

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Office of the Attorney General

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	15,248	234,830	250,078
Total Maintenance Changes	2	784	786
Policy Changes - Non-Comp			
1. Increased Legal Services Workload	0	1,193	1,193
2. Budget Alignment of Legal Services	0	1,824	1,824
3. Moore Case Litigation	0	1,000	1,000
4. Civil Commitment Workload	0	732	732
5. Public Records Committee Workload	22	0	22
6. Child Long-Term Well Being	0	346	346
7. Construction Industry	0	492	492
8. Port District Contracting	0	110	110
9. Wireless Number Disclosure	170	0	170
10. Home Construction	100	0	100
11. Governor Veto	-270	0	-270
Policy -- Non-Comp Total	22	5,697	5,719
Policy Changes - Comp			
12. PEBB Rate Reduction	-174	-2,495	-2,669
13. Investigator Salary Inequity	238	294	532
Policy -- Comp Total	64	-2,201	-2,137
2007-09 Revised Appropriations	15,336	239,110	254,446
Fiscal Year 2008 Total	11	2,007	2,018
Fiscal Year 2009 Total	75	1,489	1,564

Comments:

- Increased Legal Services Workload** - This funding will match the appropriation level of four client agencies receiving increases in their budgets to pay for their growing legal service needs. The affected client agencies are the Department of Social and Health Services (DSHS), the Department of Archaeology and Historic Preservation, the Criminal Justice Training Commission, and the School for the Blind. One-time funding (\$50,000) is also made to the School for the Blind for specific litigation costs (*Delyria and Koch*). (Legal Services Revolving Account-State)
- Budget Alignment of Legal Services** - Ongoing legal expenses that were previously managed through interagency agreements will be incorporated into the regular expenditure and recovery process of the Legal Services Revolving Account. This will eliminate six interagency agreements and incorporate these regular and ongoing legal expenditures into the budgets approved by the Legislature for both the client agencies and the Office of the Attorney General. (Legal Services Revolving Account-State)
- Moore Case Litigation** - One-time funding is provided for the legal expenses and staff associated with *Moore v. Health Care Authority*. (Legal Services Revolving Account-State)
- Civil Commitment Workload** - Additional resources are provided to support the Attorney General's Office (AGO) in the prosecution of sexually violent predators (SVP). Casework associated with the SVP population includes annual review hearings, release trials, and conditional release placements. These matters are proportional to the total number of civil commitments and require additional resources with the growth of the civilly-committed resident population in the Special Commitment Center on McNeil Island. (Legal Services Revolving Account-State)
- Public Records Committee Workload** - Funding is provided for costs associated with staffing the Public Records Exemptions Accountability Committee. While AGO is able to absorb the staff costs in accordance with its fiscal note estimates, more frequent meetings result in additional travel and associated expenses.
- Child Long-Term Well Being** - Additional expenditure authority is provided for legal services in the DSHS Children's Administration related to Chapter 152, Laws of 2008 (E2SHB 3205). The legislation requires that when a child has been in out-of-home care for 15 of the most recent 22 months, the court shall require the filing of a petition seeking termination of parental rights, unless a good cause exemption is determined by the court. (Legal Services Revolving Account-State)
- Construction Industry** - Funding is provided for legal services related to Chapter 120, Laws of 2008, Partial Veto (2SSB 6732). The legislation requires the Department of Labor and Industries (L&I) to deny an application for registration for contractors and suspend an active registration if L&I determines that the applicant has falsified information on the application or

Office of the Attorney General

the applicant does not have an active and valid certificate of registration with the Department of Revenue. Additionally, contractors shall not be allowed to bid on any public works contract for one year from the date of a final determination that a contractor has committed certain violations or infractions within a 5-year period. (Legal Services Revolving Account-State)

13. **Investigator Salary Inequity** - AGO is provided funds to increase the salary levels of AGO Investigators to remain in parallel with the job class revision adjustments provided to all investigators in other state agencies effective July 1, 2007.

8. **Port District Contracting** - Funding is provided for legal services related to Chapter 130, Laws of 2008 (2SHB 3274). The legislation clarifies the applicability of public works competitive contracting provisions to public port districts and requires that a port district commission establish conditions under which competitive bid requirements may be waived. Additionally, a personal services competitive solicitation chapter for public port districts to cover consultant services and other personal services that must be procured by port districts is created. The legislation also provides accountability requirements for public port district contracting. (Legal Services Revolving Account-State)
9. **Wireless Number Disclosure** - Funding is provided for consumer protection legal services related to Chapter 271, Laws of 2008 (2SHB 2479). The legislation extends the wireless phone directory restrictions in current law that apply to wireless phone companies to cover any person in the business of marketing, selling, and sharing wireless phone numbers for commercial purposes. This item was vetoed (please see Governor Veto item below).
10. **Home Construction** - Funding is provided for AGO to review the implementation of SSB 6385 (Real Property). The Attorney General will collect data related to the number of actions filed and their disposition. The Office shall report its findings and any recommendations for statutory changes to the appropriate committees of the Legislature by December 1, 2008. However, the Governor vetoed funding for this item because the bill did not pass (please see Governor Veto item below).
11. **Governor Veto** - The Governor vetoed subsections (6) and (12) of Section 123 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Section 123(6) provided funding for Chapter 271, Laws of 2008, which requires the AGO to provide legal services related to extending the wireless phone directory restrictions in current law to cover any person in the business of marketing, selling, and sharing wireless phone numbers for commercial purposes. Section 123(12) provided funding for SSB 6385 (Real Property), which did not pass the Legislature.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Caseload Forecast Council

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,537	0	1,537
Total Maintenance Changes	85	0	85
Policy Changes - Comp			
1. PEBB Rate Reduction	-14	0	-14
Policy -- Comp Total	-14	0	-14
<hr/>			
2007-09 Revised Appropriations	1,608	0	1,608
Fiscal Year 2009 Total	-14	0	-14

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Community, Trade, & Economic Develop

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	147,308	367,467	514,775
Total Maintenance Changes	-75	-16,272	-16,347
Policy Changes - Non-Comp			
1. Court Crime Victims Advocates	750	0	750
2. Update Sexual Assault Protocols	75	0	75
3. Urban Forestry	134	0	134
4. Greenhouse Gas Emissions and Jobs	207	0	207
5. Housing Expenditure Authority	0	512	512
6. Crime Victims Service Centers	200	0	200
7. Wave and Tidal Development	150	0	150
8. Island County ADO	80	0	80
9. Affordable Housing for All	126	0	126
10. CASASTART	100	0	100
11. Ind. Development Account Transfer	-1,000	1,000	0
12. Entrepreneurial Stars Program	265	0	265
13. Fire Sprinkler Systems	0	41	41
14. Criminal Street Gangs	100	0	100
15. Green Tax Incentives	50	0	50
16. Pacific Science Center Lucy Exhibit	400	0	400
17. Local Farms & Healthy Kids	350	0	350
18. Poulsbo Marine Science Center	100	0	100
19. Employment Resource Ctr Transfer	-1,178	0	-1,178
20. Transitional Housing Assistance	2,500	0	2,500
21. Vancouver Arts and Parks	25	0	25
22. KCTS V-me	250	0	250
23. Justice Assistance Grants	0	1,584	1,584
24. Reentry Housing Pilot Project	-650	0	-650
25. Manufacturing Extension Services	0	306	306
26. Climate Change in the GMA	317	0	317
27. Child Victims of Sexual Assault	600	0	600
28. Administrative Contingency Transfer	-1,800	1,800	0
29. Skate America	100	0	100
30. New Americans	344	0	344
31. Airway Heights Wastewater	500	0	500
32. Regional Tourism -- 2010 Olympics	120	0	120
33. AYP Exposition Commemoration	200	0	200
34. Centro Comunitario - Lucy Lopez	250	0	250
35. Dispute Resolution Centers	300	0	300
36. Prostitution Prevention	0	100	100
37. Lewis County Watershed Project	225	0	225
38. Other "Bank" Study	75	0	75
39. Rapid Response Loan Program	126	0	126
40. Keystone Tourism Promotion	25	0	25
41. Port Townsend Tourism Promotion	25	0	25
42. 2SHB 1273-Financial Fraud/ID Theft	0	488	488
43. Governor Veto	-921	0	-921
Policy -- Non-Comp Total	3,520	5,831	9,351
Policy Changes - Comp			
44. PEBB Rate Reduction	-437	-256	-693
Policy -- Comp Total	-437	-256	-693
2007-09 Revised Appropriations	150,316	356,770	507,086
Fiscal Year 2008 Total	-3,235	500	-2,735
Fiscal Year 2009 Total	6,318	5,075	11,393

Department of Community, Trade, & Economic Develop

Comments:

1. **Court Crime Victims Advocates** - Crime victim advocates work to assist people who have been victimized and to connect them with available services. Ongoing funding is provided for more victim advocates in county superior courts. These funds shall be contracted with the 39 county prosecuting attorneys offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim-witness coordinator in each county. (Public Safety and Education Account-State)
2. **Update Sexual Assault Protocols** - One-time funding is provided to update the statewide sexual assault victim assistance protocols through a coordinated effort led by the Washington Coalition of Sexual Assault Programs. (Public Safety and Education Account-State)
3. **Urban Forestry** - Ongoing funding is provided to implement Chapter 299, Laws of 2008, Partial Veto (E2SHB 2844). The legislation changes the authority for the Department of Community, Trade, and Economic Development (DCTED) to conduct a community and urban forestry program from discretionary to mandatory. The legislation requires the development of an Evergreen Cities recognition program and model urban forest management plans and ordinances. In addition, DCTED is required to develop and conduct inventories and assessments of community and urban forests.
4. **Greenhouse Gas Emissions and Jobs** - Funding is provided for Chapter 14, Laws of 2008 (E2SHB 2815). Ongoing funding for a climate policy and technical analyst is provided in support of the state's commitments on climate change and will work to coordinate DCTED's efforts related to the energy aspects of greenhouse gas emissions and reduction strategies. Activities include participating in the Western Climate Initiative, a multi-state process to develop market-based systems for limiting greenhouse gas emissions and building climate change technical expertise. Funding of \$50,000 is also included for the analysis under Section 9(3)(b), which directs the University of Washington Business and Economic Development Center to analyze the current opportunities and participation in the green economy by minority and women-owned business enterprises in Washington.
5. **Housing Expenditure Authority** - DCTED is granted authority to spend additional revenues from the Home Security Fund Account to enable local housing authorities to provide additional services such as transitional housing programs. In addition, DCTED is given authority to spend the available fund balance in the Lead-Based Paint Account. The Lead-Based Paint program prevents lead poisoning by providing the public with information to increase knowledge about lead-based paint hazards and the use of professional remediation. (Home Security Fund Account-State, Lead-Based Paint Account-State)
6. **Crime Victims Service Centers** - Funding is provided for Crime Victims Service Centers to continue services previously provided through the use of federal funds. (Public Safety and Education Account-State)
7. **Wave and Tidal Development** - Funding is provided for Chapter 307, Laws of 2008, Partial Veto (E2SSB 6111). The legislation requires DCTED and the Energy Facility Site Evaluation Council to convene and co-chair a work group to develop the Washington State Center for Excellence in Hydrokinetic Energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.
8. **Island County ADO** - Chapter 249, Laws of 2007 (2SSB 5092), increases funding to the state's Associate Development Organizations (ADO). Statute referenced in the legislation characterized Island County as an urban county based on a per capita by area calculation. In the legislation, rural counties were allotted \$40,000 per year as a base. This appropriation makes up for the loss of base funding for Island County by matching the amount appropriated to other rural counties during the 2007-09 biennium.
9. **Affordable Housing for All** - Funding is provided for Section 5 of Chapter 256, Laws of 2008 (ESSB 5959 - Homeless Individuals/Family). The bill requires DCTED in consultation with the Affordable Housing Advisory Board to prepare and annually update a state Affordable Housing For All Plan, which must incorporate the strategies, objectives, goals, and performance measures of all other housing-related state plans, including the state homeless housing strategic plan and state housing programs. The bill directs all counties to prepare similar county plans; however, they are given the option to decline to participate. This item was vetoed (see Governor Veto item below).
10. **CASASTART** - Striving Together to Achieve Rewarding Tomorrows (START) is a community-based, school-centered substance abuse and violence prevention program developed by The National Center on Addiction and Substance Abuse (CASA) at Columbia University. Funding is provided to The Neighborhood House for gang youth violence and substance abuse education and prevention through CASASTART. This program will bring together stakeholders in community schools, law enforcement agencies, and social service and health agencies and use intensive case management to work with the youth.
11. **Ind. Development Account Transfer** - The state general fund dollars appropriated during the 2007 legislative session for the Individual Development Account (IDA) Program are transferred to the IDA Program Account. This adjustment makes a technical correction as the IDA Program Account allows for a longer timeline to manage the Legislature's investment in this program than do appropriations from the state general fund.
12. **Entrepreneurial Stars Program** - Additional funding is provided to assist recruitment of significant entrepreneurial researchers to lead innovation research teams and develop

Department of Community, Trade, & Economic Develop

comprehensive entrepreneurial programs at research institutions to accelerate the commercialization process.

13. **Fire Sprinkler Systems** - Funding is provided for Chapter 60, Laws of 2008 (SHB 2575). The legislation requires the State Building Code Council to convene a technical advisory board group to examine issues, barriers, and incentives pertaining to private residential fire sprinkler systems. (Building Code Council Account-State)
14. **Criminal Street Gangs** - Funding is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). Funding in DCTED is for a victim-witness relocation grant program. The Department will collaborate with local prosecuting attorney's offices to determine how grant funding and assistance shall be distributed. The program is also directed to include temporary relocation and shelter services for witnesses. In other agencies, the legislation directs the Washington Association of Sheriffs and Police Chiefs to distribute grants for gang emphasis and graffiti/tagging abatement programs and the Department of Corrections to study and establish best practices to reduce gang involvement among incarcerated offender populations.
15. **Green Tax Incentives** - Funding is provided for Chapter 235, Laws of 2008 (SHB 3120). The legislation requires a study of the effectiveness of tax incentives to encourage green building of residential and commercial structures. By December 1, 2008, DCTED shall report to the Legislature. The Department of Revenue is directed to provide tax-related data in support of the study. The study shall: identify tax incentives to encourage the construction of energy-efficient buildings; propose new sales/use tax exemptions for construction activities and B&O tax incentives for contractors and architects; provide an estimate of the fiscal cost of any proposed incentives; and provide an estimate of the potential reduction in emission reductions and cost savings for green-built structures.
16. **Pacific Science Center Lucy Exhibit** - Funding is provided for an exhibit called "Lucy's Legacy: The Hidden Treasures of Ethiopia". The exhibit features the 3.18 million-year-old hominid skeleton "Lucy", as well as over 100 Ethiopian artifacts.
17. **Local Farms & Healthy Kids** - Funding is provided for Chapter 215, Laws of 2008 (2SSB 6483). The legislation directs DCTED to create the Farmers-to-Food Banks Pilot program by selecting pilot sites statewide and to use the food bank system to contract with local farmers to provide fruits, vegetables, dairy, and meat products for distribution to low-income people at locally-designated food banks. In other agencies, the legislation creates the following new programs: Farm-to-School program administered by the state Department of Agriculture; a Washington Grown Fresh Fruit and Vegetable Grant program administered by the Office of the Superintendent of Public Instruction; and a Farmers Market Technology Improvement Pilot program administered by the Department of Social and Health Services.
18. **Poulsbo Marine Science Center** - Funding is provided to the Poulsbo Marine Science Center for the Floating Learning Lab on Puget Sound. This item was vetoed (please see Governor Veto item below).
19. **Employment Resource Ctr Transfer** - Funding is transferred from DCTED to the State Board of Community and Technical Colleges to support lease rate, facility management, and maintenance of the Employment Resource Center, which is administered by Edmonds Community College.
20. **Transitional Housing Assistance** - Funding is provided for the Transitional Housing, Operating, and Rent program. This program assists homeless families with case management services to help them successfully transition to permanent housing.
21. **Vancouver Arts and Parks** - Funding is provided to the city of Vancouver: for seed money to begin the development of a sustainable budget for park activities for high-risk youth during the summer months at Evergreen and Bagley Parks; for an ongoing program to paint murals in high-incidence graffiti locations in Vancouver; and to initiate the designation of potential locations for an exposition space to showcase the talents of young graffiti artists in the community.
22. **KCTS V-me** - One-time funding is provided for a grant to KCTS Public Television to offer Spanish-language programming. The programming will be offered through "V-me", a program service modeled on public television, with children's, arts, history, science, biography, nature, movies, pop culture, and public affairs genres.
23. **Justice Assistance Grants** - Additional expenditure authority is provided for the Justice Assistance and Project Safe Neighborhoods programs. These programs support activities such as multi-jurisdictional drug interdiction initiatives, regional drug task forces, and public outreach efforts to reduce gun violence. (General Fund-Federal)
24. **Reentry Housing Pilot Project** - Funding for previously authorized re-entry housing projects in Spokane, King, and Clark Counties as authorized by Chapter 483, Laws of 2007 (ESSB 6157), is adjusted. The legislation directed DCTED to conduct a pilot program of transitional housing assistance for criminal offenders who are re-entering the community from incarceration. Slower-than-anticipated program phase-in has resulted in a one-time savings in FY 2008 of \$1.3 million. On a one-time basis, a portion of that amount (\$650,000) is shifted to FY 2009. Ongoing funding for the program is assumed to remain \$1.8 million per fiscal year.
25. **Manufacturing Extension Services** - Funding is provided to implement Chapter 315, Laws of 2008 (SSB 6510). The legislation creates the Washington Manufacturing Innovation and Modernization Extension Services program to be administered by DCTED. Under the program, small manufacturers, industry associations, or cluster associations may receive vouchers of up to \$200,000 per year to cover the costs of manufacturing extension services. These services are

Department of Community, Trade, & Economic Develop

to be provided by a qualified manufacturing extension partnership affiliate. (Manufacturing Innovation and Modernization Account-State)

26. **Climate Change in the GMA** - Funding is provided to implement the provisions of Chapter 289, Laws of 2008, Partial Veto (ESSB 6580). The legislation requires DCTED to develop and provide counties and cities with advisory climate change response methodologies, a computer modeling program, and estimates of greenhouse gas emission reductions resulting from specific measures. The legislation also establishes a local government global warming mitigation and adaptation program and requires DCTED to provide a climate change report in cooperation with the policy and advisory committee created in the legislation to make recommendations on the possible inclusion of climate change elements to the Growth Management Act (GMA). The report is due to the Governor and the Legislature by December 1, 2008.
27. **Child Victims of Sexual Assault** - Funding is provided for the Office of Crime Victims Advocacy to distribute grants to community sexual assault programs to enhance services provided to child victims of sexual assault and their families.
28. **Administrative Contingency Transfer** - Funding for re-employment services is shifted from the state general fund to the Administrative Contingency Account.
29. **Skate America** - Funding is provided for a grant to the local organizing committee of 2008 Skate America to support the International Skating Union Grand Prix Series at the Everett Events Center in October 2008.
30. **New Americans** - Funding is provided for the Washington New Americans program to provide naturalization assistance for legal permanent residents who are eligible to become citizens. A proviso directs DCTED to: (1) conduct a competitive process to contract with an entity to provide this assistance; (2) make state funding contingent on at least a 25 percent match of non-state funding; (3) develop performance measures with the contractor(s) for the program; and (4) report to the Governor and the Legislature. The Department may retain up to 5 percent of the funds provided to administer the competitive process and the contract(s).
31. **Airway Heights Wastewater** - Funding is provided for the Airway Heights wastewater treatment plant. A proviso makes the funding contingent upon a capacity agreement with the Kalispel tribe that precludes the need to build multiple wastewater treatment facilities on the West Plains. This item was vetoed (please see Governor Veto item below).
32. **Regional Tourism -- 2010 Olympics** - Funding is provided for a grant for participation in a regional visitor/media pavilion at the 2010 Olympics in Vancouver, British Columbia. This item was vetoed (please see Governor Veto item below).
33. **AYP Exposition Commemoration** - Funding is provided for a grant to HistoryLink to develop and present the Alaska-Yukon-Pacific (AYP) exposition commemoration exhibits and programs.
34. **Centro Comunitario - Lucy Lopez** - Funding is provided for a grant to the Lucy Lopez Center for "The Good Citizen" bilingual radio programming pilot project.
35. **Dispute Resolution Centers** - Dispute Resolution Centers (DRCs) are funded through a surcharge on court filing fees capped at the same level per case filed since 1991. DRCs are mandated to provide services independent of a client's ability to pay, guaranteeing that the public has access to a low-cost resolution process. Additional funding is provided to assist the centers in providing mediation services for parties with parenting plan disputes who either: (a) are currently involved in dissolution proceedings; or (b) completed a dissolution within the past year.
36. **Prostitution Prevention** - Funding is provided for grant distribution by the Office of Crime Victims Advocacy. The grants will be prioritized and may include the following: education for law enforcement officers regarding the availability of services to minors; community outreach; treatment for minors who have a history of engaging in prostitution; mental health and chemical dependency services; parenting services; housing assistance; and intensive case management services. (Prostitution Prevention and Intervention Account-Non-Appropriated)
37. **Lewis County Watershed Project** - Funding is provided for the development of the Lewis County watershed planning and economic development demonstration project. The purpose of the project is to identify lands and resources suitable for economic development within Lewis County that are outside of the floodplains of Chehalis and Cowlitz River watersheds.
38. **Other "Bank" Study** - Funding is provided for DCTED to conduct a study of the provision of personal products (non-foodstuffs) to low-income residents of Washington. This item was vetoed (please see Governor Veto item below).
39. **Rapid Response Loan Program** - Funding is provided to implement Chapter 112, Laws of 2008 (EHB 3142). The legislation creates the Rapid Response Loan Program to make low-interest loans (0-3 percent) and grants for the purpose of purchasing land or real property for affordable housing and community facility development. DCTED must consult with the Housing Finance Commission to administer the program. Any rental housing produced or acquired through this program will be preserved for at least 30 years.
40. **Keystone Tourism Promotion** - Funding is provided for a grant to the city of Coupeville to promote tourism in Keystone/Coupeville on Whidbey Island.
41. **Port Townsend Tourism Promotion** - Funding is provided for a grant to promote tourism in Port Townsend.
42. **2SHB 1273-Financial Fraud/ID Theft** - Chapter 290, Laws of 2008 (2SHB 1273), appropriates funds to DCTED for the

Department of Community, Trade, & Economic Develop

investigation and prosecution of financial fraud and identity theft crimes. (Financial Fraud & Identity Theft Crimes Investigation and Prosecution Account-State)

43. **Governor Veto** - The Governor vetoed subsections (41), (62), (76), (78), and (84) of Section 125 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (41) provided funding for the Poulsbo Marine Science Center; subsection (62) provided funding for the Airway Heights wastewater treatment plant; subsection (76) provided funding for a study of the provision of personal products (non-foodstuffs) to low-income residents of Washington; subsection (78) provided funding for a regional visitor/media pavilion at the 2010 Olympic Games in Vancouver, British Columbia. The funding for subsection (84), which provided funding for the Affordable Housing for All program, was vetoed because the sections referenced in a sectional null and void were not included in the version of the bill that passed the Legislature.
44. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,239	0	1,239
Total Maintenance Changes	150	0	150
Policy Changes - Comp			
1. PEBB Rate Reduction	-12	0	-12
2. Agency Succession Plan	176	0	176
Policy -- Comp Total	164	0	164
2007-09 Revised Appropriations	1,553	0	1,553
Fiscal Year 2008 Total	48	0	48
Fiscal Year 2009 Total	116	0	116

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
2. **Agency Succession Plan** - Funding is provided to recruit and hire a new forecaster, as well as to provide salary increases for existing staff.

Office of Financial Management

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	47,744	83,277	131,021
Total Maintenance Changes	8	363	371
Policy Changes - Non-Comp			
1. Business Outreach	0	175	175
2. Initiative 960 Implementation	359	0	359
3. Health Care Workgroup Support	500	0	500
4. WASL Funding Increase	11,372	0	11,372
5. Public Records Committee Workload	30	0	30
Policy -- Non-Comp Total	12,261	175	12,436
Policy Changes - Comp			
6. PEBB Rate Reduction	-367	-242	-609
Policy -- Comp Total	-367	-242	-609
2007-09 Revised Appropriations	59,646	83,573	143,219
Fiscal Year 2008 Total	472	35	507
Fiscal Year 2009 Total	11,422	-102	11,320

Comments:

1. **Business Outreach** - Ongoing funding is provided for a business outreach position in the Governor's Executive Policy Office. The primary responsibility of the position will be to act as a liaison between the Office of the Governor and state businesses and new businesses seeking to locate in Washington. (Economic Development Strategic Reserve Account-State)
2. **Initiative 960 Implementation** - A combination of ongoing and one-time funding is provided for staff and database development costs needed to implement Initiative 960.
3. **Health Care Workgroup Support** - Funding is provided for the establishment of the Washington citizens' work group on health care reform, pursuant to Chapter 311, Laws of 2008 (ESSB 6333). The work group will review the economic analysis of a number of health care reform proposals, conduct public meetings throughout the state, and produce a final report by November 1, 2009.
4. **WASL Funding Increase** - Funding is provided for increased costs associated with the development and implementation of the Washington Assessment of Student Learning (WASL). The Office of Financial Management (OFM) will develop an interagency agreement with the Office of Superintendent of Public Instruction (OSPI) for the expenditure of these funds based on: (1) redesigning the assessment in reading, mathematics, and science in all grades, except high school, by shortening test administration, reducing the number of short answer and extended response questions, and potentially decreasing the number of items utilized in the assessment; and (2) OSPI preserving legislative authority to make minor or significant changes to assessment policy in the future. Additionally, a legislative work group on the WASL is established to review and evaluate the current assessment system by January 1, 2009, and potentially make recommendations to improve it.
5. **Public Records Committee Workload** - Chapter 198, Laws of 2007 (SSB 5435), created the Public Records Exemptions Accountability Committee. The Committee meets at least quarterly and provides recommendations on the repeal or amendment of any public records exemption to the Governor, Attorney General, and appropriate legislative committees. The legislation requires OFM to provide staff support to the Committee. Ongoing funding is provided for travel and associated expenses.
6. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

Office of Administrative Hearings

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	33,087	33,087
Total Maintenance Changes	0	5	5
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-339	-339
Policy -- Comp Total	0	-339	-339
2007-09 Revised Appropriations	0	32,753	32,753
Fiscal Year 2009 Total	0	-339	-339

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Personnel

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	69,561	69,561
Total Maintenance Changes	0	6	6
Policy Changes - Non-Comp			
1. Other Fund Adjustments	0	-6,200	-6,200
2. Child Care Center Relocation	96	0	96
Policy -- Non-Comp Total	96	-6,200	-6,104
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-473	-473
Policy -- Comp Total	0	-473	-473
2007-09 Revised Appropriations	96	62,894	62,990
Fiscal Year 2008 Total	96	-3,094	-2,998
Fiscal Year 2009 Total	0	-3,579	-3,579

Comments:

1. **Other Fund Adjustments** - Funding in the amount of \$7.3 million was transferred from the Personnel Services Fund Account to the Data Processing Revolving Fund Account in the 2007-09 biennial budget to cover costs incurred during the development of the Human Resource Management System. The repayment of \$6.2 million of the transferred funds is deferred until the 2009-11 biennium. (Data Processing Revolving Account-Non-Appropriated, Department of Personnel Service Account-State)
2. **Child Care Center Relocation** - Funding is provided to relocate the Capitol Child Care Center and for the difference in the lease cost between the current location and the new Perry Street site.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Lottery Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	795,750	795,750
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-300	-300
Policy -- Comp Total	0	-300	-300
2007-09 Revised Appropriations	0	795,454	795,454
Fiscal Year 2009 Total	0	-300	-300

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	537	0	537
Policy Changes - Non-Comp			
1. Hispanic Student Achievement Gap	150	0	150
Policy -- Non-Comp Total	150	0	150
Policy Changes - Comp			
2. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
2007-09 Revised Appropriations	683	0	683
Fiscal Year 2009 Total	146	0	146

Comments:

1. **Hispanic Student Achievement Gap** - Funding is provided for the Commission on Hispanic Affairs to engage a contractor to conduct a detailed analysis of the achievement gap for Hispanic students and recommend a comprehensive plan for closing the gap. A study update shall be submitted by September 15, 2008, and a final report shall be submitted by December 30, 2008.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	523	0	523
Policy Changes - Comp			
1. PEBB Rate Reduction	-4	0	-4
Policy -- Comp Total	-4	0	-4
2007-09 Revised Appropriations	519	0	519
Fiscal Year 2009 Total	-4	0	-4

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Retirement Systems

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	450	53,516	53,966
Total Maintenance Changes	0	-125	-125
Policy Changes - Non-Comp			
1. Transfer DCAP to HCA	0	-74	-74
2. Judges Service Credit	0	81	81
3. Partial Year School Dist. Service	0	51	51
4. LEOFF Facilitator	0	40	40
Policy -- Non-Comp Total	0	98	98
Policy Changes - Comp			
5. PEBB Rate Reduction	0	-550	-550
Policy -- Comp Total	0	-550	-550
2007-09 Revised Appropriations	450	52,939	53,389
Fiscal Year 2008 Total	0	106	106
Fiscal Year 2009 Total	0	-558	-558

Comments:

1. **Transfer DCAP to HCA** - Funding is reduced consistent with Chapter 229, Laws of 2008 (HB 2652), to transfer administration of the Dependent Care Assistance Program (DCAP) from the Department of Retirement Systems (DRS) to the Health Care Authority (HCA) effective January 1, 2009. The transfer would integrate administration of DCAP with the Flexible Spending Arrangement Program, currently administered by HCA, to achieve administrative efficiencies, cost savings, and service improvements. (Dependent Care Administrative Account-State)
2. **Judges Service Credit** - Funding is provided for the administrative costs of implementing Chapter 300, Laws of 2008 (HB 2887), permitting judges to make purchases of service credit at time of retirement to increase the value of past years of judicial service earned in the Public Employees' Retirement System. (Department of Retirement Systems Expense Account-State)
3. **Partial Year School Dist. Service** - Funding is provided for the administrative costs of implementing Chapter 204, Laws of 2008 (HB 3019), permitting members of the Teachers' Retirement System and the School Employees' Retirement Systems Plans 2 and 3 to earn service credit for a partial years of service proportionate to the service credit earned by part-time employees that work all school year for an equivalent number of hours. (Department of Retirement Systems Expense Account-State)
4. **LEOFF Facilitator** - Funding is provided for DRS to hire a facilitator to mediate a stakeholder group discussion of medical benefits funding in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1). The stakeholder group shall include representatives of retired members of LEOFF 1, local government employers, DRS, and other groups as deemed necessary by the director of DRS. (Department of Retirement Systems Expense Account-State)
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Revenue

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	201,321	17,213	218,534
Total Maintenance Changes	30	500	530
Policy Changes - Non-Comp			
1. I-960 Implementation	118	0	118
2. Property Tax Deferral	5,814	0	5,814
3. Domestic Partnerships	22	0	22
4. Working Families Tax Exempt	1,250	0	1,250
Policy -- Non-Comp Total	7,204	0	7,204
Policy Changes - Comp			
5. PEBB Rate Reduction	-2,084	-120	-2,204
Policy -- Comp Total	-2,084	-120	-2,204
2007-09 Revised Appropriations	206,471	17,593	224,064
Fiscal Year 2008 Total	342	0	342
Fiscal Year 2009 Total	4,778	-120	4,658

Comments:

1. **I-960 Implementation** - Funding is provided for costs related to implementing Initiative 960 (I-960) requirements. The Department of Revenue (DOR) will hire two to three analysts each session to assist in preparing the estimates required by I-960.
2. **Property Tax Deferral** - Funding is provided pursuant to Chapter 2, Laws of 2007, 1st sp.s. (SSB 6178). This legislation creates a new property tax deferral program for homeowners who meet the eligibility requirements. The amounts funded are for DOR to administer the program and reimburse state and local governments for property tax revenue deferral.
3. **Domestic Partnerships** - Funding is provided pursuant to Chapter 6, Laws of 2008 (2SHB 3104). The inclusion of domestic partners will allow a surviving partner to be eligible for the senior property tax deferral program.
4. **Working Families Tax Exempt** - Funding is provided pursuant to Chapter 325, Laws of 2008 (ESSB 6809), which provides a state sales tax exemption, in the form of remittance, equal to a percentage of the federal earned income tax credit. This funding is to be used to build infrastructure to implement the exemption and for other start-up costs.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Investment Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	19,266	19,266
Total Maintenance Changes	0	4	4
Policy Changes - Non-Comp			
1. DIS-Administered Firewall	0	30	30
2. Transfer DW to Appropriated Funds	0	2,500	2,500
Policy -- Non-Comp Total	0	2,530	2,530
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-135	-135
4. 2005-07 Pay Increase Inv. Officers	0	845	845
5. Benefit Cost Correction	0	32	32
6. 2007-09 Pay Increase Inv. Officers	0	1,791	1,791
Policy -- Comp Total	0	2,533	2,533
2007-09 Revised Appropriations	0	24,333	24,333
Fiscal Year 2008 Total	0	2,412	2,412
Fiscal Year 2009 Total	0	2,651	2,651

Comments:

1. **DIS-Administered Firewall** - Funding is provided to implement a data warehouse, coupled with a system to measure investment performance, to provide improved investment reporting and analysis. A firewall, administered by the Department of Information Services (DIS), will be created to provide for the security of the data warehouse system. (State Investment Board Expense Account)
2. **Transfer DW to Appropriated Funds** - Funding for the investment data warehouse (DW) project is transferred from non-budgeted funds to the appropriated expense account. The non-budgeted funding and the expense account are both drawn from investment earnings. (State Investment Board Expense Account)
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
4. **2005-07 Pay Increase Inv. Officers** - Funding is provided for salary and benefit increases approved by the State Investment Board during the 2005-07 biennium. (State Investment Board Expense Account)
5. **Benefit Cost Correction** - Funding is provided for the cost of health insurance benefits associated with two new positions that were established in the biennial budget. Benefit funding was not included in the biennial budget. (State Investment Board Expense Account)
6. **2007-09 Pay Increase Inv. Officers** - Funding is provided for future compensation costs associated with the recruitment and retention of investment officers, including the additional retention and incentive pay as provided by Chapter 236, Laws of 2008 (SHB 3149 - Investment Officer Recruitment and Retention). (State Investment Board Expense Account)

Board of Tax Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	2,882	0	2,882
Policy Changes - Comp			
1. PEBB Rate Reduction	-26	0	-26
Policy -- Comp Total	-26	0	-26
2007-09 Revised Appropriations	2,856	0	2,856
Fiscal Year 2009 Total	-26	0	-26

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Municipal Research Council

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	400	5,305	5,705
Policy Changes - Non-Comp			
1. Port District Contracting	25	0	25
Policy -- Non-Comp Total	25	0	25
2007-09 Revised Appropriations	425	5,305	5,730
Fiscal Year 2009 Total	25	0	25

Comments:

- Port District Contracting** - Funding is provided pursuant to Chapter 130, Laws of 2008 (2SHB 3274). This legislation clarifies the applicability of public works competitive contracting provisions to public port districts and also requires that a port district commission establish conditions under which competitive bid requirements may be waived. In addition, the legislation creates a personal services competitive solicitation chapter for public port districts to cover consultant services and other personal services that must be procured by port districts. The legislation also provides accountability requirements for public port district contracting.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	3,650	3,650
Policy Changes - Comp			
1. PEBB Rate Reduction	<u>0</u>	<u>-35</u>	<u>-35</u>
Policy -- Comp Total	0	-35	-35
<hr/>			
2007-09 Revised Appropriations	0	3,615	3,615
Fiscal Year 2009 Total	<u>0</u>	<u>-35</u>	<u>-35</u>

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of General Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,157	163,599	164,756
Total Maintenance Changes	0	14	14
Policy Changes - Non-Comp			
1. Monument and Artwork	0	33	33
2. Project Review Committee Admin	29	0	29
3. Balance Appropriated Business Costs	0	2,000	2,000
4. General Administration Moving Plan	0	391	391
Policy -- Non-Comp Total	29	2,424	2,453
Policy Changes - Comp			
5. PEBB Rate Reduction	-5	-1,183	-1,188
Policy -- Comp Total	-5	-1,183	-1,188
<hr/>			
2007-09 Revised Appropriations	1,181	164,854	166,035
Fiscal Year 2008 Total	14	420	434
Fiscal Year 2009 Total	10	821	831

Comments:

1. **Monument and Artwork** - Several veterans memorials on the Capitol Campus require repair and maintenance to restore them to satisfactory condition. Ongoing funding will provide annual maintenance for the World War II Memorial, Prisoner of War/Missing in Action Memorial, Medal of Honor Obelisk, Winged Victory World War I Memorial, and Korean War Memorial. (General Administration Services Account-State)

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

2. **Project Review Committee Admin** - Chapter 494, Laws of 2007 (2SHB 1506), modified the alternative public works statutes, adding more members to the Capital Project Advisory Review Board (CPARB) and established a new project review committee within CPARB. Ongoing funding will pay for costs to reimburse committee members for travel expenses.

3. **Balance Appropriated Business Costs** - The Department is provided additional appropriation authority for the General Administration Services Account to cover its operating expenses. The Department will work with the Office of Financial Management (OFM) to conduct an analysis in order to properly balance appropriated and non-appropriated activities and to end the cross-subsidization of business lines. (General Administration Services Account-State)

4. **General Administration Moving Plan** - Funding is provided to plan the move of the Treasurer, OFM, and the Department of General Administration out of the General Administration Building prior to the demolition of the building to make space for the Heritage Center. All state agencies will need to be out of the building by the fall of 2009. (General Administration Services Account-State)

5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

Department of Information Services

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	10,590	255,012	265,602
Total Maintenance Changes	0	858	858
Policy Changes - Non-Comp			
1. Critical Patient Information Init.	-2,000	0	-2,000
2. Federal Grants for Law Enforcement	0	1,220	1,220
3. High-Speed Internet	195	0	195
Policy -- Non-Comp Total	-1,805	1,220	-585
Policy Changes - Comp			
4. PEBB Rate Reduction	-7	-872	-879
Policy -- Comp Total	-7	-872	-879
2007-09 Revised Appropriations	8,778	256,218	264,996
Fiscal Year 2008 Total	-3,340	635	-2,705
Fiscal Year 2009 Total	1,528	-287	1,241

Comments:

1. **Critical Patient Information Init.** - Funding is eliminated for the Department of Information Services (DIS) to institute a pilot project to develop an emergency medical response health management record system for emergency medical personnel in King, Snohomish, Thurston, and Whatcom Counties. (Health Services Account-State)

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

3. **High-Speed Internet** - Funding is provided for DIS to coordinate a statewide high-speed Internet deployment and adoption initiative, pursuant to Chapter 262, Laws of 2008 (E2SSB 6438). DIS will work in cooperation with the Utilities and Transportation Commission; the Department of Community, Trade, and Economic Development, and representatives of the telecommunications industry, community-based organizations, and other groups to develop a strategy to ensure statewide access to affordable and reliable high-speed Internet services.

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

Office of the Insurance Commissioner

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	46,914	46,914
Total Maintenance Changes	0	154	154
Policy Changes - Non-Comp			
1. Health Care Admin Costs Work Group	0	286	286
2. Closed Claims Workload Increase	0	93	93
Policy -- Non-Comp Total	0	379	379
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-441	-441
Policy -- Comp Total	0	-441	-441
2007-09 Revised Appropriations	0	47,006	47,006
Fiscal Year 2009 Total	0	-62	-62

Comments:

1. **Health Care Admin Costs Work Group** - Funding is provided for the Insurance Commissioner to convene a work group of health care providers, carriers, and payers to identify and develop strategies to achieve savings through streamlining administrative requirements and procedures, as recommended in the report submitted pursuant to Section 17, Chapter 259, Laws of 2007. By December 1, 2008, the Commissioner will submit a report to the Governor and the Legislature that identifies the five highest priority goals for achieving significant efficiencies and reducing health care administrative costs and a plan to accomplish these goals. (Insurance Commissioner's Regulatory Account-State)
2. **Closed Claims Workload Increase** - Chapter 8, Laws of 2006, addressed the medical malpractice liability insurance market. Entities are required to report each closed claim to the Insurance Commissioner for analysis and reporting to the Legislature beginning with medical malpractice claims closed in 2008. Authorization is provided to assist entities as they begin reporting to the Insurance Commissioner. This authority includes a one-time funding equipment cost. (Insurance Commissioner's Regulatory Account-State)
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Board of Accountancy

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	2,596	2,596
Policy Changes - Comp			
1. PEBB Rate Reduction	<u>0</u>	<u>-21</u>	<u>-21</u>
Policy -- Comp Total	0	-21	-21
<hr/>			
2007-09 Revised Appropriations	0	2,575	2,575
Fiscal Year 2009 Total	<u>0</u>	<u>-21</u>	<u>-21</u>

Comments:

- 1. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington Horse Racing Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	9,099	9,099
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-58	-58
Policy -- Comp Total	0	-58	-58
<hr/>			
2007-09 Revised Appropriations	0	9,041	9,041
Fiscal Year 2009 Total	0	-58	-58

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,863	227,702	231,565
Total Maintenance Changes	0	1,120	1,120
Policy Changes - Non-Comp			
1. Law Enforcement Equitable Sharing	0	757	757
2. Distribution Center Software Upgrad	0	1,294	1,294
3. Distribution Center Expansion	0	3,660	3,660
Policy -- Non-Comp Total	0	5,711	5,711
Policy Changes - Comp			
4. PEBB Rate Reduction	-41	-2,220	-2,261
Policy -- Comp Total	-41	-2,220	-2,261
2007-09 Revised Appropriations	3,822	232,313	236,135
Fiscal Year 2008 Total	0	4,793	4,793
Fiscal Year 2009 Total	-41	-1,302	-1,343

Comments:

1. **Law Enforcement Equitable Sharing** - The Liquor Control Board (LCB) received one-time funding from the Department of Justice's Asset Forfeiture Program. Funds will be used for equipment and training related to tobacco enforcement. (Federal Seizure Account-Non-Appropriated)
2. **Distribution Center Software Upgrad** - Funding is provided for LCB to upgrade software at the distribution center. Current software will no longer be supported by the manufacturer. The LCB was appropriated funding in the 2005-07 biennium to upgrade this software but postponed the project until after completion of the expansion of the distribution center. (Liquor Control Board Construction and Maintenance Account-State, Liquor Revolving Account-State)
3. **Distribution Center Expansion** - Funding is provided for LCB to shift a one-time fund balance from Certificates of Participation in FY 2005 to FY 2007 for safety and seismic improvements at the distribution center and to complete the project. (Liquor Control Board Construction and Maintenance Account-State)
4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Board for Volunteer Firefighters

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	0	1,051	1,051
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-9	-9
Policy -- Comp Total	0	-9	-9
<hr/>			
2007-09 Revised Appropriations	0	1,042	1,042
Fiscal Year 2009 Total	0	-9	-9

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	160	36,133	36,293
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-317	-317
Policy -- Comp Total	0	-317	-317
2007-09 Revised Appropriations	160	35,820	35,980
Fiscal Year 2009 Total	0	-317	-317

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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.

Military Department

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	23,251	220,672	243,923
Total Maintenance Changes	24	444	468
Policy Changes - Non-Comp			
1. National Guard Firefighting Trng	284	0	284
2. Emergency Outward Dialing	200	0	200
3. WIN 211 Additional Funding	750	0	750
4. Woody Debris Removal	0	1,300	1,300
5. WA Youth Academy Tech Corrections	372	20	392
6. Emerg Mgmt Planning Grants	317	995	1,312
7. Interoperable Communications	73	12,600	12,673
8. Pre-Disaster Mitigation Grants	0	7,861	7,861
9. National Guard Activation	579	543	1,122
10. December 2007 Flood Recovery	0	41,506	41,506
11. E911 Revenue Study	0	200	200
12. Governor Veto	-750	0	-750
Policy -- Non-Comp Total	1,825	65,025	66,850
Policy Changes - Comp			
13. PEBB Rate Reduction	-225	-323	-548
Policy -- Comp Total	-225	-323	-548
2007-09 Revised Appropriations	24,875	285,818	310,693
Fiscal Year 2008 Total	969	24,367	25,336
Fiscal Year 2009 Total	631	40,335	40,966

Comments:

1. **National Guard Firefighting Trng** - Funding is provided for 100 Washington State National Guard members to receive training for Wildland Firefighting Level II certification. Level II personnel are authorized to work on the fire line in the event of wildfires.
2. **Emergency Outward Dialing** - One-time funding is provided to assist local public safety answering points (911 call centers) to purchase and implement automatic outward dialing device service systems across the state. These systems will allow for the public to be notified in the event of emergencies.
3. **WIN 211 Additional Funding** - Additional funding above the 2007-09 biennial budget level is provided for FY 2009 to support the statewide Washington Information Network (WIN) 211 program. However, this item was vetoed (please see Governor Veto item below).
4. **Woody Debris Removal** - Funding is provided to the Military Department to work with the Department of Natural Resources and the Department of Ecology to remove accumulated woody debris caused by the December 2007 severe storms and flooding. (Disaster Response Account-State)
5. **WA Youth Academy Tech Corrections** - Funding is provided for various expenses, including staff cost-of-living adjustments, which were not included in the biennial budget. (General Fund-State, General Fund-Federal)
6. **Emerg Mgmt Planning Grants** - Funding is provided for the state match required by the Emergency Management Performance Grant. The majority of funds will be passed through to local governments for all-hazard emergency management. Remaining funds will be used by the Military Department to provide assistance to local governments. (General Fund-State, General Fund-Federal)
7. **Interoperable Communications** - Expenditure authority is provided for the federal Public Safety Interoperable Communications grant and required state match. The grant focuses on improving interoperable communications capability and infrastructure in Washington. (General Fund-State, General Fund-Federal)
8. **Pre-Disaster Mitigation Grants** - Authority is provided for the Military Department to pass through non-disaster mitigation grant funds to local communities and other state agencies. Funds support development and review of local mitigation plans, grant applications, and technical assistance to local communities. Funds were awarded and allocated prior to the December 2007 floods. (General Fund-Federal)
9. **National Guard Activation** - Funding is provided to cover the estimated cost of the December 2007 and January 2008 activations of the Washington National Guard. The December 2007 activation was in response to flooding in the Chehalis-Centralia region (\$543,000). The January 2008 activation was

Military Department

in response to severe winter storms (\$36,000). (General Fund-State, General Fund-Federal)

10. **December 2007 Flood Recovery** - Funding is provided for recovery and rebuilding expenses associated with the December 2007 floods in Chehalis-Centralia. (Disaster Response Account-State, Disaster Response Account-Federal)
11. **E911 Revenue Study** - Funding is provided for the Military Department to recommend an appropriate funding mechanism for the implementation of next generation 911. The Military Department will consult with the Utilities and Transportation Commission, the Department of Revenue, local governments, representatives from companies providing telecommunications services, and other public safety and medical associations. The Military Department is to submit its report to the appropriate legislative committees by December 1, 2008. (E911 Account-State)
12. **Governor Veto** - The Governor vetoed Section 147(5) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided additional funding for the WIN 211.
13. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Employment Relations Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	6,599	3,315	9,914
Total Maintenance Changes	2	0	2
Policy Changes - Comp			
1. PEBB Rate Reduction	-58	-28	-86
Policy -- Comp Total	-58	-28	-86
2007-09 Revised Appropriations	6,543	3,287	9,830
Fiscal Year 2009 Total	-58	-28	-86

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	2,120	1,665	3,785
Total Maintenance Changes	12	0	12
Policy Changes - Non-Comp			
1. Increased Rental Costs	37	0	37
2. Maritime National Heritage	150	0	150
3. Human Remains	571	500	1,071
Policy -- Non-Comp Total	758	500	1,258
Policy Changes - Comp			
4. PEBB Rate Reduction	-21	-10	-31
Policy -- Comp Total	-21	-10	-31
2007-09 Revised Appropriations	2,869	2,155	5,024
Fiscal Year 2008 Total	21	0	21
Fiscal Year 2009 Total	716	490	1,206

Comments:

1. **Increased Rental Costs** - The Department of Archaeology and Historic Preservation (DAHP) staffing has grown by more than 50 percent over the last few years. To accommodate this growth, DAHP has increased its square footage at its downtown Olympia office. Funding is provided for the increase in rental costs.

2. **Maritime National Heritage** - One-time funding is provided for DAHP to conduct a preliminary assessment to determine the feasibility of seeking federal heritage area designation for Washington's maritime regions. The proposed Maritime Heritage Area would include Puget Sound, the Strait of Juan de Fuca, and the outer coast. A report is due to the Legislature and the Governor by January 1, 2010.

3. **Human Remains** - Funding is provided for Chapter 275, Laws of 2008 (E2SHB 2624). The legislation establishes statutory guidelines and procedures for the inadvertent discovery of skeletal human remains and requires DAHP to develop and maintain a centralized database of all known cemeteries and known sites of burials of human remains in Washington. Additionally, the position of the State Physical Anthropologist is created in DAHP to assist local governments in making determinations on the status of skeletal human remains and to provide excavation services to private landowners, as well as removal and reinterment when necessary. (Skeletal Human Remains Assistance Account-Non-Appropriated, General Fund-State)

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

Growth Management Hearings Board

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	3,832	0	3,832
Total Maintenance Changes	14	0	14
Policy Changes - Comp			
1. PEBB Rate Reduction	-25	0	-25
Policy -- Comp Total	-25	0	-25
<hr/>			
2007-09 Revised Appropriations	3,821	0	3,821
Fiscal Year 2009 Total	-25	0	-25

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Convention and Trade Center

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	90,660	90,660
Policy Changes - Non-Comp			
1. Convention Center Expansion	0	7,863	7,863
Policy -- Non-Comp Total	0	7,863	7,863
2007-09 Revised Appropriations	0	98,523	98,523
Fiscal Year 2009 Total	0	7,863	7,863

Comments:

1. **Convention Center Expansion** - Expenditure authority is provided for annual payments on Certificates of Participation (COPs) to be issued pursuant to Section 6013(7) of the 2007-09 capital budget. COPs will be issued to finance the purchase and remodeling of the Museum of History and Industry property near the Washington State Convention and Trade Center. (State Convention and Trade Center Account-State)

Department of Financial Institutions

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	46,118	46,118
Total Maintenance Changes	0	6	6
Policy Changes - Non-Comp			
1. Smart Homeownership Choices	0	250	250
2. Homeownership Task Force	0	24	24
3. Loan Regulations	0	798	798
4. SB 6272 - Financial Literacy	1,500	0	1,500
Policy -- Non-Comp Total	1,500	1,072	2,572
Policy Changes - Comp			
5. PEBB Rate Reduction	0	-359	-359
Policy -- Comp Total	0	-359	-359
2007-09 Revised Appropriations	1,500	46,837	48,337
Fiscal Year 2008 Total	700	250	950
Fiscal Year 2009 Total	800	463	1,263

Comments:

1. **Smart Homeownership Choices** - Funding is provided pursuant to Chapter 322, Laws of 2008 (SSB 6711). This legislation creates the smart homeownership choices program. The program is to provide financial assistance to homeowners who are delinquent on mortgage payments, bringing their mortgage current, so that they may refinance into a different loan product. Homeowners are required to repay funds loaned by this program at the time of refinancing and must participate in a mortgage counseling program. This program will be administered by the Washington State Housing Finance Commission. (Smart Homeownership Choices Program Account-Non-Appropriated)

rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

2. **Homeownership Task Force** - Funding is provided pursuant to Chapter 108, Laws of 2008 (SHB 2770). The legislation prohibits prepayment penalties that extend beyond 60 days prior to the initial reset of an adjustable rate mortgage in residential loans. The legislation also prohibits negative amortization for a borrower in residential loans and the steering of consumers into higher cost loans. A framework and penalties for crimes related to mortgage fraud is established. (Financial Services Regulation Account-Non-Appropriated)

3. **Loan Regulations** - Funding is provided pursuant to Chapter 78, Laws of 2008 (SB 6471). The legislation amends the Consumer Loan Act (CLA) to require that all mortgage brokers who make residential loans are to be licensed under the CLA. (Financial Services Regulation Account-Non-Appropriated)

4. **SB 6272 - Financial Literacy** - Funding is provided in Chapter 3, Laws of 2008 (SB 6272), for expanding financial literacy through education and counseling to promote greater homeownership security.

5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	33,998	33,998
Total Maintenance Changes	0	6	6
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-349	-349
Policy -- Comp Total	0	-349	-349
2007-09 Revised Appropriations	0	33,655	33,655
Fiscal Year 2009 Total	0	-349	-349

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Printer

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	18,886	18,886
Total Maintenance Changes	0	4	4
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-271	-271
Policy -- Comp Total	0	-271	-271
2007-09 Revised Appropriations	0	18,619	18,619
Fiscal Year 2009 Total	0	-271	-271

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	2,032	2,032
Policy Changes - Comp			
1. PEBB Rate Reduction	0	-12	-12
Policy -- Comp Total	0	-12	-12
2007-09 Revised Appropriations	0	2,020	2,020
Fiscal Year 2009 Total	0	-12	-12

Comments:

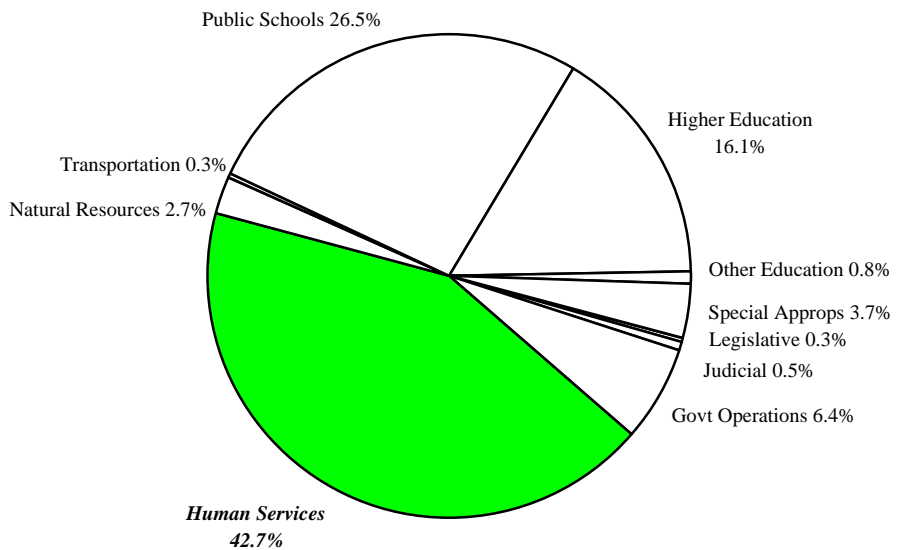
1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Human Services

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

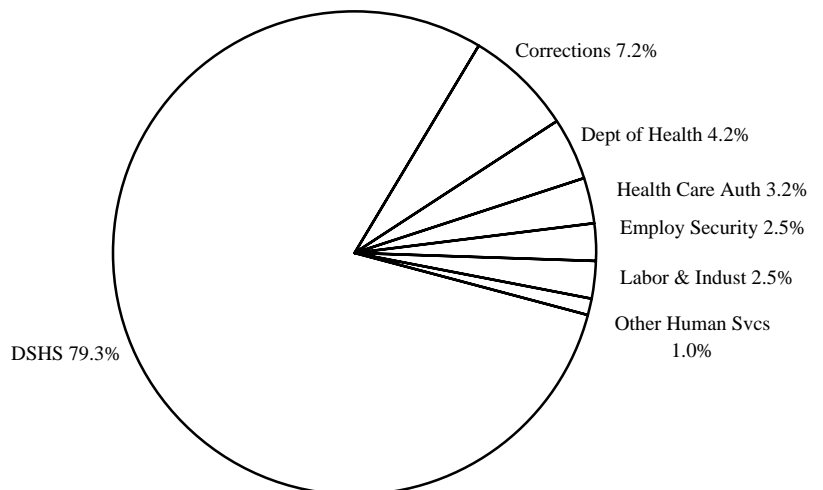
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
<i>Human Services</i>	<i>24,411,438</i>
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

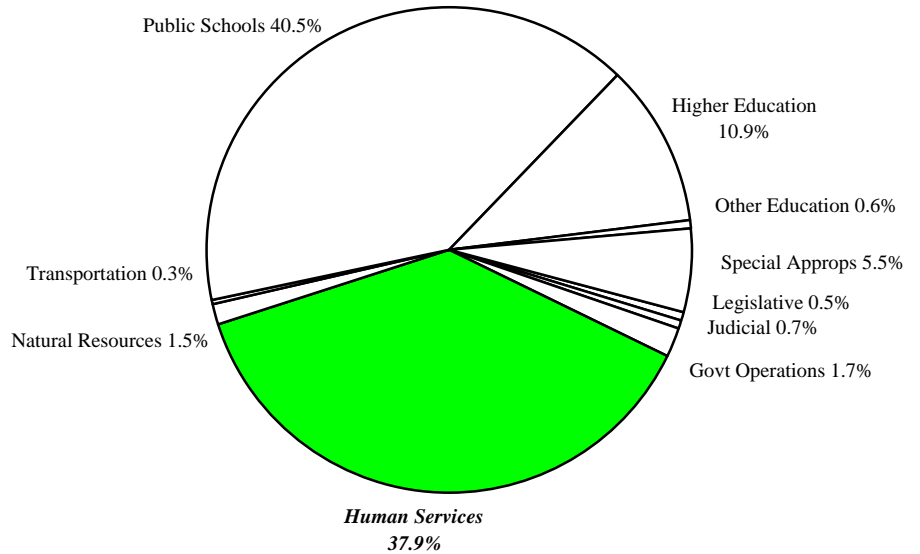
DSHS	19,364,441
Dept of Corrections	1,768,666
Dept of Health	1,033,444
Health Care Authority	770,234
Employment Security	618,151
Dept of Labor & Indust	616,559
Other Human Svcs	239,943
<i>Human Services</i>	<i>24,411,438</i>



Human Services

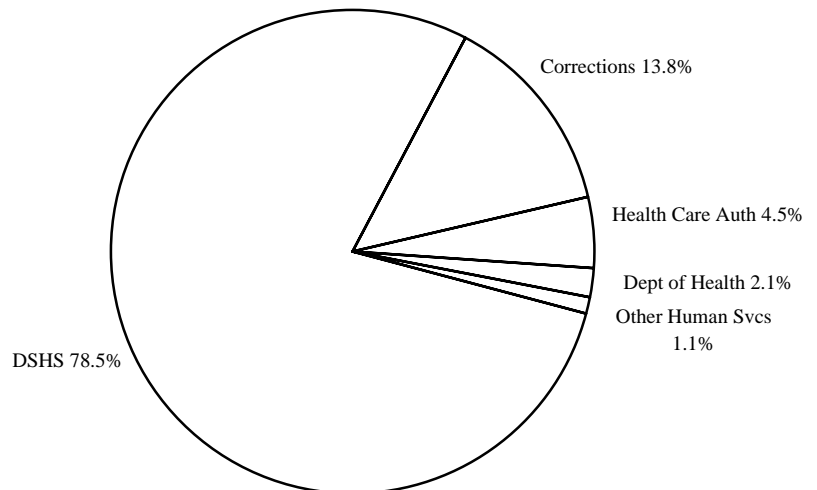
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
<i>Human Services</i>	<i>12,745,221</i>
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

DSHS	10,009,444
Dept of Corrections	1,757,543
Health Care Authority	575,310
Dept of Health	264,369
Other Human Svcs	138,555
<i>Human Services</i>	<i>12,745,221</i>



Human Services

Department of Social & Health Services

Children and Family Services

The sum of \$1.1 million in one-time funding is provided to expedite the hiring of social workers and support staff needed to complete the phase-in of the state's policy of a private and individual face-to-face visit each month with children in out-of-home care and in-home dependencies and their caregivers.

State and federal funding in the amount of \$2.4 million is provided for the Children's Administration to contract with nonprofit organizations to facilitate twice-monthly visits between siblings placed in out-of-home care who live apart from each other.

The sum of \$2.3 million in state and federal funds is provided to pay for an increase in contracted supervised visits. The increase in court-ordered supervised visits between parents and dependent children has increased the Department's use of contracted service hours.

The Children's Administration performs education and health screens for all children who are in out-of-home care for 30 days or longer. The sum of \$1.0 million in state and federal funds is provided for 12 additional staff to perform the screens.

The amount of \$657,000 is provided to the Division of Licensed Resources to hire 7.5 additional licensors to address their backlog in processing licenses and to allow for smaller licensing caseloads.

A total of \$800,000 is provided to contract with medical professionals for comprehensive safety assessments of high-risk families. Of this amount, \$400,000 is for assessments of families receiving in-home child protective services or family voluntary services. The remaining \$400,000 is for assessments of families with an infant who is age birth to 15 days that was diagnosed at birth as substance exposed, and for which the Department received an intake referral related to the infant's exposure to substances. All of the safety assessments will use validated tools to guide intervention decisions through the identification of additional safety and risk factors.

The sum of \$997,000 is provided for Chapter 281, Laws of 2008 (E2SHB 3145). Of this amount, \$797,000 is provided to implement a pilot program for intensive resource foster homes in two geographical areas with high concentrations of high-needs children in foster care. The intensive resource foster home providers will receive a monthly stipend, training, and professional consultation. The remaining \$200,000 is provided for the Department to contract for constellation hub models of foster care support in areas of the state not currently served by this model.

State funding in the amount of \$12.2 million is provided in maintenance level to address changes in federal funding of child welfare services. State funding of \$20.0 million was provided to replace federal funding that was disallowed due to a change in federal Medicaid rules that prevent the state from charging certain administrative activities to Targeted Case Management and alter the state's match requirements for other programs. The loss of Medicaid funds is partially offset by a \$7.8 million reduction in state funding in foster care and adoption support and a corresponding increase in Title IV-E federal funding due to greater federal revenue earnings in recent years.

State and federal funding is reduced by \$2.3 million in fiscal year 2008 due to one-time under-expenditures resulting from delays in staff hires within the Children's Administration.

Juvenile Rehabilitation Administration

A total of \$2.8 million in state funding is provided to backfill Title XIX Medicaid funds for Targeted Case Management. The DSHS-Juvenile Rehabilitation Administration had received these funds to support its Family Functional Parole (FFP) program. FFP is a case management model that motivates youth and families to fully participate in services and provides ongoing assessment and support as needed.

Mental Health

State and federal funding for the public mental health system is increased by a total of \$21.8 million. Major changes in support of community mental health services include:

- Additional state funds of \$6.3 million are provided to maintain and improve community mental health services for children and adults who are not eligible for Medicaid due to income, family circumstances, or the stage or nature of their illness. Services include crisis response, counseling, case management, acute care, residential services, job finding services, and emergency rent assistance.
- Additional state funds of \$2.3 million are provided to enable the Spokane Regional Support Network (RSN) to complete implementation of its comprehensive plan for reducing use of Eastern State Hospital. A portion of the plan is being funded with the RSN's locally-authorized mental health sales tax. Key elements of the plan include: additional crisis triage and crisis stabilization beds; an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; and family respite care services to assist with the discharge and return home of elderly individuals.
- The sum of \$4.7 million is provided for the transition to fee-for-service in Pierce County necessitated by the county's decision to discontinue operation as an RSN. Funds are provided on a one-time basis to assist non-governmental mental health agencies in Pierce County with start-up and other extraordinary administrative costs. Funds are also provided to cover the state-only component of crisis triage, evaluation and treatment, and mobile crisis outreach services.
- State funding of \$2 million is provided to cover the cost of 180-day Involuntary Treatment Act commitment hearings in Pierce and Spokane Counties. Due to the presence of the state psychiatric hospitals, the two counties are responsible for conducting an extraordinarily large number of such hearings.
- The amount of \$2.9 million is provided to increase the RSN capitation rates to the bottom of the actuarially sound rate ranges.

Major changes in support of the state psychiatric hospitals include:

- In order to improve patient and staff safety, \$2.3 million is provided to pilot a direct care staffing plan for six high-incident wards at Eastern and Western State Hospitals. The pilot includes funding for 31 direct care positions, including registered nurses, licensed practical nurses, and mental health technicians. The Department is to monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.
- One-time funding of \$951,000 is provided to cover laundry services that are temporarily being performed at Rainier School as a result of a fire in the laundry at Western State Hospital. Funding covers additional labor costs and laundry transportation.

Developmental Disabilities

A total of \$1.9 million is provided for a new waiver program for children with developmental disabilities who are at risk of being institutionalized as a result of intense behaviors. The families of eligible children will receive coordinated in-home support services, such as intensive behavior management training for the family, other caregivers, or school staff, minor home or vehicle adaptations, respite, and therapies. The funding reflects a phase-in of services for a total of 100 families ongoing.

A one-time payment of \$1.0 million in state funding is provided to settle a class action lawsuit filed by the Washington Federation of State Employees, on behalf of Division of Developmental Disabilities case managers, to achieve wage parity with social workers in the Children's Administration during the period of December 2002 through June 2007. Parity for current and future wages was addressed in the 2007-09 enacted budget.

State funding in the amount of \$605,000 and federal funding in the amount of \$292,000 are provided to accelerate the rate of employment services provided to high school graduates. Funding will cover the cost of services to 31 additional graduates receiving Home- and Community-Based Waiver services and to about 50 additional graduates receiving state-only services.

Recently, there has been an increase in the number of admissions for people under the age of 21 to the Residential Habilitation Centers (RHCs). As of February 2008, there were 17 children at Fircrest RHC and 9 children at Frances Haddon Morgan Center. The amount of \$7.3 million is provided to address the increased admissions, including:

- A total of \$5.9 million in state funds and matching federal funds is provided for additional staff and other institutional expenses at re-opened cottages at Fircrest RHC.
- State funds of \$1.4 million are provided for contracts with Bremerton and Shoreline School Districts for education-related costs at Fircrest and Frances Haddon Morgan Center RHCs. (This funding is in addition to institutional education allocations within the K-12 budget and is used to pay for one-on-one aides, transportation, and space improvements.)

There is a one-time reduction of state and federal funding of \$2 million for new programs authorized in the 2007-09 budget that have been slower to ramp up than previously anticipated in fiscal year 2008; no individuals will receive a cut in services. This item assumes a slower start to new Home- and Community-Based Services waiver placements for individuals with aging parents or caregivers, a slower placement rate for community protection services, and a slower phase-in for family support programs.

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

The sum of \$46.9 million is provided for two interacting items related to Medicaid Personal Care service hours:

- 1) The 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* found that the "Shared Living Rule" was in violation of the federal comparability requirement. As a result, all Medicaid Personal Care clients must have their hours assessed on an individual basis, regardless of whether their provider lives with them in a "shared living" situation or lives elsewhere. This decision requires additional funding for service hours for laundry, meal preparation, shopping, and other services that had previously been denied.
- 2) The comparability requirement in the court's decision along with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement (CBA) between SEIU 775NW and the state results in additional service hours being authorized and funding being required for items such as wood fuel, off-site laundry, etc. that were not covered by funding previously provided for the CBA in the 2007-09 budget.

Funding of \$5.4 million is provided for phase one implementation of a 17 level Comprehensive Assessment Reporting Evaluation residential payment system that more closely ties reimbursement to client acuity. New payment levels include reimbursement for challenging behaviors, cognitive decline, and clinical complexity. For adult family homes, funding is sufficient to offset liability insurance costs and to provide an average rate increase of 5 percent for Long-Term Care clients and 9 percent for Developmental Disabilities clients (includes the 2 percent increase provided in the 2007-09 biennial budget). Payment rates for boarding homes contracted as assisted living facilities are held harmless at fiscal year 2008 funded levels; however, this provider type will not receive a 2 percent vendor rate increase in fiscal year 2009 that was previously budgeted in the 2007-09 biennial budget.

Long-Term Care

State and federal funding for long-term care is increased by a total of \$7.9 million net with lower than expected caseload costs. Major changes include the items below and the items listed under “Aging and Disabilities Services.”

For nursing facility Medicaid payment rates, \$6.1 million in new funding is provided in addition to \$18 million that was previously set aside by the 2007-09 operating budget, making the total for fiscal year 2009 \$24 million. The funding is designated as follows:

- \$6.1 million is provided as an add-on payment rate of approximately \$1.57 per patient day to nursing homes with Medicaid clients to increase compensation for low-wage workers beginning July 1, 2008. Funds may also be used to increase staffing levels of nurse aides and to avoid wage compression by job classes immediately affected by low-wage worker pay increases.
- The \$18 million for fiscal year 2009 that was set aside by the 2007-09 operating budget is directed to be spent as follows:
 - \$6.9 million is provided to cover costs that are higher than anticipated due to increased client acuity and successful appeals on rates paid.
 - \$1.4 million is provided pursuant to Chapter 263, Laws of 2008 (ESB 6629), which makes clarifications to the nursing home statute and increases direct care rates to certain nursing homes whose rates were reduced due to ambiguity in the statute.
 - \$9.7 million is provided for 1.99 percent vendor rate increases to direct care, therapy care, support services, and operations.

The sum of \$772,000 is provided from the State Traumatic Brain Injury Account to cover public awareness campaigns to promote awareness of traumatic brain injuries (TBIs), support groups for individuals with TBIs and their families, and costs for DSHS to support the Traumatic Brain Injury Council.

Long-Term Care Task Force Initiatives (Long-Term Care, Medical Assistance, and Department of Health)

Funding of \$3.9 million is provided for programs to benefit the elderly and others with long-term care needs, pursuant to Chapter 146, Laws of 2008, Partial Veto (ESSHB 2668). The funding is designated as follows:

- \$1.5 million is provided to help 585 unpaid caregivers continue to care for elderly and disabled relatives in their own homes. Services include respite and training (Long-Term Care budget).
- \$1.8 million is provided for behavior supports and technical assistance for caregivers of individuals with challenging behaviors who utilize the Community Options Program Entry System program (Long-Term Care budget).
- \$164,000 is provided for Adult Protective Services fatality review teams (Long-Term Care budget).
- \$400,000 is provided for four counties to participate in the Senior Falls Prevention program that includes a combination of exercise programs, risk identification and reduction, and consumer education (Department of Health budget).
- \$50,000 is provided for the implementation of a dental access project for senior citizens. Beginning in the 2009-11 biennium, and to the extent funds are appropriated for this purpose, the project will include enhanced reimbursement rates for certified dentists and medical providers who provide preventive oral health and specific dental procedures to senior citizens (Medical Assistance budget).

Economic Services Administration

The budget provides authority to raise the Temporary Assistance to Needy Families cash grant by 3 percent in fiscal year 2009 to account for increased housing costs, resulting in an expenditure of \$7.8 million in WorkFirst revenues. The increase in the cash grant can be accomplished within the WorkFirst’s current appropriation level, without reduction to services or caseload in fiscal year 2009. The cash grant has not been increased since 1993.

State funding of \$2.7 million is provided for the Division of Child Support (DCS) as a result of federal changes to the distribution of child support collections. Beginning in October 1, 2008, any Internal Revenue Service tax refunds intercepted by DCS will be distributed first to cover any debts owed to families. Currently, tax refund intercepts are first applied to offset costs to the state for welfare and Medicaid costs, if applicable, and then distributed to families.

A total of \$2.0 million in state and federal funding is provided to increase the gross income limits for eligibility for the Basic Food Program (food stamps) to 200 percent of the federal poverty limit, as allowed by the U.S. Department of Agriculture. Starting October 1, 2008, it is estimated an additional 23,300 families will receive benefits due to the change. The benefits for Basic Food are funded solely by federal dollars and the state and federal government share the administrative costs. Funding is also provided for the estimated increase of 233 families that will receive benefits through the state's Basic Food for Legal Immigrants Program, which is solely state funded and has the same eligibility requirements as the basic food program.

The sum of \$656,000 in state funding is provided for increased costs and requirements associated with immigration and naturalization programs. The programs' services include assistance with completing the citizen application, English language and civics classes, assistance with federal Immigration and Naturalization Service fee waiver requests, and help applying for test exemptions for disabled clients.

State funding in the amount of \$462,000 is provided to hire five additional Supplemental Security Income disability facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment into the federal disability program. Assistance from facilitators results in reduced length of stay for clients on General Assistance.

Alcohol and Substance Abuse

A total of \$5.3 million is provided to fund Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), which continues two pilot programs authorized during the 2005 session: the integrated crisis response/secure detoxification (ICR) program and the intensive case management program. The funding will extend the programs through fiscal year 2009 and allow time for additional evaluation. Approximately \$550,000 of this funding was intended to expand the ICR pilot program to Spokane; however, the Governor vetoed the portion of the legislation that allowed this expansion.

Medical Assistance Administration

Funding is provided for a 2 percent increase above the 2007-09 biennial budget level for changes in enrollment and per person medical costs, primarily due to increases in hospital inpatient and outpatient service utilization, Medicare Part A premium payments, and managed care caseloads. These increases (roughly \$97 million in state funds) are offset somewhat by a slowdown in the growth rate of the General Assistance – Unemployable caseload and by lower drug expenditures (approximately \$35 million in state funds). A decrease in the federal Medicaid participation rate of less than 0.5 percent results in approximately a \$20 million shift from federal to state expenditures for fiscal year 2009.

In accordance with Chapter 245, Laws of 2008 (SB 6421), \$1.9 million in State Tobacco Prevention and Control Account funds and \$1.7 million in federal funds are provided for smoking cessation counseling, nicotine replacement therapy, and related prescription drugs for adults enrolled in Medicaid programs.

The budget reflects a savings of \$6.3 million in state funds due to a slowing in the growth rates in premiums for the Healthy Options managed care program.

Administration and Supporting Services

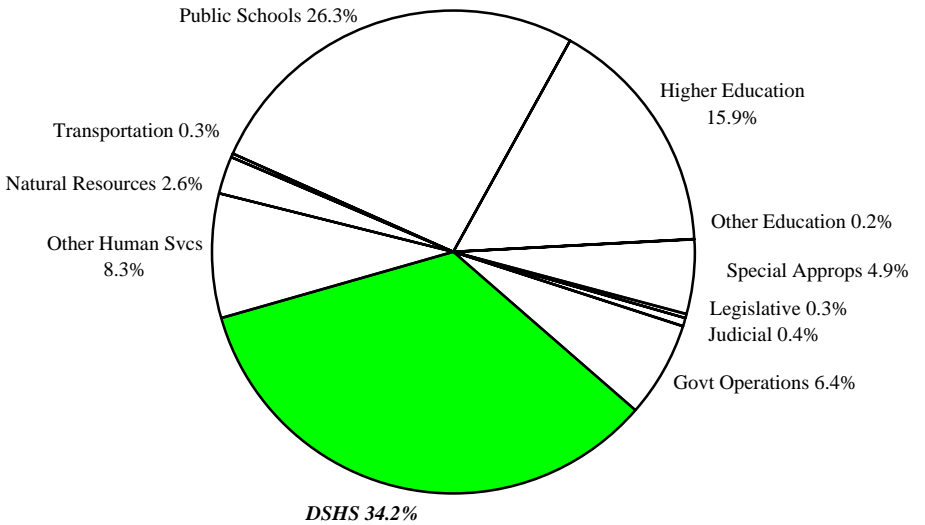
State general funding, in the amount of \$450,000 is provided as part of DSHS's original settlement agreement for the Braam lawsuit regarding foster children. One requirement of that agreement was an oversight panel to monitor the Department's compliance with the terms of the settlement agreement. Previously this panel was

funded by grants from the Casey Foundation. However, as of January 1, 2008, that funding has ended, and DSHS will pay for the panel's operating expenses.

The sum of \$1.6 million is provided toward the development of a flexible payment system for independent home care providers and others who collectively bargain for wages and benefits. Specifically, funding is provided for a project management team and one information technology FTE to develop a project plan, timeline, and budget plan. The Legislature finds the amounts provided are sufficient for a timely and expeditious transition to a more flexible provider payroll system that will work in conjunction with the ProviderOne payment system.

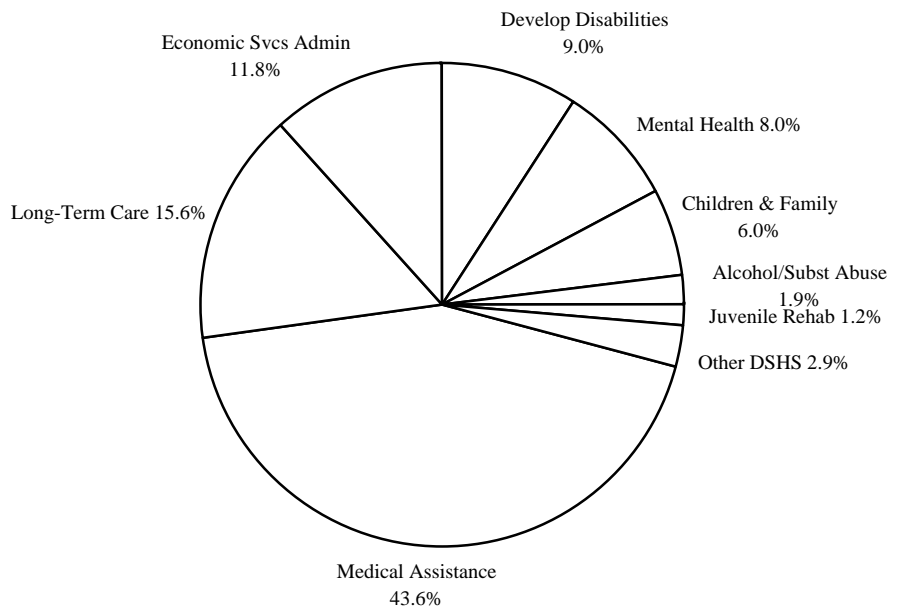
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	148,103
Judicial	223,190
Governmental Operations	3,281,763
DSHS	17,464,522
Other Human Services	4,244,177
Natural Resources	1,327,409
Transportation	147,302
Public Schools	13,422,050
Higher Education	8,129,159
Other Education	106,288
Special Appropriations	2,501,286
Statewide Total	50,995,249



Washington State

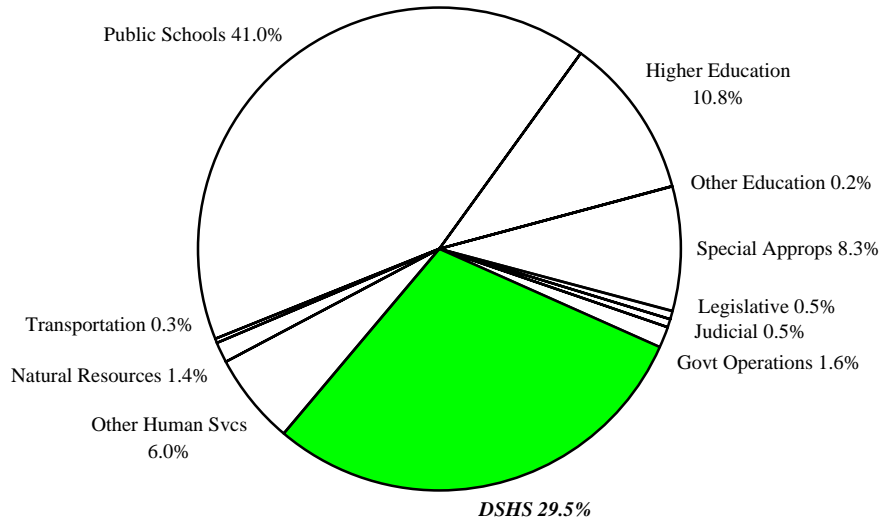
Medical Assistance	8,446,610
Long-Term Care	3,013,784
Economic Services Admin	2,277,898
Developmental Disabilities	1,752,166
Mental Health	1,546,781
Children & Family Svcs	1,166,449
Alcohol/Subst Abuse	370,326
Juvenile Rehabilitation	234,280
Other DSHS	556,147
DSHS	19,364,441



DSHS

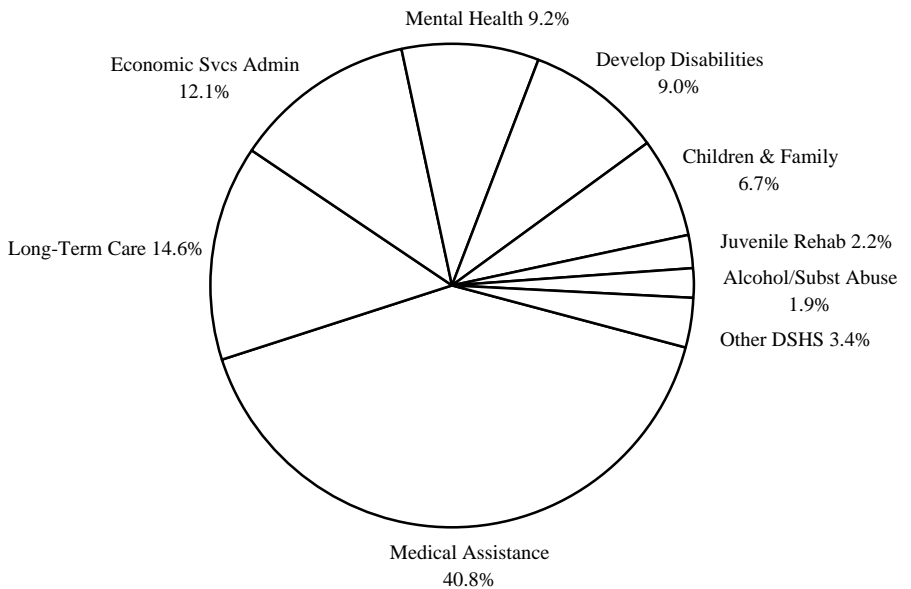
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	140,970
Judicial	125,746
Governmental Operations	433,297
DSHS	7,972,990
Other Human Services	1,622,936
Natural Resources	368,475
Transportation	71,307
Public Schools	11,098,838
Higher Education	2,918,683
Other Education	43,997
Special Appropriations	2,244,744
Statewide Total	27,041,983



Washington State

Medical Assistance	4,083,328
Long-Term Care	1,459,710
Economic Services Admin	1,210,027
Mental Health	925,855
Developmental Disabilities	901,415
Children & Family Svcs	674,028
Juvenile Rehabilitation	222,625
Alcohol/Subst Abuse	195,028
Other DSHS	337,428
DSHS	10,009,444



DSHS

Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	656,031	470,168	1,126,199
Total Maintenance Changes	16,098	20,300	36,398
Policy Changes - Non-Comp			
1. Supervised Visitation	1,656	644	2,300
2. Expedite 30-Day Visit Phase-In	884	264	1,148
3. Safety Assessments	616	184	800
4. Build in Federal Grant Authority	0	2,317	2,317
5. Additional Licensing Staff	500	157	657
6. One-Time FTE Savings	-1,610	-690	-2,300
7. Foster Youth Education	655	38	693
8. Child Long-Term Well-Being	109	35	144
9. Additional CHET Screeners	812	256	1,068
10. Multi-Dimensional Treatment Care	581	319	900
11. Sibling Visits	1,829	578	2,407
12. Home Support Specialists	1,100	347	1,447
13. Intensive Resource Home Pilot	857	140	997
14. Newborn Safety Law Education	10	0	10
15. Reactive Attachment Disorder Pilot	500	0	500
16. Child Safety Legislation	42	29	71
17. Governor Veto	-2,836	-704	-3,540
Policy -- Non-Comp Total	5,705	3,914	9,619
Policy Changes - Comp			
18. PEBB Rate Reduction	-3,806	-1,961	-5,767
Policy -- Comp Total	-3,806	-1,961	-5,767
2007-09 Revised Appropriations	674,028	492,421	1,166,449
Fiscal Year 2008 Total	461	1,295	1,756
Fiscal Year 2009 Total	1,438	658	2,096

Comments:

1. **Supervised Visitation** - One-time funding is provided to pay for increases in contracted supervised visits. The increase in court-ordered supervised visits between parents and dependent children has increased the Department's use of contracted service hours. (General Fund-State, General Fund-Federal)
2. **Expedite 30-Day Visit Phase-In** - One-time funding is provided to expedite the hiring of social workers and support staff needed to complete the phase-in of the state's policy of a private and individual face-to-face visits each month with children in out-of-home care and in-home dependencies and their caregivers. (General Fund-State, General Fund-Federal)
3. **Safety Assessments** - Funding is provided to contract with medical professionals for comprehensive safety assessments of high-risk families. Of this amount, \$400,000 is for assessments of families receiving in-home child protective services or family voluntary services. The remaining \$400,000 is for assessments of families with an infant, age birth to 15 days, diagnosed at birth as substance exposed and the Department received an intake referral related to the infant's exposure to substances. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. (General Fund-State, General Fund-Federal)
4. **Build in Federal Grant Authority** - The Department received additional federal funding authority from the U.S. Department of Health and Human Services to support the infrastructure of monthly caseworker visits as well as one-time local funding from the Casey Family Foundation to expedite implementation of the practice model. The federal grant authority will continue in the 2009-11 biennium. (General Fund-Federal, General Fund-Private/Local)
5. **Additional Licensing Staff** - Funding is provided to the Division of Licensed Resources to hire 7.5 additional licensors to address licensing backlog and allow for smaller licensing caseloads. (General Fund-State, General Fund-Federal)
6. **One-Time FTE Savings** - Funding is reduced in FY 2008 due to one-time under-expenditures resulting from delays in staff hires. (General Fund-State, General Fund-Federal)

Department of Social and Health Services

Children & Family Services

7. **Foster Youth Education** - The sum of \$108,000 is provided to implement Section 4 of Chapter 297, Laws of 2008, Partial Veto (SHB 2679), which authorizes two school district-based foster care recruitment pilots in one or more school districts with a high number of Child Protective Services removals and out-of-home placements. State funding of \$585,000 is provided for contracted educational advocates to provide educational assistance for children in foster care. However, the Governor vetoed funding for this item as well as Section 4 of SHB 2679 (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
8. **Child Long-Term Well-Being** - Chapter 152, Laws of 2008 (E2SHB 3205), requires the court to direct the filing of a petition to terminate parental rights when a child has been in foster care for 15 of the past 22 months unless the court finds that there is a good cause exception. Funding is provided for the increased workload due to the requirements of E2SHB 3205. (General Fund-State, General Fund-Federal)
9. **Additional CHET Screeners** - The Department undertakes a screening of all children who are in out-of-home care for 30 days or longer called the Child Health Education and Tracking (CHET) screen. Funding is provided for 12 additional staff to perform CHET screens. (General Fund-State, General Fund-Federal)
10. **Multi-Dimensional Treatment Care** - Funding is provided for a multi-dimensional treatment foster care program to recruit foster homes that have the tools to serve children with high behavioral and emotional needs. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
11. **Sibling Visits** - Funding is provided for the Department to contract with nonprofit organizations to facilitate twice-monthly visits between siblings living apart from each other in out-of-home care. (General Fund-State, General Fund-Federal)
12. **Home Support Specialists** - Funding is provided to hire 20 additional home support specialists, plus two supervisors and four support staff, starting July 1, 2008. Specialists assist families with dependent children or those at risk of becoming dependent with support services, including transportation, supervised visitation, and parenting skills instruction. The Department shall concentrate the additional specialists in the field offices of counties experiencing an increase in dependency filings above the state average. Between 2004 and 2007, the statewide number of dependency filings increased 13 percent (520 filings). The Department will direct the additional specialists to counties experiencing filing rates above the statewide average during the same period: three to Whatcom County (98 percent or 80 filings); two to Mason County (93 percent or 37 filings); eight to Spokane County (48 percent or 201 filings); two to Grays Harbor County (32 percent or 43 filings); and five to Pierce County (27 percent or 110 filings). It is the intent of the Legislature for these specialists to be hired in addition to current staff, and staff being hired under the Department's phase-in of social workers provided in the 2007-09 biennial budget. The Department will track specific outcome data and report to the Legislature preliminary findings by December 15, 2008, and a final report by June 15, 2009. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
13. **Intensive Resource Home Pilot** - Funding is provided for Chapter 281, Laws of 2008 (E2SHB 3145), which implements an intensive resource foster home pilot program in two geographical areas with high concentrations of high-needs children in foster care. The intensive resource home providers will receive a monthly stipend, training, and professional consultation. The Department is provided \$200,000 to contract for constellation hub models of foster care support in areas of the state not currently served by this model. (General Fund-State, General Fund-Federal)
14. **Newborn Safety Law Education** - Funding is provided for the Department to contract with the largest nonprofit organization in the state conducting education and outreach on RCW 13.34.360, the safety of newborn children law.
15. **Reactive Attachment Disorder Pilot** - Funding is provided for a pilot project in Clark County to identify reactive attachment disorder in children and provide them with appropriate and recommended intervention services. Eligible children are those currently receiving services from the Division of Children and Family Services. The pilot expires at the end of FY 2010. This item was vetoed (please see Governor Veto item below).
16. **Child Safety Legislation** - Funding is provided to implement Chapter 211, Laws of 2008 (2SSB 6206), which makes adjustments to child abuse and neglect reports and the Department's response to those reports. (General Fund-State, General Fund-Federal)
17. **Governor Veto** - The Governor vetoed subsections (26), (27), (33), (34), and (36) of Section 202 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for a reactive attachment disorder pilot, additional home support specialists, educational advocates, multi-dimensional treatment foster care, and for Section 4 of SHB 2679 (Students In Foster Care), which the Governor vetoed.
18. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services

Children & Family Services

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	7,826	7,838	7,853	7,880	7,713	7,769	7,769	7,908	8,048	8,146
% Change from prior year		0.2%	0.2%	0.3%	-2.1%	0.7%	0.0%	1.8%	1.8%	1.2%
Relative Placements										
Avg # Children Served Monthly	2,596	2,509	2,670	2,731	2,739	2,995	3,469	3,641	3,729	3,776
% Change from prior year		-3.4%	6.4%	2.3%	0.3%	9.3%	15.8%	5.0%	2.4%	1.3%
Child Care ⁽²⁾										
Avg # Children Served Monthly	3,856	4,034	4,441	4,389	4,064	4,182	4,235	4,580	4,550	4,614
% Change from prior year		4.6%	10.1%	-1.2%	-7.4%	2.9%	1.3%	8.1%	-0.6%	1.4%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,351	6,375	6,461	6,288	6,558	6,481	6,426	6,206	6,357	6,358
% Change from prior year		0.4%	1.4%	-2.7%	4.3%	-1.2%	-0.8%	-3.4%	2.4%	0.0%
Adoption Support ⁽³⁾										
Avg # Children Served Monthly	4,720	5,683	6,603	7,392	8,387	9,208	9,964	10,632	11,155	11,741
% Change from prior year		20.4%	16.2%	12.0%	13.5%	9.8%	8.2%	6.7%	4.9%	5.3%
Caseload Ratio										
Avg Cases Per Worker ⁽⁴⁾	29:1	29:1	24:1	24:1	24:1	24:1	23:1	22:1	20:1	19:1

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

⁽²⁾ Includes the following child care services: CPS/Child Welfare Services (CWS), Therapeutic/Medicaid Treatment, and Foster Parent Employment. Data is not comparable to prior editions of the Legislative Budget Notes, which also included teen parent, seasonal child care, and adoption support.

⁽³⁾ Data reflect Adoption Support maintenance payments. These data are not comparable to caseloads displayed in editions of the Legislative Budget Notes published prior to 2006, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.

⁽⁴⁾ Combined average number of open cases per worker for CPS, CWS, and Family Reconciliation Services at the end of the fiscal year.

Data Sources :

FY 2000 through FY 2006 actuals for Foster Care, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2000 through FY 2006 actuals for Caseload Ratio are from the DSHS Central Budget Office.

FY 2000 through FY 2008 data for Relative Placements is from the Caseload Forecast Council.

FY 2007 through FY 2009 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council February 2008 forecast.

FY 2007 through FY 2009 estimates for Child Care, CPS, and Caseload Ratio are from DSHS Children's Administration.

Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	224,203	10,992	235,195
Total Maintenance Changes	-2,129	-117	-2,246
Policy Changes - Non-Comp			
1. Support Parole Services	2,808	800	3,608
2. Participation Incentive Pilot Study	165	0	165
3. Governor Veto	-165	0	-165
Policy -- Non-Comp Total	2,808	800	3,608
Policy Changes - Comp			
4. PEBB Rate Reduction	-2,257	-20	-2,277
Policy -- Comp Total	-2,257	-20	-2,277
2007-09 Revised Appropriations	222,625	11,655	234,280
Fiscal Year 2008 Total	1,404	400	1,804
Fiscal Year 2009 Total	-853	380	-473

Comments:

1. **Support Parole Services** - Funding is provided to backfill Title XIX Medicaid funds for Targeted Case Management (TCM). The Juvenile Rehabilitation Administration had received TCM funds to support its Family Functional Parole (FFP) program. The FFP program is a case management model that motivates youth and families to fully participate in services and provides ongoing assessment and support as needed. (General Fund-State, General Fund-Private/Local)
2. **Participation Incentive Pilot Study** - Funding is provided for the Juvenile Rehabilitation Administration to establish a program to promote family participation in juvenile offender treatment programs. The pilot program will be limited to a single county and will be evaluated by the University of Washington School of Medicine's Department of Psychiatry and Behavioral Sciences Division of Public Behavioral Health and Justice. This item was vetoed (please see Governor Veto item below).
3. **Governor Veto** - The Governor vetoed Section 203(9) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to establish a pilot program to promote family participation in juvenile offender treatment programs.
4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Juvenile Rehabilitation

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Community Residential ⁽¹⁾										
Avg Daily Population/Month	209	194	173	172	144	123	99	92	108	108
% Change from prior year		-7.2%	-10.8%	-0.5%	-16.6%	-14.7%	-19.2%	-7.1%	17.4%	0.0%
Institutions										
Avg Daily Population/Month	984	987	937	797	781	782	728	736	679	662
% Change from prior year		0.3%	-5.1%	-14.9%	-2.1%	0.1%	-6.8%	1.1%	-7.7%	-2.5%
Parole ⁽²⁾										
Avg Daily Population/Month	1,023	1,062	1,006	847	802	728	751	692	708	708
% Change from prior year		3.8%	-5.3%	-15.8%	-5.3%	-9.2%	3.1%	-7.9%	2.3%	0.0%

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

⁽²⁾ Parole eligibility standards were significantly modified in FY 2000 and FY 2003.

Data Sources :

FY 2000 through FY 2006 from the Department of Social and Health Services Juvenile Rehabilitation Administration.

FY 2007 through FY 2009 data are from legislative fiscal staff.

Department of Social and Health Services Mental Health

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	918,670	606,215	1,524,885
Total Maintenance Changes	-1,003	7,623	6,620
Policy Changes - Non-Comp			
1. Hospital Ward Size & Case Mix	100	0	100
2. Laundry Fire Increased Costs	951	0	951
3. Utter Request Legislation	-5,574	5,574	0
4. Pierce Transition Fee for Service	3,166	1,289	4,455
5. Pierce Provider Transition Costs	215	0	215
6. Long-Term ITA Judicial Costs	2,033	0	2,033
7. Consumer Run Clubhouses	250	0	250
8. RSN Rate Adjustment	1,403	1,466	2,869
9. Mental Health First Aid	80	80	160
10. Increased Non-Medicaid Funding	6,250	0	6,250
11. Study on Residential Drift	75	0	75
12. Paperwork Reduction Project	100	0	100
13. Spokane Acute Care Diversions	2,250	0	2,250
14. State Hospital Staffing	2,278	0	2,278
15. Behavioral Intervention Training	250	0	250
16. Governor Veto	-425	0	-425
Policy -- Non-Comp Total	13,402	8,409	21,811
Policy Changes - Comp			
17. PEBB Rate Reduction	-5,214	-1,321	-6,535
Policy -- Comp Total	-5,214	-1,321	-6,535
2007-09 Revised Appropriations	925,855	620,926	1,546,781
Fiscal Year 2008 Total	-3	4,396	4,393
Fiscal Year 2009 Total	8,191	2,692	10,883

Comments:

1. **Hospital Ward Size & Case Mix** - Funding is provided for consultants and facilitators to assist the Mental Health Division in reviewing and developing recommendations on ward sizes and ward patient case mix at Eastern State Hospital (ESH) and Western State Hospital (WSH). The review and recommendations shall also include discharge and community placement practices for all three state psychiatric facilities. Regional Support Networks shall be included in the development of recommendations for discharge and placement practices. Recommendations shall be provided to the Legislature by October 15, 2008.
2. **Laundry Fire Increased Costs** - Laundry services are being performed at Rainier School as a result of a fire in the laundry at WSH. WSH is incurring additional costs in labor, rental equipment to transport laundry, and fuel to maintain laundry services. One-time funding is provided to cover the increased operating costs.
3. **Utter Request Legislation** - New legislation clarifies that only the direct costs related to court-ordered competency evaluation and reporting are not subject to payment by the committed individual. This clarifying language will allow DSHS to resume collecting from patients, insurance companies, and the federal government for costs associated with evaluating and treating criminal defendants for their mental illness. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
4. **Pierce Transition Fee for Service** - Funding is provided for the Department to contract with Pierce County for the provision of crisis triage, evaluation and treatment, and mobile crisis outreach services. This item is the state-only component of the transition to a fee-for-service delivery system necessitated by the county's decision to discontinue operation as a regional support network (RSN). During FY 2008, most costs of this transition (\$1.3 million) will be covered by the expenditure of state funds accumulated in county risk reserves during prior contract periods. (General Fund-State, General Fund-Local)
5. **Pierce Provider Transition Costs** - Funds are provided on a one-time basis to assist non-governmental mental health agencies in Pierce County with start-up and other extraordinary administrative costs required by the conversion from a capitated to a unit fee-based service delivery and billing system.
6. **Long-Term ITA Judicial Costs** - Funding is provided to cover the cost of 180-day Involuntary Treatment Act (ITA)

Department of Social and Health Services

Mental Health

commitment hearings in Pierce and Spokane Counties. Due to the presence of the state psychiatric hospitals, the two counties are responsible for conducting an extraordinarily large number of such hearings.

7. **Consumer Run Clubhouses** - Funding is provided for one-time emergency financial assistance to consumer-run clubhouses. In order to receive these funds, the clubhouse must be able to demonstrate need to the Department. The amounts and quantity of the individual grants are at the discretion of the Department. This item was vetoed (please see Governor Veto item below).
8. **RSN Rate Adjustment** - Funding is provided to increase the RSN capitation rates to the bottom of the actuarially sound rate ranges. The Mental Health Division administers mental health services under the federal 1915B waiver that requires it to maintain compliance with the federal Balanced Budget Act (BBA). The BBA requires that managed care capitation rates are actuarially sound. (General Fund-State, General Fund-Federal)
9. **Mental Health First Aid** - One-time funding is provided for a mental health first aid train-the-trainer program. The course will teach participants how to train others to recognize the symptoms of mental disorders; to determine possible causes or risk factors; to give appropriate initial help and support to a person suffering from a mental health disorder; and to recognize a mental health crisis and take appropriate action.
10. **Increased Non-Medicaid Funding** - Additional state funds are provided to enable the community mental health system to maintain and improve delivery of non-Medicaid services. These include crisis response, counseling, case management, acute care, and residential services for children and adults who are not presently eligible for Medicaid due to income, family circumstances, or the stage or nature of their illness. These state-only funds are also used to provide services such as care in larger residential facilities, help finding a job, and emergency rent assistance that are not covered by the Medicaid program. Increased non-Medicaid funding for the Pierce County area and for the Spokane RSN are provided separately. The amounts provided here are for the other 11 RSNs. (General Fund-State, General Fund-Local)
11. **Study on Residential Drift** - Funding is provided for the Washington Institute for Mental Illness Research and Training to study whether and the extent to which there is a greater concentration of people with severe and persistent mental illness in areas proximate to state psychiatric hospitals. If indicated by the results of the study, the Department and the RSN shall incorporate them into revision of the formula used to allocate state hospital beds among the RSNs. This item was vetoed (please see Governor Veto item below).
12. **Paperwork Reduction Project** - Funds are provided to implement all consensus recommendations of the 2006 paperwork reduction work group that are permissible under current state and federal law. This item was vetoed (please see Governor Veto item below).
13. **Spokane Acute Care Diversions** - Funding is provided to enable the Spokane RSN to implement a comprehensive plan it has developed for reducing its use of ESH. Key elements of the RSN's plan, much of which is being funded with its locally-authorized mental health sales tax, include additional crisis triage and crisis stabilization beds; an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; and respite care to assist elderly individuals avoid or return home after hospitalization. The budget additionally provides that RSNs are not to be charged for short-term stays at the state psychiatric hospitals, except to the extent these cause the RSN to exceed its total bed allocation.
14. **State Hospital Staffing** - In order to improve patient and staff safety, funding is provided to pilot a direct care staffing plan for six high-incident wards at ESH and WSH. The pilot includes funding for 31 direct care positions, including registered nurses, licensed practical nurses, and mental health technicians. The Department is authorized to fill the positions with any mix of these direct care staff provided a good faith effort is made to first hire and recruit positions in accordance with the direct care staffing plan. The Department is to monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.
15. **Behavioral Intervention Training** - Funding is provided for a behavior intervention specialist at each of the state psychiatric hospitals to develop and implement a train-the-trainer program in techniques that will help staff identify and defuse situations than can lead to violent patient behaviors.
16. **Governor Veto** - The Governor vetoed subsections (1)(u), (3)(b), and (4)(b) of Section 204 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided emergency funding for consumer run clubhouses, a one-time study on residential drift, and funding to implement recommendations from the 2006 joint stakeholder paperwork reduction project.
17. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Mental Health

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,343	1,343	1,328	1,231	1,192	1,207	1,262	1,292	1,359	1,264
% Change from prior year		0.0%	-1.2%	-7.3%	-3.1%	1.2%	4.6%	2.4%	5.2%	-7.0%
Community Outpatient Services										
Avg Persons Served per Month	44,985	49,362	51,206	53,141	55,252	53,918	51,779	49,874	50,100	50,700
% Change from prior year		9.7%	3.7%	3.8%	4.0%	-2.4%	-4.0%	-3.7%	0.5%	1.2%
Adults	32,754	36,046	36,938	38,091	39,402	38,340	36,979	35,738	35,700	36,000
% Change from prior year		10.1%	2.5%	3.1%	3.4%	-2.7%	-3.5%	-3.4%	-0.1%	0.8%
Children	12,231	13,316	14,268	15,050	15,849	15,578	14,800	14,136	14,400	14,700
% Change from prior year		8.9%	7.2%	5.5%	5.3%	-1.7%	-5.0%	-4.5%	1.9%	2.1%
People on Medicaid	30,752	35,493	37,750	40,782	45,174	46,752	45,219	42,802	42,800	43,000
% Change from prior year		15.4%	6.4%	8.0%	10.8%	3.5%	-3.3%	-5.3%	0.0%	0.5%
People not on Medicaid	14,234	13,869	13,456	12,358	10,078	7,166	6,560	7,072	7,300	7,700
% Change from prior year		-2.6%	-3.0%	-8.2%	-18.5%	-28.9%	-8.4%	7.8%	3.2%	5.5%

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

Data Sources :

FY 2000 through FY 2007 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2008 and FY 2009 estimates are by legislative fiscal committee staff.

Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	891,214	846,371	1,737,585
Total Maintenance Changes	1,766	-2,190	-424
Policy Changes - Non-Comp			
1. Keep Children Out of Institutions	921	963	1,884
2. LTC Taskforce-AFH 17 Levels of CARE	1,399	1,461	2,860
3. Shared Living Lawsuit	7,823	8,182	16,005
4. One-Time Savings in Community Serv	-1,000	-1,048	-2,048
5. Education for Children	1,363	0	1,363
6. Hyatt Lawsuit	1,000	0	1,000
7. DD Employment Services	605	292	897
Policy -- Non-Comp Total	12,111	9,850	21,961
Policy Changes - Comp			
8. PEBB Rate Reduction	-3,676	-3,280	-6,956
Policy -- Comp Total	-3,676	-3,280	-6,956
2007-09 Revised Appropriations	901,415	850,751	1,752,166
Fiscal Year 2008 Total	3,831	2,293	6,124
Fiscal Year 2009 Total	4,604	4,277	8,881

Comments:

1. **Keep Children Out of Institutions** - Funding is provided for a new waiver program for children with developmental disabilities who are at risk of being institutionalized as a result of intense behaviors. The Division of Developmental Disabilities' (DDD) new comprehensive assessment tool will identify families who are eligible for Home and Community Based Services and who are most likely to request an out-of-home placement for their children. The families of eligible children will receive coordinated in-home support services, such as minor home or vehicle adaptations, respite, therapies, and intensive behavior management training for the family, other caregivers, or school staff. The funding reflects a phase-in of services for up to 100 families. (General Fund-State, General Fund-Federal)
2. **LTC Taskforce-AFH 17 Levels of CARE** - As recommended by the Joint Legislative Task Force on Long-Term Care (LTC) Residential Facility Payment Systems, funding is provided to update the historical cost base for community residential payment and for phase one implementation of a payment system for 17 Comprehensive Assessment Reporting Evaluation (CARE) levels. Compared to the current six-level payment system, the 17 CARE level payment system ties reimbursement more closely to client acuity, regardless of the care setting. The additional payment levels also provide higher reimbursement for challenging behaviors, cognitive decline, and clinical complexity, creating incentives for clients to age in place. Funding previously provided in the 2007-09 enacted budget for 2 percent vendor rate increases for boarding homes and adult family homes (AFHs) in FY 2009 is redistributed based on client acuity to AFHs and boarding homes licensed as adult residential care/enhanced adult residential care. FY 2009 payment rates for boarding homes contracted as assisted living will be held harmless at FY 2008 levels and will not receive any additional rate increase. For AFHs, funding is sufficient to offset liability insurance costs and provides an average rate increase in FY 2009 of 5 percent for LTC clients and 9 percent for Developmental Disabilities clients, depending on the acuity level of clients served and the region of the state. (General Fund-State, General Fund-Federal)
3. **Shared Living Lawsuit** - Funding is provided for two interacting items. First, the 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* invalidated the "Shared Living Rule" and required that all Medicaid Personal Care clients be treated comparably, regardless of whether their paid providers of home care lived with them in a "shared living" situation or lived elsewhere. This decision requires additional funding for service hours that had previously been denied for laundry, meal preparation, shopping, and other services. Second, the combination of this court decision with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement between SEIU 775NW and the state results in additional service hours being authorized for items that were not covered by funding provided in the 2007-09 budget. (General Fund-State, General Fund-Federal)
4. **One-Time Savings in Community Serv** - Funding is reduced for new programs authorized in the 2007-09 budget that have been slower to ramp up than previously anticipated in FY 2008; no individuals will receive a cut in services. This item assumes a slower start to new Home and Community Based Services

Department of Social and Health Services Developmental Disabilities

waiver placements for individuals with aging parents or caregivers, a slower placement rate for community protection services, and a slower phase-in for family support programs. (General Fund-State, General Fund-Federal)

5. **Education for Children** - Funding is provided to the Department of Social and Health Services to fulfill its contracts with the school districts under Chapter 28A.190 RCW to provide transportation, building space, and other support services for the educational programs of students living in Residential Habilitation Centers (RHCs). This funding is in addition to institutional education allocations within the K-12 budget, and is largely used to pay for one-on-one behavioral aides. As of February 2008, 17 children under 21 were residing at Fircrest RHC and 9 were residing at Frances Haddon Morgan RHC.
6. **Hyatt Lawsuit** - A one-time payment settles a class action lawsuit filed by the Washington Federation of State Employees, on behalf of DDD case managers, to achieve wage parity with social workers in the Children's Administration Program during the period of December 2002 through June 2007. Parity for current and future wages was addressed in the 2007-09 enacted budget.
7. **DD Employment Services** - Funding is provided to accelerate the rate of employment services provided to high school graduates receiving Home and Community Based Services and to provide services to 31 additional graduates receiving waiver services. Additional state funding of \$325,000 is also provided for approximately 50 additional state-only clients. (General Fund-State, General Fund-Federal)
8. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Institutions										
Avg Monthly Population ⁽¹⁾	1,139	1,116	1,093	1,044	1,004	975	948	945	957	955
% Change from prior year		-2.0%	-2.0%	-4.5%	-3.8%	-2.8%	-2.8%	-0.3%	1.3%	-0.2%
Community Residential Programs ⁽²⁾										
Avg Month End Contracted Beds	3,920	3,957	4,010	4,005	4,469	4,903	4,723	4,631	4,847	4,985
% Change from prior year		0.9%	1.3%	-0.1%	11.6%	9.7%	-3.7%	-1.9%	4.7%	2.9%
Employment & Day Programs										
Avg Monthly Number Served	9,193	9,636	10,186	10,751	9,700	8,636	9,021	9,454	9,697	10,128
% Change from prior year		4.8%	5.7%	5.5%	-9.8%	-11.0%	4.5%	4.8%	2.6%	4.4%
Family Support & Children's Medicaid Personal Care ⁽³⁾										
Number of Clients Served	5,247	4,449	4,986	5,249	5,758	5,648	5,922	6,317	6,460	7,181
% Change from prior year		-15.2%	12.1%	5.3%	9.7%	-1.9%	4.8%	6.7%	2.3%	11.2%
Personal Care ⁽⁴⁾										
Number of Clients Served	5,015	5,630	6,212	6,758	8,934	9,002	9,283	9,603	9,884	10,243
% Change from prior year		12.3%	10.3%	8.8%	32.2%	0.8%	3.1%	3.5%	2.9%	3.6%

⁽¹⁾ Funded capacity at the Residential Habilitation Centers from FY 2000 through FY 2003 was 1,231 clients.

Population for years prior to 2008 excludes respite care; 2008 and 2009 does include some funded short-term stay respite.

⁽²⁾ Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and private intermediate care facilities for the mentally retarded. Does not include State-Operated Living Alternative clients of between 112-120 per month. Prior to 2008, it includes state supplemental payment clients receiving community residential services.

⁽³⁾ Prior to 2001, family support includes all children receiving Medicaid Personal Care (MPC). For 2001 forward, family support includes MPC only for non-waiver clients; MPC for waiver clients is included in "Personal Care" below.

⁽⁴⁾ Personal Care includes Medicaid Personal Care, Chore Services, and Waiver Personal Care (WPC). For 2004 forward, WPC shown includes both children and adults, since personal care on the waiver was not separately identified for these groups by the Caseload Forecast Council. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

Data Sources :

For Personal Care, FY 2008 forward is from the Caseload Forecast Council.

Except as noted above, 2008 and 2009 are estimates from legislative fiscal staff.

Other data is from the Department of Social and Health Services Executive Management Information System and the Division of Developmental Disabilities client services database.

Department of Social and Health Services Long-Term Care

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,446,903	1,559,013	3,005,916
Total Maintenance Changes	-8,183	-25,846	-34,029
Policy Changes - Non-Comp			
1. LTC Task Force Initiatives	2,463	1,002	3,465
2. LTC Taskforce-AFH 17 Levels of CARE	1,236	1,291	2,527
3. Fair Rental Cost Study	180	170	350
4. Shared Living Lawsuit	15,084	15,778	30,862
5. Traumatic Brain Injury	0	772	772
6. Long-Term Care Worker Training	839	838	1,677
7. Nursing Home Worker Wages	3,000	3,134	6,134
8. Nurse Delegation for Insulin	40	40	80
9. Farmer's Market Nutrition Program	100	0	100
10. Kinship Navigation and Support	132	0	132
11. Governor Veto	-839	-838	-1,677
Policy -- Non-Comp Total	22,235	22,187	44,422
Policy Changes - Comp			
12. PEBB Rate Reduction	-1,245	-1,280	-2,525
Policy -- Comp Total	-1,245	-1,280	-2,525
2007-09 Revised Appropriations	1,459,710	1,554,074	3,013,784
Fiscal Year 2008 Total	7,745	8,117	15,862
Fiscal Year 2009 Total	13,245	12,790	26,035

Comments:

1. **LTC Task Force Initiatives** - Consistent with the Governor's Long-Term Care (LTC) Task Force recommendation that individuals be served in the least restrictive environment whenever possible, funding is provided to implement Chapter 146, Laws of 2008, Partial Veto, Sections 4 and 8 (E2SHB 2668). Funding includes: (1) \$1.5 million to increase respite care services by 12 percent and to provide support and training to an additional 585 unpaid caregivers; (2) \$881,000 General Fund-State and matching federal funds to provide technical assistance and training for caregivers of clients with challenging behaviors; and (3) \$82,000 General Fund-State for Adult Protective Services fatality review teams. (Total funding for all LTC Task Force Initiatives is approximately \$2.9 million General-Fund State and \$1 million General Fund-Federal, including \$400,000 in the Department of Health for a falls prevention program and \$50,000 in start-up funding in Department of Social and Health Services (DSHS) Medical Assistance for a senior dental access project that will be implemented during the 2009-11 biennium). (General Fund-State, General Fund-Federal)

2. **LTC Taskforce-AFH 17 Levels of CARE** - As recommended by the Joint Legislative Task Force on LTC Residential Facility Payment Systems, funding is provided to update the historical cost base for community residential payment and for phase one implementation of a payment system for 17 Comprehensive Assessment Reporting Evaluation (CARE) levels. Compared to the current six-level payment system, the 17 CARE level

payment system ties reimbursement more closely to client acuity, regardless of the care setting. The additional payment levels also provide higher reimbursement for challenging behaviors, cognitive decline, and clinical complexity, creating incentives for clients to age in place. Funding previously provided in the 2007-09 enacted budget for 2 percent vendor rate increases for boarding homes and adult family homes (AFHs) in FY 2009 is redistributed based on client acuity to AFHs and boarding homes licensed as adult residential care/enhanced adult residential care. FY 2009 payment rates for boarding homes contracted as assisted living will be held harmless at FY 2008 levels and will not receive any additional rate increase. For AFHs, funding is sufficient to offset liability insurance costs and provides an average rate increase in FY 2009 of 5 percent for LTC clients and 9 percent for Developmental Disabilities clients, depending on the acuity level of clients served and the region of the state. (General Fund-State, General Fund-Federal)

3. **Fair Rental Cost Study** - As recommended by the Joint Task Force on LTC Residential Facility Payment Systems, funding is provided for DSHS to contract for a study on the costs and benefits of moving to a fair rental system for determining capital payments to nursing homes. The study is due to the fiscal committees of the Legislature and the Office of Financial Management not later than July 1, 2009.

Department of Social and Health Services

Long-Term Care

4. **Shared Living Lawsuit** - Funding is provided for two interacting items. First, the 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* invalidated the "Shared Living Rule" and required that all Medicaid Personal Care clients be treated comparably regardless of whether their paid providers of home care lived with them in a "shared living" situation or lived elsewhere. This decision requires additional funding for service hours that had previously been denied for laundry, meal preparation, shopping, and other services. Second, the combination of this court decision with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement between SEIU 775NW and the state results in additional service hours being authorized for items that were not covered by funding provided in the 2007-09 budget. (General Fund-State, General-Fund Federal)
5. **Traumatic Brain Injury** - Funding is provided to implement Chapter 356, Laws of 2007 (2SHB 2055), which created the Washington Traumatic Brain Injury Strategic Partnership Advisory Council. Council activities are funded by revenues from an additional \$2 fee on traffic infractions deposited into a dedicated account. The funding will cover public awareness campaigns to promote awareness of traumatic brain injuries (TBIs), contracts to support groups to individuals with TBIs and their families, and DSHS support to the Council. (Traumatic Brain Injury Account-State)
6. **Long-Term Care Worker Training** - ESHB 2693 (Long-Term Care Workers) establishes required registration with the Department of Health for certain long-term care workers beginning January 1, 2010. After that date, long-term care workers who are not registered within 120 days of employment may not receive payment for Medicaid services from DSHS. The legislation also provides for a voluntary certification program. Funding is provided to DSHS for rules development and information technology costs for restricting payment to registered providers. This item was vetoed because the bill did not pass (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
7. **Nursing Home Worker Wages** - Funding is provided to increase low-wage worker wages or benefits or to enrich staffing levels that affect patient care. DSHS will determine the level of payment to individual nursing homes by calculating the dollar amount available per Medicaid patient day and multiplying it by each facility's total number of Medicaid patient days reported in 2006 cost report data, not to exceed \$1.57 per patient day. Rules and policy will be developed by DSHS to include a settlement process and reports on how the funding is used. (General Fund-State, General Fund-Federal)
8. **Nurse Delegation for Insulin** - One-time funding is provided pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668), authorizing nurse delegation for insulin injection. DSHS staff will develop and implement a training curriculum for nursing assistants to provide insulin injections for community-based Medicaid clients who are not able to do so themselves. Subject to certain supervision requirements, nursing assistants are given legal authority to provide insulin injections when trained and delegated to do so by a nurse. By allowing nurse delegates to provide insulin injection, some clients will be able to avoid placement in long-term care facilities such as nursing homes, and some nursing home clients may be able to move into less restrictive settings in the community. Also, private pay long-term care clients may realize savings when they can employ nursing assistants rather than registered nurses for injections. (General Fund-State, General Fund-Federal)
9. **Farmer's Market Nutrition Program** - Pursuant to Chapter 215, Laws of 2008 (2SSB 6483), funding is provided for additional Farmer's Market Nutrition Program vouchers for seniors. The program provides participants with vouchers for fresh fruits and vegetables. This level of funding is in addition to \$254,000 provided in the 2007-09 enacted budget.
10. **Kinship Navigation and Support** - Funding is provided for Area Agencies on Aging (AAA), or entities with which AAAs contract, for 1.5 additional Kinship Navigators. Services are provided to grandparents and other kinship caregivers and include connecting families with community resources and assisting them in navigating the system of services for children in out-of-home care, thus diverting children from entering foster care.
11. **Governor Veto** - The Governor vetoed Section 206(21) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which would have established required registration for certain long-term care workers with the Department of Health and a voluntary certification program, however the bill did not pass.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Long-Term Care Services

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Nursing Homes										
Avg # Served per Day	13,783	13,529	13,154	12,943	12,446	12,088	11,928	11,517	11,067	10,735
% Change from prior year		-1.8%	-2.8%	-1.6%	-3.8%	-2.9%	-1.3%	-3.4%	-3.9%	-3.0%
Community Care ⁽¹⁾										
Avg # Served per Month	29,319	30,919	32,213	33,727	34,635	35,514	37,041	38,094	39,334	40,491
% Change from prior year		5.5%	4.2%	4.7%	2.7%	2.5%	4.3%	2.8%	3.3%	2.9%
Combined Total										
Avg Persons Served	43,101	44,448	45,367	46,670	47,080	47,602	48,969	49,611	50,400	51,226
% Change from prior year		3.1%	2.1%	2.9%	0.9%	1.1%	2.9%	1.3%	1.6%	1.6%

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

Data Sources :

Caseload Forecast Council and legislative fiscal staff.

Department of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,224,514	1,081,184	2,305,698
Total Maintenance Changes	-13,254	-14,179	-27,433
Policy Changes - Non-Comp			
1. Transfer Program Funding to DEL	-2,272	0	-2,272
2. IRS Collections Distribution Change	2,739	2,861	5,600
3. Federal Audit Requirements	926	924	1,850
4. Add Five SSI Facilitators	462	0	462
5. Immigration and Naturalization	656	0	656
6. Food Stamp Gross Income Limits	1,100	850	1,950
7. Local Farms and Healthy Kids	50	0	50
Policy -- Non-Comp Total	3,661	4,635	8,296
Policy Changes - Comp			
8. PEBB Rate Reduction	-4,894	-3,769	-8,663
Policy -- Comp Total	-4,894	-3,769	-8,663
2007-09 Revised Appropriations	1,210,027	1,067,871	2,277,898
Fiscal Year 2008 Total	416	414	830
Fiscal Year 2009 Total	-1,649	452	-1,197

Comments:

1. **Transfer Program Funding to DEL** - The Department of Early Learning (DEL) currently staffs and administers the following programs: Head Start Collaboration Office; Homeless Child Care Subsidy Program; Seasonal Child Care Subsidy Program; and the Tiered Reimbursement Program for Child Care Providers. When DEL was established, the funds remained at the Department of Social and Health Services. The following amounts are transferred to DEL to align funding with the programs: Head Start Collaboration State Match (\$46,250); Homeless Child Care Subsidy Program (\$690,000); Seasonal Child Care Subsidy Program (\$1,035,265); and the Tiered Reimbursement Program (\$500,000).
2. **IRS Collections Distribution Change** - Funding is provided for child support as a result a clarification in federal law regarding the distribution of child support. Beginning October 1, 2008, any Internal Revenue Service (IRS) tax refunds intercepted by the Division of Child Support will be distributed first to cover any debts owed families. Currently, tax refund intercepts are first applied to offset costs to the state for welfare and Medicaid costs, if applicable, and then distributed to families. (General Fund-State, General Fund-Federal)
3. **Federal Audit Requirements** - Funding is provided for additional audits required by the Center for Medicaid and Medicare Services related to eligibility accuracy. (General Fund-State, General Fund-Federal)
4. **Add Five SSI Facilitators** - Funding is provided to hire five additional Supplemental Security Income (SSI) disability facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment onto the federal disability program. Assistance from facilitators results in reduced length of stay for clients on General Assistance.
5. **Immigration and Naturalization** - Funding is provided for increased costs and requirements associated with immigration and naturalization programs. The programs' services include assistance with completing the citizenship application, English language and civics classes, assistance with federal Immigration and Naturalization Service's fee waiver requests, and help applying for test exemptions for disabled clients.
6. **Food Stamp Gross Income Limits** - Funding is provided to increase the gross income limits for eligibility for the Basic Food Program (food stamps) to 200 percent of the federal poverty limit, as allowed by the U.S. Department of Agriculture. It estimated an additional 23,300 families will receive benefits due to the change. The benefits for basic food are funded solely by federal dollars; the state and federal government share the administrative costs. Funding is also provided for the estimated increase of 233 families that will receive funding through the state's Basic Food for Legal Immigrants Program, which is solely state funded and is required to have the same eligibility requirements as the basic food program. The Department shall adjust its rules and information technology systems to make the eligibility change effective October 1, 2008. (General Fund-State, General Fund-Federal)
7. **Local Farms and Healthy Kids** - One-time funding is provided to implement the Farmers' Market Technology Improvement Pilot Program as specified by Chapter 215, Laws

Department of Social and Health Services
Economic Services Administration

of 2008 (2SSB 6483). The pilot program will be used to assist farmers' markets and Washington farmers to develop the capability to accept electronic payment cards, including food stamp electronic benefits transfers and expires July 1, 2010.

8. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
General Assistance ⁽¹⁾										
Avg Monthly Caseload	16,416	17,857	19,933	19,483	22,028	25,578	27,676	29,239	30,726	32,281
% Change from prior year		8.8%	11.6%	-2.3%	13.1%	16.1%	8.2%	5.6%	5.1%	5.1%
TANF Cases ⁽¹⁾										
Avg Monthly Caseload	58,796	54,578	55,043	54,641	55,609	56,949	55,520	51,936	49,619	49,317
% Change from prior year		-7.2%	0.9%	-0.7%	1.8%	2.4%	-2.5%	-6.5%	-4.5%	-0.6%
Working Connections Child Care										
Avg # Children Served/Month	58,511	67,425	71,890	70,709	62,189	61,606	60,860	59,646	60,620	61,564
% Change from prior year		15.2%	6.6%	-1.6%	-12.0%	-0.9%	-1.2%	-2.0%	1.6%	1.6%

⁽¹⁾ FY 2000 caseload includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001, GA-H cases are covered by Temporary Assistance to Needy Families (TANF) funding and are included in the TANF case estimate rather than the General Assistance case estimate.

Data Sources :

FY 2000 through FY 2003 General Assistance actuals are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2004 through FY 2007 General Assistance actuals provided by the Caseload Forecast Council.

FY 2008 through FY 2009 General Assistance estimates are from Caseload Forecast Council February 2008 forecast.

FY 2000 through FY 2007 TANF case actuals are from the Office of Financial Management (OFM).

FY 2008 through FY 2009 TANF case estimates are from the OFM February 2008 TANF forecast.

FY 2000 through FY 2006 Child Care actuals are from DSHS Division of Research and Data Analysis reports.

FY 2007 Child Care actuals are from OFM.

FY 2008 through FY 2009 Child Care estimates are from the OFM Working Connections Child Care February 2008 forecast.

Department of Social and Health Services Alcohol & Substance Abuse

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	190,417	158,893	349,310
Total Maintenance Changes	129	-506	-377
Policy Changes - Non-Comp			
1. Youth Residential Treatment	362	0	362
2. Extend ICR & ICM Pilot Programs	4,299	1,000	5,299
3. Prometa Treatment Services	-105	0	-105
4. Fetal Alcohol Syndrome Screenings	100	0	100
5. Federal Funding Authority	0	10,500	10,500
6. Grants and Tribal Funding	0	5,451	5,451
Policy -- Non-Comp Total	4,656	16,951	21,607
Policy Changes - Comp			
7. PEBB Rate Reduction	-174	-40	-214
Policy -- Comp Total	-174	-40	-214
2007-09 Revised Appropriations	195,028	175,298	370,326
Fiscal Year 2008 Total	-150	6,439	6,289
Fiscal Year 2009 Total	4,632	10,472	15,104

Comments:

1. **Youth Residential Treatment** - Funding is provided for the Division of Alcohol and Substance Abuse (DASA) to reach its targeted goal of 111 additional youths receiving treatment. The 2007-09 budget assumed a higher proportion of youth would receive less expensive outpatient treatment. The assumption is adjusted to allow for intensive inpatient treatment.

2. **Extend ICR & ICM Pilot Programs** - One-time funding is provided pursuant to Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), to extend funding for two integrated crisis response/secure detoxification (ICR) and two intensive case management (ICM) pilot programs. The current pilot programs were originally authorized by Chapter 504, Laws of 2005, and are set to expire June 30, 2008.

ESSB 6665 removed the expiration date for the pilot programs, made them subject to specific funding appropriated, and requires an interim report by Washington State Institute for Public Policy (WSIPP) by June 30, 2008, and changed the date of the final report to June 30, 2010. The evaluation will determine whether the ICR pilot programs reduce costs to taxpayers by reducing utilization of other crisis services (such as emergency rooms, psychiatric hospitals, and jails). In addition, \$546,000 of the total funding was provided for start-up costs for a new ICR pilot program in Spokane; however, the ability in ESSB 6665 to expand the ICR programs to new counties was vetoed by the Governor, so these funds will be placed in reserve and not spent. (General Fund-State, Criminal Justice Treatment Account-State)

3. **Prometa Treatment Services** - State funding of \$500,000 that was provided in the 2007-09 enacted budget to Pierce County

for a pilot program of family therapeutic court services using the Prometa treatment protocol is reduced by \$105,000. Remaining funding will cover individuals already authorized for services and a study currently contracted at the University of Washington (UW). To the extent that the UW cannot evaluate the Pierce County pilot program, the UW may summarize other research on the efficacy of the Prometa protocol.

4. **Fetal Alcohol Syndrome Screenings** - Funding is provided for DASA to contract with providers to do screenings to detect Fetal Alcohol Spectrum Disorder. An estimated 50 children will be seen at clinics in Spokane, Everett, and Yakima.

5. **Federal Funding Authority** - DASA is given appropriation authority to spend anticipated federal grants in FY 2008 and FY 2009, including the Access to Recovery grant and the Strategic Prevention Framework-State Incentive Grant. FY 2008 funds include the Washington Screening, Brief Intervention, Referral, and Treatment grant and the Adolescent Treatment Coordination grant. (General Fund-Federal)

6. **Grants and Tribal Funding** - DASA is given appropriation authority to spend grants from the National Institute on Drug Abuse. Appropriation authority is also provided for tribal funds. By receiving an intergovernmental transfer of tribal funds, the Division is able to assist tribes that provide chemical dependency services to non-natives in receiving federal matching funds. (General Fund-Private/Local)

7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

Department of Social and Health Services
Alcohol & Substance Abuse

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services
Alcohol & Substance Abuse

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
ADATSA - Assessment										
Avg Monthly Assessments	1,167	1,112	1,176	1,126	1,213	1,232	1,139	1,024	1,009	1,009
% Change from prior year		-4.7%	5.8%	-4.3%	7.7%	1.6%	-7.6%	-10.1%	-1.5%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	351	357	386	381	388	411	448	425	455	455
% Change from prior year		1.7%	8.1%	-1.3%	1.7%	6.0%	9.0%	-5.1%	7.1%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	574	596	575	569	573	639	575	538	560	560
% Change from prior year		3.8%	-3.5%	-1.0%	0.7%	11.6%	-10.1%	-6.4%	4.1%	0.0%

Data Sources :

FY 2000 through FY 2004 actuals provided by the Department of Social and Health Services (DSHS) Budget Division.

FY 2005 through FY 2007 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2008 and FY 2009 estimates provided by DSHS Division of Alcohol and Substance Abuse.

Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,990,690	4,322,273	8,312,963
Total Maintenance Changes	80,761	15,387	96,148
Policy Changes - Non-Comp			
1. Nurse Hotline for Foster Parents	44	44	88
2. Smoking Cessation Benefits	0	3,625	3,625
3. LTC Task Force Initiatives	50	50	100
4. Healthy Options Premium Growth	-6,352	-6,733	-13,085
5. Federal Audit Requirements	-467	-467	-934
6. Continuity of Medical Asst - Study	100	0	100
7. Lead Blood Level Testing	434	425	859
8. Medical Homes	50	50	100
9. ProviderOne Schedule Adjustment	-2,000	7,800	5,800
10. Special Education Medicaid Change	21,219	22,801	44,020
11. Governor Veto	-434	-425	-859
Policy -- Non-Comp Total	12,644	27,170	39,814
Policy Changes - Comp			
12. PEBB Rate Reduction	-767	-1,548	-2,315
Policy -- Comp Total	-767	-1,548	-2,315
2007-09 Revised Appropriations	4,083,328	4,363,282	8,446,610
Fiscal Year 2008 Total	5,737	4,012	9,749
Fiscal Year 2009 Total	6,140	21,610	27,750

Comments:

1. **Nurse Hotline for Foster Parents** - A 24-hour nurse hotline is established to provide access for foster parents to medical consultation and advice to assist them with emerging medical issues for children in their care. (General Fund-State, General Fund-Federal)
2. **Smoking Cessation Benefits** - Funding is provided for smoking cessation counseling, nicotine replacement therapy, and related prescription drugs for adults enrolled in Medicaid programs, pursuant to Chapter 245, Laws of 2008 (SB 6421). (Tobacco Prevention and Control Account-State, General Fund-Federal)
3. **LTC Task Force Initiatives** - Funding is provided to begin implementation of a dental access project for senior citizens, pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668). The project is consistent with the chronic care management goal of the joint legislative and executive task force on long-term care (LTC). This pilot project will begin in southeast Washington and Clark Counties, and \$100,000 is provided for the Department of Social and Health Services (DSHS) to contract with the University of Washington School of Dentistry to develop training, begin contracting with local coordinators, and begin the evaluation design. It is anticipated that the Washington Dental Services Foundation will provide additional funding for local program coordination, outreach, and case management. (General Fund-State, General Fund-Medicaid)
4. **Healthy Options Premium Growth** - The appropriation level for FY 2009 is adjusted to reflect a reduction in the premium growth rate from 5.0 percent to 2.35 percent for calendar year 2009 in the Healthy Options program, the medical assistance managed care program. The reduction in the growth rate is consistent with recent trends in Healthy Options premiums and in costs under the Basic Health and the Public Employee Benefit Board programs. (General Fund-State, Health Services Account-State, General Fund-Federal)
5. **Federal Audit Requirements** - Funding is provided for additional staff to improve audit coordination within the Medicaid portfolio. The change is necessary to accommodate new audit initiatives by the Centers of Medicare and Medicaid Services (CMS). A net savings results from an expected increase in audit recoveries. (General Fund-State, General Fund-Federal)
6. **Continuity of Medical Asst - Study** - Funding is provided to study how to expedite medical assistance eligibility for potentially-eligible persons who have been released from confinement in a corrections facility or an institute for mental diseases.

Department of Social and Health Services

Medical Assistance Payments

7. **Lead Blood Level Testing** - Funding is provided to comply with federal guidelines that require lead blood level assessments for all age-appropriate and risk factor-appropriate Medicaid-eligible children under 21. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal, Health Services Account-State)
8. **Medical Homes** - Under Chapter 259, Laws of 2007, Partial Veto (E2SSB 5930), DSHS and the Health Care Authority are required to develop a five-year plan to modify provider reimbursement mechanisms. The law requires the plan to include a proposal to change primary care reimbursement so as to support adoption of medical homes. Funding is provided in the 2008 supplemental budget to allow the agencies to expand their assessment to include Medicare and other government or third-party health care payers. (General Fund-State, General Fund-Federal)
9. **ProviderOne Schedule Adjustment** - Modifications are made in the funding for ProviderOne to accommodate further delays in the implementation schedule. The new system is currently expected to be put into operation in late calendar year 2008. (General Fund-State, General Fund-Federal)
10. **Special Education Medicaid Change** - State funding is provided to match federal funds for school district-based medical services. Prior to September 1, 2007, these services were reimbursed using solely the federal Medicaid appropriation. Funding was transferred to the Office of the Superintendent of Public Instruction (OSPI), which served as the reimbursing agent. In 2007 the CMS required that, as a condition of receiving federal funding for these services, DSHS must serve as the reimbursing agent and that providers submit claims directly to DSHS. Claims must be reimbursed using the appropriate state matching funds participation rate. (General Fund-State, General Fund-Federal, Health Services Account-State)
11. **Governor Veto** - The Governor vetoed Section 209(29) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to comply with federal guidelines that require lead blood level assessments for all age-appropriate and risk factor-appropriate Medicaid-eligible children under 21.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services
Medical Assistance Payments

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Categorically Needy	718,286	766,349	788,931	823,343	825,073	820,998	854,714	855,381	875,700	894,804
AFDC/TANF	249,938	268,785	272,388	275,716	283,973	293,185	283,292	267,709	250,684	236,563
Elderly	50,408	51,757	53,091	53,819	54,573	55,551	56,482	57,049	57,832	58,756
Disabled	100,187	106,870	114,587	118,466	123,248	126,872	129,630	132,500	135,172	137,712
Non-AFDC Children	276,272	293,904	319,793	343,521	329,404	308,920	340,787	344,339	362,959	384,833
Non-AFDC Pregnant Women	21,702	22,353	23,937	25,707	26,366	27,121	27,588	28,438	28,850	29,330
Undocumented Children	15,328	18,100	0	0	0	0	5,055	10,124	23,687	29,834
Medicare Beneficiaries	4,451	4,580	5,036	5,850	7,066	8,564	10,717	13,744	14,844	15,944
Breast & Cervical Cancer			69	121	182	306	376	496	569	625
Medicaid Buy-In			30	143	261	479	787	982	1,103	1,208
Medically Needy	12,566	13,465	14,528	15,949	16,972	17,850	16,549	13,565	13,461	13,483
Elderly	5,158	5,642	6,005	6,382	6,510	6,593	6,156	5,221	5,095	5,085
Disabled	7,299	7,752	8,523	9,567	10,462	11,257	10,393	8,344	8,366	8,397
All Others	109	71	0	0	0	0	0	0	0	0
Childrens Health Insurance Program	355	3,378	6,049	7,320	9,516	13,303	11,786	11,426	12,330	19,457
General Assistance/ADATSA										
# Persons/Month	11,716	11,987	11,671	10,169	11,651	14,110	16,006	17,171	18,106	18,934
State Medically Indigent										
# Persons/Month	2,457	2,690	3,331	3,997	0	0	0	0	0	0
Refugees										
# Persons/Month	1,004	1,135	933	677	684	685	754	743	728	747
Total Eligibles per Month	746,384	799,004	825,443	861,455	863,896	866,946	899,809	898,286	920,326	947,424
% Change from prior year		7.0%	3.3%	4.4%	0.3%	0.4%	3.8%	-0.2%	2.5%	2.9%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	27,438	92,679	120,117
Total Maintenance Changes	-2,703	2,271	-432
Policy Changes - Comp			
1. PEBB Rate Reduction	-753	0	-753
Policy -- Comp Total	-753	0	-753
2007-09 Revised Appropriations	23,982	94,950	118,932
Fiscal Year 2009 Total	-753	0	-753

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social and Health Services Special Commitment Center

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	105,322	0	105,322
Total Maintenance Changes	2,805	0	2,805
Policy Changes - Non-Comp			
1. Commitment Center Call Log	83	0	83
2. Governor Veto	-83	0	-83
Policy Changes - Comp			
3. PEBB Rate Reduction	-1,155	0	-1,155
Policy -- Comp Total	-1,155	0	-1,155
2007-09 Revised Appropriations	106,972	0	106,972
Fiscal Year 2009 Total	-1,155	0	-1,155

Comments:

1. **Commitment Center Call Log** - Funding is provided to maintain a log of phone calls made by residents of the Special Commitment Center pursuant to SHB 2756 (Commitment Center Calls). This policy bill did not pass the Legislature and the item was vetoed (please see Governor Veto item below).
2. **Governor Veto** - The Governor vetoed lines 30-35 of Section 211 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to maintain a log of phone calls made by residents of the Special Commitment Center pursuant to SHB 2756 (Commitment Center Calls). This policy bill did not pass the Legislature.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Special Commitment Center - Main Facility										
Avg Daily Population/Month	105	130	151	167	189	211	232	251	271	282
% Change from prior year		23.8%	16.2%	10.6%	13.2%	11.6%	10.0%	8.2%	8.0%	4.1%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	5	5	7	9	10	11	11	12	14	18
% Change from prior year		0.0%	40.0%	28.6%	11.1%	10.0%	0.0%	9.1%	16.7%	28.6%

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

Data Sources :

FY 2000 through FY 2007 from the Department of Social and Health Services Juvenile Rehabilitation Administration Division of Research and Data Analysis reports.

FY 2008 through FY 2009 data are by legislative fiscal staff.

Department of Social and Health Services Administration & Supporting Services

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	77,641	65,540	143,181
Total Maintenance Changes	9,421	-68	9,353
Policy Changes - Non-Comp			
1. Family Policy Council	49	0	49
2. Braam Oversight Panel	450	0	450
3. Local Grant Authority	0	716	716
4. IT Pool Project Funding-Tech. Adj.	0	91	91
5. Payment System for Providers	1,000	581	1,581
6. Governor Veto	-49	0	-49
Policy -- Non-Comp Total	1,450	1,388	2,838
Policy Changes - Comp			
7. PEBB Rate Reduction	-1,244	-529	-1,773
Policy -- Comp Total	-1,244	-529	-1,773
2007-09 Revised Appropriations	87,268	66,331	153,599
Fiscal Year 2008 Total	346	562	908
Fiscal Year 2009 Total	-140	297	157

Comments:

1. **Family Policy Council** - Funding is provided for the Family Policy Council to establish a new network in Skagit County. This item was vetoed (please see Governor Veto item below).
2. **Braam Oversight Panel** - The resolution of the Braam lawsuit regarding foster children requires an oversight panel to monitor Department of Social and Health Services' compliance with the terms of the settlement agreement. Previously this panel was funded by grants from the Casey Foundation. However, as of January 1, 2008, that funding has ended, and DSHS will have to pay for the panel's operating expenses.
3. **Local Grant Authority** - A number of Annie E. Casey and Braam Panel grants have been renewed over the course of several years. The increased local expenditure authority is now anticipated and included in the Department's budget rather than treated as unanticipated receipts when the grants are received. (General Fund-Private/Local)
4. **IT Pool Project Funding-Tech. Adj.** - A technical correction is made to properly fund projects assumed in the Information Technology pool that are included in the 2007-09 biennial budget. (General Fund-Federal)
5. **Payment System for Providers** - The Department contracted for a feasibility study on the implementation of a more flexible payment system for independent home care providers and others who collectively bargain for wages and benefits. Funding was requested to purchase services from a commercial payroll service vendor to include hosted payroll applications and additional payroll services. The system would continue to rely on the current Social Service Payment System until it is replaced by ProviderOne. The current projected timeline

assumes that the system will not be implemented until FY 2010. It is anticipated in the feasibility study that once the ProviderOne system is implemented, an additional interface will be required. Funding is provided for a project management team and one information technology FTE to develop a project plan, timeline, and budget plan. The Legislature finds the amounts provided are sufficient to fund the following related to a timely and expeditious transition to a more flexible provider payroll system: (1) an appropriate request for proposal; and (2) collection of the information necessary to develop the budget proposal needed to seek budget authority for the system. Strong consideration should be given to the current progress on the ProviderOne payment system. (General Fund-State, General Fund-Federal)

6. **Governor Veto** - The Governor vetoed Section 212(10) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to establish a new family policy council network in Skagit County.
7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	118,957	57,255	176,212
Total Maintenance Changes	-1,192	-402	-1,594
Policy Changes - Non-Comp			
1. Child Long-Term Well-Being	235	111	346
2. Civil Commitment Workload	732	0	732
3. Attorney General Funding	474	474	948
Policy -- Non-Comp Total	1,441	585	2,026
2007-09 Revised Appropriations	119,206	57,438	176,644
Fiscal Year 2008 Total	224	143	367
Fiscal Year 2009 Total	1,217	442	1,659

Comments:

1. **Child Long-Term Well-Being** - Chapter 152, Laws of 2008 (E2SHB 3205), requires the court to direct the filing of a petition to terminate parental rights when a child has been in foster care for 15 of the past 22 months. Funding is provided to the Department of Social and Health Services (DSHS) to reimburse the Office of the Attorney General (AGO) for the increased workload due to the requirements of E2SHB 3205. (General Fund-State, General Fund-Federal)
2. **Civil Commitment Workload** - Successful prosecution of sexually violent predators (SVP) is fundamental to creating safer communities. Additional resources are provided to support AGO in this critical endeavor. Although workload related to new prosecutions is expected to eventually decline, the number of new SVP civil commitment cases in the near term is expected to remain high. Casework associated with the SVP population includes annual review hearings, release trials, and conditional release placements. These matters are proportional to the total number of civil commitments and require additional resources with the growth of the civilly-committed resident population.
3. **Attorney General Funding** - Funding is provided for increased services by AGO, including additional legal staff for provider overpayment appeals within the Health and Recovery Services and Aging and Disability Services administrations, and to support cost containment strategies such as Patient Review and Restriction. Funding for legal services is also provided for increased workload from commitments at Eastern State Hospital and to defend DSHS against appeals from employees of Adult Family homes or Boarding Homes who are charged with allegations of abuse and neglect. (General Fund-State, General Fund-Federal)

Other Human Services

Criminal Street Gangs

A total of \$1 million is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). The funding is distributed as follows: \$750,000 for the Washington Association of Sheriffs and Police Chiefs (WASPC) to distribute grants for gang enforcement emphasis and graffiti/tagging abatement programs; \$150,000 for the Department of Corrections to investigate best practices to reduce gang involvement among incarcerated offender populations; and \$100,000 for the Department of Community, Trade, and Economic Development for a victim-witness grant protection program.

Criminal Justice Training Commission

The sum of \$5.0 million is provided to the WASPC to contract with local law enforcement for in-person verification of the addresses and residency of registered sex offenders. The funding will help law enforcement verify offender addresses every 12, 6, or 3 months, depending on the risk category of the registrant. During these visits, law enforcement agencies will also confirm that every registered sex offender has a DNA sample on file.

A total of \$853,000 is provided to the Criminal Justice Training Commission to meet the increased demand for basic peace officer training. Five additional academies are needed to train an additional 182 law enforcement officers.

Department of Corrections

A total of \$9.8 million is provided for 130 residential chemical dependency treatment beds for offenders who have violated certain conditions while under community supervision. These treatment beds provide an alternative to incarceration by providing intensive inpatient chemical dependency treatment to violators who are addicted.

The sum of \$961,000 is provided to the Department of Corrections for 10 additional community corrections officers to work in partnership with local law enforcement officers in Seattle, Tacoma, Yakima, the Tri-Cities, Spokane, and Clark County in supervising and monitoring sex offenders.

Funding in the amount of \$923,000 is provided to the Department of Corrections for additional sex offender electronic monitoring. Certain Level III offenders who are released from total confinement, and whose release plan indicates they may be susceptible to certain risk factors, will be monitored for up to six months. Funding is provided for 75 offenders to participate in electronic monitoring by the end of fiscal year 2008 and 200 offenders by the end of fiscal year 2009.

Department of Employment Security

Chapter 357, Laws of 2007 (E2SSB 5659), enacted the Family Leave Insurance program to provide a weekly benefit of up to \$250 for a maximum of five weeks for the birth or adoption of a child. The sum of \$6.2 million from the Family Leave Insurance Account is provided for the development and implementation of a system to process and accept claims for benefits. Benefits begin October 1, 2009, and the program is anticipated to become fully operational in the 2013-15 biennium.

The budget addresses reductions in federal funding for unemployment insurance (UI) with three items. First, an additional \$13.8 million of Reed Act funding is provided to cover a reduction in federal funding for UI administration and other agency activities. Of this amount, \$2.3 million of Reed Act funds are provided to replace and upgrade hardware and software for the two telecenters, which grant access to the initial intake and processing of the state's unemployment claims. Finally, the budget reduces the spending authority of the Department by \$12.0 million in Unemployment Compensation federal funds to align appropriations with

anticipated federal revenues. This step also reduces the Department's FTE authority by 240 to reflect the number of staff currently employed.

Department of Veterans' Affairs

The sum of \$250,000 in state funding is provided for an expansion of the Veterans Conservation Corps program begun in 2007, allowing an additional 25 veterans to perform conservation work and pursue higher education in related fields. The amount of \$291,000 in state funding is provided for the Department of Veterans' Affairs to work on-site at Fort Lewis and Madigan Hospital to link an estimated 3,400 injured returning soldiers with benefits and services. The Incarcerated Veterans program is provided \$383,000 in county funding, and federal funds are provided to assist homeless veterans in finding a stable residence and maintaining employment.

Department of Labor and Industries

Funding in the amount of \$1.7 million – \$224,000 General Fund-State; \$741,000 Accident Account-State; and \$741,000 Medical Aid Account-State – is provided to implement Chapter 120, Laws of 2008, Partial Veto (2SSB 6732), which incorporates the recommendations of the Joint Legislative Task Force on the Underground Economy in the Construction Industry. Additional FTEs will be hired for auditing and investigative purposes, information technology improvements, and to execute a social marketing campaign aimed at educating consumers about the risks of hiring unregistered contractors.

State general funds in the amount of \$200,000 and state electrical license funds in the amount of \$544,000 are provided for the Department to hire additional staff to keep pace with workload increases. Four electrical inspectors will be added to meet rising inspection and plan review demands in central Washington, and two elevator inspectors will be added to conduct both initial and annual operational safety inspections.

The sum of \$480,000 from the Accident Account-State and the Medical Aid Account-State is provided to implement Chapter 286, Laws of 2008 (SHB 2602), which allows employees to take leave from work and provides them job protection if they are victims of domestic violence, assault, or stalking. The Department will hire additional staff for enforcement of this legislation.

Health Care Authority

The budget provides funding to continue implementation of the Health Insurance Partnership, a program that assists employees of certain small businesses to purchase affordable health insurance. Funding is consistent with modifications to the program pursuant to Chapter 143, Laws of 2008 (2SHB 2537). State funding in the amount of \$2.2 million is provided for a third party administrator and for premium subsidies for low-income employees for coverage beginning March 1, 2009. Participation is targeted to the employees of small employers who employ mostly low-wage workers and who currently do not provide health insurance.

One-time state funding of \$2.0 million is provided for grants to community health centers to improve access to dental services for low-income adults. Clinics receiving grants will report annually, beginning December 2008, on key adult dental access indicators such as the number of low-income adults served.

The budget reflects a savings of \$4.9 million due to lower-than-expected enrollment in fiscal year 2008 and to a decelerating growth rate in Basic Health Plan premium costs in calendar year 2009.

Department of Health

The budget provides \$5.0 million in state funds for family planning clinics to backfill lost federal funds as a result of changes to the federal Medicaid Take Charge Family Planning Waiver that became effective in November 2006. Over 20,000 people lost eligibility for certain family planning and sexually transmitted disease related services as a result of the renewed federal waiver's more restrictive eligibility requirements.

A total of \$1.1 million in state health services account funds and federal funds are provided for the Department to begin implementation of a prescription drug monitoring program to connect all pharmacies in Washington with a

database of schedule II-V controlled substances. Program goals include reducing the likelihood of adverse drug effects for seniors and the disabled and a reduction in narcotics abuse.

State funding of \$956,000 is provided for colorectal screening and diagnostic follow-up services, including case management and referrals for medical treatment. These funds will backfill lost federal funds for existing pilot programs in three counties and also expand the pilot to six additional counties statewide. Funding will be directed to low-income, uninsured, and underinsured individuals between 50 and 64 years of age or those under age 50 at high risk of developing this cancer.

The budget provides state funds of \$894,000 in light of federal cuts to core public health functions, such as coordinated care for children with maxillofacial birth defects, monitoring of children and adults with phenylketonuria, maternity support services, and services to rural and underserved populations.

Additionally, \$585,000 in state funds is provided to address the shortfall between the current reimbursement rate and the Medicare rate for digital mammographies for providers participating in the Washington Breast and Cervical Health program.

State funding of \$4.4 million is provided to implement Chapter 134, Laws of 2008, Partial Veto (4SHB 1103), which increases regulatory authority over the health professions. Five-year pilot projects are established in July 2008 to evaluate the effect of granting various quality assurance commissions authority over budget development, spending, and staffing (pilots are mandatory for physician and nursing care professions and voluntary for chiropractic and dental professions). Evaluations of these pilot projects are due to the Governor and the Legislature by December 2013.

The Department has experienced a 30 percent increase in health professions investigations. One-time funding of \$2.0 million from the state health professions account is provided to allow the Department to focus resources on cases that have the biggest impact to patient safety while continuing to resolve the oldest cases.

The sum of \$558,000 in state health professions funds is provided for the implementation of Chapter 135, Laws of 2008 (2SHB 2674), which requires all registered counselors to obtain a new health profession credential by July 1, 2010. Eight new credentials are created, and the existing registered counselor credential is abolished July 2010. The Department must establish continuing education requirements for all renewals and is required to educate the public on the new responsibilities of therapeutic counselors.

Other Human Services Related Agencies

Funding in the amount of \$295,000 is provided to create a sex offender policy board to be staffed and maintained by the Sentencing Guidelines Commission, pursuant to Chapter 249, Laws of 2008 (SSB 6596).

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	575,246	209,287	784,533
Total Maintenance Changes	4	4	8
Policy Changes - Non-Comp			
1. Insurance Accounting System	0	-14,280	-14,280
2. Dependent Care Assistance Transfer	0	18	18
3. Health Insurance Partnership	2,240	0	2,240
4. Moore, et al. v. HCA	1,000	0	1,000
5. Washington Wellness Grant	0	100	100
6. BHP Premium Growth	-2,253	0	-2,253
7. BHP Underenrollment Adjustment	-2,692	0	-2,692
8. CHC Adult Dental Access Grant	2,000	0	2,000
9. IT Pool Project Funding-Tech. Adj.	0	94	94
10. Medical Homes	100	0	100
Policy -- Non-Comp Total	395	-14,068	-13,673
Policy Changes - Comp			
11. PEBB Rate Reduction	-335	-299	-634
Policy -- Comp Total	-335	-299	-634
2007-09 Revised Appropriations	575,310	194,924	770,234
Fiscal Year 2008 Total	-2,190	-6,090	-8,280
Fiscal Year 2009 Total	2,250	-8,277	-6,027

Comments:

- Insurance Accounting System** - Funding authority is reduced to reflect the discontinuation of the Benefits Administration and Insurance Accounting System (BAIAS) project. (Health Care Authority [HCA] Administrative Account-State)
- Dependent Care Assistance Transfer** - Administrative authority for the Dependent Care Assistance Program, a pre-tax spending account for dependent care expenses, is transferred from the Department of Retirement Systems to HCA, pursuant to Chapter 229, Laws of 2008 (HB 2652). HCA will serve as the single state agency responsible for pre-tax benefit plans. (Medical Flexible Spending Account-Non-Appropriated)
- Health Insurance Partnership** - Funding is provided to continue implementation of the Health Insurance Partnership (HIP), a program for employees of certain small businesses to purchase affordable health insurance. The funding level addresses the changes made by Chapter 143, Laws of 2008 (2SHB 2537), including a delay in employee coverage by two months to March 1, 2009. A savings is realized in FY 2008 from the program delay, and the administrative infrastructure is enhanced in FY 2009. In addition, FY 2009 contains funding for a third party administrator and \$750,000 for premium subsidies for low-income employees. (Health Services Account-State)
- Moore, et al. v. HCA** - One-time funding is provided to pay the Office of the Attorney General for costs associated with *Moore v. HCA*. The suit concerns the eligibility requirements for part-time employees seeking health benefits.
- Washington Wellness Grant** - A grant from the National Governors Association will provide the opportunity for Washington Wellness, a statewide wellness initiative to improve the health of state employees, retirees, and family members, to offer a health risk assessment for participants. (HCA Administrative Account-Private/Local)
- BHP Premium Growth** - The appropriation level for the Basic Health Plan (BHP) for FY 2009 is adjusted to reflect a premium growth rate assumption that is consistent with the actual premium growth rate of 6 percent for calendar year 2008. This funding level assumes an enrollment increase from the current enrollment of 103,600 in February 2008 to 105,500 projected for each month from March through June 2008 to 107,000 by January 2009. (Health Services Account-State)
- BHP Underenrollment Adjustment** - In the 2007-09 biennial budget, the Legislature provided additional funding to expand enrollment in BHP to 107,700 persons by June 2008 and to 109,500 persons by June 2009. Funding is adjusted for FY 2008 to account for lower-than-expected enrollment and the increased cost of the program due to changing demographics of the population served. Funding levels allow enrollment to increase from the February 2008 enrollment of 103,360 to 105,500 per month for the remainder of FY 2008. (Health Services Account-State)
- CHC Adult Dental Access Grant** - Funding is provided for one-time competitive dental grants to community health centers (CHCs) to increase the number of adults served on an ongoing basis. Each clinic receiving grant funding will report annually,

Washington State Health Care Authority

beginning December 2008, on key adult dental access indicators established by the Authority, including increases in the number of low-income adults served. (Health Services Account-State)

9. **IT Pool Project Funding-Tech. Adj.** - A technical correction is made to accurately fund the projects assumed in the Information Technology (IT) Pool contained in the 2007-09 biennial budget. (General Fund-Federal)
10. **Medical Homes** - Funding is provided for HCA to develop reimbursement mechanisms that would reward primary care providers participating in the Medical Home Collaborative program for improved patient outcomes, pursuant to Chapter 295, Laws of 2008 (E2SHB 2549). (Health Services Account-State)
11. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Basic Health Plan										
Subsidized Enrollees	130,995	132,667	123,730	128,937	103,452	99,807	100,444	102,118	104,792	106,750
% Change from prior year		1.3%	-6.7%	4.2%	-19.8%	-3.5%	0.6%	1.7%	2.6%	1.9%

These numbers do not include home care workers receiving state-subsidized coverage through the Basic Health Plan, as this group has dropped almost to zero nearing the end of the 2005-07 biennium. This drop is due to the availability of other coverage options. For historical purposes, the home care workers continue to be included in past fiscal year totals.

Data Sources :

FY 1998 through FY 2007 from the Health Care Authority.

FY 2008 and FY 2009 estimates are from legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	6,794	1,345	8,139
Total Maintenance Changes	2	0	2
Policy Changes - Non-Comp			
1. Federal Funding Adjustment	-19	182	163
2. Whistle-Blower Protections	305	0	305
3. Whistle-Blower Investigation	20	0	20
4. Commissioner Complaints	10	0	10
5. Reasonable Accommodation Funding	52	0	52
Policy -- Non-Comp Total	368	182	550
Policy Changes - Comp			
6. PEBB Rate Reduction	-88	-4	-92
Policy -- Comp Total	-88	-4	-92
2007-09 Revised Appropriations	7,076	1,523	8,599
Fiscal Year 2008 Total	-63	207	144
Fiscal Year 2009 Total	343	-29	314

Comments:

1. **Federal Funding Adjustment** - The 2007-09 budget contains more federal expenditure authority for the Human Rights Commission (HRC) than was anticipated. The HRC received additional federal Housing and Urban Development funds, negating the need for the General Fund-State backfill for FY 2008. As a result, \$200,000 in one-time funding is shifted to FY 2009 to cover decreased federal revenues. (General Fund-State, General Fund-Federal)
2. **Whistle-Blower Protections** - Funding is provided pursuant to Chapter 266, Laws of 2008 (ESSB 6776). The legislation expands existing protections for state employee whistle blowers. Funding is provided for personnel and other expenses related to the increased caseload as a result of this legislation.
3. **Whistle-Blower Investigation** - Funding is provided for the cost of contracting for an investigation by an outside agency when a whistle-blower complaint is filed by a staff member of HRC.
4. **Commissioner Complaints** - Funding is provided for the cost of a Commissioner-initiated complaint investigation. Typically investigations at HRC are conducted by staff of the Commission, however when a complaint is filed by a member of the Commission the investigation is contracted out to avoid a conflict of interest.
5. **Reasonable Accommodation Funding** - Funds are provided for the additional travel costs associated with a Commissioner's needs for a wheelchair accessible van and assistance from an attendant when participating in HRC meetings and other agency-related events throughout the state.
6. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY

2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	36,267	36,267
Total Maintenance Changes	0	4	4
Policy Changes - Non-Comp			
1. Industrial Insurance Orders	0	728	728
2. Governor Veto	0	-728	-728
Policy Changes - Comp			
3. PEBB Rate Reduction	0	-318	-318
Policy -- Comp Total	0	-318	-318
2007-09 Revised Appropriations	0	35,953	35,953
Fiscal Year 2009 Total	0	-318	-318

Comments:

1. **Industrial Insurance Orders** - Chapter 280, Laws of 2008 (E2SHB 3139), provides that an order awarding industrial insurance benefits becomes due on the date issued unless the Board of Industrial Insurance Appeals orders a stay. Funding is provided to the Board to implement this legislation and the administrative activities associated with the payment of the awarded benefits. This item was vetoed (please see Governor Veto item below). (Accident Account-State, Medical Aid Account-State)
2. **Governor Veto** - The Governor vetoed lines 20-27 of Section 216 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for Chapter 280, Laws of 2008 (E2SHB 3139).
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	29,877	12,930	42,807
Total Maintenance Changes	229	0	229
Policy Changes - Non-Comp			
1. Sex Offender Address Verification	5,000	0	5,000
2. Offender Watch System	321	0	321
3. Sex Offender Crackdown	200	0	200
4. Additional Academies	853	0	853
5. Criminal Street Gangs	750	0	750
6. Crisis Intervention Training	306	0	306
Policy -- Non-Comp Total	7,430	0	7,430
Policy Changes - Comp			
7. PEBB Rate Reduction	-86	0	-86
Policy -- Comp Total	-86	0	-86
2007-09 Revised Appropriations	37,450	12,930	50,380
Fiscal Year 2009 Total	7,344	0	7,344

Comments:

1. **Sex Offender Address Verification** - Funds are provided to the Washington Association of Sheriffs and Police Chiefs (WASPC) to contract with local law enforcement for in-person verification of the addresses and residency of registered sex offenders. Level III offenders will be visited every three months, Level II offenders visited twice per year, and Level I offenders visited annually. During these visits, law enforcement agencies will also confirm that every registered sex offender has a DNA sample on file. (Public Safety and Education Account-State)
2. **Offender Watch System** - Funding is provided for a new unified sex offender registry program. With this program, all local registration web sites will be linked with the statewide notification web site and will be updated immediately when new information is entered. (Public Safety and Education Account-State)
3. **Sex Offender Crackdown** - Funds are provided for Operation Crackdown, which sends law enforcement units out across the state to apprehend offenders who are violating the terms of their release. (Public Safety and Education Account-State)
4. **Additional Academies** - Funds are provided to meet the increased demand for basic peace officer training. The funding level assumes five additional Basic Law Enforcement Academy classes with 34 cadets per class. (Public Safety and Education Account-State)
5. **Criminal Street Gangs** - Funding is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). The Criminal Justice Training Commission will contract with WASPC to administer local law enforcement grant programs that target gang violence and graffiti abatement efforts. In other agencies, the Department of Corrections is to study and establish best practices to reduce gang involvement among incarcerated offender populations, and the Department of Community, Trade, and Economic Development is to provide a victim-witness relocation grant program. (Public Safety and Education Account-State)
6. **Crisis Intervention Training** - Funding is provided for a grant program to pay for the costs of local law enforcement agencies participating in specialized crisis intervention training.
7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	49,583	566,292	615,875
Total Maintenance Changes	175	2,256	2,431
Policy Changes - Non-Comp			
1. Independent Medical Exams	0	143	143
2. Centers of Occupational Health	0	200	200
3. Electrical Prog Workload Increase	0	544	544
4. Elevator Workload Increase	200	0	200
5. Bill Payers - Fiscal Controls FTEs	0	88	88
6. Construction Industry	224	1,482	1,706
7. Explosive License Fees	0	-15	-15
8. Industrial Insurance Orders	0	512	512
9. HVAC and Refrigeration	0	368	368
10. Victims Employment Leave	0	480	480
11. Workers' Compensation Coverage	0	214	214
12. Home Construction	40	0	40
13. Industrial Insurance Claims	6	0	6
14. Governor Veto	0	-880	-880
Policy -- Non-Comp Total	470	3,136	3,606
Policy Changes - Comp			
15. PEBB Rate Reduction	-280	-5,073	-5,353
Policy -- Comp Total	-280	-5,073	-5,353
2007-09 Revised Appropriations	49,948	566,611	616,559
Fiscal Year 2008 Total	3	0	3
Fiscal Year 2009 Total	187	-1,937	-1,750

Comments:

1. **Independent Medical Exams** - Funding is provided to implement a one-year project to improve the quality and oversight of independent medical examinations. The project will focus on improvements to credentialing, appropriate use of independent medical exams, training for examiners, and recommendations for further improvements. (Medical Aid Account-State)
2. **Centers of Occupational Health** - The Legislature appropriated funds in the 2007 supplemental budget, Chapter 522, Laws of 2007 (SHB 1128), and directed the Department to open two new Centers of Occupational Health and Education. The Department has contracted with the Everett Clinic and Harborview Medical Center for this purpose. This item funds the Harborview and Everett Clinic sites through the end of the 2007-09 biennium. (Medical Aid Account-State)
3. **Electrical Prog Workload Increase** - The Department will hire additional electrical inspectors to meet rising inspection and plan review demands in central Washington. (Electrical License Account-State)
4. **Elevator Workload Increase** - The Department will hire additional elevator inspectors to conduct both initial and annual operational safety inspections. The number of new conveyances entering service outpaces the number of conveyances retired from service, creating an expanding workload that will be addressed through a staffing increase.
5. **Bill Payers - Fiscal Controls FTEs** - Funding is provided to hire one FTE to respond to federal collection claims against the Department of Labor and Industries (L&I). The Department must respond in a timely manner to these claims to avoid financial penalties and must also ensure the veracity of the claims to avoid making unnecessary payments to the federal government. (Medical Aid Account-State)
6. **Construction Industry** - Chapter 120, Laws of 2008, Partial Veto (2SSB 6732), implements the recommendations of the Joint Legislative Task Force on the Underground Economy in the Construction Industry. Funding is provided to hire additional FTEs for auditing and investigative purposes, information technology improvements, and to execute a social marketing campaign aimed at educating consumers about the risks of hiring unregistered contractors. (General Fund-State, Accident Account-State, Medical Aid Account-State)
7. **Explosive License Fees** - Explosive license applicants are directed to pay the full cost of criminal fingerprint and background checks required for licensing via Chapter 285, Laws of 2008 (EHB 3381). The legislation also increases the five different explosive license fees and directs the fee revenue

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to be deposited in the Accident Account and Medical Aid Account rather than the state general fund. (Accident Account-State, Medical Aid Account-State)

8. **Industrial Insurance Orders** - Chapter 280, Laws of 2008 (E2SHB 3139), provides that an order awarding industrial insurance benefits becomes due on the date issued unless the Board of Industrial Insurance Appeals orders a stay. Funding is provided to L&I to implement this legislation and the administrative activities associated with the payment of the awarded benefits. This item was vetoed (please see Governor Veto item below). (Accident Account-State, Medical Aid Account-State)
9. **HVAC and Refrigeration** - Funding is provided to implement Chapter 254, Laws of 2008 (ESSB 5831), which requires certification and registration of HVAC/R mechanics and contractors and establishes the Joint Legislative Task Force on Heating, Ventilating, Air Conditioning, and Refrigeration to review registration, certification, and licensing requirements and to make recommendations to the Legislature by January 1, 2009. This item was vetoed (please see Governor Veto item below). (Plumbing Certificate Account-State)
10. **Victims Employment Leave** - Chapter 286, Laws of 2008 (SHB 2602), allows employees to take leave from work and provides them job protection if they are victims of domestic violence, assault, or stalking. Funding is provided for the Department to hire additional FTEs for enforcement of this legislation. (Accident Account-State, Medical Aid Account-State)
11. **Workers' Compensation Coverage** - Funding is provided to implement Chapter 88, Laws of 2008 (SB 6839). The legislation requires Washington employers to obtain industrial insurance coverage for temporary and incidental work outside Washington and authorizes L&I to adopt rules for work in excess of temporary and incidental. (Accident Account-State, Medical Aid Account-State)
12. **Home Construction** - Funding is provided for L&I to conduct a review of the need for regulation of general and specialty contractors involved in the repair, alteration, or construction of single-family homes. A report of the findings shall be submitted to the appropriate committees of the Legislature by October 1, 2008.
13. **Industrial Insurance Claims** - Funding is provided to the Crime Victims Compensation program for the implementation of Chapter 54, Laws of 2008 (SSB 6246), which requires injured workers to be reimbursed for reasonable travel expenses when travel is required to repair, replace, or alter a prosthetic, orthotic, or other similar device after closure of a claim. (Public Safety and Education Account-State)
14. **Governor Veto** - The Governor vetoed subsections (19) and (20) of Section 218 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (19) provided funding for the Department to certify and register HVAC/R mechanics and contractors; the version of the bill that passed did not include this provision. Subsection (20) provided funding for Chapter 280, Laws of 2008 (E2SHB 3139), which requires the Department to award industrial insurance benefits so that they become due on the date issued unless the Board of Industrial Insurance Appeals orders a stay.
15. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,783	0	3,783
Policy Changes - Non-Comp			
1. ISRB Workload Staffing	135	0	135
Policy -- Non-Comp Total	135	0	135
Policy Changes - Comp			
2. PEBB Rate Reduction	-30	0	-30
Policy -- Comp Total	-30	0	-30
2007-09 Revised Appropriations	3,888	0	3,888
Fiscal Year 2009 Total	105	0	105

Comments:

1. **ISRB Workload Staffing** - Funding is provided for two additional staff FTEs at the Indeterminate Sentence Review Board (ISRB) to address increased workload related to preparing for and supporting institutional release hearings and violation hearings and to project future staffing needs.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	31,916	78,274	110,190
Total Maintenance Changes	-2,080	3,170	1,090
Policy Changes - Non-Comp			
1. Services for Returning Veterans	291	383	674
2. Veterans Conservation Corps	250	0	250
Policy -- Non-Comp Total	541	383	924
Policy Changes - Comp			
3. PEBB Rate Reduction	-1,322	0	-1,322
Policy -- Comp Total	-1,322	0	-1,322
2007-09 Revised Appropriations	29,055	81,827	110,882
Fiscal Year 2008 Total	138	137	275
Fiscal Year 2009 Total	-919	246	-673

Comments:

1. **Services for Returning Veterans** - Funding is provided for state, federal, and local initiatives to assist veterans. State funding is provided for the Department of Veterans' Affairs to work on-site at Fort Lewis and Madigan Hospital to link an estimated 3,360 injured returning soldiers with benefits and services. County funding for the Incarcerated Veterans' Program will serve approximately 1,500 more veterans in King County and Pierce County jails in an effort to decrease recidivism for non violent offenders. Federal grant funding will expand programs helping homeless veterans return to employment and a stable residence, aiding 80 more veterans than were served in the last grant cycle. (General Fund-State, General Fund-Private/Local, General Fund-Federal)
2. **Veterans Conservation Corps** - Funding is provided to expand training and certification under the Veterans Conservation Corps (VCC) for another 25 veterans. Veterans participating in VCC receive educational stipends to attend school in conservation-related fields while volunteering on projects to protect and restore wildlife habitat.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Home Care Quality Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,461	0	3,461
Policy Changes - Comp			
1. PEBB Rate Reduction	-9	0	-9
Policy -- Comp Total	-9	0	-9
2007-09 Revised Appropriations	3,452	0	3,452
Fiscal Year 2009 Total	-9	0	-9

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Health

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	252,093	754,304	1,006,397
Total Maintenance Changes	2,882	7,849	10,731
Policy Changes - Non-Comp			
1. Miscarriage Management	454	0	454
2. Cord Blood Banking	26	0	26
3. State Parkinson's Disease Registry	275	0	275
4. Nurse Delegation	0	17	17
5. Radiologist Assistants	0	11	11
6. Regulation of Health Professional	115	4,261	4,376
7. Investigation and Case Backlog	0	1,980	1,980
8. Prescription Drug Monitoring	680	400	1,080
9. Family Planning Support	4,000	1,000	5,000
10. Counselors Credentialing Standard	0	558	558
11. Local Farms, Healthy Children	100	0	100
12. Water System Program	143	0	143
13. Senior Falls Prevention Program	400	0	400
14. WBCHP Digital Mammography Rate	585	0	585
15. Child Death Review	100	0	100
16. Certificate of Need Hospitals	0	156	156
17. Outbreak Disease Information Netwrk	395	0	395
18. Drinking Water State Revolving Fund	0	2,139	2,139
19. Early Hearing Loss Program	325	-325	0
20. Cord Blood Collection	150	0	150
21. Children's Safe Products	35	80	115
22. Colon Cancer Screening	956	0	956
23. Medical Homes	309	0	309
24. MRSA Prevention Efforts	200	0	200
25. Midwifery Licensure	130	0	130
26. Rare Blood and Marrow Outreach	100	0	100
27. IT Pool Project Funding-Tech. Adj.	0	457	457
28. Home Visits for Newborns	155	0	155
29. Long-Term Care Worker Training	0	80	80
30. Maxillofacial Team Restoration	231	-231	0
31. NW Sickie Cell Collaborative	100	0	100
32. Practice of Dentistry	0	96	96
33. Core Public Health Functions	359	-685	-326
34. Federal Cuts to Title XIX Match	535	-769	-234
35. Governor Veto	-750	-80	-830
Policy -- Non-Comp Total	10,108	9,145	19,253
Policy Changes - Comp			
36. PEBB Rate Reduction	-714	-2,223	-2,937
Policy -- Comp Total	-714	-2,223	-2,937
2007-09 Revised Appropriations	264,369	769,075	1,033,444
Fiscal Year 2008 Total	130	477	607
Fiscal Year 2009 Total	9,264	6,445	15,709

Comments:

- Miscarriage Management** - Funding is provided for training for the management of early pregnancy loss in office-based settings rather than in the emergency room or hospital inpatient settings. The Department, in consultation with the Washington Network of Family Practice Residencies, will provide grants for at least two family practice residency programs. Funding is also provided for training and an evaluation of the program implementation and performance by an independent contractor.
- Cord Blood Banking** - Funding is provided to amend rulemaking, pursuant to Chapter 56, Laws of 2008 (SHB 2431), which expands upon the current requirements for cord blood

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banking information that medical providers must provide to pregnant women.

3. **State Parkinson's Disease Registry** - Funding is provided to increase participation in ongoing research related to Parkinson's disease via the creation of a state Parkinson's Disease registry. The registry will connect researchers with Parkinson's patients who are unaware of studies and clinical trials of new treatments.
4. **Nurse Delegation** - Funding is provided for the Department of Health (DOH) to conduct rulemaking activity pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668), which expands the scope of practice of nursing assistants. (Health Professions Account-State)
5. **Radiologist Assistants** - Funds are provided to implement Chapter 246, Laws of 2008 (SSB 6439), which adds a new certification and qualification for licensure of radiologist assistants. (Health Professions Account-State)
6. **Regulation of Health Professional** - Funding is provided to implement Chapter 134, Laws of 2008, Partial Veto (4SHB 1103), which increases regulatory authority over the health professions. DOH is given authority over all complaints that involve sexual misconduct and to conduct national criminal background checks on all out-of-state applicants to help prevent individuals with criminal convictions in other states from obtaining a credential in Washington. Additional reporting requirements of unprofessional conduct and penalties are established for failing to submit documentation pertaining to an investigation in a timely manner. Five-year mandatory pilot projects begin July 1, 2008, to evaluate the effect of granting the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission authority over budget development, spending, and staffing. Voluntary five-year pilot projects are established for the Chiropractic Quality Assurance Commission and the Dental Quality Assurance Commission. Funds are provided to hire additional staff needed for this transition. (General Fund-State, Health Professions Account-State)
7. **Investigation and Case Backlog** - For FY 2008, the Health Professions Quality Assurance program received funding to address the backlog of complaints against regulated health care professionals. As a result, the Department of Health has reduced the open case time by 10 percent and the oldest cases by 72 percent. However, due to a 30 percent increase in investigations, the backlog continues to grow. Funding is provided to extend the FY 2008 appropriation an additional year, allowing the program to focus resources on cases that have the most effective impact to patient safety while continuing to resolve the oldest cases. (Health Professions Account-State)
8. **Prescription Drug Monitoring** - Funding is provided for DOH to begin implementation of a prescription drug monitoring program to connect all pharmacies in Washington with a database of schedule II-V controlled substances, pursuant to Chapter 70.225 RCW. Patient prescription and dispensing information would eventually be available to all dispensers and prescribers of controlled substances. Program goals include reducing the likelihood of adverse drug effects for seniors and the disabled and a reduction in narcotics abuse. State funding for this program is from the settlement of the consumer protection act litigation against Caremark Rx, LLC (King County Superior Court Cause No. 08-2-06098-5). DOH will also seek federal grants available for this purpose. (Health Services Account-State, General Fund-Federal)
9. **Family Planning Support** - State funding is provided for family planning clinics to backfill lost federal funds as a result of changes to the federal Take Charge Family Planning Waiver effective November 2006. Program goals are to reduce unintended pregnancies and to reduce state and federal Medicaid expenditures for births from unintended pregnancies and their associated costs. More than 20,000 people lost eligibility for certain family planning and sexually transmitted disease related services from this program as a result of more restrictive eligibility requirements. (General Fund-State, Public Health Services Account-State)
10. **Counselors Credentialing Standard** - Effective July 1, 2009, pursuant to Chapter 135, Laws of 2008 (2SHB 2674), all registered counselors must obtain a new health profession credential. Eight new credentials are created: Mental Health Counselor Associate, Social Work Associate, Advanced Social Work Associate, Marriage and Family Therapy Associate, Chemical Dependency Professional Trainee, Hypnotherapist, Agency Affiliated Counselor, and Limited Professional Counselor (the latter is for private practice counseling). The existing registered counselor credential is abolished July 2010. The Department must establish continuing education requirements for all renewals and is required to educate the public on the new responsibilities of therapeutic counselors. (Health Professions Account-State)
11. **Local Farms, Healthy Children** - Funding is provided for rulemaking and additional grants for the Women, Infants, and Children Farmers Market Nutrition program per Chapter 215, Laws of 2008 (2SSB 6483). The program provides participants with vouchers for fresh fruits and vegetables.
12. **Water System Program** - Funding is provided pursuant to Chapter 214, Laws of 2008 (SSB 6340), which requires DOH, in consultation with the Public Works Board, to report on the Water System Acquisition and Rehabilitation Program no later than January 1, 2009.
13. **Senior Falls Prevention Program** - Funding is provided for four counties to participate in the Senior Falls Prevention program, a combination of exercise programs, risk identification and reduction, and consumer education, to reduce the risk of falls and prevent nursing home placements. This program is part of the Long-Term Care Task Force Initiatives pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668).

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14. **WBCHP Digital Mammography Rate** - Funding is provided to address the shortfall between the current reimbursement rate and the Medicare rate for digital mammography for providers participating in the Washington Breast and Cervical Health (WBCHP) program.
15. **Child Death Review** - Funding is provided to support DOH's Child Death Review program, which reviews deaths of children under age 18 who have unexpectedly lost their lives. The program determines if any preventable circumstances occurred and considers strategies to improve overall health and safety for all children. The program will be transferred from the Community and Family Health Division to the Injury and Prevention Program Division within DOH.
16. **Certificate of Need Hospitals** - Local funding is provided to allow the Department the authority to collect fees to conduct a Certificate of Need (CON) review of the proposed sale of Empire Health Services hospitals (Deaconess Hospital and Valley Medical Center). Two reviews are required: 1) a hospital conversion review that occurs when a for-profit business seeks to purchase a nonprofit hospital, which assesses the fair market value of the sale, potential conflicts of interest, access to affordable care, and continued commitment to the uninsured; and 2) a CON review that occurs whenever a hospital is sold and evaluates criteria such as whether there will be continued access to services, charity care, and whether the buyer can meet short- and long-term financial obligations. (General Fund-Local)
17. **Outbreak Disease Information Netwrk** - Funding is provided for the continuation of development and implementation of the Outbreak Disease Information Network Toolkit, which assists in the gathering, analysis, and response to syndromic and other health surveillance information. This system will use the science of syndromic surveillance by using the information gathered in initial encounters, such as emergency room visits, to predict disease outbreaks in advance of clinical laboratory results. This item was vetoed (please see Governor Veto item below).
18. **Drinking Water State Revolving Fund** - The Drinking Water State Revolving Fund program primarily provides loans to public water systems for capital improvements to increase public health protection and compliance with drinking water regulations. The Department had a late program start-up and is receiving grant awards a year behind what is appropriated at the federal level. At the request of the Environmental Protection Agency, DOH will catch up to the federal cycle by applying for and receiving two awards in one federal fiscal year. These awards have both operating and capital budget components. (Drinking Water Assistance Account-Federal)
19. **Early Hearing Loss Program** - Funding is provided to replace the loss of federal funding for the Early Hearing Loss Detection Diagnosis and Intervention Program. This funding will enable the program to continue support for hearing screening surveillance and tracking to ensure all infants receive hearing screening and those with hearing loss are referred to appropriate services. It will also provide technical assistance to hospitals, audiologists, and early intervention providers who serve these infants. Contracts for tracking and surveillance system maintenance and data entry will also be funded. (General Fund-State, General Fund-Federal)
20. **Cord Blood Collection** - Funding is provided for DOH to identify and fund a work group on expanding cord blood collection practices and to identify an institution conducting prematurity research to participate in a pilot project with three hospitals in eastern Washington to increase the ethnic and racial diversity of umbilical cord blood units that are collected for research and transplantation.
21. **Children's Safe Products** - Funding is provided for Chapter 288, Laws of 2008, Partial Veto (E2SHB 2647). The legislation prohibits all persons from manufacturing, selling, offering for sale, distributing for sale, or distributing for use, a children's product or product component that contains a certain concentration of lead, cadmium, or phthalates. The Secretary of Health is authorized to establish and maintain an education campaign regarding chemicals of high concern for children. (Toxics Account-State, General Fund-State)
22. **Colon Cancer Screening** - Funding is provided for colorectal cancer screening and diagnostic follow-up services that include case management and referrals for medical treatment of screened individuals. Federal funding ends in 2008 for the Washington Colon Health program, a pilot program, which began in King, Clallam, and Jefferson Counties. Funding is provided to continue the current Washington Colon Health program as well as to expand the program to Spokane, Yakima, Pierce, Snohomish, Chelan, and Clark Counties. These funds will be primarily directed to low-income, uninsured, and underinsured individuals between 50 and 64 year of age or those under age 50 with a high risk of such cancer.
23. **Medical Homes** - Pursuant to Chapter 295, Laws of 2008 (E2SHB 2549), funding is provided for primary care providers to participate in the Medical Home Collaborative program, which seeks to develop standard outcome measurements and adoption of the latest techniques in effective and cost-efficient patient-centered care. Funding is provided for 20 primary care practices to participate, and DOH will report on initial progress and outcomes of the Medical Home Collaborative program by January 2009.
24. **MRSA Prevention Efforts** - Funding is provided for the Department's efforts relating to the prevention of Methicillin Resistant Staphylococcus Aureus (MRSA) and other multidrug resistant organisms by providing hospitals with support for their activities relating to surveillance, outbreak, investigation, and lab testing. Of the amount provided, \$100,000 is provided for genetic testing of these multidrug resistant organisms. This item was vetoed (please see Governor Veto item below).
25. **Midwifery Licensure** - Funding is provided to maintain the fees charged to midwives for initial and renewed licenses at

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\$450 per year for the period from July 1, 2008, through June 30, 2009.

with genetic disorders including phenylketonuria. (General Fund-State, General Fund-Federal)

26. **Rare Blood and Marrow Outreach** - Funding is provided for additional outreach efforts to help provide a more ethnically-diverse blood and bone marrow supply.
27. **IT Pool Project Funding-Tech. Adj.** - A technical correction is needed to properly fund projects contained in the Information Technology (IT) Pool funded in the 2007-09 budget. (General Fund-Private/Local)
28. **Home Visits for Newborns** - Funding is provided for the Kitsap County Health District to increase the number of women who receive professional support after delivery through a home visit or telephone call by the county health district. In order to receive the state funds, the county health district must commit an equal amount of funding for this purpose. This item was vetoed (please see Governor Veto item below).
29. **Long-Term Care Worker Training** - Appropriation authority is provided for a new fee-based program within DOH, created by ESHB 2693 (Long-Term Care Workers). The legislation creates a new training and registration requirement for over 48,000 long-term care workers beginning January 1, 2010, and an optional certification program for workers who would like additional training and credentials. In FY 2009, DOH will need to develop rules and a certification exam. This item was vetoed (see Governor Veto item below). (Health Professions Account-State)
30. **Maxillofacial Team Restoration** - Funding is provided to restore the maxillofacial/cleft palate teams in Tacoma, Seattle, Spokane, and Yakima in response to a reduction in the federal Maternal and Child Health Block Grant (MCHBG). These teams help families of children with craniofacial difficulties connect with specialists, arrange for interdisciplinary team reviews, and provide information to parents. (General Fund-State, General Fund-Federal)
31. **NW Sickle Cell Collaborative** - Funding is provided to the Northwest (NW) Sickle Cell Collaborative to promote awareness of sickle cell disease, provide nurse and physician training and education, and conduct community outreach and sickle cell trait testing.
32. **Practice of Dentistry** - Funding is provided for Chapter 147, Laws of 2008 (SHB 2881), which modifies the licensing requirements for the practice of dentistry. DOH will conduct rulemaking activities and, in collaboration with the Dental Quality Assurance Commission, will report to the Governor and the Legislature on their recommendations for licensing standards of foreign-trained dentists by November 15, 2009. (Health Professions Account-State)
33. **Core Public Health Functions** - State funding is provided to backfill a 6 percent reduction in the federal MCHBG, which will allow for continuation of programs including care coordination and early intervention services for children with special health care needs and services for children and families with genetic disorders including phenylketonuria. (General Fund-State, General Fund-Federal)
34. **Federal Cuts to Title XIX Match** - Effective December 1, 2007, federal changes in the interpretation of Title XIX Medicaid Administrative Match reduces the amount of qualified expenditures eligible for Medicaid reimbursement. State funds are provided to backfill lost federal funding for these programs, including maternity and infant support services and recruitment, training, and retention of health professionals that serve rural and underserved populations. (General Fund-State, General Fund-Federal)
35. **Governor Veto** - The Governor vetoed subsections (37), (46), (51), and (53) of Section 222 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (37) provided funding for Kitsap County Health District's Home Visits for Newborns program; subsection (46) provided funding for the continued development and implementation of the Outbreak Disease Information Network Toolkit; subsection (51) provided funding to support hospitals in preventing the spread of multi-drug resistant organisms; subsection (53) provided funding for ESHB 2693 (Long-Term Care Workers), which did not pass the Legislature.
36. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Corrections

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,779,149	10,049	1,789,198
Total Maintenance Changes	-20,041	1,091	-18,950
Policy Changes - Non-Comp			
1. Neighborhood Partnerships	496	0	496
2. Sex Offender Assessment Pilot	465	0	465
3. Institutional Safety	1,186	0	1,186
4. Custody Overtime Expenditures	1,080	0	1,080
5. Correctional Supervisor Compression	1,369	0	1,369
6. Correctional Worker Training	994	0	994
7. Criminal Street Gangs	150	0	150
8. Comm Corrections Vacancy Savings	-2,151	0	-2,151
9. Treatment Beds for Violators	9,845	0	9,845
10. Sex Offender Electronic Monitoring	923	0	923
11. Recruit Corrections Workforce	2,005	0	2,005
12. Violator Treatment Facility Study	32	0	32
Policy -- Non-Comp Total	16,394	0	16,394
Policy Changes - Comp			
13. PEBB Rate Reduction	-18,981	-17	-18,998
14. Teamsters' Collective Bargaining	1,022	0	1,022
Policy -- Comp Total	-17,959	-17	-17,976
2007-09 Revised Appropriations	1,757,543	11,123	1,768,666
Fiscal Year 2008 Total	5,737	0	5,737
Fiscal Year 2009 Total	-7,302	-17	-7,319

Comments:

1. **Neighborhood Partnerships** - Funding is provided for five additional community corrections officers (CCOs) to work in partnership with local law enforcement officers in Tacoma, Yakima, the Tri-Cities, and Clark County.
2. **Sex Offender Assessment Pilot** - Funding is provided to add five CCOs to supervise sex offenders in Seattle, Spokane, Pierce County, and west Vancouver. These staff will specialize in intake and risk assessment, allowing existing CCOs to focus more on field visits and less on paperwork.
3. **Institutional Safety** - Funding is provided for additional staffing and electronic surveillance equipment to help increase the safety and security of Department of Corrections (DOC) facilities. (General Fund-State, Public Safety and Education Account-State)
4. **Custody Overtime Expenditures** - One-time funding is provided for additional custody overtime expenditures due to high vacancy rates.
5. **Correctional Supervisor Compression** - Implementation of the 2007-09 salary survey created salary compression and salary inversion within the custody series at DOC. Funding is provided for correctional supervisors to alleviate salary compression and inversion issues.
6. **Correctional Worker Training** - Funding is provided to lease instructional space for correctional worker training.
7. **Criminal Street Gangs** - Funding is provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). DOC shall conduct a study and establish best practices to reduce gang involvement and recruitment among incarcerated offenders and report findings to the Legislature by January 2009. In other agencies, funding is provided for the Department of Community, Trade, and Economic Development to provide a victim-witness relocation grant program and for the Washington Association of Sheriffs and Police Chiefs to distribute grants for gang emphasis and graffiti/tagging abatement programs.
8. **Comm Corrections Vacancy Savings** - Through December 2007, the Department has underspent in the Community Corrections program by \$2.1 million, primarily due to vacant positions. The budget for the Community Corrections program is reduced by this amount.
9. **Treatment Beds for Violators** - Continued funding is provided for 130 chemical dependency treatment beds for offenders who have violated the terms of their community supervision.
10. **Sex Offender Electronic Monitoring** - Funding is provided for additional sex offender electronic monitoring. Certain Level III offenders who are released from total confinement, and whose release plan indicates they may be susceptible to certain

Department of Corrections

risk factors, will be monitored for up to six months. Funding is provided for 75 offenders to participate in electronic monitoring by the end of FY 2008 and 200 offenders by the end of FY 2009.

11. **Recruit Corrections Workforce** - Funding is provided for four dedicated human resource recruitment teams to improve the Department's ability to attract and retain qualified employees. The Department will determine the locations for the recruitment teams.
12. **Violator Treatment Facility Study** - Funding is provided to implement Chapter 30, Laws of 2008 (SSB 6244), which directs the Department to conduct an analysis of statewide capacity to appropriately confine those offenders who violate conditions of community custody and to make recommendations for future capacity. As part of the analysis, the Department will consider the costs and benefits of developing a violator treatment center to decrease reliance on local jails. The Department shall report its results to the Governor and the Legislature by November 15, 2008.
13. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
14. **Teamsters' Collective Bargaining** - Funding is provided to implement the economic provisions of the collective bargaining agreement negotiated with the Teamsters. Select employees covered under this agreement receive targeted increases effective July 1, 2008, to address recruitment and retention issues.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Community Supervision ^{(1) (2)}										
# Active (Non-Monetary) Offenders	30,871	30,365	33,831	36,765	32,685	29,190	26,466	27,057	28,212	29,623
% Change from prior year		-1.6%	11.4%	8.7%	-11.1%	-10.7%	-9.3%	2.2%	4.3%	5.0%
Work Release										
Avg Daily Population/Month	642	656	654	642	675	657	684	663	674	674
% Change from prior year		2.2%	-0.4%	-1.8%	5.1%	-2.7%	4.1%	-3.1%	1.7%	0.0%
Institutions ⁽³⁾										
Avg Daily Population/Month	13,910	14,386	14,808	15,702	16,061	16,732	17,144	17,747	17,714	18,472
% Change from prior year		3.4%	2.9%	6.0%	2.3%	4.2%	2.5%	3.5%	-0.2%	4.3%
Average Cost Per Inmate ^{(4) (5)}										
Annual	23,775	24,685	25,447	25,924	26,736	27,193	29,055	31,071	34,043	35,189
% Change from prior year		3.8%	3.1%	1.9%	3.1%	1.7%	6.8%	6.9%	9.6%	3.4%

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

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

⁽³⁾ For FY 2004 through FY 2009, institutional counts include beds rented from other jurisdictions.

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

⁽⁵⁾ FY 2005 through FY 2009 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center, the Washington State Penitentiary, the Coyote Ridge Correctional Center, the Cedar Creek Correctional Center, the Larch Correctional Center, or the Mission Creek Corrections Center for Women

Data Sources :

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

Department of Services for the Blind

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	5,202	19,571	24,773
Total Maintenance Changes	0	2	2
Policy Changes - Comp			
1. PEBB Rate Reduction	-28	-128	-156
Policy -- Comp Total	-28	-128	-156
<hr/>			
2007-09 Revised Appropriations	5,174	19,445	24,619
Fiscal Year 2009 Total	-28	-128	-156

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Sentencing Guidelines Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,896	0	1,896
Policy Changes - Non-Comp			
1. Sex Offender Policy Board	295	0	295
Policy -- Non-Comp Total	295	0	295
Policy Changes - Comp			
2. PEBB Rate Reduction	-21	0	-21
Policy -- Comp Total	-21	0	-21
2007-09 Revised Appropriations	2,170	0	2,170
Fiscal Year 2009 Total	274	0	274

Comments:

1. **Sex Offender Policy Board** - Funding is provided to implement Chapter 249, Laws of 2008 (SSB 6596), which requires the Sentencing Guidelines Commission to establish a Sex Offender Policy Board to research, review, and discuss issues relating to the assessment, treatment, and supervision of sex offenders.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Employment Security Department

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	120	616,755	616,875
Total Maintenance Changes	0	58	58
Policy Changes - Non-Comp			
1. Family Medical Leave Implementation	0	6,218	6,218
2. Climate Change	222	0	222
3. Align FTEs and Revenue	0	-11,973	-11,973
4. Continuity of Services to Clients	0	7,860	7,860
5. Move from Lakewood Facility	0	488	488
6. Construction Industry	0	155	155
7. Call Center Upgrades	0	2,331	2,331
Policy -- Non-Comp Total	222	5,079	5,301
Policy Changes - Comp			
8. PEBB Rate Reduction	0	-4,083	-4,083
Policy -- Comp Total	0	-4,083	-4,083
2007-09 Revised Appropriations	342	617,809	618,151
Fiscal Year 2008 Total	0	-927	-927
Fiscal Year 2009 Total	222	1,923	2,145

Comments:

1. **Family Medical Leave Implementation** - Chapter 357, Laws of 2007 (E2SSB 5659), established a family leave insurance program that allows parents to bond with a newborn or newly-adopted child by providing temporary income for up to five weeks. Benefit payments will begin October 1, 2009. Funding is provided for program administration and to develop and implement a computer system to accept and process claims. (Family Leave Insurance Account-State)
2. **Climate Change** - Funding is provided to implement Chapter 14, Laws of 2008 (E2SHB 2815). The legislation requires the Employment Security Department's (ESD's) Labor Market and Economic Analysis Division, in consultation with other specified agencies, to conduct labor market research to analyze the current labor market and projected job growth in the green economy. The analysis will consider the current and projected recruitment and skill requirement of green economy industry employers, the wage and benefit ranges of jobs within green economy industries, and the education and training requirements of entry-level and incumbent workers in those industries.
3. **Align FTEs and Revenue** - Federal revenue received by the Department has declined. This item adjusts federal expenditure authority and FTE staff to align with expected revenue. (Unemployment Compensation Administration Account-Federal)
4. **Continuity of Services to Clients** - One-time Reed Act funding is provided to bridge the gap between expected federal funds and the operating costs to maintain services to clients. The Department's federal allocations for FY 2008 were lower than anticipated. (Unemployment Compensation Administration Account-Federal, Employment Services Administrative Account-State)
5. **Move from Lakewood Facility** - One-time Reed Act funding is provided for relocation of the WorkSource office in Lakewood. The current WorkSource facility does not meet Americans with Disabilities Act requirements, safety standards, or clients' needs. (Unemployment Compensation Administration Account-Federal)
6. **Construction Industry** - Funding is provided for Chapter 120, Laws of 2008, Partial Veto (2SSB 6732). This legislation amends ESD's confidentiality statute to allow broader sharing of information between governmental agencies, requires employers contracting with registered contractors and electricians to retain records of compensation paid, provides for ESD to hire more auditors to enforce the underground construction industry, and requires ESD to designate a representative to an advisory committee to the Washington State Institute for Public Policy on benchmarking. The Department will continue to provide a liaison and information technology staff to supply input and data for the Underground Economy Task Force. (Unemployment Compensation Administration Account-Federal)
7. **Call Center Upgrades** - One-time Reed Act funds are provided to purchase hardware and software to ensure the ongoing, reliable operation of the telecenters. Hardware and software upgrades include the replacement of the interactive voice response system (IVR), new servers, private branch exchange upgrade (forwards calls to the IVR), on-hold messaging replacement, and new terminals for call center staff.

Employment Security Department

(Unemployment Compensation Administration Account-Federal)

8. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Natural Resources

Climate Change

A total of \$2.4 million General Fund-State will continue progress toward meeting the state's goals for greenhouse-gas-emissions reductions and prepare for climate change.

- Of this, \$1.3 million is provided in the budget to implement Chapter 14, Laws of 2008 (E2SHB 2815 – Greenhouse Gas Emissions). The funding will put into place a reporting system at the Department of Ecology (DOE) to track, manage, and credit entities that report their greenhouse gas emissions and the reductions they make; develop a regional market-based system, such as a “cap and trade” program; and continue the work of the Climate Action Team, such as collaboration with other western states, Canadian provinces, and Mexican states to reduce greenhouse gases in our region. Funding of \$207,000 is provided for the Department of Community, Trade, and Economic Development (DCTED) to participate in the multi-state process to develop market-based systems to eliminate greenhouse gas emissions. The Employment Security Department is appropriated \$222,000 to conduct labor-market analysis of green-economy jobs, market demand, required skill levels, and wages. The sum of \$151,000 is provided to the University of Washington (UW) and Washington State University for technical expertise in climate change and energy technology.
- Additionally, \$317,000 is provided to DCTED to develop advisory climate-change response methodologies, computer programs, and estimates to counties and cities that reflect regional and local variations. At least three counties and six cities will be selected for a global-warming adaptation pilot program through a competitive process. The program will assist counties and cities that are addressing climate change through their land use and planning resources and those that aspire to do so but lack the necessary resources.
- The sum of \$173,000 in funding will allow DOE and the UW to gather information to help governments and citizens prepare for climate change. A comprehensive research, preparation, and adaptation plan will be written, and the Office of the State Climatologist is set in law.

Increased Use of Local Foods

The programs funded for Chapter 215, Laws of 2008 (2SSB 6483 – Local Food Production), will expand children's and low-income residents' access to Washington-grown fruits and vegetables and support Washington State farms. Funds are provided for the following:

- \$290,000 for the Department of Agriculture to create a "Farm-to-School" program encouraging consumption of fresh, locally-grown food at public schools and other institutions.
- \$600,000 to the Office of the Superintendent of Public Instruction for a Washington-Grown Fruit and Vegetable Grant program to facilitate consumption of Washington-grown nutritious snacks to improve student health and expand the market for locally-grown fresh produce. The program is to include fresh produce as well as minimally prepared, frozen, and dried fruits and vegetables.
- \$50,000 for the Department of Social and Health Services (DSHS) to establish a Farmers' Market Technology Improvement Pilot program to assist farmers' markets and farmers in developing the capability to accept electronic-payment cards. The program will help increase access to fresh fruits and vegetables for state residents and increase the number of food-stamp recipients using food-stamp benefits through electronic-benefits transfer at farmers' markets.
- \$350,000 for DCTED for a Farmers-to-Food Banks pilot program. Selected food bank systems will contract with local farmers to provide fruit, vegetables, dairy, and meat products for distribution to low-income people at local food banks.

- \$150,000 to expand grants for Farmers' Market Nutrition programs. \$100,000 is provided to the Department of Health to increase Women, Infants, and Children grants to provide more mothers and children with fresh fruits and vegetables. An additional \$50,000 will expand DSHS's Senior Farmers Market Nutrition Program, which issues checks to low-income seniors for buying Washington-grown fresh fruits and vegetables at many farmers' markets and some roadside farm stands.

Evergreen Communities

Funding is provided for the Evergreen Communities program and allocated to the Department of Natural Resources and DCTED. For details, refer to the DCTED portion of the Governmental Operations section of this document.

Puget Sound Partnership

State general funding in the amount of \$2.0 million is provided for the Puget Sound Partnership to conduct extensive public outreach and stakeholder involvement as it finishes writing its Action Agenda for restoring the health of Puget Sound by 2020. This will include scientific review of the Action Agenda and starting projects. Funding in the amount of \$1.2 million is provided for the top-priority monitoring projects, such as analyzing the pollution that falls to the Sound from fuel-related air emissions and beginning a statistically-valid, random water-sampling program to establish a baseline of pollution from various toxins.

Department of Ecology

A total of \$8.1 million in state general funds is provided for the partnership agreements with the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians that will authorize the release of up to 132,500 acre-feet of water from the Lake Roosevelt reservoir annually. One-third of the water will be dedicated to in-stream flows for fish habitat. The remaining two-thirds will be divided among irrigators of 10,000 acres of land in the Odessa sub-area, holders of "interruptible" water rights, and municipal and industrial water-right applicants located within a mile or so of the Columbia River. A total of \$6.0 million will be distributed to the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians; \$2.0 million will be distributed to affected counties adjacent to Lake Roosevelt to mitigate impacts caused by the releases of water from Lake Roosevelt; and \$150,000 will provide an independent analysis of legislative options, including potential mitigation actions.

A total of \$3.7 million from various state accounts is provided for DOE to keep the Neah Bay Rescue Tug in operation at the current level for another year and reduce the risk of a catastrophic oil spill.

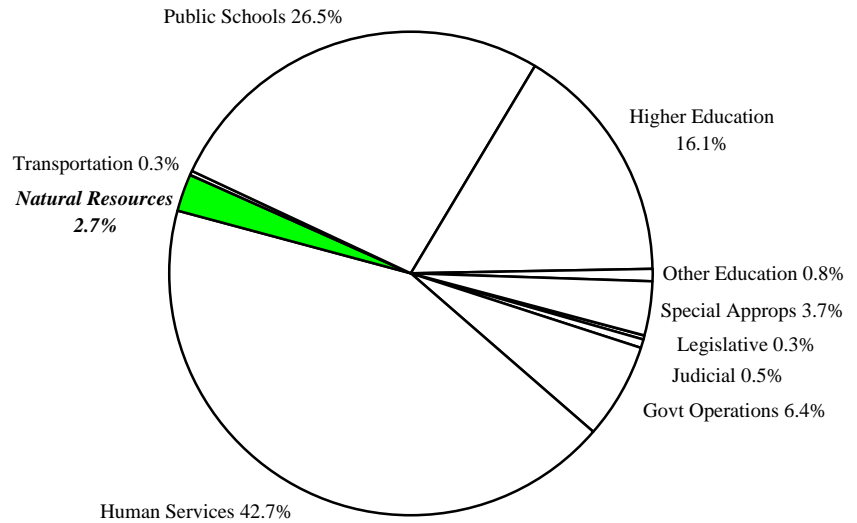
Department of Fish and Wildlife

A total of \$430,000 in state general funds is provided to improve coordination, increase the integration of science, and provide grants to advance projects of groups that work to protect, conserve, and otherwise manage marine life and resources.

- \$250,000 is provided for grants and technical support from the Department of Fish and Wildlife (DFW) to Marine Resource Committees – citizen-based groups that include local residents, governments, tribal governments, and other participants working together to restore marine habitat.
- \$114,000 is provided for DFW to coordinate groups that manage marine resources.

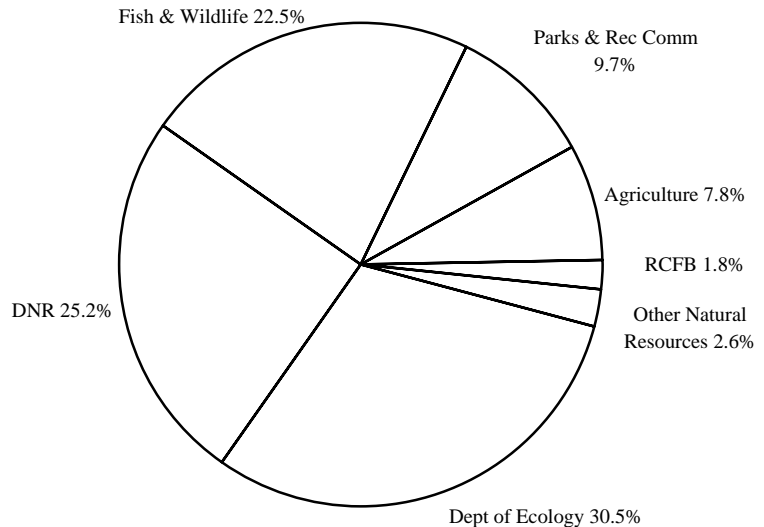
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

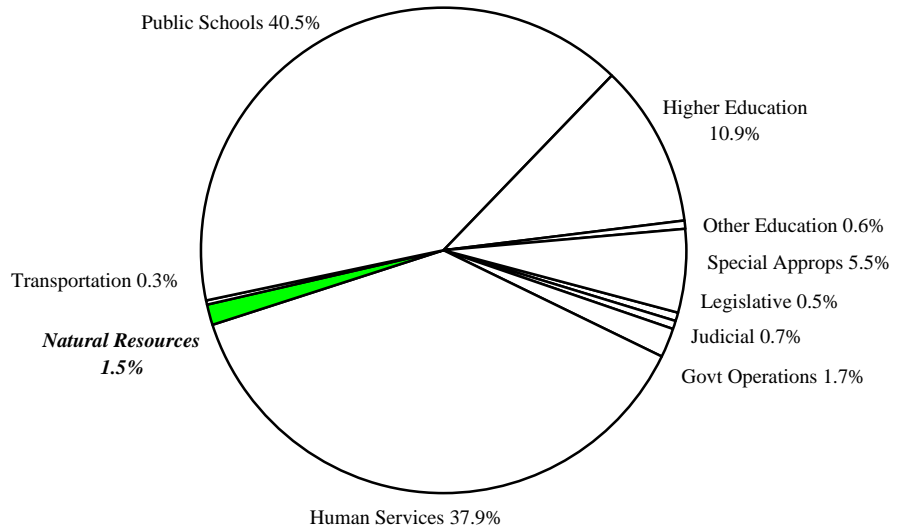
Dept of Ecology	472,058
Dept of Natural Resources	390,215
Dept of Fish & Wildlife	348,156
Parks & Recreation Comm	149,908
Dept of Agriculture	120,639
Rec & Conservation	28,070
Other Natural Resources	40,173
Natural Resources	1,549,219



Natural Resources

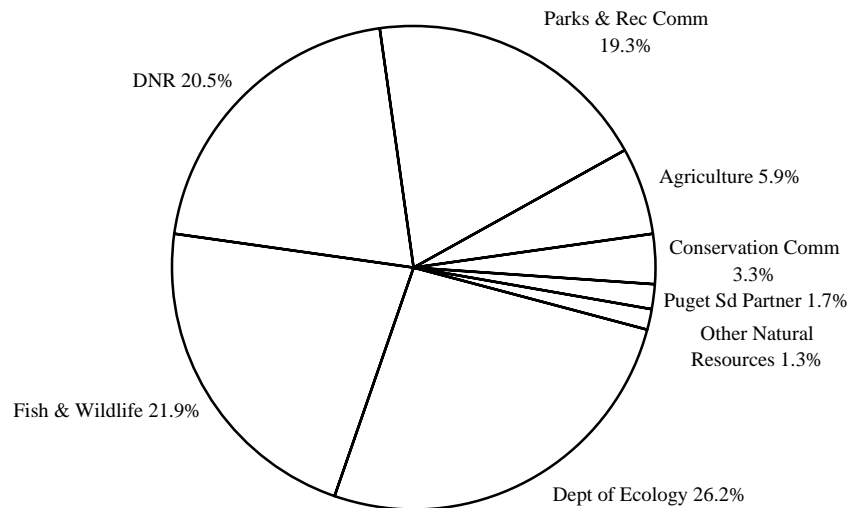
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
<i>Natural Resources</i>	<i>509,186</i>
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Dept of Ecology	133,540
Dept of Fish & Wildlife	111,268
Dept of Natural Resources	104,370
Parks & Recreation Comm	98,104
Dept of Agriculture	29,837
Conservation Commission	16,613
Puget Sound Partnership	8,758
Other Natural Resources	6,696
<i>Natural Resources</i>	<i>509,186</i>



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,072	1,065	2,137
Policy Changes - Comp			
1. PEBB Rate Reduction	-11	-11	-22
Policy -- Comp Total	-11	-11	-22
<hr/>			
2007-09 Revised Appropriations	1,061	1,054	2,115
Fiscal Year 2009 Total	-11	-11	-22

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Ecology

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	132,355	335,485	467,840
Total Maintenance Changes	18	-2,424	-2,406
Policy Changes - Non-Comp			
1. Kittitas County Groundwater Study	383	0	383
2. Reducing Release of Mercury	0	85	85
3. Climate Change Preparation	108	0	108
4. Conservation Markets	70	0	70
5. Walla Walla River Basin Water Mgmt	195	0	195
6. Hazardous Waste Assistance Review	0	80	80
7. Pilot Water Pathways	150	0	150
8. Groundwater Data Gap Analysis	261	0	261
9. Pulp and Paper Mill Energy Study	50	0	50
10. Surface and Groundwater Study	200	0	200
11. Children's Safe Products	0	333	333
12. Greenhouse Gas Emissions and Jobs	1,283	0	1,283
13. Beach Management Districts	250	0	250
14. Swift Creek Clean Up	0	210	210
15. Assess/Clean Up Hanford Groundwater	0	439	439
16. Standby Rescue Tug	0	3,650	3,650
17. Covenants for Cleanup Sites	0	288	288
18. Maintain Well Construction Services	0	155	155
19. Flood Control Emergency Grants	0	200	200
20. Columbia River Water Delivery	0	2,150	2,150
21. Governor Veto	-619	-85	-704
Policy -- Non-Comp Total	2,331	7,505	9,836
Policy Changes - Comp			
22. PEBB Rate Reduction	-1,164	-2,048	-3,212
Policy -- Comp Total	-1,164	-2,048	-3,212
2007-09 Revised Appropriations	133,540	338,518	472,058
Fiscal Year 2008 Total	276	111	387
Fiscal Year 2009 Total	891	5,346	6,237

Comments:

- Kittitas County Groundwater Study** - Availability of groundwater in the upper Kittitas region of central Washington has been a long-standing issue. Senior water right holders in the area are concerned that the large number of new drinking-water wells drilled each year could put their own water rights at risk during times of drought. A groundwater study will be conducted by the Department of Ecology and Kittitas County to determine the impacts of new well construction on the aquifer and nearby surface waters. Ongoing funding is provided for Kittitas County's participation in the study.
- Reducing Release of Mercury** - One-time funding is provided for implementation of E2SSB 6502 (Mercury Release). The Department of Ecology shall research and develop recommendations for implementation and financing of a convenient and effective mercury-added general purpose light recycling program. This item was vetoed (please see Governor Veto item below). (State Toxics Account-State)
- Climate Change Preparation** - One-time funding is provided for implementation of ESSB 6308 (Climate Change). The

Department will prepare a report of recommendations for a comprehensive climate-change program in accordance with the provisions of the bill. The recommendations are to build on the work of the Preparation and Adaptation Working Groups established under the Governor's Executive Order 07-02, Climate Change. This item was vetoed (please see Governor Veto item below).

- Conservation Markets** - One-time funding is provided for implementation of Chapter 133, Laws of 2008 (SSB 6805 - Conservation Markets). Within current resources, the Department of Ecology will provide input and assistance to the State Conservation Commission during its feasibility study. Funding is provided for more intensive participation in up to two demonstration projects if the results of the Commission's study indicate that conservation markets are feasible and desirable in Washington State.
- Walla Walla River Basin Water Mgmt** - Funding is provided to the Department to support a collaborative process to design and propose a comprehensive water management structure for

Department of Ecology

- the Walla Walla River Basin and report to the Legislature. The structure should address the allocation of functions, authorities, resource requirements, and issues associated with interstate watershed management of the Basin. Invited participants should include, but not be limited to, the Confederated Tribes of the Umatilla Indian Reservation, appropriate state agencies, and Walla Walla Basin interests such as municipalities, irrigation districts, conservation districts, fisheries, agriculture, economic development, and environmental representatives.
6. **Hazardous Waste Assistance Review** - The Department will create a stakeholder-advisory committee to review and develop recommendations to help businesses achieve a 50 percent toxics reduction use goal. The committee will review and make recommendations to improve the effectiveness and delivery of technical assistance in pollution prevention planning and will develop recommendations for strategies to encourage moving away from "end-of-pipe" pollution reduction approaches to increase hazardous-waste prevention throughout the state. Finally, the group will review and make recommendations on revising the hazardous waste planning fees. (State Toxics Account-State)
 7. **Pilot Water Pathways** - One-time funds are provided to expand and continue through the remainder of the biennium the current pilot water pathways project. The Department will work with the Northwest Indian Fisheries Commission and the U.S. Institute on Environmental Conflict Resolution to find resolution on persistent water policy issues between tribes and non-tribal entities.
 8. **Groundwater Data Gap Analysis** - One-time funding is provided for the Department to prepare, by June 30, 2009, a data gap analysis that includes a summary of historic and current monitoring of groundwater levels and water quality within each water resource inventory area; an evaluation of the completeness and quality of the data and conclusions produced from such monitoring; priorities for enhanced groundwater monitoring where water levels and water quality are of concern; recommendations regarding quality controls and other protocols associated with data collection; a summary and compilation of existing studies of groundwater levels, water quality, and monitoring activities; and recommendations of components necessary to establish a comprehensive, statewide groundwater monitoring and assessment program and the funding necessary to implement the program. This item was vetoed (please see Governor Veto item below).
 9. **Pulp and Paper Mill Energy Study** - One-time funding is provided to coordinate with the University of Washington to assess the current energy profile of Washington State pulp and paper mills. The energy consumption and energy generation capability will be determined for both steam and electrical power. In addition, the sources and types of fuels used in various boilers will be assessed.
 10. **Surface and Groundwater Study** - Funding is provided to assess the surface water and groundwater impacts to the level of Lake Ballenger.
 11. **Children's Safe Products** - Funding is provided to implement Chapter 288, Laws of 2008, Partial Veto (E2SHB 2647 - Children's Safe Products). By January 1, 2009, the Department will identify high-priority chemicals that pose a potential risk to children's health as outlined in the legislation and submit a report to the Legislature, including policy options for addressing these chemicals. The Department will adopt rules to finalize the list of chemicals of high concern for children by January 1, 2010. The Department will develop a comprehensive database of products and notices received from manufacturers and make the electronic database available to the public. (State Toxics Account-State)
 12. **Greenhouse Gas Emissions and Jobs** - Funding is provided for implementation of Chapter 14, Laws of 2008 (E2SHB 2815 - Greenhouse Gas Emissions). The Department will submit a greenhouse gas reduction plan to the Legislature to limit statewide greenhouse gas emissions, adopt rules requiring a reporting system to monitor greenhouse gas emissions, and develop a design for a regional multi-sector, market-based system to limit and reduce greenhouse gas emissions. The Department will monitor progress toward meeting emission-reduction goals and analyze reductions from policies already enacted and in place, as well as emissions reduced from any future policies or strategies. The Department will continue its current activities such as participation with the Western Climate Initiative.
 13. **Beach Management Districts** - Funding is provided to implement Chapter 301, Laws of 2008, Partial Veto (E2SHB 3186 - Beach Management Districts). The bill creates a statutory scheme for beach management districts by emulating requirements for lake management districts. The Department is authorized to provide technical assistance to community groups and county and city legislative authorities requesting assistance with the development of beach management programs. The Department is required to select two districts located in a county with a population of one million or more to control and remove aquatic plants or vegetation. This item was vetoed (please see Governor Veto item below).
 14. **Swift Creek Clean Up** - One-time funding is provided to clean up naturally occurring asbestos from Swift Creek. (Local Toxics Control Account-State)
 15. **Assess/Clean Up Hanford Groundwater** - The U.S. Department of Energy has reprioritized cleanup work at the Hanford Nuclear Reservation, with a new emphasis on risk assessment and groundwater cleanup. Ongoing funding is provided for risk assessments and hydrogeological investigations in support of integrated cleanup and closure of the 18 Hanford tank farms and 30 surrounding contaminated areas consisting of over 1,000 individual waste disposal sites. These efforts, which are fully covered by new federal funding and fee-generated revenue, will enhance the state's ability to assess the risks to, and its ability to protect, human health and the environment. (General Fund-Federal, State Toxics Control Account-State)

Department of Ecology

16. **Standby Rescue Tug** - The standby rescue tug stationed at Neah Bay is a preventive measure that reduces the risk of a catastrophic oil spill. Since 1999, the tug has responded 34 times to ships losing power or steering or experiencing other problems. The 2007 Legislature provided funding for a standby rescue tug for FY 2008, in anticipation of federal legislation establishing a permanent, industry-funded tug at the entrance of the Strait of Juan de Fuca, but no state funding was appropriated for FY 2009. Stop-gap funding for 365-day coverage is provided from several state accounts in anticipation of federal action. (Vessel Response Account-State, State Toxics Control-State, Local Toxics Control Account-State, Aquatic Lands Enhancement Account-State, and Coastal Protection Account-Non-Appropriated)
17. **Covenants for Cleanup Sites** - Chapter 104, Laws of 2007 (SB 5421), establishes new requirements in situations where environmental covenants (a form of deed restriction) are used to control the future use of toxic cleanup sites. Ongoing funding is provided to implement this bill, which includes the bill's requirements for the Department to inspect toxic cleanup sites. (State Toxics Control Account-State)
18. **Maintain Well Construction Services** - The Department and local health departments regulate well construction and decommissioning to protect public health and groundwater resources. The Department has experienced an increase in the volume of well drilling over the past four years and has begun the process of merging its well construction and licensing data systems to improve data accessibility and system reliability. A combination of one-time and ongoing funding is provided to improve customer service and license processing. (Reclamation Account-State)
19. **Flood Control Emergency Grants** - The Department provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. Local and state government grant spending from the Flood Control Assistance Account during the 2005-07 biennium was less than estimated, resulting in additional dollars available in the ending fund balance for the biennium. One-time funding is made available for local emergency flood response grants during the 2007-09 biennium. (Flood Control Assistance Account-State)
20. **Columbia River Water Delivery** - Funding is provided for implementation of Chapter 82, Laws of 2008 (E2SSB 6874 - Columbia River Water Delivery). The Department will distribute \$2 million to affected counties to mitigate for negative impacts caused by releases of Lake Roosevelt water. In addition, the Department will conduct an analysis of legislative options to protect rural communities in northeast Washington from disproportionate economic, agricultural, and environmental impacts when upstream water rights are purchased and transferred for use, or idled and used as mitigation, in a downstream watershed or county. (Columbia River Water Delivery Account-State)
21. **Governor Veto** - The Governor vetoed subsection (27) of Section 302 of Chapter 329, Laws of 2008 (ESHB 2687), which provided funding for and directed the Department to conduct a statewide groundwater data-gap analysis; therefore, the funds will not be needed. The Governor vetoed subsection (32) of Section 302 of ESHB 2687, which provided funding for the vetoed portion of E2SHB 3186 (Beach Management Districts) that would have placed new requirements on state agencies for technical assistance, coordination, monitoring and assessment of beach management districts; and therefore, the funds will not be needed. The Governor also vetoed subsection (37) of Section 302 of ESHB 2687, which provided funding for E2SSB 6502 (Release of Mercury), because the bill did not pass. Please see the Reducing Release of Mercury item above for additional information. Finally, subsection (39) of Section 302 of ESHB 2687, which provided funding for ESSB 6309 (Climate Change), was vetoed because the bill did not pass. Please see the Climate Change Preparation item above for additional information.
22. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Parks and Recreation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	98,578	50,263	148,841
Total Maintenance Changes	12	1,644	1,656
Policy Changes - Non-Comp			
1. Avalanche Center Backfill	131	0	131
2. Mount Tahoma Trails	100	0	100
3. State Park Foster Home Pass	120	0	120
4. Orca Whale Protection	40	0	40
5. Facilities Condition Assessment	322	0	322
6. Governor Veto	-100	0	-100
Policy -- Non-Comp Total	613	0	613
Policy Changes - Comp			
7. PEBB Rate Reduction	-1,099	-103	-1,202
Policy -- Comp Total	-1,099	-103	-1,202
2007-09 Revised Appropriations	98,104	51,804	149,908
Fiscal Year 2008 Total	380	0	380
Fiscal Year 2009 Total	-866	-103	-969

Comments:

1. **Avalanche Center Backfill** - One-time funding is provided to fill the projected budget gap for current-level activities at the Northwest Weather and Avalanche Center. Currently, the Commission is participating in the development of an intergovernmental plan and recommendations for sustainable, equitable cost-sharing in accordance with Chapter 141, Laws of 2007 (SSB 5219), with a final plan due to the Legislature by December 1, 2008.
2. **Mount Tahoma Trails** - One-time funds are provided to assist with the purchase of snow equipment for the Mount Tahoma Trails system. This item was vetoed (please see Governor Veto item below).
3. **State Park Foster Home Pass** - Funding is provided to implement Chapter 238, Laws of 2008 (ESSB 5010 - State Park Foster Home Pass). The Department will establish the system to entitle a pass holder, and members of his or her family or camping unit, free admission and camping at state parks when accompanied by a foster child.
4. **Orca Whale Protection** - Ongoing funding is provided to implement Chapter 225, Laws of 2008 (2SHB 2514 - Orca Whale Protection). The legislation prohibits people and their vessels from being within 300 feet of any southern Orca whale or feeding any southern Orca whale without an express exemption. In addition, the legislation requires the Washington State Parks and Recreation Commission and the Washington Department of Fish and Wildlife to disseminate information about the prohibitions, exemptions, and other regulations regarding southern Orca whales.
5. **Facilities Condition Assessment** - One-time funding is provided to assess the condition of the state park facilities and infrastructure in the southwest region and to enter this information in specialized software. Assessing state park facilities is the first phase of the Agency Improvement Plan. This Plan was adopted as a result of the findings in the January 2007 Study of the Washington State Parks and Recreation Commission's Capital Budget Development, Execution, and Monitoring Process.
6. **Governor Veto** - The Governor vetoed Section 303(18) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided assistance to the Mount Tahoma Trails Association for purchase of snow equipment; therefore, the funds are not needed.
7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

Recreation and Conservation Funding Board

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	3,357	24,796	28,153
Policy Changes - Comp			
1. PEBB Rate Reduction	-8	-75	-83
Policy -- Comp Total	-8	-75	-83
<hr/>			
2007-09 Revised Appropriations	3,349	24,721	28,070
Fiscal Year 2009 Total	-8	-75	-83

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Environmental Hearings Office

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	2,295	0	2,295
Total Maintenance Changes	10	0	10
Policy Changes - Comp			
1. PEBB Rate Reduction	-19	0	-19
Policy -- Comp Total	-19	0	-19
<hr/>			
2007-09 Revised Appropriations	2,286	0	2,286
Fiscal Year 2009 Total	-19	0	-19

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State Conservation Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	20,429	1,178	21,607
Policy Changes - Non-Comp			
1. Conservation Markets	174	0	174
2. Conservation Resource Management	35	0	35
3. Move Livestock Projects to Capital	-4,000	0	-4,000
Policy -- Non-Comp Total	-3,791	0	-3,791
Policy Changes - Comp			
4. PEBB Rate Reduction	-25	0	-25
Policy -- Comp Total	-25	0	-25
2007-09 Revised Appropriations	16,613	1,178	17,791
Fiscal Year 2008 Total	-2,000	0	-2,000
Fiscal Year 2009 Total	-1,816	0	-1,816

Comments:

1. **Conservation Markets** - One-time funding is provided for implementation of Chapter 133, Laws of 2008 (SSB 6805 - Conservation Markets). The Commission will first conduct a feasibility study to include an evaluation of agricultural conservation markets operating in other states; a determination of the level of interest among farm and small-forest landowners; an assessment of market-ready products; identification of opportunities for conservation markets to provide ongoing revenue to farm and small-forestry operations to improve their long-term viability; and a determination of public agencies' demand for, and willingness to use, conservation markets. The Commission will present its findings and recommendations to the Governor and the Legislature by December 1, 2008. If the study determines that conservation markets are feasible and desirable, the Commission must conduct two demonstration projects.

medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

2. **Conservation Resource Management** - One-time funding is provided for conservation resource management within the Commission's Coordinated Resource Management program. The Coordinated Resource Management program includes an interagency group that works on natural resource issues that need facilitation due to diverse opinions in the area. These funds will be used for smaller resource management projects dealing with grazing-related issues.

3. **Move Livestock Projects to Capital** - The current appropriation authority from the Water Quality Account and the timing and duration of construction projects are not always concurrent. To address this incongruity, funding for these projects is shifted from the 2007-09 operating budget to the 2007-09 capital budget (Project Number 2008-4-001). (Water Quality Account-State)

4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase

Department of Fish and Wildlife

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	108,959	238,334	347,293
Total Maintenance Changes	645	489	1,134
Policy Changes - Non-Comp			
1. Outer Coast Marine Resources	250	0	250
2. Marine Protected Areas Workgroup	115	0	115
3. Marine Managed Areas	46	0	46
4. Restoration of Wiley Slough	75	0	75
5. Electron Dam Workgroup	75	0	75
6. PS Steelhead ESA Listing	148	0	148
7. Selective Fisheries - Chinook	590	0	590
8. Colville Partnership Initiative	609	0	609
9. Skagit Tidegates	305	0	305
10. Derelict Fishing Gear	100	0	100
11. Beebe Springs	300	0	300
12. Damage to Livestock from Wildlife	50	0	50
13. Orca Whale Protection	46	0	46
14. Hydraulic Project Approval Review	135	0	135
15. Beach Management Districts	24	0	24
16. Ebey Island	95	0	95
17. Governor Veto	-120	0	-120
Policy -- Non-Comp Total	2,843	0	2,843
Policy Changes - Comp			
18. PEBB Rate Reduction	-1,179	-1,935	-3,114
Policy -- Comp Total	-1,179	-1,935	-3,114
2007-09 Revised Appropriations	111,268	236,888	348,156
Fiscal Year 2008 Total	437	0	437
Fiscal Year 2009 Total	1,227	-1,935	-708

Comments:

1. **Outer Coast Marine Resources** - Funding is provided to implement Chapter 242, Laws of 2008 (SSB 6227 - Coast Marine Resources). The Outer Coast Marine Resources Committee program will be created within the Department to provide support for the development, administration, and coordination of coastal Marine Resource Committees (MRCs). The Director will develop procedures and criteria for distributing grants to coastal MRCs for administration and for coastal projects. It is expected that approximately \$188,000 in grant funds will be distributed to MRCs in FY 2009.

2. **Marine Protected Areas Workgroup** - Funding is provided for implementation of Chapter 243, Laws of 2008 (SSB 6231 - Marine Protected Areas). The Director will chair the newly-created Marine Protected Area (MPA) work group. The group will examine the current inventory and management of Washington's MPAs; develop recommendations to improve coordination and consistency regarding MPA management goals, criteria for establishment, management practices, terminology, and monitoring; develop recommendations to improve the integration of science into MPA establishment and management; develop recommendations to further integrate local governments and nongovernmental organizations into the establishment and management of MPAs; and provide any

other recommendations to improve the effectiveness of MPAs. By December 1, 2009, the work group must report its findings and recommendations to the Legislature.

3. **Marine Managed Areas** - Funding is provided for implementation of SSB 6307 (Marine Managed Areas [MMAs]). Rules will be adopted governing the taking of fish, shellfish, or wildlife within or next to a reserve or other MMA, consistent with the management plan developed by the Puget Sound Partnership. This item was vetoed (please see Governor Veto item below).

4. **Restoration of Wiley Slough** - Funding is provided to implement the 2008 Wiley Slough restoration project that would establish a public recreation partnership to provide farmland preservation, waterfowl management, and public recreational access.

5. **Electron Dam Workgroup** - Funds are provided for the Department to convene a work group to study solutions for improving outbound juvenile salmon migration at Electron Dam on the Puyallup River. The work group shall include one member of the House, one member of the Senate, one representative from the Department of Fish and Wildlife, one

Department of Fish and Wildlife

representative from Puget Sound Energy, and one representative from the Puyallup Tribe of Indians. The work group shall present its findings and recommendations to the appropriate committees of the Legislature by January 1, 2009.

6. **PS Steelhead ESA Listing** - The Puget Sound (PS) steelhead was listed under the federal Endangered Species Act (ESA) in May 2007. One-time funding is provided for the Department to jointly develop a harvest and hatchery Resource Management Plan (RMP) with tribal co-managers by the spring of 2008. Once the RMP is developed and implemented in Puget Sound, both recreational steelhead fishing and hatchery production can continue.
7. **Selective Fisheries - Chinook** - Ongoing state funding is provided for the additional selective fisheries in Puget Sound. Selective fishing is a strategy designed to protect wild stocks of salmon listed as threatened under the federal ESA. The structure allows harvest of marked hatchery salmon in designated areas, while requiring the release of any wild salmon that are caught.
8. **Colville Partnership Initiative** - The Department is provided one-time funding to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline. The Department will also conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River Water Supply Development Program.
9. **Skagit Tidegates** - The Skagit Drainage and Fish Initiative provides an opportunity for the agricultural community, federal agencies, the Department, and tribes to work collaboratively toward meeting the needs of all participating parties. A combination of one-time and ongoing funding will provide necessary resources to link estuarine and delta watercourse habitat restoration with tidegate and drainage infrastructure maintenance. These agreements directly support the Puget Sound Chinook Salmon Restoration Plan. Of the one-time funding provided, \$150,000 is to supplement other fund sources to assist the agricultural community in implementation of the Drainage and Fish Initiative and the Tidegates and Fish Initiative, to include development of permit applications and related documents for the drainage maintenance and tidegate work, administration of the implementation agreements, and participation in habitat restoration project-development actions.
10. **Derelict Fishing Gear** - Ongoing funding is provided for the Department to work with the Northwest Straits Commission to remove derelict fishing gear in Washington waters.
11. **Beebe Springs** - Authority is provided to expend the proceeds from the sale of the upper 20-acre parcel of the Beebe Springs property. This one-time expenditure must be used to develop the Beebe Springs natural interpretive site and is not to exceed the value of the revenue from the sale of the parcel.
12. **Damage to Livestock from Wildlife** - Ongoing funding is provided for compensation to include damage done to livestock by wildlife. This item was vetoed (please see Governor Veto item below).
13. **Orca Whale Protection** - One-time funding is provided to implement Chapter 225, Laws of 2008 (2SHB 2514 - Orca Whale Protection). The legislation prohibits people and their vessels from being within 300 feet of any southern Orca whale or feeding any southern Orca whale without an express exemption. In addition, the legislation requires the Washington State Parks and Recreation Commission and the Washington Department of Fish and Wildlife to disseminate information about the prohibitions, exemptions, and other regulations regarding southern Orca whales.
14. **Hydraulic Project Approval Review** - One-time funding is provided for a review of the effectiveness of the Department's existing hydraulic project approval process and outcomes.
15. **Beach Management Districts** - One-time funding is provided to implement Chapter 301, Laws of 2008, Partial Veto (E2SHB 3186 - Beach Management Districts). The bill creates a statutory scheme for beach management districts by emulating requirements for lake management districts. The Department is authorized to provide technical assistance to community groups and county and city legislative authorities requesting assistance with the development of beach management programs. The Department is required to select two districts located in a county with a population of one million or more to control and remove aquatic plants or vegetation. This item was vetoed (please see Governor Veto item below).
16. **Ebey Island** - Ongoing funding is provided for Ebey Island property management costs, including local drainage district fees and noxious weed control.
17. **Governor Veto** - The Governor vetoed subsection (31) of Section 307 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for the vetoed portion of E2SHB 3186 (Beach Management Districts) that would have placed new requirements on state agencies for technical assistance, coordination, monitoring and assessment of beach management districts; and therefore, the funds will not be needed. In addition, the Governor vetoed subsection (32) of Section 307 of ESHB 2687, which removed funding for the Department to compensate commercial livestock owners for damage caused by wildlife because the Department does not have specific statutory authority to provide this type of compensation. And finally, the Governor vetoed subsection (44) of Section 307 of ESHB 2687, which provided funding for SSB 6307 (Puget Sound Marine Managed Areas), because the bill did not pass. Please see the Marine Managed Areas item above for additional information.
18. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

Department of Fish and Wildlife

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Natural Resources

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	102,023	285,602	387,625
Total Maintenance Changes	-4	-3,543	-3,547
Policy Changes - Non-Comp			
1. Recreational Opportunities	97	0	97
2. Aquatic Endangered Species Act	0	191	191
3. Urban Forestry	251	0	251
4. Beach Management Districts	0	20	20
5. Geological Survey & Slope Study	200	0	200
6. Emergency Fire Suppression	2,707	2,627	5,334
7. Forest Practices Federal Backfill	0	3,000	3,000
8. Governor Veto	0	-20	-20
Policy -- Non-Comp Total	3,255	5,818	9,073
Policy Changes - Comp			
9. PEBB Rate Reduction	-904	-2,032	-2,936
Policy -- Comp Total	-904	-2,032	-2,936
2007-09 Revised Appropriations	104,370	285,845	390,215
Fiscal Year 2008 Total	2,733	5,627	8,360
Fiscal Year 2009 Total	-382	-1,841	-2,223

Comments:

- 1. Recreational Opportunities** - Funding is provided to implement Chapter 195, Laws of 2008 (SHB 2472 - Recreational Opportunities). The Department will establish a work group to make recommendations to the Legislature for improving recreation on state trust lands, aquatic lands, and other state-owned lands managed by the Department of Natural Resources (DNR).
- 2. Aquatic Endangered Species Act** - One-time funding is provided for the Department to coordinate with the Puget Sound Partnership to complete a final Habitat Conservation Plan (HCP) for state-owned aquatic lands and an Environmental Impact Statement by June 2009. Two FTEs will provide additional scientific and data/information analysis support. The HCP will create a framework for protecting endangered species, which provides certainty to the Department regarding its aquatic land activities, such as leases, reserves, geoduck harvest, and marina operations. Implementation of the HCP will begin in June 2009. (Aquatic Lands Enhancement Account-State)
- 3. Urban Forestry** - Ongoing funding is provided to implement Chapter 299, Laws of 2008, Partial Veto (E2SHB 2844 - Urban Forestry). The legislation requires the Department to provide technical expertise to the Department of Community, Trade, and Economic Development in creation of an Evergreen Communities recognition program and model urban forest management plans and ordinances. In addition, the legislation allows the Department to develop and conduct inventories and assessments of community and urban forests to the extent funding is provided. It is expected funding provided will enable the Department to complete an initial inventory of one county east of the Cascades and one county west of the Cascades and the willing municipalities within.
- 4. Beach Management Districts** - Funding is provided to implement the provisions of Chapter 301, Laws of 2008, Partial Veto (E2SHB 3186 - Beach Management Districts). The bill creates a statutory scheme for beach management districts similar to those for lake management districts. This item was vetoed (please see Governor Veto item below). (Resource Management Cost Account-State)
- 5. Geological Survey & Slope Study** - Ongoing funding is provided to support the duties of the Department's state geological survey, upon completion of one-time funding that shall be used to complement existing funding and extend the analysis of unstable slopes currently underway by the Cooperative Monitoring, Evaluation, and Research Committee of the Adaptive Management program.
- 6. Emergency Fire Suppression** - One-time funding is provided for fire suppression activity for incurred costs during FY 2008, in excess of the Department's existing fire suppression appropriation. (General Fund-State, General Fund-Federal)
- 7. Forest Practices Federal Backfill** - To address declining federal dollars, funding is provided from the newly-created Forest and Fish Support Account to allow tribes to continue their implementation activities, such as forest practice reviews, scientific studies, and interagency coordination. These funds will also enable the Department to implement additional Forest and Fish Report projects. (Forest and Fish Support Account-State)

Department of Natural Resources

8. **Governor Veto** - The Governor vetoed Section 308 (27) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for the vetoed portion of E2SHB 3186 (Beach Management Districts) that would have placed new requirements on state agencies for technical assistance, coordination, monitoring and assessment of beach management districts; and therefore, the funds will not be needed. In addition, the Governor vetoed the intent section, Section 1, of Chapter 299, Laws of 2008, Partial Veto (E2SHB 2844 - Urban Forestry). Please see the Beach Management Districts item above for additional information.
9. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Agriculture

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	29,445	91,844	121,289
Total Maintenance Changes	4	12	16
Policy Changes - Non-Comp			
1. Pacific County Spartina Eradication	65	0	65
2. Greenhouse Gas Emissions	57	0	57
3. Risk Management	212	0	212
4. Local Farms and Healthy Kids	290	0	290
Policy -- Non-Comp Total	624	0	624
Policy Changes - Comp			
5. PEBB Rate Reduction	-236	-1,054	-1,290
Policy -- Comp Total	-236	-1,054	-1,290
2007-09 Revised Appropriations	29,837	90,802	120,639
Fiscal Year 2009 Total	388	-1,054	-666

Comments:

1. **Pacific County Spartina Eradication** - Additional funds are provided to be added to \$35,000 of existing Aquatic Lands Enhancement Account appropriation for funding to the Pacific County Noxious Weed Control Board to continue its planning and implementation of spartina eradication activities.
2. **Greenhouse Gas Emissions** - One-time funding is provided to implement Chapter 14, Laws of 2008 (E2SHB 2815 - Greenhouse Gas Emissions). The Department will participate with other agencies in the development of the voluntary carbon offset/credit program.
3. **Risk Management** - Ongoing funding is provided for two positions (Internal Auditor and Human Resources Consultant) to address gaps in the Department's administrative structure. These positions complete the first phase of a multi-year effort to meet administrative and operational needs identified by an independent management analysis. An internal auditor will ensure agency compliance with state and federal accounting standards. The human resources consultant will conduct personnel-related investigations and make recommendations for corrective actions, coordinate workplace safety efforts, assess reasonable accommodation needs of people with disabilities, and work on agency-wide succession planning.
4. **Local Farms and Healthy Kids** - Funding is provided to implement Chapter 215, Laws of 2008 (2SSB 6483 - Local Food Production). In accordance with the bill, the Department will create a "Farm-to-School" program encouraging consumption of fresh, locally-grown food at public schools and other institutions.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase

medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	1,840	1,840
Policy Changes - Non-Comp			
1. Design Criteria for Oil Heat Tanks	0	33	33
Policy -- Non-Comp Total	0	33	33
Policy Changes - Comp			
2. PEBB Rate Reduction	0	-15	-15
Policy -- Comp Total	0	-15	-15
2007-09 Revised Appropriations	0	1,858	1,858
Fiscal Year 2008 Total	0	33	33
Fiscal Year 2009 Total	0	-15	-15

Comments:

1. **Design Criteria for Oil Heat Tanks** - Chapter 240, Laws of 2007 (HB 1789), gives the Pollution Liability Insurance Program the authority to reimburse eligible heating oil tank program participants for the increased cost of replacing leaking oil tanks with more leak-resistant models. To implement this legislation, the agency is required to establish the design criteria for these tanks this fiscal year. One-time funding is provided for costs related to this activity. (Heating Oil Pollution Liability Trust Account-Non-Appropriated)
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Puget Sound Partnership

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	7,917	4,155	12,072
Total Maintenance Changes	-500	535	35
Policy Changes - Non-Comp			
1. Marine Managed Areas	24	0	24
2. Federal Spending Authority	0	850	850
3. Action Agenda Development	1,083	900	1,983
4. Puget Sound Toxic Pollution Sources	0	620	620
5. Puget Sound/Coastal Monitoring	305	305	610
6. Governor Veto	-24	0	-24
Policy -- Non-Comp Total	1,388	2,675	4,063
Policy Changes - Comp			
7. PEBB Rate Reduction	-47	0	-47
Policy -- Comp Total	-47	0	-47
2007-09 Revised Appropriations	8,758	7,365	16,123
Fiscal Year 2008 Total	852	478	1,330
Fiscal Year 2009 Total	489	2,197	2,686

Comments:

1. **Marine Managed Areas** - Funding is provided for implementation of SSB 6307 (Marine Managed Areas [MMAs]). The Puget Sound Partnership will prepare a Puget Sound MMA plan to coordinate and strengthen all state and local government MMA programs. The Leadership Council will determine membership of the work group in accordance with the representation delineated in the bill. The plan will include guidelines for incorporating best available science; guidelines for managing areas on an ecosystem basis; funding recommendations; strategies addressing impacts from population growth, development, and stormwater discharges; adaptive management and methods for synthesizing monitoring results; among other elements. The MMA plan must be completed by the end of July 1, 2010, submitted to the Leadership Council for review and approval, and incorporated into the Action Agenda. It is expected that additional funding will be required in the 2009-11 biennium to complete this one-time project. This item was vetoed (please see Governor Veto item below).
2. **Federal Spending Authority** - Additional spending authority is provided to allow the Partnership to access available matching federal funds for planning and implementation of the Action Agenda. The Partnership will make use of federal matching funds where possible. (General Fund-Federal)
3. **Action Agenda Development** - The Puget Sound Partnership was established in 2007 to lead efforts to protect and restore the Puget Sound. Statute directs the Partnership to create a long-term Action Agenda by September 1, 2008, that identifies and prioritizes actions for restoring Puget Sound by 2020. Funding is provided for the Partnership to engage in broad consultation with all levels of government, extensive public and stakeholder involvement, and scientific review of proposed actions. One-time funding is provided to develop an Action Agenda that incorporates a high level of analysis and scientific review. To the extent funding allows, the Partnership shall also proceed with implementation of the 2020 Action Agenda. (Water Quality Account-State, State Toxics Account-State)
4. **Puget Sound Toxic Pollution Sources** - Toxic contaminants continue to be discharged into Puget Sound, adversely impacting both ecological and human health. Funding is provided to analyze contaminated sources to develop mitigation priorities. One contamination source is air-pollution fallout into marine waters. One-time funding is provided to estimate the contribution of priority toxic chemicals deposited in Puget Sound and nearby watersheds from fuel-related air emissions. To the extent permitted under federal restrictions, the Partnership will leverage federal matching funds to extend the project. (General Fund-Federal, State Toxics Account-State)
5. **Puget Sound/Coastal Monitoring** - Funding is provided for an outcome-monitoring program to establish a baseline and determine progress toward salmon recovery and restoration of the health of Puget Sound by 2020. The Partnership, in consultation with the Department of Ecology, shall use a standard monitoring and sample collection process and utilize information from other entities, such as volunteer groups, other state agencies, and local governments. A combination of one-time and ongoing funding is provided to plan, establish, and begin a statistically valid sampling program in Puget Sound and on Washington's coastline. To the extent permitted under federal restrictions, the Partnership will leverage federal matching funds to extend the project. (General Fund-Federal, Water Quality Account-State)

Puget Sound Partnership

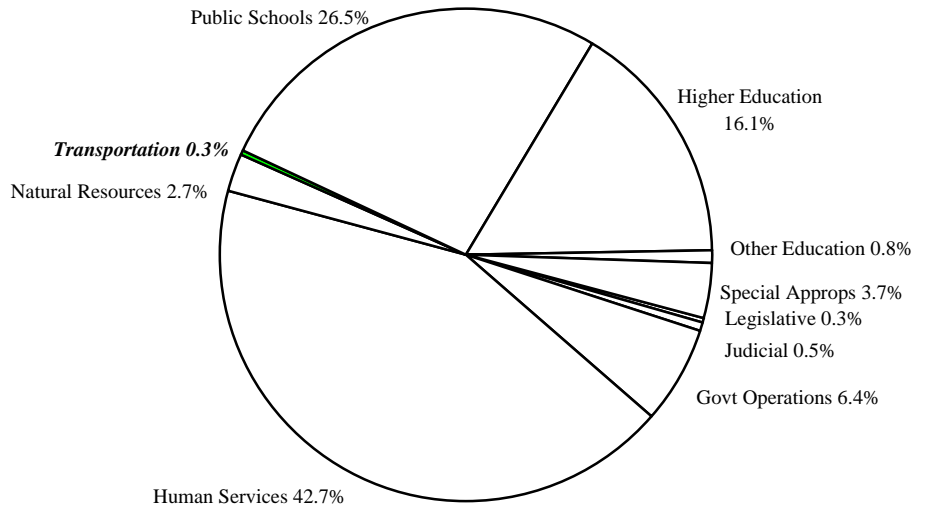
6. **Governor Veto** - The Governor vetoed Section 311(5) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for SSB 6307 (Puget Sound Marine Managed Areas), because the bill did not pass. Please see the Marine Managed Areas items above for additional information.
7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Transportation

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

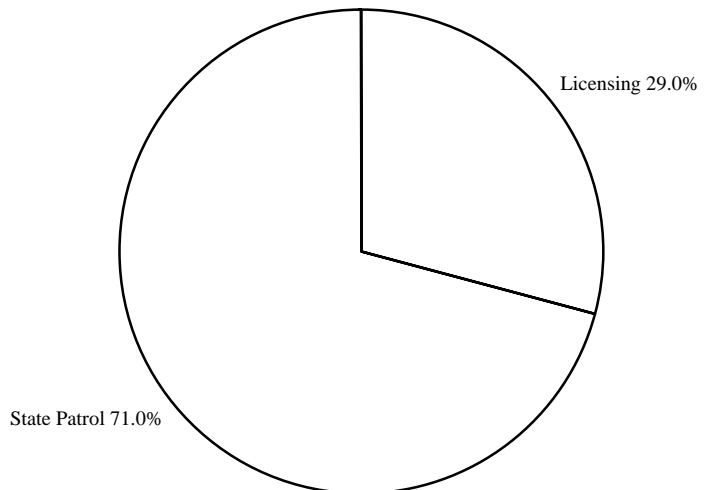
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Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

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Public Schools	15,167,950
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Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

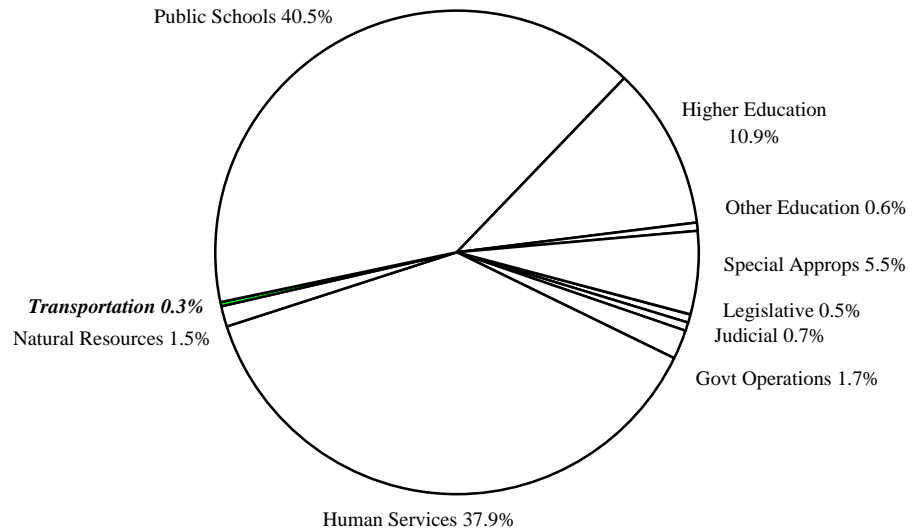
Washington State Patrol	121,666
Dept of Licensing	49,777
Transportation	171,443



Transportation

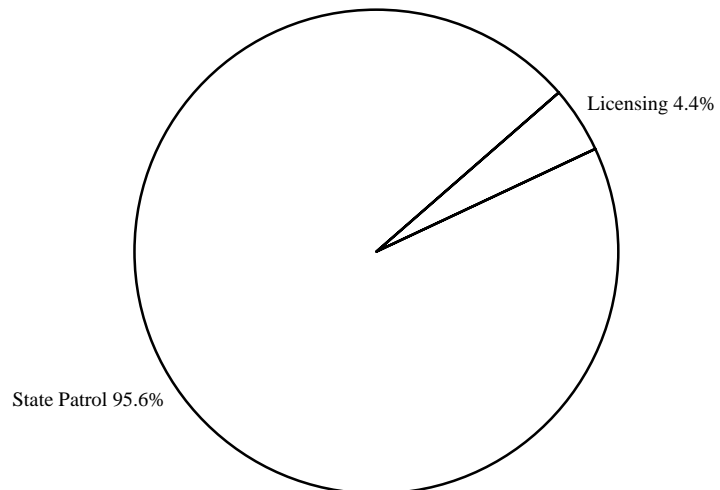
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Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Washington State Patrol	81,829
Dept of Licensing	3,785
Transportation	85,614



Transportation

Department of Licensing

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,727	44,078	47,805
Total Maintenance Changes	8	1,132	1,140
Policy Changes - Non-Comp			
1. License Security Guards	0	463	463
2. Real Estate Consumer Protection	0	367	367
3. Bail Bond/ Bail Bond Recovery Agent	0	64	64
4. Home Construction	87	0	87
5. Home Inspection	0	210	210
Policy -- Non-Comp Total	87	1,104	1,191
Policy Changes - Comp			
6. PEBB Rate Reduction	-37	-322	-359
Policy -- Comp Total	-37	-322	-359
2007-09 Revised Appropriations	3,785	45,992	49,777
Fiscal Year 2008 Total	0	237	237
Fiscal Year 2009 Total	50	545	595

Comments:

1. **License Security Guards** - Funding is provided for the increased workload associated with changes in federal anti-terrorism requirements and fingerprint technology. (Business and Professions Account-State)
2. **Real Estate Consumer Protection** - Funding is provided to enable the Real Estate program to provide more education and informational materials to licensees and consumers on topics and issues related to real estate. Initially, the information will focus on the real estate market, mortgage fraud, and mortgage loan issues. (Real Estate Commission Account-State)
3. **Bail Bond/ Bail Bond Recovery Agent** - Funding is provided to review and process additional documentation required as a result of Chapter 105, Laws of 2008 (ESSB 6437), relating to the regulation of bail bond and bail bond recovery agents. The legislation requires bail bond recovery agents who make a forced entry, whether planned or unplanned, to notify the Department of Licensing (DOL) within 10 days after the forced entry. The Department is also required to consult with representatives of the industry before adopting or amending pre-licensure or continuing education requirements. In addition, performing the duties of a bail bond recovery agent without exercising due care to protect the property and safety of others constitutes unprofessional conduct. (Business and Professions Account-State)
4. **Home Construction** - Funding is provided for DOL to conduct a review of the need for regulation of general and specialty contractors involved in the repair, alteration, or construction of single-family homes. A report of the findings shall be submitted to the appropriate committees of the Legislature by October 1, 2008.
5. **Home Inspection** - Funding is provided to implement Chapter 119, Laws of 2008 (ESSB 6606), which creates a licensing

program for home inspectors. Beginning July 1, 2010, all home inspectors must be licensed with DOL. (Business and Professions Account-State)

6. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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Washington State Patrol

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	86,449	35,731	122,180
Total Maintenance Changes	-4,305	2,832	-1,473
Policy Changes - Non-Comp			
1. ACCESS Platform Migration Phase I	127	0	127
2. Regulation of Health Professionals	0	222	222
3. DNA Backlog	200	0	200
4. DNA Identification	0	656	656
5. Joint Firefighter Training Enhance	0	100	100
6. Expand Seattle Crime Lab	258	170	428
7. Harmonize Hospital Fire Inspections	0	141	141
8. State Toxicologist Staffing	0	205	205
Policy -- Non-Comp Total	585	1,494	2,079
Policy Changes - Comp			
9. PEBB Rate Reduction	-900	-220	-1,120
Policy -- Comp Total	-900	-220	-1,120
2007-09 Revised Appropriations	81,829	39,837	121,666
Fiscal Year 2008 Total	52	34	86
Fiscal Year 2009 Total	-367	1,240	873

Comments:

- ACCESS Platform Migration Phase I** - Funding is provided to begin the process of replacing the "A Central Computerized Enforcement Service System" (ACCESS). Phase I of the project funds a project manager/consultant to conduct the acquisition and a quality assurance consultant who will continue through the completion of the project.
- Regulation of Health Professionals** - Funding is provided pursuant to Chapter 134, Laws of 2008, Partial Veto (4SHB 1103), to conduct national criminal background checks on all out-of-state applicants for health professions credentials to help prevent individuals with criminal convictions in other states from obtaining a credential in Washington. This item funds the costs for the workload impact of an estimated 13,500 additional background checks. (Fingerprint Identification Account-State)
- DNA Backlog** - Funding is provided to reduce the number of convicted offender samples awaiting DNA analysis.
- DNA Identification** - Funding is provided for the costs of testing additional DNA samples from convicted offenders pursuant to Chapter 97, Laws of 2008 (2SHB 2713). (DNA Data Base Account-Non-Appropriated)
- Joint Firefighter Training Enhance** - Additional funding is provided to implement Chapter 290, Laws of 2007 (SB 6119), which authorizes the Washington State Patrol to contract for the operation of a joint firefighter apprenticeship training program. (Fire Services Training Account-State)
- Expand Seattle Crime Lab** - Funding is provided to exercise a city of Seattle option on 15,153 square feet on the fourth floor of the current facility to allow the Chemistry Section to move and the Toxicology Laboratory to expand. (General Fund-State, Death Investigations Account-State)
- Harmonize Hospital Fire Inspections** - Funding and one FTE is provided to allow the Director of Fire Protection to complete fire and life safety inspections for hospitals on an 18-month inspection cycle pursuant to Chapter 155, Laws of 2008 (SSB 6710). (Fire Sprinkler Contractor Account-Non-Appropriated)
- State Toxicologist Staffing** - Funding is provided for a full-time State Toxicologist and an evidence custodian. (Death Investigations Account)
- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

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Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget

	2007 Legislative Session (2007-09 Original Budget)	2008 Legislative Session (2007-09 Including 2008 Supplemental Budget)	Difference	Percent Change
NGFS*	\$13,524,072,000	\$13,621,900,000	\$97,828,000	0.7%
NGFS Per Pupil Funding**	\$6,925	\$6,975	\$50	0.7%

* NGF-S: Near General Fund State (Dollars in thousands)

** Does not include local or federal funding sources or other non-NGF-S accounts

Maintenance Level Changes

A total of \$83.2 million in maintenance level changes are funded in the 2008 supplemental budget. Major items include:

Initiative 732 Cost-of-Living Adjustment (COLA) Increase

The Seattle Consumer Price Index (CPI) used to calculate the 2008-09 school year salary increase required by Initiative 732 is higher than originally expected. I-732 increases are based on CPI data from the last complete calendar year. The 2007 calendar year CPI was estimated at 2.8 percent in the base budget, and the final figure is 3.9 percent. The sum of \$39.1 million General Fund-State is provided to cover the increased costs associated with making this adjustment.

Washington Assessment of Student Learning (WASL) Contract Renewal

Funding of \$25.4 million is provided for projected cost increases associated with administering the current WASL testing system.

Safety Net Adjustment

The amount of \$23.2 million is provided for projected increased costs associated with safety net awards for high cost special education students.

Policy Level Changes

Excluding program transfers, a net total of approximately \$26 million in policy level changes are funded in the 2008 supplemental budget. Major items include:

Student Learning Opportunities

The sum of \$16.0 million General Fund-State is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673 – Student Learning Opportunities), which provides additional support and assistance for students not on track to meet the state or local high school graduation requirements. The bill requires about an 18 percent increase in Learning Assistance Program (LAP) funding to support these activities. A separate LAP enhancement is also provided to high poverty school districts with high concentrations of English Language Learners. To qualify, districts must have a transitional bilingual population greater or equal to 20 percent of total district enrollment and a free/reduced price lunch-eligible population greater or equal to 40 percent of total district enrollment.

0.5 Percent COLA for K-12 Staff

In addition to the I-732 COLA provided in the maintenance-level budget, an additional 0.5 percent salary increase is provided for the 2008-09 school year. The cost of this increase is \$17.8 million General Fund-State. Consistent with I-732 allocation methods, this funding will be allocated on the basis of state-funded staff units, by district.

Special Education Medicaid Enhancement

Beginning with the 2007-08 school year, federal regulations have changed the method by which school districts are reimbursed for school-based Medicaid eligible services. The Department of Social Health Services will now reimburse school districts directly, and state funding is provided to match federal funds. The net effect will be an anticipated \$21.2 million increase in the amount school districts will receive through the state and federal Medicaid program.

Non-Employee Related Cost (NERC) Enhancement

The sum of \$6.5 million General Fund-State is provided to increase the NERC allocation rate. This funding pays for items such as textbooks, computers, educational supplies, and other school costs not related to employee compensation. The average increase per student is about \$6.50 per state fiscal year.

School Librarian Allocation

The sum of \$4.0 million General Fund-State is provided for an allocation of approximately \$4 per student per year to maintain and improve library materials, collections, and services in public schools.

Classified Staffing Ratio Enhancement

In the 2007-09 base budget, the allocation for classified staff in the general apportionment formula was enhanced to one classified staff person for every 59 students. Beginning in the 2008-09 school year, the classified staff ratio is further enhanced to 1 per 58.75 students. The cost of this enhancement is \$3.1 million General Fund-State.

Career and Technical Education

The amount of \$2.8 million General Fund-State is provided for the implementation of Chapter 170, Laws of 2008 (2SSB 6377 – Career and Technical Education). The legislation includes grants and allocations to school districts and skills centers for career and technical education programs and other related activities.

National Board Bonus Pension Benefits

The sum of \$2.1 million General Fund-State is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 – National Board Salary Bonus), which allows individuals qualifying for the National Board for Professional Teaching Standards certification to earn pension benefits on the bonus amounts for receiving certification. The increased costs associated with this legislation are expected to be: a) the increase in the employer share of the pension contribution for national board certified teachers; and b) the increased cost to the pension system to pay the additional retirement benefits associated with the national board bonus amounts.

Levy Equalization

The per pupil inflator is the mechanism by which the state estimates future increases in the levy base, which ultimately determines how much money each school district can raise locally through excess school levies. For the 2008-2009 school year, the per pupil inflator is set at 6 percent, increased from 5.1 percent in the 2007-09 base budget. The primary impact of this change is an increase in local school district levy authority; however, there is also a cost to the state in the form of increased levy equalization payments. The sum of \$1.9 million General Fund-State is provided for the increased costs resulting from this change.

Student Achievement Gap

The amount of \$750,000 General Fund-State is provided to conduct detailed analyses of the achievement gap for African-American, Hispanic, Asian-American, Pacific Islander American, and Native American students. These studies will also recommend a comprehensive plan for closing the achievement gap pursuant to goals under the No Child Left Behind Act and to identify performance measures to monitor adequate yearly progress. The funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to complete the study for African-

American students; the Washington State Commission on Hispanic Affairs to complete the study for Hispanic students; the Commission on Asian-Pacific-American Affairs to complete separate studies for Asian-American students and Pacific Islander American students; and the Governor's Office of Indian Affairs to complete the study for Native American students.

Miscellaneous Increases

The sum of \$5.1 million General Fund-State is provided for a variety of other increases, including: (1) additional funding to continue improvements to the OSPI apportionment system; (2) a school district grant program to implement Chapter 215, Laws of 2008 (2SSB 6483 – Local Farms and Healthy Kids); (3) grants at five skills centers to implement Integrated Basic Education and Skills Training programs; (4) lowering the poverty threshold for National Board teachers to qualify for the challenging school bonus; and (5) an evaluation of math and science teacher supply and demand issues, among other smaller items.

WASL-Related Items

Savings From WASL Changes

A \$15.9 million savings in General Fund-State is achieved by redesigning the WASL in reading, mathematics, and science in the elementary and middle school grades. The redesign will reduce the number of open-ended response items and potentially decrease the number of total test items. Additionally, budget proviso language in the base budget has been modified to clarify the purposes of funding provided for diagnostic testing. The funding is intended to support progress monitoring tools and other diagnostic tests that align with WASL content and provide more timely and targeted feedback about individual student progress.

End-of-Course Exams in Math

A total of \$3.2 million General Fund-State is provided for the implementation of Chapter 163, Laws of 2008 (ESHB 3166 – Assessment of Student Learning). Four end-of-course assessments will be phased in to replace the WASL math test. The math end-of-course assessments will replace the math WASL as a graduation requirement beginning with the class of 2014, although the class of 2013 may pass either test to meet the graduation requirement.

Translated and Accommodated WASL

The sum of \$1.7 million General Fund-State is provided to translate the WASL for math and science in six languages other than English. In addition, funding is provided for enhanced accommodations for students in special education, such as improved Braille forms of the tests and read aloud CDs for dyslexic students.

WASL Legislative Work Group

The sum of \$150,000 General Fund-State is provided for the establishment of a legislative work group on the WASL to review and evaluate the state's assessment system. Additionally, funding is provided for contracting with independent technical experts to advise the WASL work group on best practices in other states and potential options for improving the assessment system. It is anticipated that the work group will complete its review by January 1, 2009.

WASL Transfer Amount to Office of Financial Management

The amount of \$11.4 million General Fund-State is transferred out of the OSPI agency budget and into the Office of Financial Management (OFM) budget. This amount reflects the fiscal year 2009 cost increases for the WASL when combining all maintenance-level and policy-level adjustments. OFM will distribute the money to OSPI via an interagency agreement on a quarterly schedule, based on compliance with the series of requirements outlined in Section 127, subsection 14 of the budget.

Policy Level Reductions

Promoting Academic Success Program Discontinuation

A recent evaluation of the Promoting Academic Success program indicates that overall the program has had little or no effect on student performance. At the end of the 2007-08 school year, the Promoting Academic Success program is discontinued, resulting in a savings of \$19.3 million General Fund-State.

High School Completion Program Termination

In the 2007-09 base budget, funding was provided for Chapter 355, Laws of 2007, which established a pilot program at two community and technical colleges (CTCs) to allow certain students that had not passed the WASL to continue their studies at the CTC beginning in fiscal year 2009. Funding is terminated for the pilot program, resulting in a \$1.0 million state general fund savings.

Indigenous Learning Pilot Elimination

Additionally, in the original 2007-09 budget, funding was provided for OSPI to contract with a company to develop and implement a pilot program for providing indigenous learning curriculum. Since OSPI was unsuccessful in selecting an appropriate contractor for the pilot, funding is eliminated for the program, resulting in a \$1.0 million state general fund savings.

College Readiness Tests Elimination

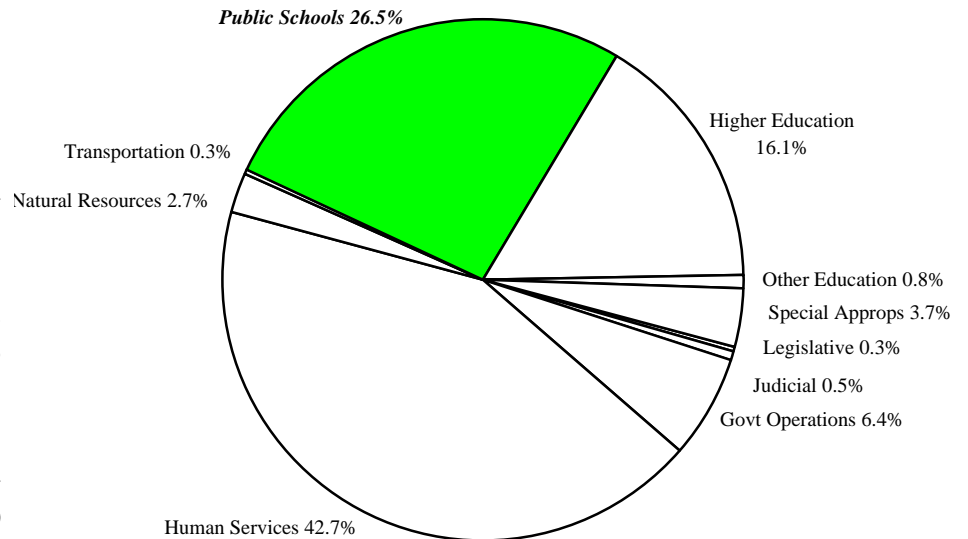
In the original 2007-09 budget, funding was provided for a college readiness test to be administered during the 11th grade beginning in fiscal year 2009. Funding is eliminated for the test, resulting in a savings of \$675,000 General Fund-State.

Achievement Gap Pilot Discontinuation

In fiscal year 2007, a pilot program was established for a partnership program aimed at closing the achievement gap. Beginning in fiscal year 2009, the program is discontinued, resulting in a savings of \$500,000 General Fund-State.

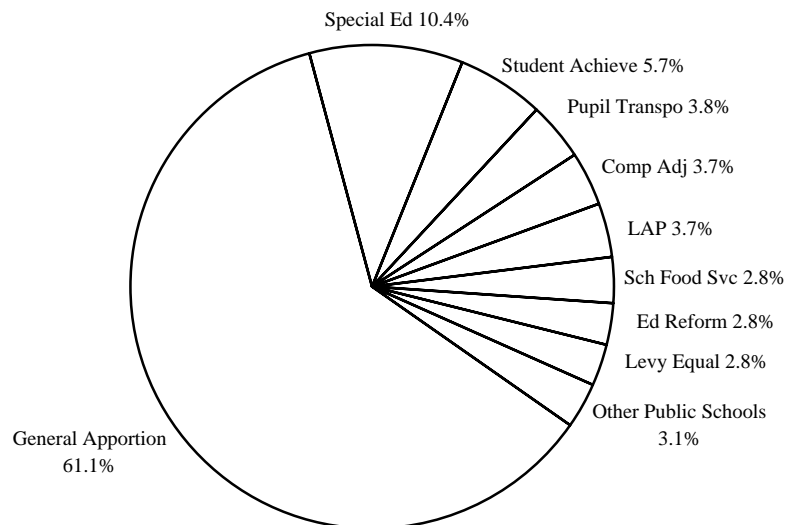
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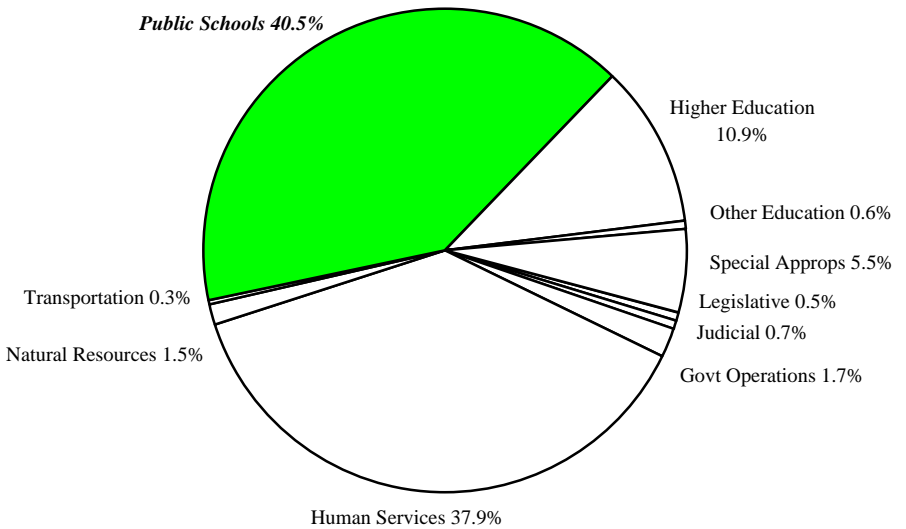
General Apportionment	9,265,714
Special Education	1,575,647
Student Achievement	868,339
Pupil Transportation	574,919
Compensation Adjustments	566,783
Learning Assist Pgm (LAP)	559,648
School Food Services	431,728
Education Reform	430,006
Levy Equalization	423,655
Other Public Schools	471,511
Public Schools	15,167,950



Public Schools

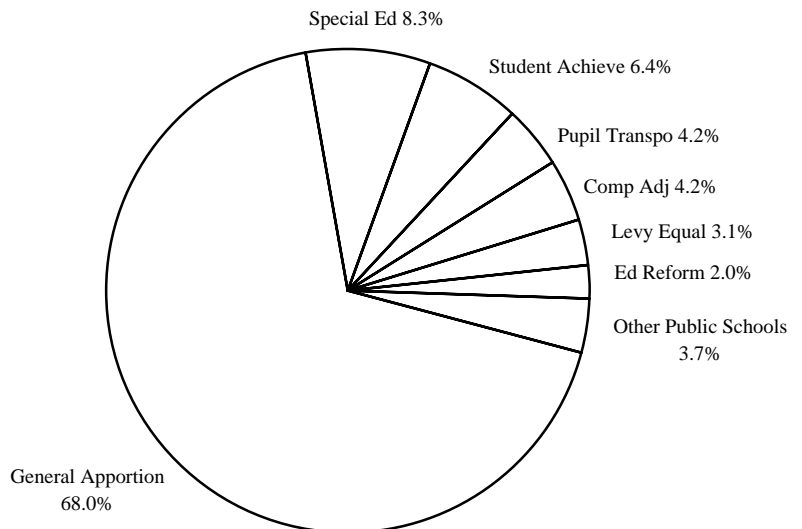
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Public Schools

Public Schools

WORKLOAD HISTORY By School Year

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Estimated 2007-08	2008-09
General Apportionment										
FTE Enrollment ⁽¹⁾	948,485	951,033	956,567	958,846	962,294	966,246	972,079	973,612	975,190	977,857
% Change from prior year		0.3%	0.6%	0.2%	0.4%	0.4%	0.6%	0.2%	0.2%	0.3%
Special Education										
Funded Enrollment ⁽²⁾	115,257	116,709	118,519	119,272	119,887	121,342	121,095	121,511	126,404	127,277
% Change from prior year		1.3%	1.6%	0.6%	0.5%	1.2%	-0.2%	0.3%	4.0%	0.7%
Bilingual Education										
Headcount Enrollment	55,656	59,514	62,522	66,258	70,908	75,255	76,716	76,505	80,497	83,652
% Change from prior year		6.9%	5.1%	6.0%	7.0%	6.1%	1.9%	-0.3%	5.2%	3.9%
Learning Assistance Program										
Entitlement Units ⁽³⁾	184,804	177,763	174,275	170,157	161,864	157,935	N/A	N/A	N/A	N/A
Funded Student Units	N/A	N/A	N/A	N/A	N/A	N/A	408,477	419,033	414,238	416,753
% Change from prior year		-3.8%	-2.0%	-2.4%	-4.9%	-2.4%		2.6%	-1.1%	0.6%

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

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

Data Sources :

1999-00 through 2006-07 amounts are from the Office of the Superintendent of Public Instruction and the Caseload Forecast Council.

2007-08 and 2008-09 estimates are from the Caseload Forecast Council February 2008 forecast and legislative budgets from the 2008 session.

Public Schools OSPI & Statewide Programs

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	75,204	82,275	157,479
Total Maintenance Changes	0	-200	-200
Policy Changes - Non-Comp			
1. Improve Educator Training Phase II	214	0	214
2. Education Litigation	867	0	867
3. Achievement Gap Committee	150	0	150
4. Classified Staff Training	100	0	100
5. Criminal Street Gangs Initiative	180	0	180
6. Dual Credits Workgroup	10	0	10
7. Apportionment and Financial Systems	1,800	0	1,800
8. PESB Study on Teaching ELL Students	67	0	67
9. High School Completion	-1,000	0	-1,000
10. LEAP Bilingual Educator Pgm	150	0	150
11. Nonviolence Training	125	0	125
12. PSAT Funding	300	0	300
13. Math Standards Review	300	0	300
14. World Language Pilot Program	264	0	264
15. Indigenous Learning Pilot Program	-1,000	0	-1,000
16. Math Teacher Supply/Demand Study	142	0	142
17. Use of Physical Force	40	0	40
18. Anaphylactic Policy	45	0	45
19. Model Autism Guidelines	44	0	44
20. World Languages Supervisor	136	0	136
21. Governor Veto	-879	0	-879
Policy -- Non-Comp Total	2,055	0	2,055
Policy Changes - Comp			
22. PEBB Rate Reduction	-343	-284	-627
Policy -- Comp Total	-343	-284	-627
2007-09 Revised Appropriations	76,916	81,791	158,707
Fiscal Year 2008 Total	-154	0	-154
Fiscal Year 2009 Total	1,866	-284	1,582

Comments:

1. **Improve Educator Training Phase II** - One-time funding is provided for the Professional Educator Standards Board (PESB) to partner with one or more teacher preparation programs to test implementation of an intensive classroom-based, performance-oriented educator training program. The program will serve approximately 50 teacher candidates.
2. **Education Litigation** - One-time funding is provided to support additional services from the Office of the Attorney General for activities related to education litigation, the costs of which will be billed to the Office of the Superintendent of Public Instruction (OSPI).
3. **Achievement Gap Committee** - Funding is provided to implement Chapter 298, Laws of 2008 (2SHB 2722). The Center for the Improvement of Student Learning will convene an advisory committee to conduct an analysis of the achievement gap for African-American students and recommend policies designed to close the gap.
4. **Classified Staff Training** - Funding is provided to implement Chapter 65, Laws of 2008 (2SHB 2870). OSPI will create a training strand through the Summer Accountability Institutes and January Conference for classified instructional assistants.
5. **Criminal Street Gangs Initiative** - Funding was provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). OSPI was provided funding to create a brochure to help teachers and parents learn about criminal street gangs and their activities. This item was vetoed (please see Governor Veto item below).
6. **Dual Credits Workgroup** - Funding is provided to OSPI to convene a work group to develop a strategic plan for statewide

Public Schools OSPI & Statewide Programs

coordination of dual credit programs. This item was vetoed (please see Governor Veto item below).

7. **Apportionment and Financial Systems** - Portions of the current K-12 state funding system are dependent upon a COBOL program operating on a VAX-platform. The VAX and COBOL systems are no longer supported by software and equipment manufacturers and are considered to be operating beyond their useful life cycle. One-time funding is provided to substantially complete the upgrade of the apportionment and financial systems at OSPI. The final phase of the project is expected to cost \$400,000 and will be completed by FY 2010.
8. **PESB Study on Teaching ELL Students** - Funding is provided to implement Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). PESB will convene a work group to develop recommendations for increasing teacher knowledge, skills, and competencies in meeting the instructional needs of English language learner (ELL) students.
9. **High School Completion** - Funding for Chapter 355, Laws of 2007, Partial Veto (HB 1051), which created the high school completion program, is eliminated.
10. **LEAP Bilingual Educator Pgm** - Funding is provided for a bilingual educator pilot program designed to mentor talented bilingual high school students to become public school teachers and work with ELL populations. The Latino/a Educational Achievement Project (LEAP) will work with school districts to mentor no fewer than 50 bilingual students in their junior year of high school. Students will be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.
11. **Nonviolence Training** - Additional funding is provided for the nonviolence and leadership training programs delivered by the Institute For Community Leadership. The program provides nonviolence leadership workshops in elementary, middle, and high schools throughout Washington. This item was vetoed (please see Governor Veto item below).
12. **PSAT Funding** - Funding is provided to defray costs associated with offering the Preliminary Scholastic Aptitude Test (PSAT) to 10th grade public high school students. The funding provided is a fixed amount and does not operate as an entitlement for free PSAT testing for all students. As a first priority, OSPI will provide funding for the number of students eligible for free or reduced price lunch taking the PSAT. Within remaining funds, OSPI may provide full or partial funding for other students taking the PSAT, as funds will allow. OSPI may reduce administrative burdens for districts and families by processing reimbursements directly through the Educational Testing Service company but must do so in a manner that does not create additional administrative or financial barriers to students taking the test. OSPI must also be able to produce payment records that reconcile to the actual number of PSAT test takers. This item was vetoed (please see Governor Veto item below).
13. **Math Standards Review** - Funding is provided for additional costs associated with the State Board of Education's review of proposed mathematics standards and curriculum. It is intended that the revised mathematics standards will set higher expectations for Washington's students by: (1) fortifying content and increasing rigor; (2) providing greater clarity, specificity, and measurability about what is expected of students in each grade; (3) supplying more explicit guidance to educators about what to teach and when; and (4) enhancing the relevance of mathematics to students' lives.
14. **World Language Pilot Program** - Funding is provided to allow two school districts to establish a pilot program based on sequentially-articulated Spanish and Chinese language instruction in elementary schools. This item was vetoed (please see Governor Veto item below).
15. **Indigenous Learning Pilot Program** - In the original 2007-09 budget, funding was provided for OSPI to contract with a company to develop and implement a pilot program for providing indigenous learning curriculum and standards-specific online learning programs based on the recommended standards in Chapter 205, Laws of 2005. Since OSPI was unsuccessful in selecting an appropriate contractor for the pilot, funding is eliminated for the program.
16. **Math Teacher Supply/Demand Study** - Funding is provided for PESB to conduct a comprehensive analysis of math and science teacher supply and demand issues. By December 1, 2008, PESB will submit a final report that includes: (1) specific information on the current number of math and science teachers assigned to teach mathematics and science both with and without appropriate certification in those subjects; (2) projected demand information for K-12 mathematics and science teachers; (3) specific recommendations on how the demand will be met through recruitment programs, alternative route certification programs, potential financial incentives, retention strategies, and other efforts; and (4) identification of strategies to improve the rigor and productivity of state-funded mathematics and science teacher preparation programs. As part of the final report, PESB and the Washington State Institute for Public Policy will provide information on differential pay for teachers in high-demand subject areas such as mathematics and science.
17. **Use of Physical Force** - Funding is provided for the Washington State School Directors' Association to facilitate a school disciplinary action task force to review and make recommendations on a model policy regarding the use of physical force in schools.
18. **Anaphylactic Policy** - Funding is provided for the implementation of Chapter 173, Laws of 2008 (SSB 6556), which requires OSPI, in consultation with the Department of Health, to develop anaphylactic policy guidelines for schools to prevent anaphylaxis and deal with medical emergencies resulting from it.

Public Schools OSPI & Statewide Programs

19. **Model Autism Guidelines** - Funding is provided for the implementation of Chapter 220, Laws of 2008, Partial Veto (SSB 6743), which provides funding for the development of model policies and guidelines for autism instruction and training.
20. **World Languages Supervisor** - Funding is provided for OSPI to create a world language supervisor position.
21. **Governor Veto** - The Governor vetoed subsections (2)(a)(vi), (2)(a)(x), (2)(c)(xv), (2)(c)(xvi), (2)(c)(xviii) of Section 501 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (2)(a)(vi) provided additional funding for a nonviolence and leadership training program provided by the Institute for Community Leadership. Subsection (2)(a)(x) provided funding to create a brochure to educate people on gang activities in schools and communities. Subsection (2)(c)(xv) provided funding for a pilot program in two school districts to provide sequentially articulated Spanish and Chinese language instruction in elementary schools. Subsection (2)(c)(xvi) provided funding for reimbursements to school districts for costs associated with offering the preliminary scholastic aptitude test (PSAT) to 10th grade students. Subsection (2)(c)(xviii) provided funding for a work group to develop a strategic plan for statewide coordination of dual credit programs.
22. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Schools General Apportionment

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	9,273,543	0	9,273,543
Total Maintenance Changes	-17,716	0	-17,716
Policy Changes - Non-Comp			
1. Classified Staff Ratio	2,530	0	2,530
2. NERC Enhancement	5,692	0	5,692
3. National Board Pension Benefits	1,665	0	1,665
Policy -- Non-Comp Total	9,887	0	9,887
2007-09 Revised Appropriations	9,265,714	0	9,265,714
Fiscal Year 2009 Total	9,887	0	9,887

Comments:

1. **Classified Staff Ratio** - Based on enhanced funding provided in the original 2007-09 budget, the current general apportionment formula allocates one classified staff for every 59 students. Beginning in the 2008-09 school year, additional funding is provided to lower the classified staff ratio to one classified staff for every 58.75 students.
2. **NERC Enhancement** - Funding is provided to increase the non-employee related cost (NERC) allocation rate. This funding pays for items such as textbooks, computers, educational supplies, and other school costs not related to employee compensation. The NERC rate will increase an additional \$126 per certificated staff person above inflationary adjustment increases. Special NERC rates for vocational education and skill centers go up about \$310 and \$240 per certificated staff person, respectively. The average additional increase per student is about \$6.50.
3. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	510,536	243	510,779
Total Maintenance Changes	38,314	23	38,337
Policy Changes - Non-Comp			
1. COLA Enhancement	17,766	9	17,775
2. Classified Staff Ratio	247	0	247
3. Eliminate PAS Funding	-1,570	0	-1,570
4. National Board Pension Benefits	175	0	175
5. Student Learning Opportunities	1,040	0	1,040
Policy -- Non-Comp Total	17,658	9	17,667
2007-09 Revised Appropriations	566,508	275	566,783
Fiscal Year 2009 Total	17,658	9	17,667

Comments:

1. **COLA Enhancement** - In addition to the Initiative 732 (I-732) cost-of-living adjustments (COLA) provided in the maintenance-level budget, an additional 0.5 percent salary increase is provided. Similar to the I-732 allocations, the funding will be generated based on state-funded staff units, by district. (General Fund-State, General Fund-Federal)
2. **Classified Staff Ratio** - Enhancing the classified staffing ratio will increase state funding to districts for staffing, which in turn increases the cost of I-732 salary increases and health benefit changes.
3. **Eliminate PAS Funding** - The discontinuation of the Promoting Academic Success (PAS) program will decrease state funding amounts needed for I-732 salary increases and health benefit changes.
4. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
5. **Student Learning Opportunities** - Enhancing the Learning Assistance Program, as part of the funding of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673), will increase state funding to districts for staffing and will, in turn, increase the cost of I-732 salary increases and health benefit changes.

**Public Schools
Pupil Transportation**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	552,428	0	552,428
Total Maintenance Changes	22,491	0	22,491
<hr/>			
2007-09 Revised Appropriations	574,919	0	574,919
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Comments:

There were no policy level changes.

Public Schools Special Education

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,112,927	435,735	1,548,662
Total Maintenance Changes	25,894	-43	25,851
Policy Changes - Non-Comp			
1. Classified Staff Ratio	312	0	312
2. NERC Enhancement	624	0	624
3. National Board Pension Benefits	198	0	198
Policy -- Non-Comp Total	1,134	0	1,134
2007-09 Revised Appropriations	1,139,955	435,692	1,575,647
Fiscal Year 2009 Total	1,134	0	1,134

Comments:

1. **Classified Staff Ratio** - Funding is provided for the special education impacts associated with enhancing the general apportionment classified staff ratio to one per 58.75 students in the 2008-09 school year. Currently, the general apportionment formula allocates one classified staff for every 59 students.
2. **NERC Enhancement** - The non-employee related cost (NERC) enhancements funded in general apportionment increase the special education excess cost allocation rate and, therefore, total special education program allocations.
3. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SS 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Public Schools Educational Service Districts

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	16,047	0	16,047
Total Maintenance Changes	-2	0	-2
Policy Changes - Non-Comp			
1. Foster Care Initiative	250	0	250
2. National Board Pension Benefits	3	0	3
3. Student Learning Opportunities	1,469	0	1,469
4. Governor Veto	-1,718	0	-1,718
Policy -- Non-Comp Total	4	0	4
2007-09 Revised Appropriations	16,049	0	16,049
Fiscal Year 2009 Total	4	0	4

Comments:

1. **Foster Care Initiative** - Funding is provided for implementation of Chapter 297, Laws of 2008, Partial Veto (SHB 2679). The Puget Sound Educational Service District (PSESD) will designate a foster care program supervisor and will administer a grant program to improve stability and educational outcomes for students in foster care. This item was vetoed (please see Governor Veto item below).
2. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
3. **Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the Learning Assistance Program (LAP) budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of English language learners in high poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for the Office of the Superintendent of Public Instruction to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using career and technical education as the delivery model. This item was vetoed (please see Governor Veto item below).
4. **Governor Veto** - The Governor vetoed subsections (4), (5), and (6) of Section 507 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (4) provided funding for reading improvement specialist positions in each of the nine ESDs. Subsection (5) provided funding for community outreach programs at the ESDs. Subsection (6) provided funding for the PSESD to designate a foster care program supervisor and establish a grant program to improve educational outcomes for students in foster care.

**Public Schools
Levy Equalization**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	414,704	0	414,704
Total Maintenance Changes	7,056	0	7,056
Policy Changes - Non-Comp			
1. Increased PPI	1,895	0	1,895
Policy -- Non-Comp Total	1,895	0	1,895
2007-09 Revised Appropriations	423,655	0	423,655
Fiscal Year 2009 Total	1,895	0	1,895

Comments:

1. **Increased PPI** - Funding is provided for the increased state levy equalization costs resulting from increasing the per pupil inflator (PPI) to 6 percent or 0.9 percent beyond the level previously assumed. The PPI is a factor used in the calculation of the amounts that can be collected through local maintenance and operations school district levies, and it impacts state levy equalization payments.

**Public Schools
Institutional Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	36,814	0	36,814
Total Maintenance Changes	2,048	0	2,048
Policy Changes - Non-Comp			
1. National Board Pension Benefits	7	0	7
Policy -- Non-Comp Total	7	0	7
2007-09 Revised Appropriations	38,869	0	38,869
Fiscal Year 2009 Total	7	0	7

Comments:

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	17,175	0	17,175
Total Maintenance Changes	-7	0	-7
Policy Changes - Non-Comp			
1. National Board Pension Benefits	3	0	3
Policy -- Non-Comp Total	3	0	3
2007-09 Revised Appropriations	17,171	0	17,171
Fiscal Year 2009 Total	3	0	3

Comments:

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Public Schools Education Reform

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	265,170	153,578	418,748
Total Maintenance Changes	26,346	0	26,346
Policy Changes - Non-Comp			
1. College Readiness Test for 11th Grd	-675	0	-675
2. Integrate ELL and Skills Training	250	0	250
3. Translated & Accommodated WASL	1,682	0	1,682
4. Achievement Gap Project	-500	0	-500
5. Chinese Exchange Program	70	0	70
6. National Board Enhancement	577	0	577
7. Robotics Programs	150	0	150
8. Transfer WASL Funding to OFM	-11,372	0	-11,372
9. End of Course Tests	3,249	0	3,249
10. Career and Technical Education	2,750	0	2,750
11. School Librarian Allocation	4,000	0	4,000
12. Student Learning Opportunities	600	0	600
13. Local Farms & Healthy Kids	600	0	600
14. WASL Workgroup	150	0	150
15. WASL Changes	-15,885	0	-15,885
16. Governor Veto	-570	0	-570
Policy -- Non-Comp Total	-14,924	0	-14,924
Policy Changes - Comp			
17. PEBB Rate Reduction	-115	-49	-164
Policy -- Comp Total	-115	-49	-164
2007-09 Revised Appropriations	276,477	153,529	430,006
Fiscal Year 2009 Total	-15,039	-49	-15,088

Comments:

1. **College Readiness Test for 11th Grd** - Funding provided in the original 2007-09 budget for college readiness assessment fees for 11th grade students is eliminated.
2. **Integrate ELL and Skills Training** - Funding is provided for programs integrating English language learners (ELL) instruction with workforce training at the community and technical colleges. One-time grants are provided to support five skills centers implementing Integrated Basic Education and Skills Training programs.
3. **Translated & Accommodated WASL** - Funding is provided to translate the Washington Assessment of Student Learning (WASL) for math and science in six languages other than English. In addition, funding is provided for enhanced accommodations for students in special education, such as improved Braille forms of the tests and read aloud CDs for dyslexic students.
4. **Achievement Gap Project** - Funding provided in the 2007-09 base budget for an achievement gap pilot program is eliminated for the second year of the biennium.
5. **Chinese Exchange Program** - Funding is provided to support the Chinese Exchange Program at the Peninsula School District. The funding shall support scholarships, educational programs, and travel costs for students facing financial obstacles to participation in the program. This item was vetoed (please see Governor Veto item below).
6. **National Board Enhancement** - National Board-certified teachers who teach in high poverty schools (defined as having free/reduced price lunch eligibility rates exceeding 70 percent) receive bonuses of \$5,000 under current law. Effective for the 2008-09 school year, funding is provided to change the definition of high poverty school for middle schools and high schools, making more teachers eligible for the bonus. The middle school high poverty threshold is reduced to 60 percent, and the high school threshold is reduced to 50 percent. This change is anticipated to make an additional 105 teachers eligible for the bonus in 2008-09 school year. Additionally, language is added to the budget stipulating that National Board-certified teachers who subsequently become principals will continue to receive the high poverty school bonus.
7. **Robotics Programs** - Funding is provided to support For Inspiration and Recognition of Science and Technology robotics programs in public high schools throughout the state. Grants not exceeding \$10,000 per school will be available to

Public Schools Education Reform

schools to enhance participation in current robotics programs, as well as start up new programs.

8. **Transfer WASL Funding to OFM** - In the maintenance level budget, \$25.4 million is added for increased costs associated with the development and implementation of the WASL. A portion of the increased funding is transferred from the Office of Superintendent of Public Instruction (OSPI) to the Office of Financial Management (OFM). It is assumed that OFM will develop an interagency agreement with OSPI for the expenditure of these funds based on compliance with certain requirements. Please see the related item in the agency detail for OFM.
9. **End of Course Tests** - Funding is provided for the implementation of Chapter 163, Laws of 2008 (ESHB 3166). Four end-of-course assessments will be phased in to replace the high school WASL math test: Algebra, Geometry, Integrated Math I, and Integrated Math II. The math end-of-course assessments will replace the math WASL as a graduation requirement beginning with the class of 2014, although the class of 2013 may pass either test to meet the graduation requirement.
10. **Career and Technical Education** - Funding in the amount of \$2.75 million in FY 2009 is provided for the implementation of Chapter 170, Laws of 2008 (2SSB 6377). Of the amounts provided, \$1.7 million is provided for implementation of section 105 (high-demand programs), \$350,000 is provided for implementation of section 107 (programs of study), \$400,000 is provided for implementation of section 201 (course equivalencies and integrated curriculum grants), \$25,000 is provided for implementation of section 205 (collections of evidence for career and technical education), \$150,000 is provided for the implementation of sections 301 and 303 (Career and Technical Education [CTE] campaign and Navigation 101 programs), \$50,000 is provided for the implementation of section 302 (certification exam fees), and \$75,000 is provided for the implementation of section 308 (technical high school study).

Summer school CTE programs are funded at an amount of \$500,000 as part of a separate bill (Chapter 321, Laws of 2008, Partial Veto - E2SSB 6673 - Learning Opportunities).
11. **School Librarian Allocation** - Funding is provided for an allocation of approximately four dollars per student to maintain and improve library materials, collections, and services.
12. **Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the Learning Assistance Program (LAP) budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of ELL in high-poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for OSPI to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using CTE as the delivery model. This item was partially vetoed (please see Governor Veto item below).
13. **Local Farms & Healthy Kids** - Funding is provided for the implementation of Chapter 215, Laws of 2008 (2SSB 6483). Of the amount provided, a maximum of \$30,000 is to be used for administrative costs, and at least \$570,000 is provided for grants to school districts for the purpose of making fresh fruits and vegetables available to students as a snack during the school day.
14. **WASL Workgroup** - Funding is provided for the establishment of a legislative work group on the WASL to review and evaluate the state's assessment system. Additionally, funding is provided for contracting with independent technical experts to advise the WASL work group on best practices in other states and potential options for improving the assessment system. It is anticipated that the work group will complete its review by January 1, 2009.
15. **WASL Changes** - Savings are achieved by: (1) redesigning the WASL in reading, mathematics, and science by shortening test administration; (2) reducing the number of open-ended response items; (3) potentially decreasing the number of items utilized in the assessment, particularly in grades tested as a result of the federal No Child Left Behind Act; and (4) other efficiencies in the WASL contractor procurement process. It is also assumed that funding provided in the original 2007-09 base budget will allow school districts to implement diagnostic assessments and progress monitoring tools that will provide more immediate and targeted information on student progress during the school year.
16. **Governor Veto** - The Governor vetoed subsections (46) and (48) of Section 511 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (46) provided funding for summer programs for middle and high school students to explore career opportunities in math, science, and technology through CTE programs, pursuant to 2SSB 6673 (Student Learning Opportunities). Subsection (48) created a Chinese language exchange program in the Peninsula School District.
17. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Public Schools
Transitional Bilingual Instruction

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	134,537	45,243	179,780
Total Maintenance Changes	584	0	584
Policy Changes - Non-Comp			
1. National Board Pension Benefits	34	0	34
Policy -- Non-Comp Total	34	0	34
2007-09 Revised Appropriations	135,155	45,243	180,398
Fiscal Year 2009 Total	34	0	34

Comments:

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

Public Schools Learning Assistance Program (LAP)

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	189,901	360,660	550,561
Total Maintenance Changes	-5,915	0	-5,915
Policy Changes - Non-Comp			
1. NERC Enhancement	145	0	145
2. National Board Pension Benefits	47	0	47
3. Student Learning Opportunities	14,810	0	14,810
Policy -- Non-Comp Total	15,002	0	15,002
2007-09 Revised Appropriations	198,988	360,660	559,648
Fiscal Year 2009 Total	15,002	0	15,002

Comments:

1. **NERC Enhancement** - The Learning Assistance Program (LAP) generates funding based on the calculated costs of certificated instructional staff provided for the program. Because certificated instructional staff generate non-employee related costs (NERC), the NERC enhancements in general apportionment increase costs for LAP.
2. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
3. **Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the LAP budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of English language learners in high-poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for the Office of the Superintendent of Public Instruction to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using career and technical education as the delivery model.

Public Schools
Promoting Academic Success

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	48,997	0	48,997
Total Maintenance Changes	-14,427	0	-14,427
Policy Changes - Non-Comp			
1. Eliminate PAS Funding	-17,715	0	-17,715
2. National Board Pension Benefits	12	0	12
Policy -- Non-Comp Total	-17,703	0	-17,703
2007-09 Revised Appropriations	16,867	0	16,867
Fiscal Year 2009 Total	-17,703	0	-17,703

Comments:

1. **Eliminate PAS Funding** - At the end of the 2007-08 school year, the Promoting Academic Success (PAS) program is discontinued.
2. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

**Public Schools
Student Achievement Program**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	869,771	0	869,771
Total Maintenance Changes	-1,432	0	-1,432
<hr/>			
2007-09 Revised Appropriations	868,339	0	868,339
<hr/>			

Comments:

There were no policy level changes.

Higher Education

The 2008 Supplemental Budget provides additional higher education funding in the areas of career training and apprenticeships; faculty and staff compensation; increased access; financial aid; and research support.

Career Training

A total of \$4.5 million is provided to support apprenticeship and training programs in the aerospace and health care career fields.

- \$3.0 million is provided to the State Board for Community and Technical Colleges (SBCTC) to support apprenticeships in the aerospace sector. Of the \$3.0 million, \$2.15 million is to support program development, curriculum development, equipment purchases, training, and related expenses of the apprenticeship program. The remaining \$85,000 is to support 130 enrollment slots at no more than three community and technical colleges, with at least one college being located east of the Cascade Mountains.
- \$1.5 million is provided for SBCTC to disburse competitive grants to labor, management, and college partnerships. These grants will be used to develop or expand and to evaluate innovative training programs for current hospital workers that lead to careers in nursing and other high-demand health care fields.

Compensation

SBCTC received an additional \$5.5 million General Fund-State for two cost-of-living adjustments (COLA) for faculty and staff covered by the provisions of Initiative 732. First, \$3.8 million General Fund-State is provided because, using updated consumer price index data, the required fiscal year 2009 COLA is 3.9 percent, rather than the 2.8 percent originally budgeted. Second, \$1.7 million General Fund-State is provided for an additional 0.5 percent COLA increase for all I-732-eligible employees in the Community and Technical College System.

Additionally, \$0.5 million is provided to convert some part-time community and technical college faculty positions from part-time to full-time status. Particular emphasis is to be placed upon increasing the number of full-time faculty in mathematics, science, adult basic education, early childhood education, and English.

Increasing Access

- \$500,000 is provided for Washington State University Extension Services to promote the diffusion of information and communications technology in low-income and under-served communities throughout the state.
- \$100,000 is provided for the Higher Education Coordinating Board (HECB) to convene interested parties from Snohomish, Island, and Skagit Counties to consider the November 2007 site options and recommendations for a new campus of the University of Washington (UW) in Snohomish County. The plan is to be developed in consultation with a committee of local business, community, and educational leaders. A preferred site recommendation is due to the Legislature by December 1, 2008.
- \$212,000 is provided to the HECB to work with community, business, and educational leaders in Clallam, Kitsap, Jefferson, and Mason Counties to develop plans for establishing a university center in the Kitsap County area.

Financial Aid

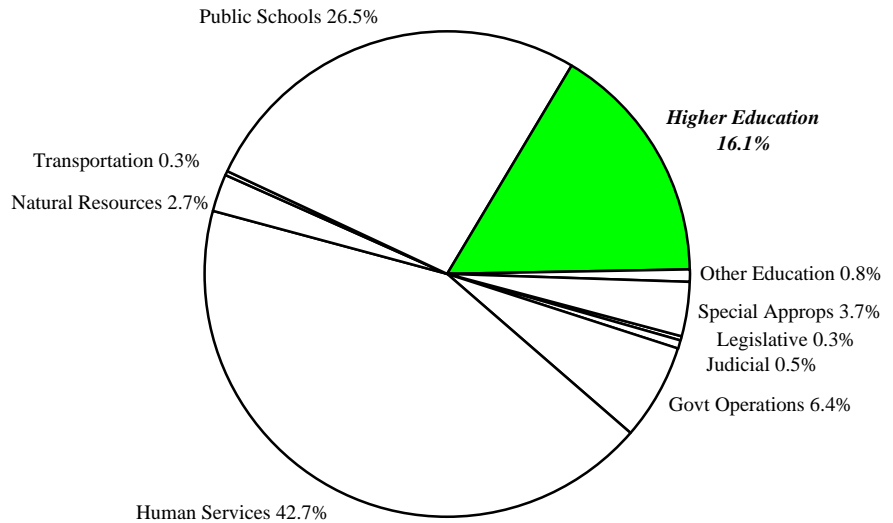
- \$1.3 million is provided to increase the number of students and practitioners who receive scholarships and loans through the Health Professional Scholarship and Conditional Loan program. Priority is to be given to primary care providers employed or seeking employment in organizations that serve a disproportionate number of uninsured patients.

Research Support

- \$1.0 million is provided to support the UW's e-Science initiative, which will provide infrastructure and consulting expertise to university researchers in advanced computational techniques needed to capture, store, organize, access, mine, and interpret massive data sets.

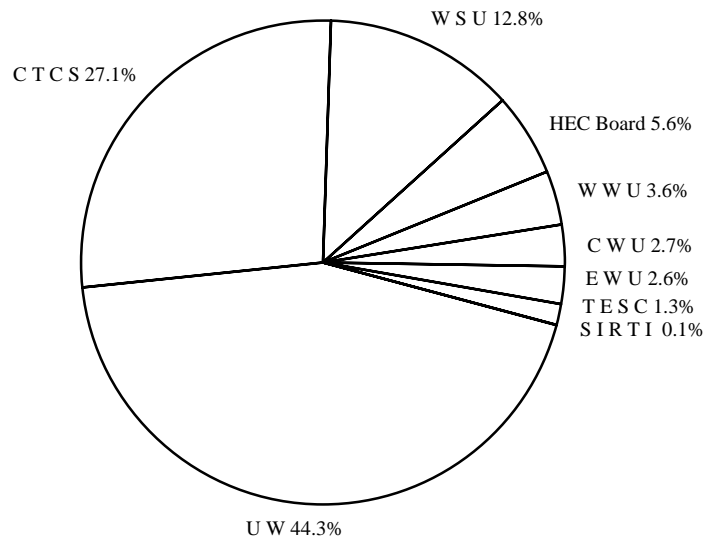
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

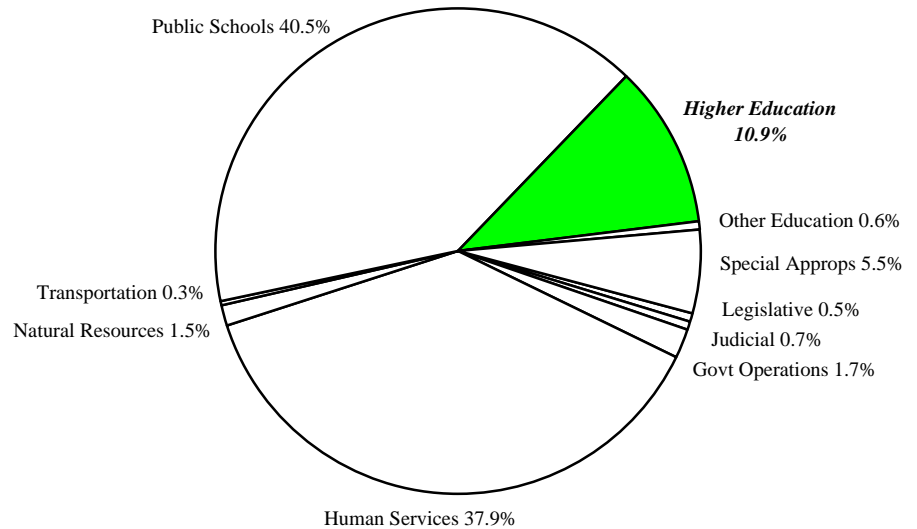
Univ of Washington	4,077,377
Community & Tech Colleges	2,496,941
Washington State Univ	1,180,752
Higher Ed Coord Bd	517,201
Western Washington Univ	328,812
Central Washington Univ	251,545
Eastern Washington Univ	238,652
The Evergreen State Coll	116,782
Spokane Intercollegiate	4,872
Higher Education	9,212,934



Higher Education

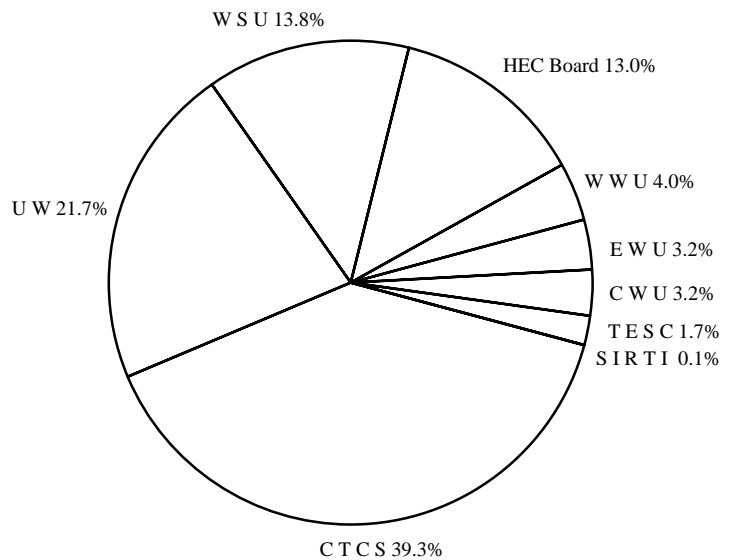
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Community & Tech Colleges	1,436,724
Univ of Washington	792,417
Washington State Univ	503,371
Higher Ed Coord Bd	474,167
Western Washington Univ	146,392
Eastern Washington Univ	117,301
Central Washington Univ	116,138
The Evergreen State Coll	63,773
Spokane Intercollegiate	3,463
Higher Education	3,653,746



Higher Education

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment							Budgeted	
	<u>2000-01</u> ⁽¹⁾	<u>2001-02</u> ⁽¹⁾	<u>2002-03</u> ⁽¹⁾	<u>2003-04</u> ⁽¹⁾	<u>2004-05</u> ⁽¹⁾	<u>2005-06</u> ⁽¹⁾	<u>2006-07</u> ⁽¹⁾	<u>2007-08</u>	<u>2008-09</u>
Community & Technical Colleges	135,356	133,962	139,753	138,241	131,489	130,933	132,176	136,102	139,237
Four-Year Schools	84,784	87,969	89,511	90,075	91,358	91,547	92,182	93,586	95,670
University of Washington	34,966	36,647	36,963	36,316	36,357	36,022	36,647	37,651	38,526
Washington State University	19,473	19,955	20,311	20,542	21,157	21,301	21,244	21,800	22,250
Eastern Washington University	8,081	8,421	8,700	8,956	9,126	9,281	9,189	8,996	9,184
Central Washington University	7,287	7,672	8,106	8,657	8,885	9,057	9,204	8,952	9,322
The Evergreen State College	3,786	4,009	4,054	4,099	4,120	4,131	4,114	4,165	4,213
Western Washington University	11,191	11,265	11,377	11,505	11,713	11,755	11,784	12,022	12,175
HECB Timber Workers	48	0	0	0	0	0	0	0	0
Total Higher Education	220,188	221,931	229,264	228,316	222,847	222,480	224,358	229,688	234,907

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

Higher Education
Budgeted Enrollment Increases
 By Academic Year

	FTE Student Enrollment				
	Budgeted Level 2006-07	Increase for 2007-08	Total Budgeted 2007-08	Increase for 2008-09	Total Budgeted 2008-09
Community & Technical Colleges	133,307	2,795	136,102	3,135	139,237
Four-Year Schools	91,686	1,900	93,586	2,084	95,670
University of Washington	36,776	875	37,651	875	38,526
Seattle	33,367	415	33,782	415	34,197
Bothell	1,540	220	1,760	220	1,980
Tacoma	1,869	240	2,109	240	2,349
Washington State University	21,400	400	21,800	450	22,250
Pullman/Spokane	18,982	130	19,112	160	19,272
Tri-Cities	730	70	800	65	865
Vancouver	1,688	200	1,888	225	2,113
Eastern Washington University	8,946	50	8,996	188	9,184
Central Washington University	8,692	260	8,952	370	9,322
The Evergreen State College	4,143	22	4,165	48	4,213
Western Washington University	11,729	293	12,022	153	12,175
Total Higher Education	224,993	4,695	229,688	5,219	234,907

Note: Subject to fulfilling OFM reporting requirements, the research universities may reassign budgeted FTEs among main and branch campuses at the start of an academic year.

Community & Technical College System

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	1,448,199	1,062,449	2,510,648
Total Maintenance Changes	6,398	228	6,626
Policy Changes - Non-Comp			
1. Child Care Institutional Grants	500	0	500
2. 21st Century Library Resources	750	0	750
3. Health Care Career Advancement	1,500	0	1,500
4. Aerospace Apprenticeships	3,000	0	3,000
5. Job Skills Fund Source Change	-2,950	2,950	0
6. Gateway Center HCC	75	0	75
7. English Language Learners	50	0	50
8. Adult Literacy Education	115	0	115
9. Employee Resource Center	1,178	0	1,178
10. Part-Time Faculty Conversion	500	0	500
11. Governor Veto	-1,365	0	-1,365
Policy -- Non-Comp Total	3,353	2,950	6,303
Policy Changes - Comp			
12. PEBB Rate Reduction	-22,943	-5,504	-28,447
13. COLA for I-732 Eligible Employees	1,717	94	1,811
Policy -- Comp Total	-21,226	-5,410	-26,636
2007-09 Revised Appropriations	1,436,724	1,060,217	2,496,941
Fiscal Year 2009 Total	-17,873	-2,460	-20,333

Comments:

1. **Child Care Institutional Grants** - Funding is provided to increase child care support for students enrolled in the state's community and technical colleges. Funding is increased from \$50,000 per year to a new total of \$550,000 per year. This item was vetoed (please see Governor Veto item below).
2. **21st Century Library Resources** - Funding is provided to purchase licenses that will allow all community and technical college students access to specialized online periodicals, journals, and books. This item was vetoed (please see Governor Veto item below).
3. **Health Care Career Advancement** - Funding is provided to develop and implement partnerships to train incumbent health care workers for careers in nursing and other high-demand health care fields. Funds are to be awarded on a competitive basis to partnerships of labor, management, and colleges. The projects are to enhance access to career advancement training for current hospital workers and expand the colleges' capacity to train more workers in nursing and other allied health fields.
4. **Aerospace Apprenticeships** - Funding is provided to design, develop, and implement new and increased apprenticeship opportunities in the aerospace industry.
5. **Job Skills Fund Source Change** - Funding for the job skills program at the community and technical colleges is shifted from the state general fund to the Administrative Contingency Account. (General Fund-State, Administrative Contingency Account-State)
6. **Gateway Center HCC** - Funding is provided for an educational career coach at the Highline Community College (HCC) Gateway Center. The Gateway Center provides career re-certification coursework and coaching, integrated English as a second language instruction, and short-term professional courses to close skills gaps for adult immigrants and refugees who have formal training in health care.
7. **English Language Learners** - Funds are provided for Renton Technical College to implement and expand partnerships with area businesses that provide opportunities for low-wage working immigrants and refugees to receive instruction in English language and work-related skills at their places of work.
8. **Adult Literacy Education** - Funding is provided to conduct a media campaign to increase public awareness about the availability of adult, family, and workforce literacy services and resources. Funding is also to be used to convene and coordinate a one-day summit to inform the public, adult literacy instructional personnel, and local, state, and community leaders about the status of adult literacy and adult literacy education in the state. This item was vetoed (please see Governor Veto item below).
9. **Employee Resource Center** - Funding is transferred from the Department of Community, Trade, and Economic Development to support lease rate, facility management, and maintenance of the Employment Resource Center administered by Edmonds

Community & Technical College System

Community College. The Center assists with recruitment and training of workers for the Everett Boeing plant.

10. **Part-Time Faculty Conversion** - Funds are provided to convert some part-time positions to full-time, tenure track faculty positions. Particular emphasis is to be placed upon increasing the number of full-time faculty in mathematics, science, adult basic education, early childhood education, and English.
11. **Governor Veto** - The Governor vetoed three subsections of Section 605 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). First, the Governor vetoed Section 605(14), which provided funding for higher education child care matching grants. Second, the Governor vetoed Section 605(23), which provided funding for an adult literacy one-day summit and public awareness campaign. Finally, the Governor vetoed Section 605(24), which provided funding to support online library resources in the community and technical college system.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
13. **COLA for I-732 Eligible Employees** - Funding is provided for a 0.5 percent cost-of-living adjustment (COLA) increase for all I-732 eligible employees.

University of Washington

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	806,919	3,323,491	4,130,410
Total Maintenance Changes	49	148	197
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	88	0	88
2. I-LABS	150	0	150
3. Hood Canal Study	200	0	200
4. Ruckelshaus Land Use Study	125	0	125
5. Ruckelshaus Patient Safety	119	0	119
6. Greenhouse Gas Emissions	76	0	76
7. International Trade Fellowships	135	0	135
8. e-Science Institute	1,000	0	1,000
9. Climate Change Research	65	0	65
10. Disabilities Research Grants	50	0	50
11. Governor Veto	-488	0	-488
Policy -- Non-Comp Total	1,520	0	1,520
Policy Changes - Comp			
12. PEBB Rate Reduction	-16,071	-38,679	-54,750
Policy -- Comp Total	-16,071	-38,679	-54,750
2007-09 Revised Appropriations	792,417	3,284,960	4,077,377
Fiscal Year 2008 Total	22	0	22
Fiscal Year 2009 Total	-14,573	-38,679	-53,252

Comments:

- Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to University of Washington (UW) students. This item was vetoed (please see Governor Veto item below).
- I-LABS** - Funding is provided to support the Institute for Learning and Brain Sciences (I-LABS).
- Hood Canal Study** - Funding is provided for the UW's marine science program to study the impact of dissolved oxygen on marine biota in Hood Canal. This item was vetoed (please see Governor Veto item below).
- Ruckelshaus Land Use Study** - Chapter 353, Laws of 2007, requires the William Ruckelshaus Center to explore practical and effective ways to resolve or reduce conflict associated with land use requirements and property rights. Initial and progress reports are due in the fall of 2007 and the fall of 2008, and a final report will be submitted on September 1, 2009. The 2007-09 biennial budget provided funding to begin the project in FY 2008. One-time funding is added to continue this effort in FY 2009.
- Ruckelshaus Patient Safety** - Funding is provided to implement Chapter 47, Laws of 2008 (E2SHB 3123), which requires hospitals, including state psychiatric hospitals, to establish nurse staffing committees that will produce an annual nurse staffing plan. The organizations are encouraged to seek assistance from the Ruckelshaus Center in identifying and applying best practices related to patient safety and nurse staffing.
- Greenhouse Gas Emissions** - Funds are provided for the University's Climate Impacts Group and Business and Economic Development Center to implement the provisions of Chapter 14, Laws of 2008 (E2SHB 2815).
- International Trade Fellowships** - Funding is provided for the University to provide stipends and travel expenses for five students to work as fellowship assistants to international trade representatives. This item was vetoed (please see Governor Veto item below).
- e-Science Institute** - Funds are provided to establish an institute that will provide infrastructure and consulting expertise to University researchers in advanced computational techniques needed to capture, store, organize, access, mine, and interpret massive datasets.
- Climate Change Research** - Funding is provided for the Office of the State Climatologist to expand research efforts regarding climate change. This item was vetoed (please see Governor Veto item below).
- Disabilities Research Grants** - Funds are provided for research and training projects that will improve delivery of medical services for people with developmental disabilities.
- Governor Veto** - The Governor vetoed four subsections of Section 606, Chapter 329, Laws of 2008, Partial Veto (ESHB

University of Washington

2687). First, the Governor vetoed Section 606(23), which provided funding to increase mental health professional staff by one FTE. Second, the Governor vetoed Section 606(24), which provided funding for a Hood Canal study. Third, the Governor vetoed Section 606(26), which provided funding for fellowships at international trade offices. Finally, the Governor vetoed Section 606(27), which provided funding for the state climatologist.

12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	508,614	680,397	1,189,011
Total Maintenance Changes	1,672	10	1,682
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	77	0	77
2. Deaf Education	200	0	200
3. Ruckelshaus Land Use Study	175	0	175
4. Ruckelshaus Patient Safety	50	0	50
5. Greenhouse Gas Emissions	75	0	75
6. WSU Grad Student Bargaining	160	0	160
7. Integrated Pest Management	145	0	145
8. Community Technology Opportunities	500	0	500
9. Small Business Development Center	50	0	50
10. Governor Veto	-272	0	-272
Policy -- Non-Comp Total	1,160	0	1,160
Policy Changes - Comp			
11. PEBB Rate Reduction	-8,075	-3,026	-11,101
Policy -- Comp Total	-8,075	-3,026	-11,101
2007-09 Revised Appropriations	503,371	677,381	1,180,752
Fiscal Year 2008 Total	10	0	10
Fiscal Year 2009 Total	-6,925	-3,026	-9,951

Comments:

- Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to Washington State University (WSU) students. This item was vetoed (please see Governor Veto item below).
- Deaf Education** - Funding is provided to implement a teacher preparation program at WSU-Vancouver that will prepare currently-licensed teachers to more effectively educate students who are deaf or hearing impaired. The program will use a variety of distance learning instructional methods and delivery formats in order to reach teachers throughout the state.
- Ruckelshaus Land Use Study** - Chapter 353, Laws of 2007, requires the William Ruckelshaus Center to explore practical and effective ways to resolve or reduce conflict associated with land use requirements and property rights. Initial and progress reports are due in the fall of 2007 and the fall of 2008, and a final report will be submitted on September 1, 2009. The 2007-09 budget provided funding to begin the project in FY 2008. One-time funding is added to continue this effort in FY 2009.
- Ruckelshaus Patient Safety** - Funding is provided to implement Chapter 47, Laws of 2008 (E2SHB 3123), which requires hospitals, including state psychiatric hospitals, to establish nurse staffing committees that will produce an annual nurse staffing plan. The organizations are encouraged to seek assistance from the Ruckelshaus Center in identifying and applying best practices related to patient safety and nurse staffing.
- Greenhouse Gas Emissions** - Funds are provided for the WSU Energy Extension Program to provide consultation to the Employment Security Department on "green economy" labor market research, as provided in Chapter 14, Laws of 2008 (E2SHB 2815).
- WSU Grad Student Bargaining** - Funding is provided for administrative resources and personnel to implement Chapter 203, Laws of 2008 (SHB 2963).
- Integrated Pest Management** - Funding is provided for the WSU urban integrated pest management program to provide technical assistance to school districts implementing integrated pesticide management programs. WSU will also assist the Washington State School Directors' Association in developing a statewide model policy for integrated pest management. This item was vetoed (please see Governor Veto item below).
- Community Technology Opportunities** - As provided in Chapter 262, Laws of 2008 (E2SSB 6438), the WSU Extension is to provide capacity building and grant support to promote the diffusion of information and communications technology in low-income and underserved communities throughout the state.
- Small Business Development Center** - Funds are provided to expand the counseling and technical assistance services available through the small business development center at

Washington State University

Renton Technical College. This item was vetoed (please see Governor Veto item below).

10. **Governor Veto** - The Governor vetoed three subsections of Section 607 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). First, the Governor vetoed Section 607(19), which provided funding to increase mental health professional staff by one FTE. Second, the Governor vetoed Section 607(22), which provided funding to expand services at the Renton small business development center. Finally, the Governor vetoed Section 607(23), which provided funding for WSU to provide technical assistance to school districts implementing pest management programs.
11. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Eastern Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	119,154	121,705	240,859
Total Maintenance Changes	8	0	8
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	80	0	80
2. Health System Conversion Analysis	62	0	62
3. Northwest Autism Center	100	0	100
4. Governor Veto	-80	0	-80
Policy -- Non-Comp Total	162	0	162
Policy Changes - Comp			
5. PEBB Rate Reduction	-2,023	-354	-2,377
Policy -- Comp Total	-2,023	-354	-2,377
2007-09 Revised Appropriations	117,301	121,351	238,652
Fiscal Year 2009 Total	-1,861	-354	-2,215

Comments:

1. **Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to Eastern Washington University students. This item was vetoed (please see Governor Veto item below).
2. **Health System Conversion Analysis** - Funds are provided for the Washington State Institute for Public Policy to establish a baseline assessment against which future changes in the Spokane County health care delivery system can be measured. The study will measure the current status of things such as availability of charity care, access to medical education, and workforce assets. The study is to be completed by March 2009.
3. **Northwest Autism Center** - Funds are provided for the Northwest Autism Center to expand availability of diagnostic services and to conduct training for area teachers.
4. **Governor Veto** - The Governor vetoed Section 608(7) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to increase mental health professional staff by one FTE.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Central Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	117,414	135,726	253,140
Total Maintenance Changes	924	0	924
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	80	0	80
2. Fire & EMS Protection	100	0	100
3. Governor Veto	-80	0	-80
Policy -- Non-Comp Total	100	0	100
Policy Changes - Comp			
4. PEBB Rate Reduction	-2,311	-323	-2,634
5. PSE Collective Bargaining Agreement	11	4	15
Policy -- Comp Total	-2,300	-319	-2,619
2007-09 Revised Appropriations	116,138	135,407	251,545
Fiscal Year 2009 Total	-2,200	-319	-2,519

Comments:

1. **Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to Central Washington University students. This item was vetoed (please see Governor Veto item below).
2. **Fire & EMS Protection** - Funds are provided to address an unbudgeted increase in the cost of fire protection and emergency medical services (EMS).
3. **Governor Veto** - The Governor vetoed Section 609(8) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to increase mental health professional staff by one FTE.
4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
5. **PSE Collective Bargaining Agreement** - Contingent upon negotiation of a final collective bargaining agreement, funds are provided for members of the newly-organized Public School Employees (PSE) of Washington collective bargaining unit to receive their 2.0 percent FY 2009 cost-of-living adjustment in July 2008, as has been provided for other represented employees, rather than in September 2008.

The Evergreen State College

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	64,559	53,108	117,667
Total Maintenance Changes	6	0	6
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	85	0	85
2. DD Evidence-Based Practices	100	0	100
3. Foster Youth Aging Out Study	19	0	19
4. Adult Literacy Study WSIPP	69	0	69
5. Construction Industry Study WSIPP	46	0	46
6. Housing Instability Study	50	0	50
7. Crisis Response Evaluation	23	0	23
8. Truancy Study	70	0	70
9. Governor Veto	-135	0	-135
Policy -- Non-Comp Total	327	0	327
Policy Changes - Comp			
10. PEBB Rate Reduction	-1,119	-99	-1,218
Policy -- Comp Total	-1,119	-99	-1,218
2007-09 Revised Appropriations	63,773	53,009	116,782
Fiscal Year 2009 Total	-792	-99	-891

Comments:

1. **Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to The Evergreen State College students. This item was vetoed (please see Governor Veto item below).
2. **DD Evidence-Based Practices** - Funding is provided for the Washington State Institute for Public Policy (WSIPP) to conduct a literature review of research on programs for children and adults with developmental disabilities (DD). The review shall provide information on programs that prevent placement in higher cost, more restrictive settings or use of more costly services and evidence-based programs and programs viewed as best practices. WSIPP will provide estimates of the economics of evidence-based programs identified in the literature review, including estimates of the net difference between avoided costs and the costs of the programs. A preliminary report is due by January 1, 2009, and a final report by June 30, 2009.
3. **Foster Youth Aging Out Study** - One-time funding is provided for WSIPP to conduct a national review of state programs for youth transitioning out of foster care and to survey Washington foster parents and youth on how well current services are meeting the needs of youth transitioning out of foster care.
4. **Adult Literacy Study WSIPP** - One-time funding is provided for WSIPP to conduct a study and report on the status of adult literacy education in Washington.
5. **Construction Industry Study WSIPP** - As provided in Chapter 120, Laws of 2008, Partial Veto (2SSB 6732), WSIPP is to organize an advisory committee that is to define benchmarks for monitoring the impact of the recommendations of the Joint Legislative Task Force on the Underground Economy in the Construction Industry. A preliminary report is to be submitted to the Legislature by December 31, 2008.
6. **Housing Instability Study** - Funding is provided for the WSIPP to complete an estimate by December 2008 of the relationship between housing instability and sex offender recidivism. This item was vetoed (please see Governor Veto item below).
7. **Crisis Response Evaluation** - One-time funding is provided for WSIPP to extend its current evaluation of the integrated crisis response pilot programs operated by counties under contract with the Department of Social and Health Services. Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), authorizes the current pilot programs for one additional year, through June 30, 2009. Under funds authorized in the previous biennium, WSIPP produced a preliminary report in December 2007. Pursuant to the direction in the bill, WSIPP will produce a second preliminary report by June 30, 2008, and a final report by June 30, 2010.
8. **Truancy Study** - Funding is provided for WSIPP to conduct a study of the school districts' and Superior Courts' costs and practices associated with administering the state's compulsory school attendance laws under RCW 28A.225 (commonly referred to as the Becca Bill).
9. **Governor Veto** - The Governor vetoed Section 610(13) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to increase mental health professional staff by

The Evergreen State College

one FTE. The Governor also vetoed Section 610(18) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to examine data gathered through sex offender address verification activities.

10. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Western Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	148,478	183,435	331,913
Total Maintenance Changes	12	2	14
Policy Changes - Non-Comp			
1. Campus Safety Mental Health Counsel	62	0	62
2. Campus Compact Mentoring Program	250	0	250
3. Emergency Relocation Scene Shop	264	0	264
4. Governor Veto	-312	0	-312
Policy -- Non-Comp Total	264	0	264
Policy Changes - Comp			
5. PEBB Rate Reduction	-2,362	-1,017	-3,379
Policy -- Comp Total	-2,362	-1,017	-3,379
2007-09 Revised Appropriations	146,392	182,420	328,812
Fiscal Year 2008 Total	52	0	52
Fiscal Year 2009 Total	-2,150	-1,017	-3,167

Comments:

1. **Campus Safety Mental Health Counsel** - Funding is provided for an additional full-time mental health professional to provide counseling services to Western Washington University (WWU) students. This item was vetoed (please see Governor Veto item below).
2. **Campus Compact Mentoring Program** - Funds are provided for the Washington State Campus Compact, which is based at WWU, to increase the number of college and university students mentoring students in 8th through 12th grade. This item was vetoed (please see Governor Veto item below).
3. **Emergency Relocation Scene Shop** - Funds are provided to lease a new location for WWU's theatre arts laboratory and classroom, due to unsafe conditions at its present location.
4. **Governor Veto** - The Governor vetoed Section 611(9) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to increase the number of college and university students mentoring students in 8th through 12th grades. The Governor also vetoed Section 611(10) of ESHB 2687, which provided funding to increase mental health professional staff by one FTE.
5. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Higher Education Coordinating Board

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	472,602	31,036	503,638
Total Maintenance Changes	64	0	64
Policy Changes - Non-Comp			
1. Child Care Institutional Grants	500	0	500
2. Transfer and Articulation	30	0	30
3. Prior Learning Workgroup	14	0	14
4. Performance Agreements	60	0	60
5. Health Professional Assistance	1,250	0	1,250
6. Peninsula University Center	212	0	212
7. Non-Appropriated Fund Adjustment	0	12,057	12,057
8. SIS Siting Recommendation	100	0	100
9. Governor Veto	-544	0	-544
Policy -- Non-Comp Total	1,622	12,057	13,679
Policy Changes - Comp			
10. PEBB Rate Reduction	-121	-59	-180
Policy -- Comp Total	-121	-59	-180
2007-09 Revised Appropriations	474,167	43,034	517,201
Fiscal Year 2008 Total	85	5,569	5,654
Fiscal Year 2009 Total	1,416	6,429	7,845

Comments:

1. **Child Care Institutional Grants** - Funds are provided to increase child care opportunities for students at the six public baccalaureate institutions. This increases total state grant support for child care at the public four-year institutions from \$75,000 per year previously to a new total of \$575,000 per year. This item was vetoed (please see Governor Veto item below).
2. **Transfer and Articulation** - Funding is provided to implement E2SHB 2783. The Higher Education Coordinating Board (HECB) will convene work groups to: (1) create and implement a transfer student bill of rights; (2) develop a system of identification for college courses that transfer; (3) monitor and report on the progress and success of transfer students; and (4) conduct an analysis of the development options and costs for a statewide Internet-based advising system. This item was vetoed (please see Governor Veto item below).
3. **Prior Learning Workgroup** - Funding is provided for HECB to convene a work group to assess current institutional practices in accepting prior learning credits and to make recommendations on implementation of the work group's findings. This item was vetoed (please see Governor Veto item below).
4. **Performance Agreements** - Funds are provided for HECB to staff a committee comprised of elected and appointed state officials who, in accordance with Chapter 160, Laws of 2008 (EHB 2641), will negotiate six-year performance agreements with one or more of the public baccalaureate institutions.
5. **Health Professional Assistance** - Funds are provided to increase the number of students and practitioners who receive scholarships and loans through the Health Professional Scholarship and Conditional Loan program. Priority is to be given to primary care providers employed or seeking employment in organizations that serve a disproportionate number of uninsured patients.
6. **Peninsula University Center** - Funds are provided for HECB to develop a program and operating plan for a university center in the Kitsap County area that will expand higher education opportunities for residents of Clallam, Jefferson, Kitsap, and Mason Counties. The plan is to be developed in consultation with a committee of local business, community, and educational leaders. The Board is to submit findings and recommendations to the Governor and Legislature by December 1, 2008.
7. **Non-Appropriated Fund Adjustment** - Non-appropriated funding levels are adjusted to reflect four changes. First, \$2.73 million of previously appropriated state funds are transferred to the Health Professional Loan Repayment and Scholarship Account to reflect anticipated program expenditures. Second, \$7.4 million of previously appropriated state funds are deposited in the Educational Trust Fund as a down payment towards the new College Bound Scholarships for which expenditures will begin in 2012. Third, \$1.05 million of previously authorized federal grant funds are deposited in the Educational Trust Fund for three full-time staff and other costs associated with expansion of the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) to 25 additional school districts statewide. Fourth, additional staffing

Higher Education Coordinating Board

and spending authority are provided for the Guaranteed Education Tuition (GET) Program. (Advanced College Tuition Payment Program Account, Health Professional Loan Repayment and Scholarship Program Account, State Educational Trust Fund Account)

8. **SIS Siting Recommendation** - Funding is provided for HECB to convene interested parties from Snohomish, Island, and Skagit (SIS) Counties to consider the November 2007 site options and recommendations for a new campus of the University of Washington in Snohomish County. The local representatives are to develop a consensus recommendation on a single preferred site, and HECB is to report that recommendation to the Legislature by December 1, 2008.
9. **Governor Veto** - The Governor vetoed two subsections of Section 612 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). First, the Governor vetoed Section 612(8), which provided funding for ESHB 2783 (Education Transfer Articulation) that was vetoed by the Governor. Second, the Governor vetoed Section 612(9), which provided funding for a work group to assess current institutional practices in accepting prior learning credits. The Governor also vetoed Section 613 (9) of ESHB 2687, which provided funding for higher education child care matching grants.
10. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	3,507	1,409	4,916
Policy Changes - Comp			
1. PEBB Rate Reduction	-44	0	-44
Policy -- Comp Total	-44	0	-44
2007-09 Revised Appropriations	3,463	1,409	4,872
Fiscal Year 2009 Total	-44	0	-44

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

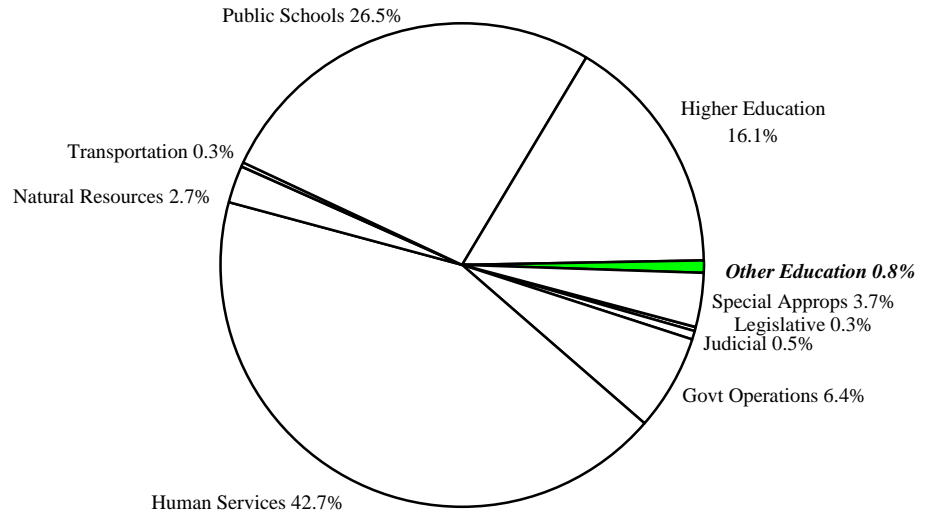
Other Education

Child Care Licensing Improvements

State general funds in the amount of \$435,000 are provided for the Department of Early Learning to add five quality improvement specialists to establish a consistent approach to licensing actions.

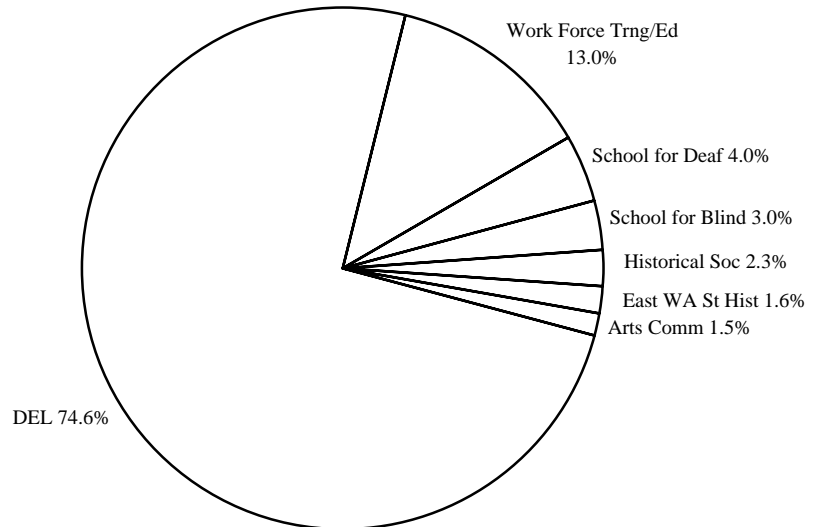
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

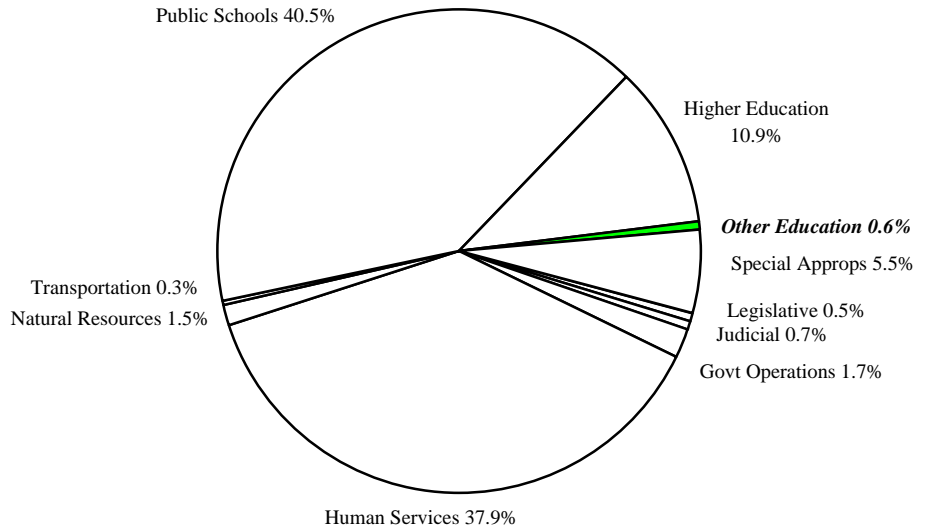
Dept Early Learning	333,914
Work Force Trng/Ed	57,987
School for the Deaf	18,089
School for the Blind	13,635
Historical Society	10,266
East WA State Hist Society	7,074
State Arts Comm	6,655
Other Education	447,620



Other Education

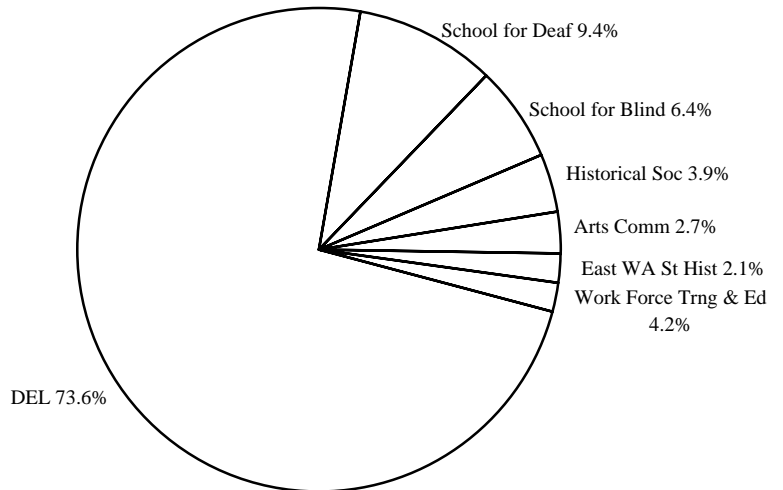
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Dept Early Learning	138,666
School for the Deaf	17,773
School for the Blind	12,074
Historical Society	7,356
State Arts Comm	5,089
East WA State Hist Society	3,987
Work Force Trng/Ed	3,493
Other Education	188,438



Other Education

Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	3,529	54,509	58,038
Policy Changes - Comp			
1. PEBB Rate Reduction	-36	-15	-51
Policy -- Comp Total	-36	-15	-51
<hr/>			
2007-09 Revised Appropriations	3,493	54,494	57,987
Fiscal Year 2009 Total	-36	-15	-51

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Early Learning

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	134,487	195,416	329,903
Total Maintenance Changes	864	0	864
Policy Changes - Non-Comp			
1. Increased Legal Billing	300	0	300
2. Improve Child Care Safety	435	0	435
3. Transfer Program Funding	2,272	0	2,272
4. Early Learning Community Match	120	0	120
5. WA State Head Start Program	250	0	250
6. Kindergarten Readiness	150	0	150
Policy -- Non-Comp Total	3,527	0	3,527
Policy Changes - Comp			
7. PEBB Rate Reduction	-212	-168	-380
Policy -- Comp Total	-212	-168	-380
2007-09 Revised Appropriations	138,666	195,248	333,914
Fiscal Year 2008 Total	150	0	150
Fiscal Year 2009 Total	3,165	-168	2,997

Comments:

1. **Increased Legal Billing** - The Department of Early Learning's (DEL's) legal billings related to administration have increased. One-time funding is provided to address the cost of the billings. The Department is encouraged to find efficiencies in this area.

2. **Improve Child Care Safety** - Funding is provided for the Department to add five quality improvement specialists to establish a consistent statewide approach to licensing actions.

3. **Transfer Program Funding** - The Department currently staffs and administers the following programs: Head Start Collaboration Office; Homeless Child Care Subsidy program; Seasonal Child Care Subsidy program; and the Tiered Reimbursement program for Child Care Providers. When it was established, the funds remained at the Department of Social and Health Services. The following amounts are transferred to DEL to align funding with the programs: Head Start Collaboration State Match (\$46,250); Homeless Child Care Subsidy program (\$690,000); Seasonal Child Care Subsidy program (\$1,035,265); and the Tiered Reimbursement program (\$500,000).

4. **Early Learning Community Match** - One-time funding is provided to encourage private match investment for existing local early learning system coalitions.

5. **WA State Head Start Program** - One-time funding is provided for Chapter 164, Laws of 2008 (2SHB 3168), to complete a study on the development of a Washington State Head Start program.

6. **Kindergarten Readiness** - One-time funding is provided for the Department to evaluate current kindergarten readiness assessments. The Department, along with the Office of the

Superintendent of Public Instruction and Thrive by Five Washington, will provide to the Governor and the Legislature options for the implementation of a statewide kindergarten entry assessment.

7. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

State School for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	12,144	1,600	13,744
Total Maintenance Changes	12	8	20
Policy Changes - Non-Comp			
1. Attorney General Legal Fees	50	0	50
Policy -- Non-Comp Total	50	0	50
Policy Changes - Comp			
2. PEBB Rate Reduction	-137	-50	-187
3. COLA Increase	5	3	8
Policy -- Comp Total	-132	-47	-179
2007-09 Revised Appropriations	12,074	1,561	13,635
Fiscal Year 2008 Total	10	0	10
Fiscal Year 2009 Total	-92	-47	-139

Comments:

1. **Attorney General Legal Fees** - The Washington State Supreme Court will decide whether to hear the case of *Delyria & Koch v. Washington State School for the Blind* in June 2008. One-time funding is provided to pay for legal fees incurred if the Supreme Court decides to hear this case.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
3. **COLA Increase** - Funding is provided for a 0.5 percent cost-of-living adjustment (COLA) increase for all I-732 eligible employees. (General Fund-State, General Fund-Local)

State School for the Deaf

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	17,746	232	17,978
Total Maintenance Changes	24	0	24
Policy Changes - Non-Comp			
1. Deaf Multi-Disabled Students	214	0	214
2. Reading Outreach Program	0	84	84
3. Superintendent Search	20	0	20
Policy -- Non-Comp Total	234	84	318
Policy Changes - Comp			
4. PEBB Rate Reduction	-240	0	-240
5. COLA Increase	9	0	9
Policy -- Comp Total	-231	0	-231
2007-09 Revised Appropriations	17,773	316	18,089
Fiscal Year 2008 Total	125	0	125
Fiscal Year 2009 Total	-122	84	-38

Comments:

1. **Deaf Multi-Disabled Students** - Funding is provided for a teacher and a teacher's aide to administer a specialized curriculum to serve a classroom of eight deaf, multi-disabled students.
2. **Reading Outreach Program** - Funding is appropriated to replace the Office of the Superintendent of Public Instruction funding reduction for the shared reading video outreach project. (General Fund-Private/Local)
3. **Superintendent Search** - Funding is provided to conduct a nationwide search for a new School for the Deaf superintendent.
4. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.
5. **COLA Increase** - Funding is provided for a 0.5 percent cost-of-living adjustment (COLA) increase for all I-732 eligible employees. (General Fund-State)

Washington State Arts Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	5,126	1,566	6,692
Policy Changes - Comp			
1. PEBB Rate Reduction	-37	0	-37
Policy -- Comp Total	-37	0	-37
2007-09 Revised Appropriations	5,089	1,566	6,655
Fiscal Year 2009 Total	-37	0	-37

Comments:

1. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Washington State Historical Society

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	7,167	2,926	10,093
Policy Changes - Non-Comp			
1. Holocaust Education Resource Center	255	0	255
Policy -- Non-Comp Total	255	0	255
Policy Changes - Comp			
2. PEBB Rate Reduction	-66	-16	-82
Policy -- Comp Total	-66	-16	-82
2007-09 Revised Appropriations	7,356	2,910	10,266
Fiscal Year 2009 Total	189	-16	173

Comments:

1. **Holocaust Education Resource Center** - Funding is provided for the Washington State Holocaust Education Resource Center to develop and disseminate educational materials, to acquire and maintain primary source materials and artifacts, and to collect and preserve oral accounts from state holocaust survivors, liberators, and witnesses.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Eastern Washington State Historical Society

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	3,964	3,087	7,051
Policy Changes - Non-Comp			
1. American Indian Collect Cataloging	88	0	88
Policy -- Non-Comp Total	88	0	88
Policy Changes - Comp			
2. PEBB Rate Reduction	-65	0	-65
Policy -- Comp Total	-65	0	-65
2007-09 Revised Appropriations	3,987	3,087	7,074
Fiscal Year 2009 Total	23	0	23

Comments:

1. **American Indian Collect Cataloging** - One-time funding is provided to complete the cataloging of the American Indian Collection.
2. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Special Appropriations

Employee Health Benefit Funding Rate Reduction

The state employer contribution rate paid to the Public Employee Benefits Board (PEBB) is reduced from \$732 per employee per month to \$561 per employee per month. Expenditures for employee health benefits during the 2007-09 biennium are anticipated to be lower than budgeted due to the removal of funding for a new information technology system for employee benefits and unexpectedly low health care costs in calendar year 2008, resulting in a savings of \$115.7 million Near General Fund-State and \$96.0 million other fund savings. Funds will be expended from PEBB reserves, including those reserves that accumulated due to lower-than-budgeted expenditures during the 2005-07 and 2007-09 biennia, in order to support the cost of benefits during fiscal year 2009. PEBB will maintain the current 88 percent employer share of the weighted average medical insurance premium and will also continue to pay the cost of dental, life, and long-term disability insurance.

Federal Audit Determination

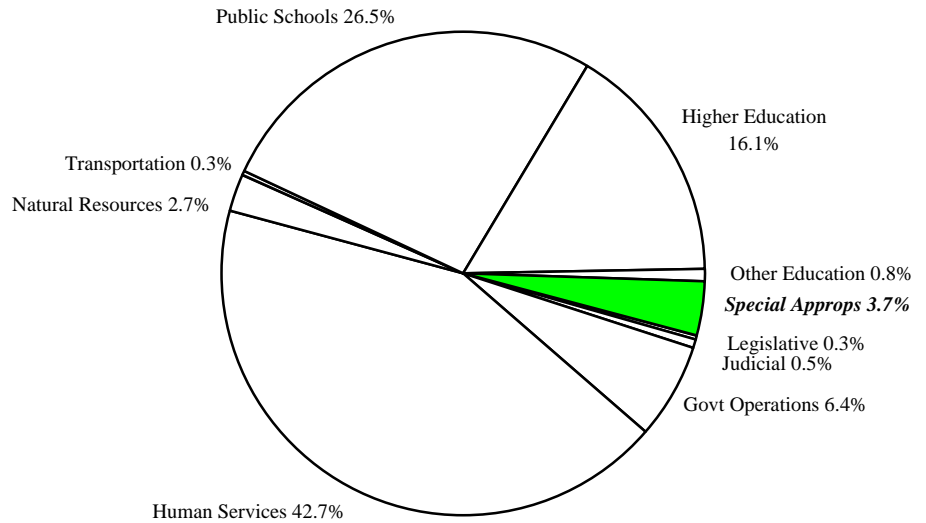
The U.S. Department of Health and Human Services has determined that a portion of funds transferred from the Public Employees' and Retirees' Insurance Account to the general fund in the 2006 supplemental operating budget contained federal funds that were not authorized to be included in the transfer. The budget includes an \$11.0 million one-time repayment of funds that comprise the amount of the transfer that is attributable to federal participation in the funding of benefits by employer agencies from the date of the transfer.

Extraordinary Criminal Justice Costs

Funding is provided to Klickitat County (\$48,000) and Yakima County (\$141,000) to assist with extraordinary criminal justice costs.

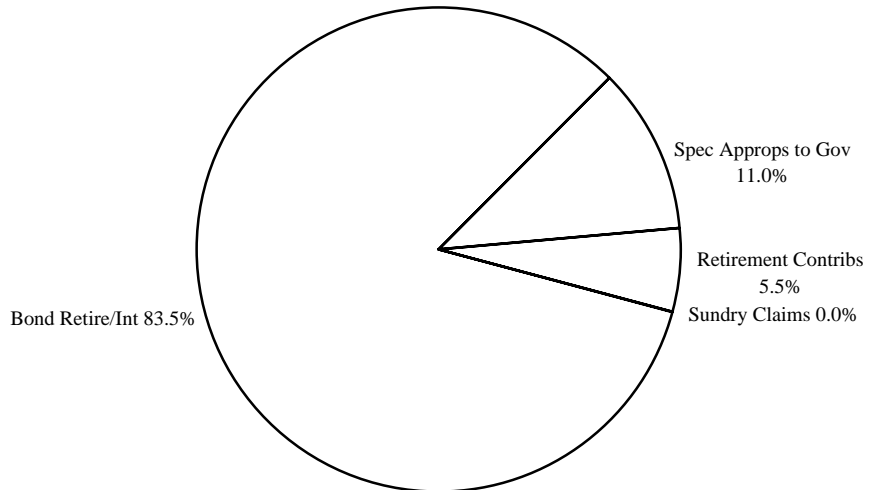
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
<i>Special Appropriations</i>	<i>2,113,197</i>
Statewide Total	57,196,591



Washington State

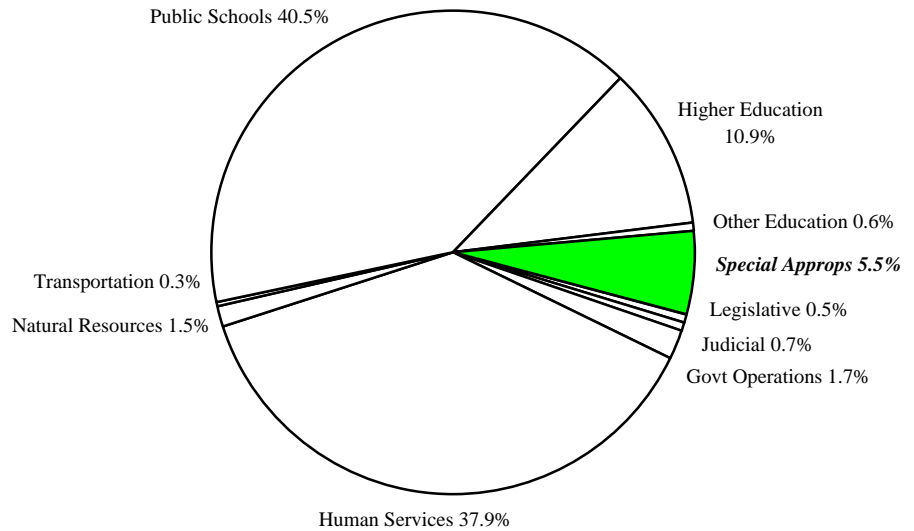
Bond Retirement & Interest	1,763,731
Special Approps to Governor	232,978
Retirement Contributions	116,400
Sundry Claims	88
<i>Special Appropriations</i>	<i>2,113,197</i>



Special Appropriations

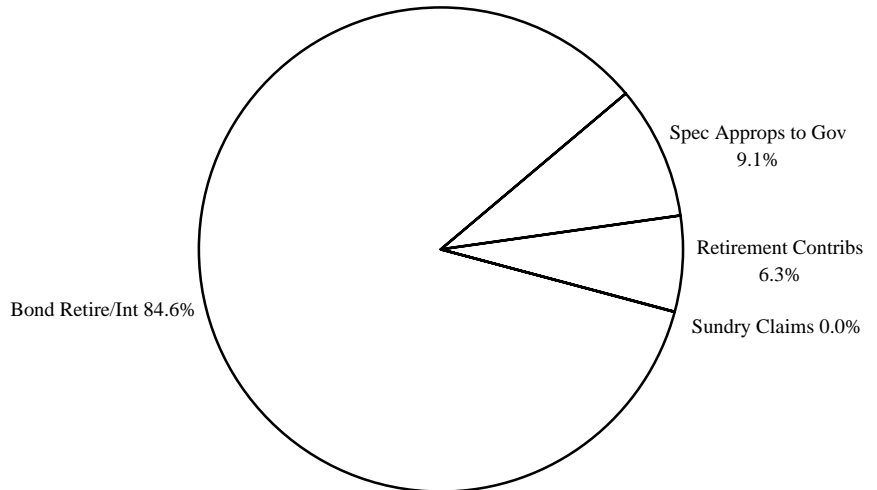
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
<i>Special Appropriations</i>	<i>1,862,037</i>
Statewide Total	33,655,219



Washington State

Bond Retirement & Interest	1,575,674
Special Approps to Governor	169,875
Retirement Contributions	116,400
Sundry Claims	88
<i>Special Appropriations</i>	<i>1,862,037</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,546,530	185,156	1,731,686
Total Maintenance Changes	29,144	2,901	32,045
<hr/>			
2007-09 Revised Appropriations	1,575,674	188,057	1,763,731
Fiscal Year 2008 Total	101,000	0	101,000
Fiscal Year 2009 Total	-101,000	0	-101,000

Comments:

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.

Sundry Claims

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	0	0	0
Policy Changes - Non-Comp			
1. Self-Defense Claims	88	0	88
Policy -- Non-Comp Total	88	0	88
2007-09 Revised Appropriations	88	0	88
Fiscal Year 2008 Total	88	0	88

Comments:

1. **Self-Defense Claims** - On the recommendation of the Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self defense.

State Employee Compensation Adjustments

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	830	700	1,530
Total Maintenance Changes	-830	-700	-1,530
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2007-09 Revised Appropriations	0	0	0
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Comments:

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

Special Appropriations to the Governor

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	135,662	58,156	193,818
Total Maintenance Changes	0	-2,742	-2,742
Policy Changes - Non-Comp			
1. Fire Contingency	4,500	4,500	9,000
2. Federal Audit Determination	11,000	0	11,000
3. County Controlled Substance Funds	200	0	200
4. Insurance Accounting System	4,661	2,939	7,600
5. Water Quality Capital Acct Transfer	-2,861	0	-2,861
6. Columbia River Water Delivery Acct	2,150	0	2,150
7. Individual Development Acct Transf	1,000	0	1,000
8. Family Leave Insurance Account	6,218	0	6,218
9. Skeletal Human Remains Account	500	0	500
10. Smart Homeownership Choices	250	250	500
11. Manufacturing Innovation Account	306	0	306
12. Extraordinary Criminal Justice Cost	189	0	189
13. Developmental Disabilities Trust	100	0	100
14. SB 6335 - Homeless Families Svcs	6,000	0	6,000
Policy -- Non-Comp Total	34,213	7,689	41,902
2007-09 Revised Appropriations	169,875	63,103	232,978
Fiscal Year 2008 Total	25,939	1,250	27,189
Fiscal Year 2009 Total	8,274	6,439	14,713

Comments:

1. **Fire Contingency** - The fire contingency pool was created in 1999 to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated directly to agencies. Funds are appropriated from the general fund to the Disaster Response Account to replenish the contingency pool. The pool provides allocations to the Washington State Patrol for any fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. (General Fund-State, Disaster Response Account-State)

2. **Federal Audit Determination** - The U.S. Department of Health and Human Services has determined that a portion of funds transferred from the Public Employees' and Retirees' Insurance (PERI) Account to the general fund in FY 2006 and FY 2007 pursuant to Chapter 372, Laws of 2006 (E2SSB 6239), Section 805 and Section 806, contained federal funds that were not authorized to be included in the transfer. This one-time repayment of funds includes the amount of the transfer that is attributable to federal participation in the funding of benefits by employer agencies, plus interest from the date of the transfer.

3. **County Controlled Substance Funds** - Chapter 339, Laws of 2006 (E2SSB 6239), expressed the Legislature's intent to provide \$100,000 per year to counties that imposed the one-tenth of 1 percent sales tax for chemical dependency or substance abuse treatment, starting in FY 2008 and ending in FY 2010. In addition to Clallam, Jefferson, Spokane, Okanogan, Clark, and Skagit Counties funded in the enacted

2007-09 budget, Island County and King County have imposed the tax and are now eligible for funding.

4. **Insurance Accounting System** - Funds are provided to change the manner in which the Health Care Authority's (HCA's) Benefits Administration and Insurance Accounting System (BAIAS) project is funded. In the 2007-09 biennial budget, BAIAS was funded from an HCA Administrative Account appropriation, supported by transfers from the PERI Account. In a September 13, 2007, letter from the Department of Health and Human Services to all states, the federal government reasserted its prohibition on using federal resources to pay, either directly or indirectly, for enterprise-wide central services information technology systems. The 2008 supplemental budget discontinues funding via the PERI Account, and funding is provided to the HCA Administrative Account from state funds that support Public Employees Benefit Board (PEBB)-eligible employees. Additionally, the level of funds provided are reduced from the 2007-09 transfer level from the PERI Account to reflect a policy change to discontinue the BAIAS project. (General Fund-State, Public Safety and Education Account-State, Water Quality Account-State, Violence Reduction and Drug Enforcement Account-State, Health Services Account-State, other dedicated accounts)

5. **Water Quality Capital Acct Transfer** - The Water Quality Capital Account is used to fund water quality projects and activities. Its sole revenue source is an appropriation from the Water Quality Account. The dollar amount of this appropriation is reduced, and \$3 million is shifted from FY

Special Appropriations to the Governor

2008 to FY 2009 to coincide with anticipated expenditure levels in the Water Quality Capital Account and expected revenue in the Water Quality Account during the 2007-09 biennium. (Water Quality Account-State)

6. **Columbia River Water Delivery Acct** - Funds are provided for expenditure into the Columbia River Water Delivery Account for the purposes of Chapter 82, Laws of 2008 (E2SSB 6874).
7. **Individual Development Acct Transf** - Funds are provided for expenditure into the Individual Development Program Account.
8. **Family Leave Insurance Account** - Funds are provided for expenditure into the Family Leave Insurance Account.
9. **Skeletal Human Remains Account** - Funds are provided for expenditure into the Skeletal Human Remains Assistance Account for the purposes of Chapter 275, Laws of 2008 (E2SHB 2624).
10. **Smart Homeownership Choices** - Funds are provided for expenditure into the Smart Homeownership Program Account to assist low- and moderate-income households facing foreclosure.
11. **Manufacturing Innovation Account** - Funds are provided for expenditure into the Manufacturing Innovation and Modernization Account for the purposes of Chapter 315, Laws of 2008 (SSB 6510).
12. **Extraordinary Criminal Justice Cost** - Funding is provided to Klickitat County (\$48,000) and Yakima County (\$141,000) to assist with extraordinary criminal justice costs.
13. **Developmental Disabilities Trust** - Funds are provided for expenditure into the Developmental Disabilities Endowment Trust Fund to make available state matching funds for private contributions. The trust fund encourages families to invest funds for the future care of family members with developmental disabilities.
14. **SB 6335 - Homeless Families Svcs** - Funds are appropriated to the Homeless Families Services Account pursuant to Chapter 2, Laws of 2008 (SB 6335), to be used by the Department of Community, Trade, and Economic Development for transitional housing through the Washington Families Fund.

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