

# Omnibus Appropriations Act - Agency Detail

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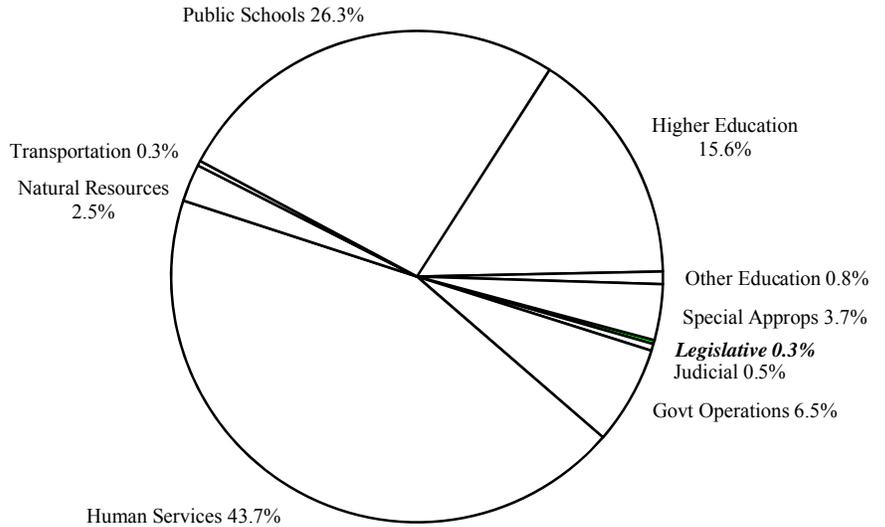
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## Legislative

A total of \$304,000 in additional savings is assumed in the legislative agencies through reduced compensation expenditures. This can be achieved through furloughs, reduced work hours, or other approved methods. This amount is in addition to savings assumed from administrative reductions made in the 2009-11 biennial budget.

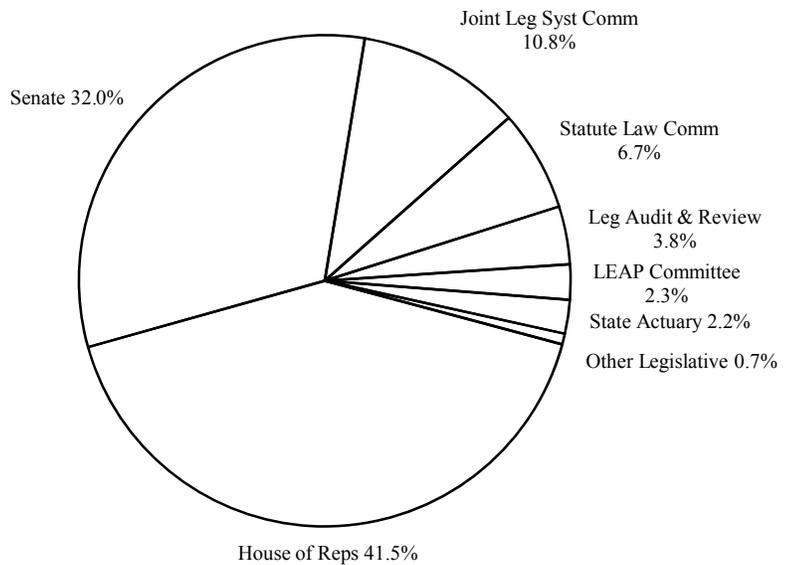
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| <b>Legislative</b>      | <b>158,277</b>    |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

|                          |                |
|--------------------------|----------------|
| House of Representatives | 65,651         |
| Senate                   | 50,591         |
| Jt Leg Systems Comm      | 17,158         |
| Statute Law Committee    | 10,547         |
| Jt Leg Audit & Rev Comm  | 6,026          |
| LEAP Committee           | 3,664          |
| State Actuary            | 3,525          |
| Other Legislative        | 1,115          |
| <b>Legislative</b>       | <b>158,277</b> |

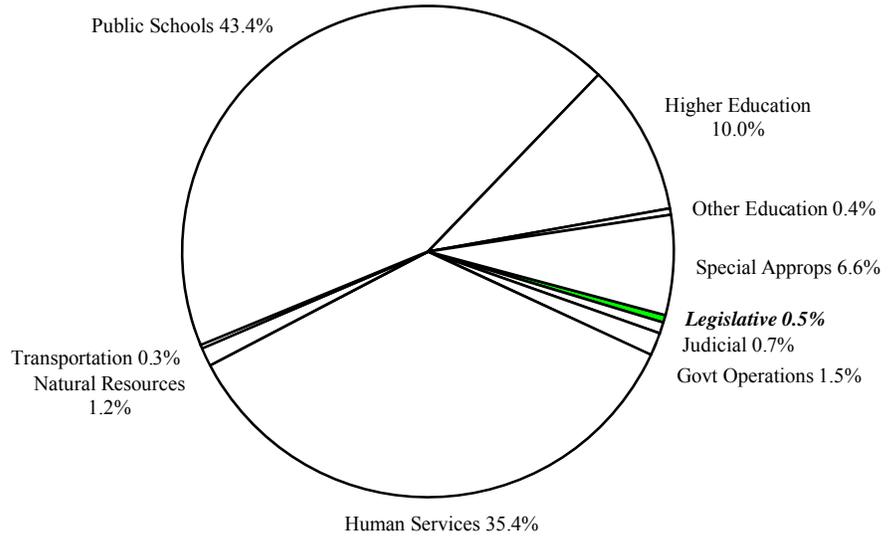


**Legislative**

**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State**

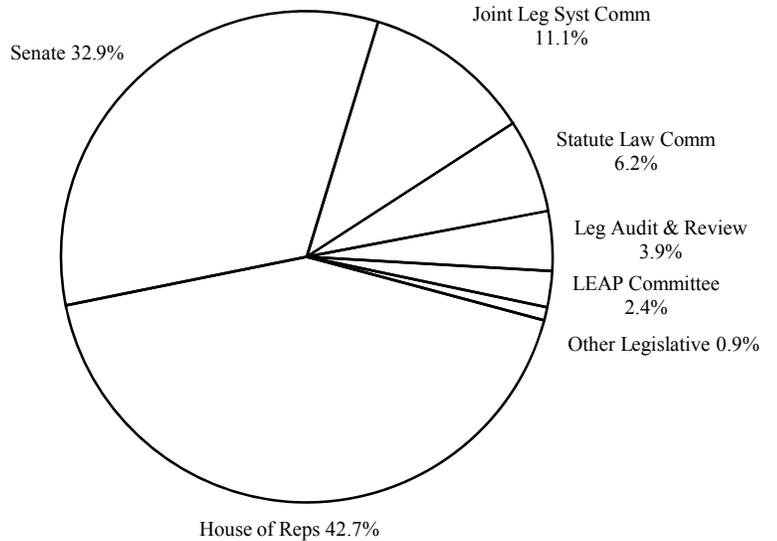
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| <b>Legislative</b>      | <b>153,900</b>    |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                          |                |
|--------------------------|----------------|
| House of Representatives | 65,651         |
| Senate                   | 50,591         |
| Jt Leg Systems Comm      | 17,158         |
| Statute Law Committee    | 9,475          |
| Jt Leg Audit & Rev Comm  | 6,026          |
| LEAP Committee           | 3,664          |
| Other Legislative        | 1,335          |
| <b>Legislative</b>       | <b>153,900</b> |



**Legislative**

## House of Representatives

(Dollars in Thousands)

|  | NGF-S         | Other    | Total         |
|--|---------------|----------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>66,879</b> | <b>0</b> | <b>66,879</b> |
| <b>Total Maintenance Changes</b>       | <b>10</b>     | <b>0</b> | <b>10</b>     |
| <b>Policy Changes - Non-Comp</b>       |               |          |               |
| 1. Facilities Services Accountability  | -1,590        | 0        | -1,590        |
| <b>Policy -- Non-Comp Total</b>        | <b>-1,590</b> | <b>0</b> | <b>-1,590</b> |
| <b>Policy Changes - Comp</b>           |               |          |               |
| 2. Health Insurance Increase           | 376           | 0        | 376           |
| 3. Temporary Layoffs                   | -24           | 0        | -24           |
| <b>Policy -- Comp Total</b>            | <b>352</b>    | <b>0</b> | <b>352</b>    |
| <hr/>                                  |               |          |               |
| <b>2009-11 Revised Appropriations</b>  | <b>65,651</b> | <b>0</b> | <b>65,651</b> |
| Fiscal Year 2011 Total                 | -1,238        | 0        | -1,238        |

**Comments:**

1. **Facilities Services Accountability** - Funding for facilities services charges, utilities and contracts charges, and public and historic facilities charges is transferred to the Department of General Administration. Performance standards and quality assurance provisions must be established.
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Senate**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>52,139</b> | <b>0</b>     | <b>52,139</b> |
| <b>Total Maintenance Changes</b>       | <b>6</b>      | <b>0</b>     | <b>6</b>      |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Facilities Services Accountability  | -1,776        | 0            | -1,776        |
| <b>Policy -- Non-Comp Total</b>        | <b>-1,776</b> | <b>0</b>     | <b>-1,776</b> |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 2. Health Insurance Increase           | 241           | 0            | 241           |
| 3. Temporary Layoffs                   | -19           | 0            | -19           |
| <b>Policy -- Comp Total</b>            | <b>222</b>    | <b>0</b>     | <b>222</b>    |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>50,591</b> | <b>0</b>     | <b>50,591</b> |
| Fiscal Year 2011 Total                 | -1,554        | 0            | -1,554        |

**Comments:**

1. **Facilities Services Accountability** - Funding for facilities services charges, utilities and contracts charges, and public and historic facilities charges is transferred to the Department of General Administration. Performance standards and quality assurance provisions must be established.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Joint Legislative Audit & Review Committee**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>5,758</b> | <b>0</b>     | <b>5,758</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Medicaid Cost Containment Study     | 200          | 0            | 200          |
| 2. Fire Suppression Helicopter Study   | 50           | 0            | 50           |
| 3. Tax Preference Review               | 50           | 0            | 50           |
| <b>Policy -- Non-Comp Total</b>        | <b>300</b>   | <b>0</b>     | <b>300</b>   |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 4. Health Insurance Increase           | 24           | 0            | 24           |
| 5. Temporary Layoffs                   | -56          | 0            | -56          |
| <b>Policy -- Comp Total</b>            | <b>-32</b>   | <b>0</b>     | <b>-32</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>6,026</b> | <b>0</b>     | <b>6,026</b> |
| Fiscal Year 2011 Total                 | 268          | 0            | 268          |
| <hr/>                                  |              |              |              |

**Comments:**

1. **Medicaid Cost Containment Study** - Funds are provided to contract with a consultant for a study on Medicaid cost containment strategies.
2. **Fire Suppression Helicopter Study** - Funds are provided for an analysis of the cost of wildfire suppression helicopter resources in the Department of Natural Resources.
3. **Tax Preference Review** - Funding is provided for tax preference review activities.
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

## Legislative Evaluation & Accountability Program

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>3,675</b> | <b>0</b> | <b>3,675</b> |
| <b>Policy Changes - Comp</b>           |              |          |              |
| 1. Health Insurance Increase           | 10           | 0        | 10           |
| 2. Temporary Layoffs                   | -21          | 0        | -21          |
| <b>Policy -- Comp Total</b>            | <b>-11</b>   | <b>0</b> | <b>-11</b>   |
| <hr/>                                  |              |          |              |
| <b>2009-11 Revised Appropriations</b>  | <b>3,664</b> | <b>0</b> | <b>3,664</b> |
| Fiscal Year 2011 Total                 | -11          | 0        | -11          |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

**Office of the State Actuary**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>225</b>   | <b>3,289</b> | <b>3,514</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Disability Study                    | 0            | 30           | 30           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b>     | <b>30</b>    | <b>30</b>    |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Health Insurance Increase           | 0            | 14           | 14           |
| 3. Temporary Layoffs                   | -5           | -28          | -33          |
| <b>Policy -- Comp Total</b>            | <b>-5</b>    | <b>-14</b>   | <b>-19</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>220</b>   | <b>3,305</b> | <b>3,525</b> |
| Fiscal Year 2011 Total                 | -5           | 16           | 11           |

**Comments:**

1. **Disability Study** - Funding is provided for the Office of the State Actuary to contract with the Washington State Institute for Public Policy for continued study of the disability benefits provided to the Plan 2 and Plan 3 members of the Public Employees' Retirement System, Teachers' Retirement System, and School Employees' Retirement System. (Department of Retirement Systems Expense Account-State)
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Joint Legislative Systems Committee**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>17,170</b> | <b>0</b>     | <b>17,170</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>      | <b>0</b>     | <b>2</b>      |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Facilities Services Accountability  | -42           | 0            | -42           |
| 2. Redistricting Support               | 87            | 0            | 87            |
| <b>Policy -- Non-Comp Total</b>        | <b>45</b>     | <b>0</b>     | <b>45</b>     |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 3. Health Insurance Increase           | 48            | 0            | 48            |
| 4. Temporary Layoffs                   | -107          | 0            | -107          |
| <b>Policy -- Comp Total</b>            | <b>-59</b>    | <b>0</b>     | <b>-59</b>    |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>17,158</b> | <b>0</b>     | <b>17,158</b> |
| Fiscal Year 2011 Total                 | -14           | 0            | -14           |

**Comments:**

1. **Facilities Services Accountability** - Funding for facilities services charges, utilities and contracts charges, and public and historic facilities charges is transferred to the General Administration. Performance standards and quality assurance provisions must be established.
2. **Redistricting Support** - Funds are provided for hardware and software to provide information technology support to the Redistricting Commission following the 2010 U.S. Census.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

### Statute Law Committee

(Dollars in Thousands)

|  | NGF-S        | Other        | Total         |
|--|--------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>9,639</b> | <b>1,072</b> | <b>10,711</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>     | <b>0</b>     | <b>2</b>      |
| <b>Policy Changes - Non-Comp</b>       |              |              |               |
| 1. Facilities Services Accountability  | -137         | 0            | -137          |
| <b>Policy -- Non-Comp Total</b>        | <b>-137</b>  | <b>0</b>     | <b>-137</b>   |
| <b>Policy Changes - Comp</b>           |              |              |               |
| 2. Health Insurance Increase           | 43           | 0            | 43            |
| 3. Temporary Layoffs                   | -72          | 0            | -72           |
| <b>Policy -- Comp Total</b>            | <b>-29</b>   | <b>0</b>     | <b>-29</b>    |
| <hr/>                                  |              |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>9,475</b> | <b>1,072</b> | <b>10,547</b> |
| Fiscal Year 2011 Total                 | -166         | 0            | -166          |

**Comments:**

1. **Facilities Services Accountability** - Funding for facilities services charges, utilities and contracts charges, and public and historic facilities charges is transferred to the General Administration. Performance standards and quality assurance provisions must be established.
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Redistricting Commission**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>610</b>   | <b>0</b>     | <b>610</b>   |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Redistricting Data & Analysis       | 505          | 0            | 505          |
| <b>Policy -- Non-Comp Total</b>        | <b>505</b>   | <b>0</b>     | <b>505</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>1,115</b> | <b>0</b>     | <b>1,115</b> |
| Fiscal Year 2011 Total                 | 505          | 0            | 505          |

**Comments:**

- 1. Redistricting Data & Analysis** - One-time funding is provided for the support of legislative redistricting efforts. This funding may be spent only with authorization from the Chief Clerk of the House of Representatives and the Secretary of the Senate.



# Judicial

## **Administrative Efficiencies**

Judicial agency budgets were reduced by \$1.4 million to reflect increased efficiencies, vacant positions, and scaling back of some programs. The Governor vetoed changes made to the Supreme Court's budget, bringing the overall administrative efficiencies reduction down to \$1.2 million for the judicial branch agencies.

## **Judicial Information System**

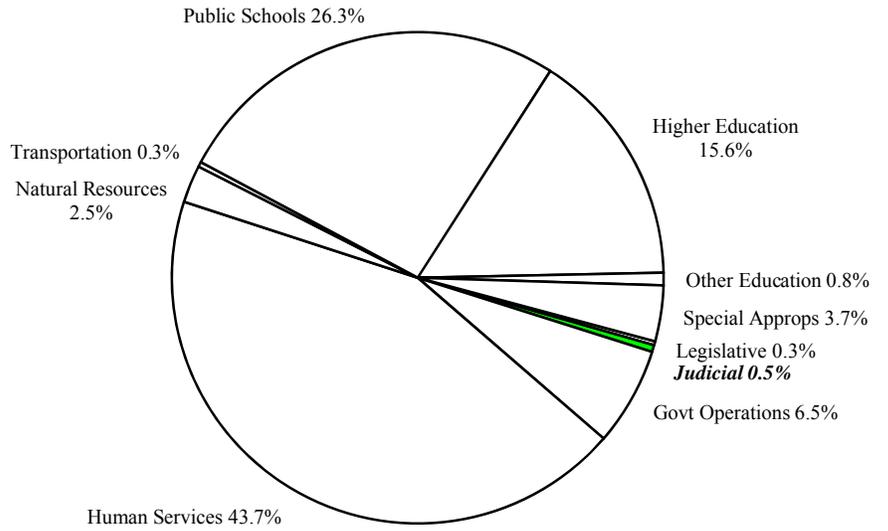
Additional funding of \$3.8 million was provided for improvements to the statewide court case management system. Funding comes from the Judicial Information Systems Account and is provided for both planning and implementation of improvements.

## **Office of Public Guardianship**

Funding was provided for an additional 50 clients within the Public Guardianship program. Guardianship services will be provided for low-income incapacitated persons. Adding these additional clients will allow a program effectiveness study to be completed by the Washington State Institute for Public Policy.

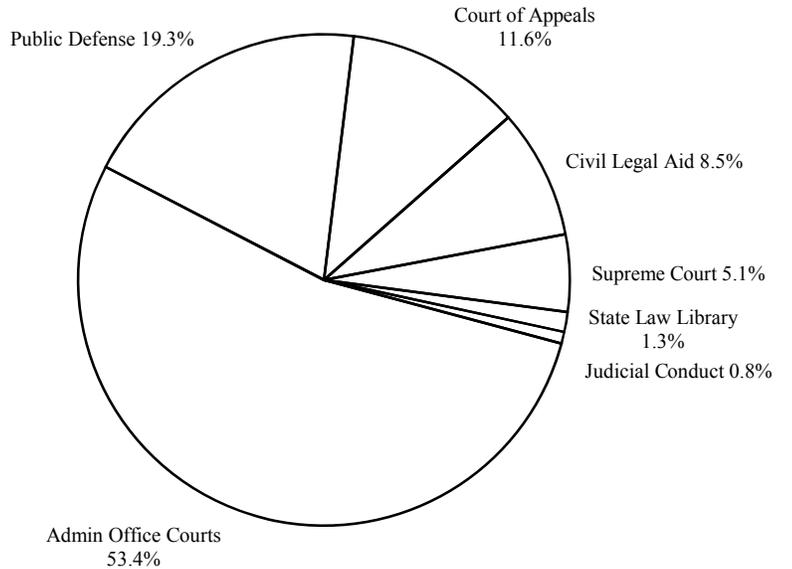
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| <b>Judicial</b>         | <b>273,554</b>    |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

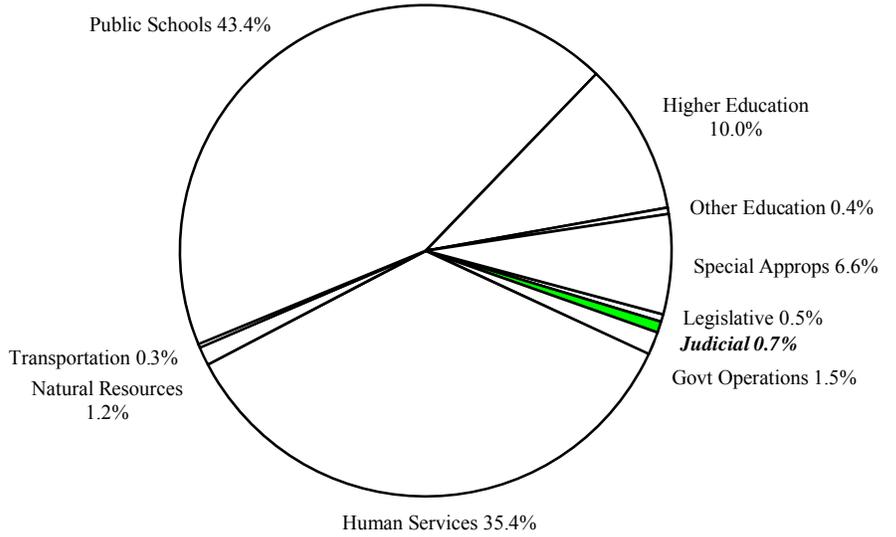
|                          |                |
|--------------------------|----------------|
| Admin Office Courts      | 146,189        |
| Office of Public Defense | 52,899         |
| Court of Appeals         | 31,601         |
| Civil Legal Aid          | 23,314         |
| Supreme Court            | 13,860         |
| State Law Library        | 3,584          |
| Judicial Conduct Comm    | 2,107          |
| <b>Judicial</b>          | <b>273,554</b> |



**Judicial**

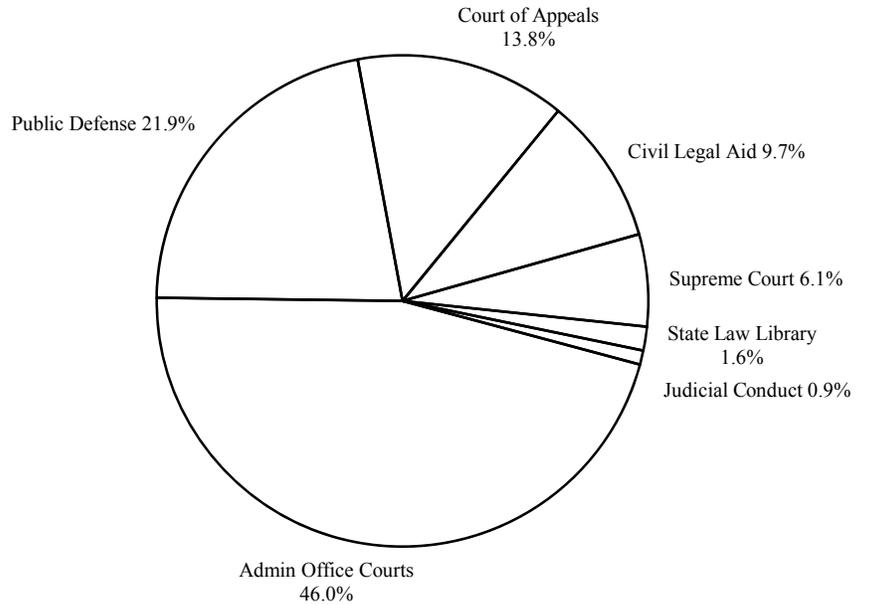
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| <b>Judicial</b>         | <b>228,493</b>    |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                          |                |
|--------------------------|----------------|
| Admin Office Courts      | 105,206        |
| Office of Public Defense | 49,976         |
| Court of Appeals         | 31,601         |
| Civil Legal Aid          | 22,159         |
| Supreme Court            | 13,860         |
| State Law Library        | 3,584          |
| Judicial Conduct Comm    | 2,107          |
| <b>Judicial</b>          | <b>228,493</b> |



**Judicial**

### Supreme Court

(Dollars in Thousands)

|  | NGF-S         | Other    | Total         |
|--|---------------|----------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>13,860</b> | <b>0</b> | <b>13,860</b> |
| <b>Total Maintenance Changes</b>       | <b>23</b>     | <b>0</b> | <b>23</b>     |
| <b>Policy Changes - Non-Comp</b>       |               |          |               |
| 1. Agency Wide Reduction               | -115          | 0        | -115          |
| 2. Governor Veto                       | 174           | 0        | 174           |
| <b>Policy -- Non-Comp Total</b>        | <b>59</b>     | <b>0</b> | <b>59</b>     |
| <b>Policy Changes - Comp</b>           |               |          |               |
| 3. Health Insurance Increase           | 68            | 0        | 68            |
| 4. Temporary Layoffs                   | -150          | 0        | -150          |
| <b>Policy -- Comp Total</b>            | <b>-82</b>    | <b>0</b> | <b>-82</b>    |
| <hr/>                                  |               |          |               |
| <b>2009-11 Revised Appropriations</b>  | <b>13,860</b> | <b>0</b> | <b>13,860</b> |
| Fiscal Year 2010 Total                 | -19           | 0        | -19           |
| Fiscal Year 2011 Total                 | -4            | 0        | -4            |

**Comments:**

1. **Agency Wide Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies. This item was vetoed (please see the Governor Veto item below).
2. **Governor Veto** - The Governor vetoed Section 109 of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444), which restores Supreme Court funding to the original 2009-11 budget levels.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts) This item was vetoed (please see the Governor Veto item).

### State Law Library

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>3,846</b> | <b>0</b> | <b>3,846</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>     | <b>0</b> | <b>2</b>     |
| <b>Policy Changes - Non-Comp</b>       |              |          |              |
| 1. Administrative Efficiencies         | -254         | 0        | -254         |
| <b>Policy -- Non-Comp Total</b>        | <b>-254</b>  | <b>0</b> | <b>-254</b>  |
| <b>Policy Changes - Comp</b>           |              |          |              |
| 2. Health Insurance Increase           | 14           | 0        | 14           |
| 3. Temporary Layoffs                   | -24          | 0        | -24          |
| <b>Policy -- Comp Total</b>            | <b>-10</b>   | <b>0</b> | <b>-10</b>   |
| <hr/>                                  |              |          |              |
| <b>2009-11 Revised Appropriations</b>  | <b>3,584</b> | <b>0</b> | <b>3,584</b> |
| Fiscal Year 2011 Total                 | -264         | 0        | -264         |

**Comments:**

1. **Administrative Efficiencies** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

### Court of Appeals

(Dollars in Thousands)

|  | NGF-S         | Other    | Total         |
|--|---------------|----------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>31,688</b> | <b>0</b> | <b>31,688</b> |
| <b>Total Maintenance Changes</b>       | <b>47</b>     | <b>0</b> | <b>47</b>     |
| <b>Policy Changes - Non-Comp</b>       |               |          |               |
| 1. Agency Wide Reduction               | -244          | 0        | -244          |
| <b>Policy -- Non-Comp Total</b>        | <b>-244</b>   | <b>0</b> | <b>-244</b>   |
| <b>Policy Changes - Comp</b>           |               |          |               |
| 2. Health Insurance Increase           | 150           | 0        | 150           |
| 3. Temporary Layoffs                   | -40           | 0        | -40           |
| <b>Policy -- Comp Total</b>            | <b>110</b>    | <b>0</b> | <b>110</b>    |
| <hr/>                                  |               |          |               |
| <b>2009-11 Revised Appropriations</b>  | <b>31,601</b> | <b>0</b> | <b>31,601</b> |
| Fiscal Year 2010 Total                 | -200          | 0        | -200          |
| Fiscal Year 2011 Total                 | 66            | 0        | 66            |

**Comments:**

1. **Agency Wide Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Commission on Judicial Conduct**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>2,114</b> | <b>0</b>     | <b>2,114</b> |
| <b>Total Maintenance Changes</b>       | <b>22</b>    | <b>0</b>     | <b>22</b>    |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Administrative Efficiencies         | -7           | 0            | -7           |
| <b>Policy -- Non-Comp Total</b>        | <b>-7</b>    | <b>0</b>     | <b>-7</b>    |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Health Insurance Increase           | 5            | 0            | 5            |
| 3. Temporary Layoffs                   | -27          | 0            | -27          |
| <b>Policy -- Comp Total</b>            | <b>-22</b>   | <b>0</b>     | <b>-22</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>2,107</b> | <b>0</b>     | <b>2,107</b> |
| Fiscal Year 2011 Total                 | -29          | 0            | -29          |
| <hr/>                                  |              |              |              |

**Comments:**

1. **Administrative Efficiencies** - Agencies are directed to reduce near general fund spending. Savings will be achieved through leaving vacant positions unfilled, reducing staff, and the development of administrative efficiencies and other expenditure reductions.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Administrative Office of the Courts

(Dollars in Thousands)

|  | NGF-S          | Other         | Total          |
|--|----------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>105,419</b> | <b>36,274</b> | <b>141,693</b> |
| <b>Total Maintenance Changes</b>       | <b>188</b>     | <b>981</b>    | <b>1,169</b>   |
| <b>Policy Changes - Non-Comp</b>       |                |               |                |
| 1. Information Technology              | 0              | 3,797         | 3,797          |
| 2. Agency Reduction                    | -649           | 0             | -649           |
| 3. Guardianship Program                | 0              | 44            | 44             |
| 4. Office of Public Guardianship       | 274            | 0             | 274            |
| <b>Policy -- Non-Comp Total</b>        | <b>-375</b>    | <b>3,841</b>  | <b>3,466</b>   |
| <b>Policy Changes - Comp</b>           |                |               |                |
| 5. Health Insurance Increase           | 318            | 48            | 366            |
| 6. Temporary Layoffs                   | -344           | -161          | -505           |
| <b>Policy -- Comp Total</b>            | <b>-26</b>     | <b>-113</b>   | <b>-139</b>    |
| <hr/>                                  |                |               |                |
| <b>2009-11 Revised Appropriations</b>  | <b>105,206</b> | <b>40,983</b> | <b>146,189</b> |
| Fiscal Year 2010 Total                 | -1,000         | 0             | -1,000         |
| Fiscal Year 2011 Total                 | 599            | 3,728         | 4,327          |

**Comments:**

1. **Information Technology** - Additional funding is provided for planning and implementation of improvements to the statewide court case management system. (Judicial Information Systems Account-State)
2. **Agency Reduction** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
3. **Guardianship Program** - One-time funding is provided to the Administrative Office of the Courts for computer programming costs associated with implementation of Chapter 272, Laws of 2010 (SHB 2680), related to the guardianship program.
4. **Office of Public Guardianship** - Funding is provided for the Office of Public Guardianship (OPG) to provide guardianship services for low-income incapacitated persons. This funding restores funding reduced in the 2009-11 biennial budget and will allow the OPG to serve the additional 50 clients necessary to complete the study being conducted on the effectiveness of the program by the Washington State Institute for Public Policy.
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of Public Defense**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>49,977</b> | <b>2,923</b> | <b>52,900</b> |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 1. Health Insurance Increase           | 19            | 0            | 19            |
| 2. Temporary Layoffs                   | -20           | 0            | -20           |
| <b>Policy -- Comp Total</b>            | <b>-1</b>     | <b>0</b>     | <b>-1</b>     |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>49,976</b> | <b>2,923</b> | <b>52,899</b> |
| Fiscal Year 2011 Total                 | -1            | 0            | -1            |
| <hr/>                                  |               |              |               |

*Comments:*

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of Civil Legal Aid**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>22,280</b> | <b>1,160</b> | <b>23,440</b> |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Administrative Efficiencies         | -121          | 0            | -121          |
| <b>Policy -- Non-Comp Total</b>        | <b>-121</b>   | <b>0</b>     | <b>-121</b>   |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 2. Temporary Layoffs                   | 0             | -5           | -5            |
| <b>Policy -- Comp Total</b>            | <b>0</b>      | <b>-5</b>    | <b>-5</b>     |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>22,159</b> | <b>1,155</b> | <b>23,314</b> |
| Fiscal Year 2011 Total                 | -121          | -5           | -126          |

**Comments:**

1. **Administrative Efficiencies** - Funding is reduced in recognition of efficiency efforts by judicial branch agencies.
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

# Governmental Operations

## Department of Commerce (formerly the Department of Community, Trade, and Economic Development)

The 2010 supplemental budget provides \$90.1 million from the state near general fund and \$578.3 million in total funds for operations of the Department of Commerce, representing a \$12.9 million (12.5 percent) reduction in state near general fund and a \$13.7 million (2.3 percent) reduction in total funds from the 2009-11 enacted budget.

### **Transfers**

Several programs are transferred to or from the Department, reflecting a refocusing of the agency's mission. These transfers total \$6.0 million from the state near general fund and \$12.5 million in total funds.

- Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658), transfers the Energy Facility Site Evaluation Council to the Utilities and Transportation Commission, abolishes the Municipal Research Council and transfers its responsibilities to the Department, transfers the Developmental Disabilities Council to the Department of Social and Health Services, and transfers the State Building Code Council to the Department of General Administration.
- Chapter 68, Laws of 2010 (SSB 6341), transfers the Emergency Food Assistance program to the Department of Agriculture.
- Chapter 30, Laws of 2010 (SHB 2704), transfers the Main Street program to the Department of Archaeology and Historic Preservation.
- In addition, the budget transfers the Forensic Sciences and DNA Analysis programs to the Washington State Patrol.

### **Economic Development**

Near General Fund-State reductions in the International Trade and Economic Development (ITED) division total \$2.8 million and include: Tourism Development (\$500,000), International Trade (\$765,000), Regional Services (\$788,000), Economic Development Training (\$210,000), and Marketing and Communications (\$200,000). Near General Fund-State enhancements in the ITED division total \$1.7 million and include: Global Health Technology, pursuant to Chapter 13, Laws of 2010 1<sup>st</sup> sp.s. (2SSB 6675), (\$1.0 million), Innovation Partnership Zone grants (\$250,000), the Washington Technology Center (\$164,000), Export Finance Assistance (\$100,000), and the Federal Way Medical Device Incubator (\$100,000).

### **Community Services**

Near General Fund-State reductions in Community Services programs total \$1.7 million and include: Community Mobilization (\$1.0 million), State Drug Task Force (\$226,000), and the Development Disabilities Council (\$87,000). Community Services enhancements total \$80,000 and include \$50,000 for HistoryLink and \$30,000 for New Americans.

### **Housing**

Enhancements affecting low income housing programs total \$7.4 million in total funds and include: Washington Families Fund (\$1.0 million); Housing Trust Fund operations and maintenance (\$2.6 million); Housing Trust Fund portfolio management (\$800,000); foreclosure counseling and support (\$500,000); and the Homeless Grant Assistance Program (\$2.0 million).

## **Local Government**

Near General Fund-State reductions in local government programs total \$4.4 million and include: grants to local governments to carry out the provisions of the Growth Management Act (\$3.8 million) consistent with Chapter 216, Laws of 2010 (SSB 6611), and Growth Management administration and technical assistance (\$500,000).

## **Military Department**

### **Public Safety Interoperability Grant**

Expenditure authority (\$18 million General Fund-Federal) is provided to continue projects originally funded with a Public Safety Interoperable Communications grant received in 2007 from the Department of Homeland Security. The Military Department will use grant monies to enhance statewide communications infrastructure and address initiatives identified in the Statewide Communications Interoperability Plan. The Department will pass 97 percent of grant funds through to local jurisdictions to use for equipment, exercises, training, and planning. The Department will retain 3 percent of funds for grant administration and management.

### **Next Generation 911 (NG911) Transition**

Expenditure authority of \$6.4 million is provided from the Enhanced 911 Account to continue upgrades to the current 911 telephone system to accommodate NG911. This upgrade provides a modern internet protocol system that will allow the 911 system to accept information from a wide variety of communication devices during emergencies.

## **Department of Revenue**

### **Working Families Tax Exemption**

Near General Fund-State funding of \$1.2 million is provided for the Department of Revenue (DOR) to establish the infrastructure to administer the Working Families Tax Exemption program. Under this program, families that qualify for the federal Earned Income Tax Credit (EITC) receive a sales tax exemption in the form of a remittance equal to a percentage of the EITC. In each fiscal year, DOR may only send such remittances at the direction of the Legislature. DOR will be prepared to send the first remittances in FY 2012, subject to legislative authorization.

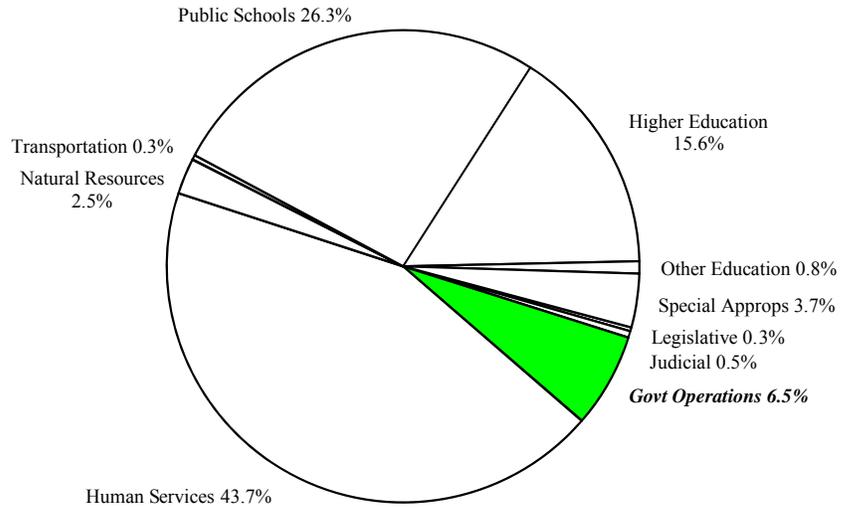
## **Liquor Control Board**

### **Contract Store Plan**

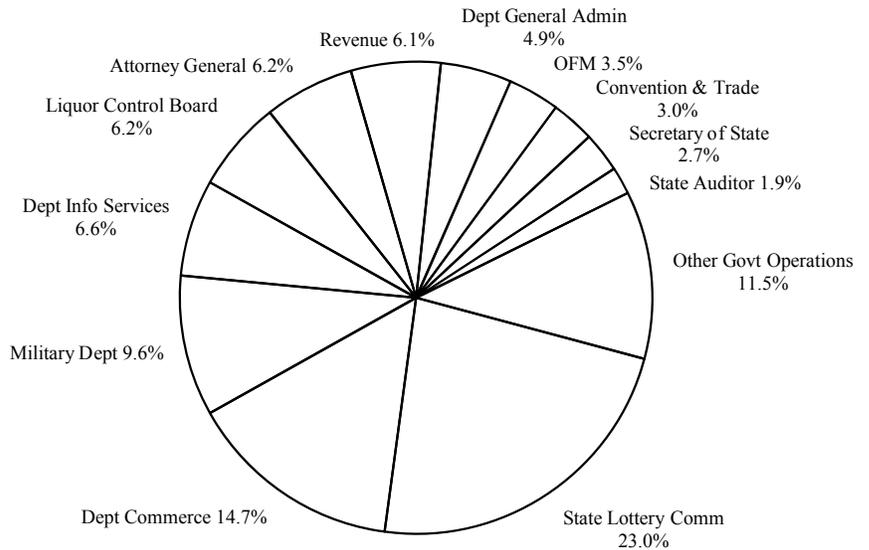
The Liquor Control Board (LCB) will prepare a plan to convert at least 20 state liquor stores to contract liquor stores. The plan will identify stores for conversion that would result in the greatest efficiency and cost-effectiveness for the state. For these stores, the plan will include an analysis of revenue generating capacity and access to liquor for underage or intoxicated persons, both before and after the planned conversions. All conversions will be planned to occur during the 2011-13 biennium. The LCB will submit the plan to the appropriate committees of the Legislature by November 1, 2010.

**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                                |                   |
|--------------------------------|-------------------|
| Legislative                    | 158,277           |
| Judicial                       | 273,554           |
| <b>Governmental Operations</b> | <b>3,921,845</b>  |
| Human Services                 | 26,450,440        |
| Natural Resources              | 1,494,562         |
| Transportation                 | 195,202           |
| Public Schools                 | 15,909,596        |
| Higher Education               | 9,453,410         |
| Other Education                | 496,323           |
| Special Appropriations         | 2,229,691         |
| <b>Statewide Total</b>         | <b>60,582,900</b> |

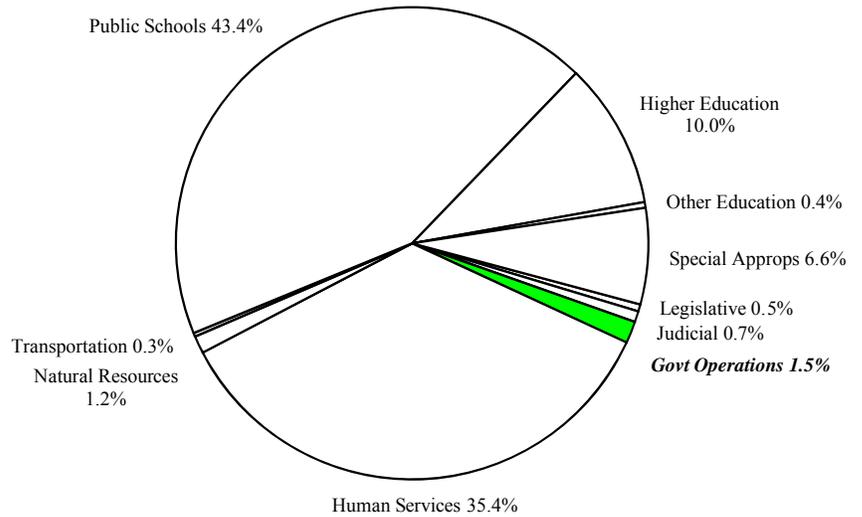


|                                |                  |
|--------------------------------|------------------|
| Lottery Commission             | 900,705          |
| Dept Commerce                  | 578,327          |
| Military Department            | 377,096          |
| Dept Info Services             | 260,358          |
| Liquor Control Board           | 244,701          |
| Attorney General               | 241,946          |
| Revenue                        | 240,877          |
| Dept General Administration    | 190,642          |
| OFM                            | 138,540          |
| Convention & Trade Center      | 116,821          |
| Secretary of State             | 107,694          |
| State Auditor                  | 73,243           |
| Other Govt Operations          | 450,895          |
| <b>Governmental Operations</b> | <b>3,921,845</b> |



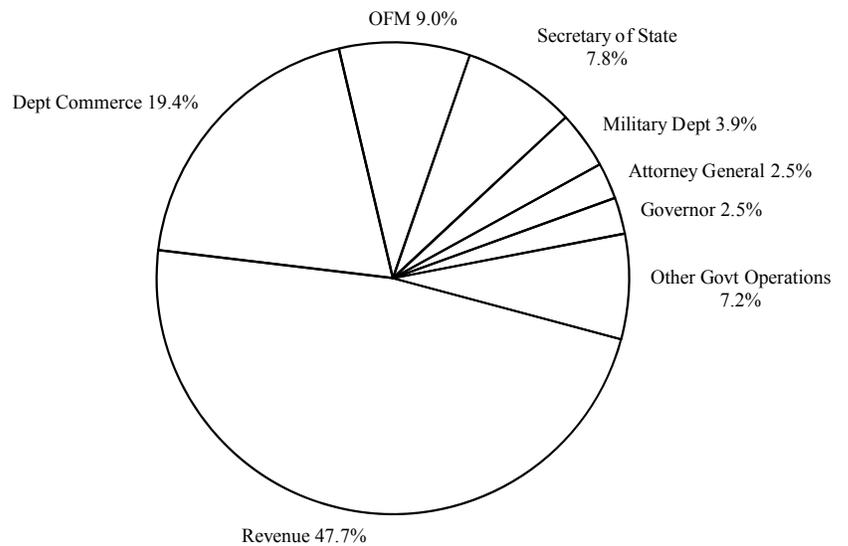
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                                |                   |
|--------------------------------|-------------------|
| Legislative                    | 153,900           |
| Judicial                       | 228,493           |
| <b>Governmental Operations</b> | <b>464,535</b>    |
| Human Services                 | 10,976,045        |
| Natural Resources              | 372,107           |
| Transportation                 | 77,996            |
| Public Schools                 | 13,442,302        |
| Higher Education               | 3,094,912         |
| Other Education                | 125,446           |
| Special Appropriations         | 2,035,286         |
| <b>Statewide Total</b>         | <b>30,971,022</b> |



**Washington State**

|                                |                |
|--------------------------------|----------------|
| Revenue                        | 221,791        |
| Dept Commerce                  | 90,147         |
| OFM                            | 41,634         |
| Secretary of State             | 36,134         |
| Military Department            | 18,224         |
| Attorney General               | 11,580         |
| Office of the Governor         | 11,541         |
| Other Govt Operations          | 33,484         |
| <b>Governmental Operations</b> | <b>464,535</b> |



**Governmental Operations**

**Office of the Governor**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>11,756</b> | <b>1,500</b> | <b>13,256</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>      | <b>0</b>     | <b>2</b>      |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Office Administrative Reductions    | -100          | 0            | -100          |
| 2. Education Ombudsman                 | -31           | 0            | -31           |
| 3. Family & Children's Ombudsman       | -40           | 0            | -40           |
| <b>Policy -- Non-Comp Total</b>        | <b>-171</b>   | <b>0</b>     | <b>-171</b>   |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 4. Health Insurance Increase           | 53            | 0            | 53            |
| 5. Temporary Layoffs                   | -99           | 0            | -99           |
| <b>Policy -- Comp Total</b>            | <b>-46</b>    | <b>0</b>     | <b>-46</b>    |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>11,541</b> | <b>1,500</b> | <b>13,041</b> |
| Fiscal Year 2010 Total                 | -45           | 0            | -45           |
| Fiscal Year 2011 Total                 | -172          | 0            | -172          |

**Comments:**

1. **Office Administrative Reductions** - Public liaison and office administrative positions are consolidated and reduced.
2. **Education Ombudsman** - Reductions are made to the Office of the Education Ombudsman. The Education Ombudsman was created to advocate on behalf of elementary and secondary students and to provide information and investigative services to parents, students, and others regarding their rights and responsibilities in the state's public elementary and secondary education system and advocating on behalf of elementary and secondary schools.
3. **Family & Children's Ombudsman** - Reductions are made to the Office of the Family and Children's Ombudsman (OFCO). OFCO is responsible for investigating complaints against state agencies involving the protection of children from abuse and neglect, and/or the provision of child welfare services. The OFCO researches issues facing the child protection/welfare system and recommends improvements.
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of the Lieutenant Governor**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>1,558</b> | <b>95</b>    | <b>1,653</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Administrative Efficiencies         | -41          | 0            | -41          |
| <b>Policy -- Non-Comp Total</b>        | <b>-41</b>   | <b>0</b>     | <b>-41</b>   |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Health Insurance Increase           | 10           | 0            | 10           |
| 3. Temporary Layoffs                   | -10          | -2           | -12          |
| 4. Governor Veto                       | 0            | 2            | 2            |
| <b>2009-11 Revised Appropriations</b>  | <b>1,517</b> | <b>95</b>    | <b>1,612</b> |
| Fiscal Year 2010 Total                 | -18          | 0            | -18          |
| Fiscal Year 2011 Total                 | -23          | 0            | -23          |

**Comments:**

1. **Administrative Efficiencies** - The Lieutenant Governor's Office will reduce spending for printing costs, employee training, travel, and equipment purchases.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)
4. **Governor Veto** - The Governor vetoed part of Section 117 of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444). The vetoed item reduced the private/local fund appropriation by \$2,000, which would have prevented the agency from accepting grant funds from a school district.

**Public Disclosure Commission**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>4,531</b> | <b>0</b>     | <b>4,531</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Reduce Administrative Expenditures  | -36          | 0            | -36          |
| <b>Policy -- Non-Comp Total</b>        | <b>-36</b>   | <b>0</b>     | <b>-36</b>   |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Health Insurance Increase           | 24           | 0            | 24           |
| 3. Temporary Layoffs                   | -58          | 0            | -58          |
| <b>Policy -- Comp Total</b>            | <b>-34</b>   | <b>0</b>     | <b>-34</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>4,461</b> | <b>0</b>     | <b>4,461</b> |
| Fiscal Year 2010 Total                 | -18          | 0            | -18          |
| Fiscal Year 2011 Total                 | -52          | 0            | -52          |

**Comments:**

1. **Reduce Administrative Expenditures** - The Public Disclosure Commission will reduce staff hours, training, and information technology maintenance; eliminate subscriptions; and leverage funding from the Savings Incentive Account.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of the Secretary of State**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>  | <u>Total</u>   |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>39,974</b> | <b>67,629</b> | <b>107,603</b> |
| <b>Total Maintenance Changes</b>             | <b>927</b>    | <b>-227</b>   | <b>700</b>     |
| <b>Policy Changes - Early Action Savings</b> |               |               |                |
| 1. Administrative Savings                    | -1,432        | 0             | -1,432         |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,432</b> | <b>0</b>      | <b>-1,432</b>  |
| <b>Policy Changes - Non-Comp</b>             |               |               |                |
| 2. State Library Services                    | -914          | 0             | -914           |
| 3. Additional Records Storage Space          | 0             | 156           | 156            |
| 4. Administrative Savings                    | -249          | 0             | -249           |
| 5. Elections                                 | -196          | 0             | -196           |
| 6. Corporations & Charities Fees             | -1,888        | 2,585         | 697            |
| 7. Help America Vote Act - State Match       | 77            | 1,541         | 1,618          |
| <b>Policy -- Non-Comp Total</b>              | <b>-3,170</b> | <b>4,282</b>  | <b>1,112</b>   |
| <b>Policy Changes - Comp</b>                 |               |               |                |
| 8. Health Insurance Increase                 | 222           | 130           | 352            |
| 9. Temporary Layoffs                         | -387          | -254          | -641           |
| <b>Policy -- Comp Total</b>                  | <b>-165</b>   | <b>-124</b>   | <b>-289</b>    |
| <hr/>  |               |               |                |
| <b>2009-11 Revised Appropriations</b>        | <b>36,134</b> | <b>71,560</b> | <b>107,694</b> |
| Fiscal Year 2010 Total                       | -1,101        | 52            | -1,049         |
| Fiscal Year 2011 Total                       | -3,666        | 4,106         | 440            |

**Comments:**

- 1. **Administrative Savings** - Reductions are made to Executive and Administrative Services, the Charitable Solicitation and Trust Program, Corporations and Partnership Services, Humanities Washington, the Legacy Project, and non-mandatory Election Services. Positions will be consolidated, eliminated, or left vacant; goods, services and travel are reduced; and furloughs may be implemented.
- 2. **State Library Services** - Library services supported with state funding are reduced. Reductions will be made to library services in state institutions, digital and general historical collections, and depository collections. Assistance to local libraries is not reduced.
- 3. **Additional Records Storage Space** - A recent agreement to accept 25,000 storage boxes from the Department of Social and Health Services into the State Records Center immediately reduces the space available to within six months of capacity. Additional funding is provided for the State Records Center to obtain additional storage space. (Archives and Records Management Account-State)
- 4. **Administrative Savings** - Reductions are made to Administrative Services.
- 5. **Elections** - Reductions are made to the Elections Division.
- 6. **Corporations & Charities Fees** - Fees in the Corporations and Charities Division are restructured under Chapter 29, Laws of 2010, 1st sp.s. (2SHB 2576), which allows for a decrease in General Fund-State funding, while funding from the Secretary of State's Revolving Account is increased.
- 7. **Help America Vote Act - State Match** - The federal Consolidated Appropriations Act of 2010 provides \$1.4 million in Help America Vote Act (HAVA) funds, subject to \$77,000 in state matching funds. This General Fund-State appropriation is for deposit into, and expenditure from, the Election Account. (General Fund-State, Election Account-State)
- 8. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
- 9. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Governor's Office of Indian Affairs**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>542</b>   | <b>0</b>     | <b>542</b>   |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Reduce Administrative Expenditures  | -4           | 0            | -4           |
| <b>Policy -- Non-Comp Total</b>        | <b>-4</b>    | <b>0</b>     | <b>-4</b>    |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Health Insurance Increase           | 5            | 0            | 5            |
| 3. Temporary Layoffs                   | -6           | 0            | -6           |
| <b>Policy -- Comp Total</b>            | <b>-1</b>    | <b>0</b>     | <b>-1</b>    |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>537</b>   | <b>0</b>     | <b>537</b>   |
| Fiscal Year 2010 Total                 | 9            | 0            | 9            |
| Fiscal Year 2011 Total                 | -14          | 0            | -14          |

**Comments:**

1. **Reduce Administrative Expenditures** - The Governor's Office of Indian Affairs will reduce staffing levels and expenditures for travel, goods, and services.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

|  | NGF-S      | Other    | Total      |
|--|------------|----------|------------|
| <b>2009-11 Original Appropriations</b> | <b>460</b> | <b>0</b> | <b>460</b> |
| <b>Policy Changes - Non-Comp</b>       |            |          |            |
| 1. Reduce Administrative Expenditures  | -5         | 0        | -5         |
| <b>Policy -- Non-Comp Total</b>        | <b>-5</b>  | <b>0</b> | <b>-5</b>  |
| <b>Policy Changes - Comp</b>           |            |          |            |
| 2. Temporary Layoffs                   | -3         | 0        | -3         |
| <b>Policy -- Comp Total</b>            | <b>-3</b>  | <b>0</b> | <b>-3</b>  |
| <hr/>                                  |            |          |            |
| <b>2009-11 Revised Appropriations</b>  | <b>452</b> | <b>0</b> | <b>452</b> |
| Fiscal Year 2010 Total                 | -20        | 0        | -20        |
| Fiscal Year 2011 Total                 | 12         | 0        | 12         |

**Comments:**

1. **Reduce Administrative Expenditures** - The Commission will reduce expenditures for travel, goods, and services. It also achieved savings by delaying the hire of its executive director.
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of the State Treasurer**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u>  | <u>Total</u>  |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b>     | <b>14,802</b> | <b>14,802</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>2</b>      | <b>2</b>      |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 1. Health Insurance Increase           | 0            | 72            | 72            |
| 2. Temporary Layoffs                   | 0            | -190          | -190          |
| <b>Policy -- Comp Total</b>            | <b>0</b>     | <b>-118</b>   | <b>-118</b>   |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b>     | <b>14,686</b> | <b>14,686</b> |
| Fiscal Year 2011 Total                 | 0            | -118          | -118          |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**Office of the State Auditor**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u>  | <u>Total</u>  |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>1,451</b> | <b>76,884</b> | <b>78,335</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>12</b>     | <b>12</b>     |
| <b>Policy Changes - Non-Comp</b>       |              |               |               |
| 1. State Audit Reduction               | 0            | -1,206        | -1,206        |
| 2. Reduce Performance Audit Activity   | 0            | -3,292        | -3,292        |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b>     | <b>-4,498</b> | <b>-4,498</b> |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 3. Health Insurance Increase           | 10           | 409           | 419           |
| 4. Temporary Layoffs                   | -22          | -1,003        | -1,025        |
| <b>Policy -- Comp Total</b>            | <b>-12</b>   | <b>-594</b>   | <b>-606</b>   |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>1,439</b> | <b>71,804</b> | <b>73,243</b> |
| Fiscal Year 2010 Total                 | 0            | -1,901        | -1,901        |
| Fiscal Year 2011 Total                 | -12          | -3,191        | -3,203        |

**Comments:**

1. **State Audit Reduction** - Funding for state agency audit activities and associated administrative costs are reduced. The audit of state government activities consists of periodic compliance audits of state government spending, investigation of improper government actions (whistleblower cases), audits of Washington State's Comprehensive Annual Financial Report (CAFR), and the Single State Federal audits. The Office of the State Auditor must continue to complete the CAFR and Single State Federal audits. (Auditing Services Revolving Account-State)
2. **Reduce Performance Audit Activity** - Expenditure authority for the Performance Audits of Government Account is reduced to match the current spending plan submitted by the agency. Excess funds are transferred to the state general fund. (Performance Audits of Government Account-Non-Appropriated)
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Citizens' Commission on Salaries for Elected Officials**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>383</b>   | <b>0</b>     | <b>383</b>   |
| <b>Policy Changes - Early Action Savings</b> |              |              |              |
| 1. Reduce Administrative Expenditures        | -6           | 0            | -6           |
| <b>Policy Changes - Early Action Savings</b> | <b>-6</b>    | <b>0</b>     | <b>-6</b>    |
| <b>Policy Changes - Comp</b>                 |              |              |              |
| 2. Temporary Layoffs                         | -3           | 0            | -3           |
| <b>Policy -- Comp Total</b>                  | <b>-3</b>    | <b>0</b>     | <b>-3</b>    |
| <hr/>  |              |              |              |
| <b>2009-11 Revised Appropriations</b>        | <b>374</b>   | <b>0</b>     | <b>374</b>   |
| Fiscal Year 2010 Total                       | -3           | 0            | -3           |
| Fiscal Year 2011 Total                       | -6           | 0            | -6           |

**Comments:**

1. **Reduce Administrative Expenditures** - The Commission will reduce expenditures for travel, goods and services, and equipment.
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of the Attorney General**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>   | <u>Total</u>   |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>10,899</b> | <b>230,979</b> | <b>241,878</b> |
| <b>Total Maintenance Changes</b>       | <b>794</b>    | <b>3,441</b>   | <b>4,235</b>   |
| <b>Policy Changes - Non-Comp</b>       |               |                |                |
| 1. Legal Services to State Agencies    | 0             | -2,503         | -2,503         |
| 2. Admin Legal Services Reductions     | -174          | 0              | -174           |
| 3. Sunshine Committee                  | -11           | 0              | -11            |
| 4. Farm Internship Pilot Project       | 0             | 21             | 21             |
| 5. School Civil Rights Compliance      | 0             | 53             | 53             |
| 6. Small Business Compliance           | 0             | 96             | 96             |
| 7. Greenhouse Gas Emissions            | 0             | 21             | 21             |
| 8. Teck Cominco Litigation Costs       | 0             | 66             | 66             |
| 9. Reduced Legal Services to DSHS      | 0             | -2,500         | -2,500         |
| 10. Language Access Providers          | 0             | 131            | 131            |
| <b>Policy -- Non-Comp Total</b>        | <b>-185</b>   | <b>-4,615</b>  | <b>-4,800</b>  |
| <b>Policy Changes - Comp</b>           |               |                |                |
| 11. Health Insurance Increase          | 92            | 1,255          | 1,347          |
| 12. Temporary Layoffs                  | -20           | -694           | -714           |
| <b>Policy -- Comp Total</b>            | <b>72</b>     | <b>561</b>     | <b>633</b>     |
| <b>2009-11 Revised Appropriations</b>  | <b>11,580</b> | <b>230,366</b> | <b>241,946</b> |
| Fiscal Year 2011 Total                 | -113          | -4,054         | -4,167         |

**Comments:**

1. **Legal Services to State Agencies** - For the remainder of the 2009-11 biennium, the Attorney General's Office will work closely with client agencies to reduce the overall cost and usage of legal services. (Legal Services Revolving Account-State)
 

2010 (2SHB 2603 - Small Business Regulatory Compliance). (Legal Services Revolving Fund)
2. **Admin Legal Services Reductions** - Administrative costs are reduced for Criminal Division litigation functions, Consumer Protection Division functions, and Homicide Investigation Tracking Unit functions.
3. **Sunshine Committee** - Funding for the Public Records Exemptions Accountability Committee (Sunshine Committee) is eliminated for FY 2011. The Committee reviews all exemptions to the Public Disclosure Act on an annual basis and makes recommendations to repeal or amend exemptions to the Public Records Act.
4. **Farm Internship Pilot Project** - One-time funding is provided for the legal costs associated with the farm internship pilot project under Chapter 160, Laws of 2010, Partial Veto (SSB 6349). (Legal Services Revolving Fund)
5. **School Civil Rights Compliance** - Funding is provided for the legal costs associated with the implementation of Chapter 240, Laws of 2010 (E2SHB 3026 - School District Compliance with Civil Rights Statutes). (Legal Services Revolving Fund)
6. **Small Business Compliance** - Funding is provided for the legal costs associated with implementing Chapter 194, Laws of
 

2010 (2SHB 2603 - Small Business Regulatory Compliance). (Legal Services Revolving Fund)
7. **Greenhouse Gas Emissions** - Funding is provided for the legal costs associated with implementation of Chapter 146, Laws of 2010 (SSB 6373 - Greenhouse Gas Emissions). (Legal Services Revolving Fund)
8. **Teck Cominco Litigation Costs** - One-time funding is provided for legal services associated with the *Pakootas et al. v. Teck Cominco, Ltd.*, case concerning a toxic cleanup site on the Upper Columbia River. The Department of Ecology and the Confederated Tribes of the Colville Reservation are co-plaintiffs in this litigation, which addresses the liability, under federal cleanup law, of a smelter complex located in British Columbia, Canada. (Legal Services Revolving Fund)
9. **Reduced Legal Services to DSHS** - Funding from the Legal Services Revolving Account for legal services to the Department of Social and Health Services (DSHS) is reduced to reflect reduced General Fund-State appropriations to DSHS in the original biennial budget.
10. **Language Access Providers** - Funding is provided for legal services related to Chapter 296, Laws of 2010, Partial Veto (ESSB 6726 - Collective Bargaining for Language Access Providers). (Legal Services Revolving Fund)

## Office of the Attorney General

11. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
12. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Caseload Forecast Council**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,551</b> | <b>0</b>     | <b>1,551</b> |
| <b>Policy Changes - Early Action Savings</b> |              |              |              |
| 1. Reduce Administrative Expenditures        | -26          | 0            | -26          |
| <b>Policy Changes - Early Action Savings</b> | <b>-26</b>   | <b>0</b>     | <b>-26</b>   |
| <b>Policy Changes - Comp</b>                 |              |              |              |
| 2. Health Insurance Increase                 | 5            | 0            | 5            |
| 3. Temporary Layoffs                         | -22          | 0            | -22          |
| <b>Policy -- Comp Total</b>                  | <b>-17</b>   | <b>0</b>     | <b>-17</b>   |
| <hr/>  |              |              |              |
| <b>2009-11 Revised Appropriations</b>        | <b>1,508</b> | <b>0</b>     | <b>1,508</b> |
| Fiscal Year 2010 Total                       | -13          | 0            | -13          |
| Fiscal Year 2011 Total                       | -30          | 0            | -30          |

**Comments:**

1. **Reduce Administrative Expenditures** - The Council will reduce expenditures for travel, training, salary increases, and goods and services.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Commerce

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>103,078</b> | <b>488,994</b> | <b>592,072</b> |
| <b>Total Maintenance Changes</b>             | <b>4</b>       | <b>-1,817</b>  | <b>-1,813</b>  |
| <b>Policy Changes - Early Action Savings</b> |                |                |                |
| 1. Administration Reduction                  | -250           | 0              | -250           |
| <b>Policy Changes - Early Action Savings</b> | <b>-250</b>    | <b>0</b>       | <b>-250</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                |                |
| 2. Community Services Reduction              | -282           | 0              | -282           |
| 3. New Americans                             | 30             | 0              | 30             |
| 4. Growth Management Reduction               | -115           | 0              | -115           |
| 5. International Trade Reduction             | -765           | 0              | -765           |
| 6. Transfer Residential Substance Abu        | 0              | -133           | -133           |
| 7. Transfer State Building Code Cncl         | 0              | -677           | -677           |
| 8. Transfer Emergency Food Program           | -5,030         | 0              | -5,030         |
| 9. Transfer Energy Facility Site Eval        | 0              | -5,547         | -5,547         |
| 10. Transfer Juvenile Drug Courts            | -566           | 0              | -566           |
| 11. Transfer Forensic Sciences               | 0              | -288           | -288           |
| 12. Transfer DNA Analysis                    | 0              | -313           | -313           |
| 13. Transfer Drug Prosecution Assist         | -236           | 0              | -236           |
| 14. Transfer Project Safe Neighborhd         | 0              | -143           | -143           |
| 15. International Trade Administration       | -44            | 0              | -44            |
| 16. Washington Technology Center             | 164            | 0              | 164            |
| 17. Regional Services                        | -788           | 0              | -788           |
| 18. Microenterprise Development              | 10             | 0              | 10             |
| 19. Economic Development Training            | -210           | 0              | -210           |
| 20. Community & Financial Services           | -77            | 0              | -77            |
| 21. International Trade Development          | -72            | 0              | -72            |
| 22. Domestic Contracts                       | -12            | 0              | -12            |
| 23. Community Mobilization                   | -1,000         | 0              | -1,000         |
| 24. Community Services Administration        | -35            | 0              | -35            |
| 25. Kids of Incarcerated Parents Admin       | -78            | 0              | -78            |
| 26. Long-Term Care Ombudsman                 | -62            | 0              | -62            |
| 27. Developmental Disabilities Council       | -87            | 0              | -87            |
| 28. Local Government Administration          | -26            | 0              | -26            |
| 29. Growth Management Grants                 | -3,762         | 0              | -3,762         |
| 30. Transfer Municipal Research Svcs         | 0              | 2,715          | 2,715          |
| 31. Transfer DD Council                      | -57            | -2,092         | -2,149         |
| 32. State Energy Strategy                    | 858            | 0              | 858            |
| 33. Greater Seattle Bus Assn Tourism         | 55             | 0              | 55             |
| 34. Main Street Transfer                     | -121           | 0              | -121           |
| 35. State Drug Task Force                    | -226           | 0              | -226           |
| 36. Community & Econ Hsng Spend Auth         | 0              | 5,400          | 5,400          |
| 37. Home Security Spending Authority         | 0              | 2,000          | 2,000          |
| 38. Prostitution Prevention Authority        | 0              | 125            | 125            |
| 39. EPA Renovation Rule                      | 0              | 139            | 139            |
| 40. Reduce Tourism Development               | -500           | 0              | -500           |
| 41. Reduce Statewide Services                | -75            | 0              | -75            |
| 42. Reduce Other Pass-Through Grants         | -64            | 0              | -64            |
| 43. Reduce Grant Services Admin              | -50            | 0              | -50            |
| 44. IPZ Grants                               | 250            | 0              | 250            |
| 45. Entrepreneurial Development              | 50             | 0              | 50             |
| 46. Export Finance                           | 100            | 0              | 100            |
| 47. Reduce Growth Mgmt Administration        | -500           | 0              | -500           |
| 48. Reduce Marketing and Communications      | -200           | 0              | -200           |
| 49. Federal Way Med Device Incubator         | 100            | 0              | 100            |
| 50. Global Health Technology                 | 1,000          | 0              | 1,000          |
| 51. HistoryLink                              | 50             | 0              | 50             |
| 52. WSQA and MIMA                            | 100            | 0              | 100            |
| 53. Governor Veto                            | -100           | 0              | -100           |

**Department of Commerce**

(Dollars in Thousands)

|                                       | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|---------------------------------------|----------------|----------------|----------------|
| <b>Policy -- Non-Comp Total</b>       | <b>-12,373</b> | <b>1,186</b>   | <b>-11,187</b> |
| <b>Policy Changes - Comp</b>          |                |                |                |
| 54. Health Insurance Increase         | 178            | 165            | 343            |
| 55. Temporary Layoffs                 | -490           | -348           | -838           |
| <b>Policy -- Comp Total</b>           | <b>-312</b>    | <b>-183</b>    | <b>-495</b>    |
| <hr/>                                 |                |                |                |
| <b>2009-11 Revised Appropriations</b> | <b>90,147</b>  | <b>488,180</b> | <b>578,327</b> |
| Fiscal Year 2010 Total                | -1,472         | 0              | -1,472         |
| Fiscal Year 2011 Total                | -11,463        | 1,003          | -10,460        |

**Comments:**

1. **Administration Reduction** - Funding for the Department's administrative functions is reduced across six areas: Administrative Services; the Economic Development Commission; the Community Services Division; the Housing Division; the Local Government Division; and the International Trade and Economic Development Division.
2. **Community Services Reduction** - Reductions are made to numerous Community Services Division activities including: Long-Term Care Ombudsman (\$17,660); Domestic Violence Legal Advocacy (\$27,073); Community Sexual Assault Programs (\$12,032); Crime Victims' Service Centers (\$23,122); Victim Witness Program (\$13,938); Community Mobilization (\$64,913); State Drug Prosecution Assistance (\$9,474); Washington New Americans Program (\$10,142); Multijurisdictional Drug Task Forces (\$54,462); transfer from the Criminal Justice Training Commission (CJTC) (\$28,742); and Juvenile Drug Court (\$21,278).
3. **New Americans** - A portion of the funding reduced in the biennial budget for the Washington New Americans program is restored. The program assists legal permanent residents of the state become naturalized U.S. citizens.
4. **Growth Management Reduction** - Funding for local growth management grants is reduced. The Department provides grants to local governments so they can effectively plan for future growth and economic development.
5. **International Trade Reduction** - Reductions are made to international trade and economic development activities and grants. Affected programs and activities include: Washington Manufacturing Services (\$7,154); Associate Development Organizations (\$646,955); the Washington Technology Center (\$90,154); Microenterprise Development (\$7,750); Western Washington University Small Business Development (\$12,429); and Renton Small Business Development (\$894).
6. **Transfer Residential Substance Abuse** - The Residential Substance Abuse Treatment Program is transferred from the Department of Commerce (Commerce) to the Department of Social and Health Services (DSHS). (General Fund-Federal)
7. **Transfer State Building Code Cncl** - The State Building Code Council is transferred to the Department of General Administration pursuant to Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658). (General Fund-State, State Building Code Account-State)
8. **Transfer Emergency Food Program** - Pursuant to Chapter 68, Laws of 2010 (SSB 6341 - Food assistance), Commerce's Emergency Food Assistance Program is transferred to the Department of Agriculture, effective July 1, 2010.
9. **Transfer Energy Facility Site Eval** - Funding for the Energy Facility Site Evaluation Council is transferred from Commerce to the Utilities and Transportation Commission pursuant to Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658). (General Fund-Private/Local)
10. **Transfer Juvenile Drug Courts** - Funding for Juvenile Drug Courts is transferred from Commerce to DSHS.
11. **Transfer Forensic Sciences** - Funding for the Forensic Sciences Improvement Program is transferred from Commerce to the Washington State Patrol (WSP). The program supports forensic science services and medical examiner services provided by state and local governments. (General Fund-Federal)
12. **Transfer DNA Analysis** - Funding for the Post-Conviction DNA Analysis Program is transferred from Commerce to WSP. The program provides testing of old evidence to determine if the DNA analysis substantiates prior convictions. (General Fund-Federal)
13. **Transfer Drug Prosecution Assist** - Pursuant to Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658), funding for the Drug Prosecution Assistance activity is transferred from Commerce to CJTC. (General Fund-Federal)
14. **Transfer Project Safe Neighborhd** - Funding for Project Safe Neighborhood is transferred to CJTC. (General Fund-Federal)
15. **International Trade Administration** - Administrative costs for International Trade are reduced.

## Department of Commerce

16. **Washington Technology Center** - Funding for the Washington Technology Center is increased by \$82,000 per year. The Center, headquartered at the University of Washington, was created to be a collaborative effort between the state's universities, private industry, and government.
17. **Regional Services** - The Regional Services Unit is reduced from seven to four regions. Regional Services partners with local organizations, state agencies, and service providers to maximize private sector job creation and investment and to promote retention, growth, and the expansion of businesses.
18. **Microenterprise Development** - Funding is added for the contract with the Washington State Microenterprise Association. The Microenterprise Institute currently provides financial and technical assistance to very small businesses.
19. **Economic Development Training** - Funding for the Economic Development Education and Training Program will be discontinued in FY 2011.
20. **Community & Financial Services** - Funding for the Community and Financial Assistance Unit is discontinued. This unit has worked to strengthen and diversify the state's economy through programs that help Washington's communities plan, finance, and implement economic development strategies to create opportunities for business and job growth.
21. **International Trade Development** - Funding for international trade development activity is reduced by 5 percent.
22. **Domestic Contracts** - Funding for Domestic Contracts is reduced by 5 percent in FY 2011. This activity contracts with the Washington Export Finance Assistance Center and the International Trade Alliance of Spokane to assist small- and medium-sized businesses in urban and rural areas in financing and selling exports.
23. **Community Mobilization** - Funding for this activity is reduced in FY 2011. The Community Mobilization Program organizes local communities to address problems of substance abuse and violence.
24. **Community Services Administration** - Administrative costs for the Community Services Administration activity are reduced by 10 percent.
25. **Kids of Incarcerated Parents Admin** - Funding for the Children of Incarcerated Parents Advisory Board is eliminated. The advisory board monitors, guides, and reports on recommendations related to policies and programs for children of families with incarcerated parents.
26. **Long-Term Care Ombudsman** - Administrative and operational costs are reduced for the Long-Term Care Ombudsman.
27. **Developmental Disabilities Council** - Funding for the Developmental Disabilities Council's administrative costs is reduced.
28. **Local Government Administration** - Administrative costs are reduced for local government administration.
29. **Growth Management Grants** - Grants to local governments to develop growth management plans are reduced for FY 2010 and eliminated for FY 2011, consistent with the provisions of Chapter 216, Laws of 2010 (SSB 6611).
30. **Transfer Municipal Research Svcs** - Pursuant to Chapter 217, Laws of 2010, Partial Veto (E2SHB 2658), Commerce will administer the contract with the Municipal Research Services Center, since the Municipal Research Council is eliminated. (County Research Services Account-State, City and Town Research Services Account-State)
31. **Transfer DD Council** - Pursuant to Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658), the funding for the Developmental Disabilities (DD) Council and Endowment Trust Fund is transferred from Commerce to the Department of Health. (General Fund-State, General Fund-Federal, Community and Economic Development Fee Account-State)
32. **State Energy Strategy** - Funding is restored to allow Commerce to update the State Energy Strategy. The 2009-11 budget removed all unrestricted General Fund-State dollars from the Energy Policy Division's funding for FY 2011.
33. **Greater Seattle Bus Assn Tourism** - Funding is provided for a grant to the Greater Seattle Business Association for tourism development.
34. **Main Street Transfer** - Chapter 30, Laws of 2010 (SHB 2704 - Washington State Main Street Program [WSMSP]) transfers the program from Commerce to the Department of Archaeology and Historic Preservation. WSMSP helps communities revitalize the economy, appearance, and image of their traditional commercial districts through training, technical assistance, and organization of local resources.
35. **State Drug Task Force** - The State Drug Task Force is reduced by 15 percent for FY 2011.
36. **Community & Econ Hsng Spend Auth** - The increased expenditure authority in the Community and Economic Development Fee Account must be used solely for five purposes: \$1 million is for services for homeless families through the Washington Families Fund; \$2.6 million is for Housing Trust Fund operations and maintenance; \$800,000 is for Housing Trust Fund portfolio management; \$500,000 is for foreclosure counseling and support; and \$500,000 is for use as a reserve in the account. (Community and Economic Development Fee Account-State)
37. **Home Security Spending Authority** - The sum of \$2 million of the Home Security Fund Account-State appropriation is

## Department of Commerce

provided for the homeless grant assistance program. (Home Security Fund Account-State)

38. **Prostitution Prevention Authority** - Commerce provides a grant to the city of Seattle to operate a Prostitution Prevention and Intervention Program. The city leverages these funds with a federal Justice Assistance Grant award. Additional expenditure authority is provided for the city of Seattle to hire a staff member to conduct prostitution and prevention activities including counseling, parenting skills training, housing relief, education, and vocational training for people leaving or avoiding prostitution. (Prostitution Prevention and Intervention Account-State)
39. **EPA Renovation Rule** - Expenditure authority is provided pursuant to Chapter 158, Laws of 2010 (SHB 2745 - Lead-Based Paint Program) and to administer the Environmental Protection Agency's (EPA's) Renovation, Repair, and Painting rule, which went into effect in April 2010. This rule requires people who update, maintain, or modify pre-1978 buildings containing lead-based paint to be trained and certified to follow work practices that minimize lead hazards to children. (General Fund-Federal, Lead Paint Account-State)
40. **Reduce Tourism Development** - Funding is reduced for tourism development, through which the Washington State Tourism Office markets the state as a tourism destination.
41. **Reduce Statewide Services** - Funding is reduced for statewide services within the International Trade and Economic Development Division. Statewide services provides financial and/or technical assistance to companies for a wide variety of business activities.
42. **Reduce Other Pass-Through Grants** - Funding is reduced for pass-through grants administration.
43. **Reduce Grant Services Admin** - Funding is reduced for grant services administration which involves working with partner organizations and communities to improve organizational capacity for economic development and jobs.
44. **IPZ Grants** - Funding is provided for the Department to administer a competitive grant program to fund economic development activities designed to further regional cluster growth and to integrate sector-based and cluster-based strategies with its support for the development of innovation partnership zones (IPZ).
45. **Entrepreneurial Development** - Funding is provided for the creation of the Washington entrepreneurial development and small business reference service.
46. **Export Finance** - Funding is provided to: (1) develop a rural manufacturer export outreach program in conjunction with Impact Washington; and (2) develop loan or loan guarantee programs in conjunction with the Washington Economic Development Finance Authority.
47. **Reduce Growth Mgmt Administration** - Funding for growth management administration and technical assistance is reduced to reflect reduced demand from local governments given the postponed plan update schedule pursuant to Chapter 216, Laws of 2010 (SSB 6611 - Comprehensive Land Use Plan).
48. **Reduce Marketing and Communications** - Funding is reduced for the web, marketing, and communications program in the International Trade and Economic Development Division.
49. **Federal Way Med Device Incubator** - Funding is provided for a grant to the city of Federal Way for a medical device incubator project. State funding is contingent on a 100 percent match from the city of Federal Way.
50. **Global Health Technology** - Funding is provided to implement the provisions of Chapter 13, Laws of 2010 1st sp.s. (2SSB 6675 - Global Health) for the Washington Global Health Technologies and Product Development Competitiveness program.
51. **HistoryLink** - Funding is provided for a grant to HistoryLink, a free online encyclopedia of Washington State history.
52. **WSQA and MIMA** - The sum of \$50,000 is provided for the Washington State Quality Award (WSQA), and \$50,000 is provided for the Manufacturing Innovation and Modernization Account (MIMA). The Governor vetoed the provisions directing this funding (please see Governor veto item below).
53. **Governor Veto** - The Governor vetoed Section 127 (38) and (39) of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444). These subsections provided \$50,000 for WSQA and \$50,000 for MIMA.
54. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
55. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Economic & Revenue Forecast Council**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,520</b> | <b>0</b>     | <b>1,520</b> |
| <b>Policy Changes - Early Action Savings</b> |              |              |              |
| 1. Administrative Savings                    | -24          | 0            | -24          |
| <b>Policy Changes - Early Action Savings</b> | <b>-24</b>   | <b>0</b>     | <b>-24</b>   |
| <b>Policy Changes - Comp</b>                 |              |              |              |
| 2. Health Insurance Increase                 | 5            | 0            | 5            |
| 3. Temporary Layoffs                         | -18          | 0            | -18          |
| <b>Policy -- Comp Total</b>                  | <b>-13</b>   | <b>0</b>     | <b>-13</b>   |
| <hr/>  |              |              |              |
| <b>2009-11 Revised Appropriations</b>        | <b>1,483</b> | <b>0</b>     | <b>1,483</b> |
| Fiscal Year 2010 Total                       | -16          | 0            | -16          |
| Fiscal Year 2011 Total                       | -21          | 0            | -21          |

**Comments:**

1. **Administrative Savings** - Staff training and purchases of information technology hardware and econometric software are reduced.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of Financial Management**

(Dollars in Thousands)

|  | NGF-S         | Other         | Total          |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>42,955</b> | <b>93,551</b> | <b>136,506</b> |
| <b>Total Maintenance Changes</b>             | <b>6</b>      | <b>4</b>      | <b>10</b>      |
| <b>Policy Changes - Early Action Savings</b> |               |               |                |
| 1. Staff Reductions                          | -686          | 0             | -686           |
| <b>Policy Changes - Early Action Savings</b> | <b>-686</b>   | <b>0</b>      | <b>-686</b>    |
| <b>Policy Changes - Non-Comp</b>             |               |               |                |
| 2. Education Reform                          | 200           | 0             | 200            |
| 3. Operational Reductions                    | -921          | 0             | -921           |
| 4. Strategic Health Planning Committee       | -25           | 0             | -25            |
| 5. GMAP Reduction                            | -25           | 0             | -25            |
| 6. WSQA Training                             | 25            | 0             | 25             |
| 7. Greenhouse Gas Emissions-E2SSB 5735       | -319          | 0             | -319           |
| 8. Multi-Agency Permitting - 2SSB 6578       | 110           | 0             | 110            |
| 9. Strategic Health Grant                    | 0             | 3,512         | 3,512          |
| 10. RHC Transition Effort                    | 200           | 0             | 200            |
| 11. Governor Veto                            | 293           | 0             | 293            |
| <b>Policy -- Non-Comp Total</b>              | <b>-462</b>   | <b>3,512</b>  | <b>3,050</b>   |
| <b>Policy Changes - Comp</b>                 |               |               |                |
| 12. Health Insurance Increase                | 207           | 140           | 347            |
| 13. Temporary Layoffs                        | -386          | -301          | -687           |
| <b>Policy -- Comp Total</b>                  | <b>-179</b>   | <b>-161</b>   | <b>-340</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>41,634</b> | <b>96,906</b> | <b>138,540</b> |
| Fiscal Year 2010 Total                       | -1,077        | 0             | -1,077         |
| Fiscal Year 2011 Total                       | -250          | 3,351         | 3,101          |

**Comments:**

- Staff Reductions** - Staff reductions are made in the Budget, Forecasting, Information Technology, and Policy divisions, and leased space costs are reduced through staff consolidations.
- Education Reform** - Funding is provided to support preparation of the state's "Race to the Top" application. This federal grant program will provide significant federal funding to successful applicant states to aid them in their education reform efforts.
- Operational Reductions** - The agency will eliminate some work processes and products that will result in staff reductions. Savings also will be achieved by reducing spending on equipment, leases, and other support costs.
- Strategic Health Planning Committee** - Pursuant to Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617 - Boards and Commissions), the Strategic Health Planning Office Technical Advisory Committee is eliminated in the Office of Financial Management (OFM).
- GMAP Reduction** - Funding is reduced for the Government Management Accountability and Performance (GMAP) program.
- WSQA Training** - Funding is provided for a contract with the Washington State Quality Award (WSQA) for training for state managers and employees. This item was vetoed (please see Governor Veto item below).
- Greenhouse Gas Emissions-E2SSB 5735** - Funds provided in the 2009 appropriations act for the implementation of E2SSB 5735 (Greenhouse Gas Emissions) are removed. The bill failed to pass.
- Multi-Agency Permitting - 2SSB 6578** - Funds are provided for the initial costs of the multi-agency permitting team within the Office of Regulatory Assistance under Chapter 162, Laws of 2010 (2SSB 6578).
- Strategic Health Grant** - These funds represent the first year of a five-year federal grant to support access to health insurance for low-income working families. OFM will pass through these funds to the Health Care Authority and Department of Social and Health Services.
- RHC Transition Effort** - Funding is provided for an independent assessment of individual client needs at each Residential Habilitation Center (RHC). This item was vetoed (please see Governor Veto item below).

**Office of Financial Management**

11. **Governor Veto** - The Governor vetoed parts of Section 129 of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444). The Governor vetoed the FY 2011 General Fund-State appropriation reduction, funding for the Washington State Quality Award training, and funding for the Residential Habilitation Center (RHC) transition effort.
12. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
13. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

## Office of Administrative Hearings

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>33,523</b> | <b>33,523</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>      | <b>4</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Implement SACS Directive            | 0        | 17            | 17            |
| 2. Security Lifeline Act               | 0        | 725           | 725           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>742</b>    | <b>742</b>    |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 3. Health Insurance Increase           | 0        | 159           | 159           |
| 4. Temporary Layoffs                   | 0        | -400          | -400          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-241</b>   | <b>-241</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>34,028</b> | <b>34,028</b> |
| Fiscal Year 2010 Total                 | 0        | 28            | 28            |
| Fiscal Year 2011 Total                 | 0        | 473           | 473           |

**Comments:**

1. **Implement SACS Directive** - Small agencies will use the Office of Financial Management's Small Agency Client Services (SACS) to provide centralized accounting, payroll, and budgeting services. One-time costs for FY 2010 include leave buyout and unemployment insurance. These will be offset in the future by savings from this initiative. (Administrative Hearings Revolving Account-State)
  
2. **Security Lifeline Act** - Under Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782), the Department of Social and Health Services (DSHS) expects that about 4,000 persons will have their benefits terminated. Of these, DSHS expects about 3,200 persons to request a hearing to appeal the decision. The Office of Administrative Hearings will require additional staffing to administer this increased workload. (Administrative Hearings Revolving Account-State)
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Department of Personnel

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>65,459</b> | <b>65,459</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>6</b>      | <b>6</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Manage IT Vacancies                 | 0        | -1,458        | -1,458        |
| 2. Reduce Travel and Training          | 0        | -118          | -118          |
| 3. Eliminate Executive Recruitment     | 0        | -208          | -208          |
| 4. Reduce Training and Development     | 0        | -1,697        | -1,697        |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>-3,481</b> | <b>-3,481</b> |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 5. Health Insurance Increase           | 0        | 227           | 227           |
| 6. Temporary Layoffs                   | 0        | -587          | -587          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-360</b>   | <b>-360</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>61,624</b> | <b>61,624</b> |
| Fiscal Year 2010 Total                 | 0        | -1,287        | -1,287        |
| Fiscal Year 2011 Total                 | 0        | -2,554        | -2,554        |

**Comments:**

1. **Manage IT Vacancies** - The Department will continue to manage vacancies in the Information Services Division. (Data Processing Revolving Account-Non-Appropriated)
2. **Reduce Travel and Training** - The Department will reduce costs related to employee training and associated travel. (Data Processing Revolving Account-Non-Appropriated)
3. **Eliminate Executive Recruitment** - The Executive Recruitment program is eliminated. Agencies will perform their own executive recruitment efforts. (Department of Personnel Services Account-State, Higher Education Personnel Services Account-State)
4. **Reduce Training and Development** - Employee training costs are reduced by providing only mandatory training. Reductions apply to both training provided by Department staff and through contracted services. In addition, the Department will not offer agencies as much consultation in organizational development. (Department of Personnel Service Account-State, Higher Education Personnel Services Account-State)
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

### State Lottery Commission

(Dollars in Thousands)

|  | NGF-S    | Other          | Total          |
|--|----------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>901,704</b> | <b>901,704</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>       | <b>4</b>       |
| <b>Policy Changes - Non-Comp</b>       |          |                |                |
| 1. Administrative Efficiencies         | 0        | -1,106         | -1,106         |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>-1,106</b>  | <b>-1,106</b>  |
| <b>Policy Changes - Comp</b>           |          |                |                |
| 2. Health Insurance Increase           | 0        | 135            | 135            |
| 3. Temporary Layoffs                   | 0        | -32            | -32            |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>103</b>     | <b>103</b>     |
| <hr/>                                  |          |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>900,705</b> | <b>900,705</b> |
| Fiscal Year 2010 Total                 | 0        | -553           | -553           |
| Fiscal Year 2011 Total                 | 0        | -450           | -450           |

**Comments:**

1. **Administrative Efficiencies** - Administrative savings will be achieved by maintaining staff vacancies and not upgrading computer software packages or hardware for the remainder of the biennium. (Lottery Administrative Account-State)
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

|  | NGF-S      | Other    | Total      |
|--|------------|----------|------------|
| <b>2009-11 Original Appropriations</b> | <b>513</b> | <b>0</b> | <b>513</b> |
| <b>Policy Changes - Non-Comp</b>       |            |          |            |
| 1. Reduce Administrative Expenditures  | -3         | 0        | -3         |
| <b>Policy -- Non-Comp Total</b>        | <b>-3</b>  | <b>0</b> | <b>-3</b>  |
| <b>Policy Changes - Comp</b>           |            |          |            |
| 2. Temporary Layoffs                   | -5         | 0        | -5         |
| <b>Policy -- Comp Total</b>            | <b>-5</b>  | <b>0</b> | <b>-5</b>  |
| <hr/>                                  |            |          |            |
| <b>2009-11 Revised Appropriations</b>  | <b>505</b> | <b>0</b> | <b>505</b> |
| Fiscal Year 2010 Total                 | -3         | 0        | -3         |
| Fiscal Year 2011 Total                 | -5         | 0        | -5         |

**Comments:**

1. **Reduce Administrative Expenditures** - The Commission will reduce expenditures for travel, goods, and services.
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Washington State Commission on African-American Affairs**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>487</b>   | <b>0</b>     | <b>487</b>   |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Reduce Administrative Expenditures  | -3           | 0            | -3           |
| <b>Policy -- Non-Comp Total</b>        | <b>-3</b>    | <b>0</b>     | <b>-3</b>    |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 2. Temporary Layoffs                   | -5           | 0            | -5           |
| <b>Policy -- Comp Total</b>            | <b>-5</b>    | <b>0</b>     | <b>-5</b>    |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>479</b>   | <b>0</b>     | <b>479</b>   |
| Fiscal Year 2011 Total                 | -8           | 0            | -8           |

**Comments:**

1. **Reduce Administrative Expenditures** - The commission will reduce expenditures for travel, goods, and services.
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Retirement Systems

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>53,109</b> | <b>53,109</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>6</b>      | <b>6</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Half-Time Educational Employees     | 0        | 58            | 58            |
| 2. Public Safety Death Benefits        | 0        | 31            | 31            |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>89</b>     | <b>89</b>     |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 3. Health Insurance Increase           | 0        | 260           | 260           |
| 4. Temporary Layoffs                   | 0        | -548          | -548          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-288</b>   | <b>-288</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>52,916</b> | <b>52,916</b> |
| Fiscal Year 2010 Total                 | 0        | 29            | 29            |
| Fiscal Year 2011 Total                 | 0        | -228          | -228          |

**Comments:**

1. **Half-Time Educational Employees** - Funding is provided for costs associated with the implementation of Chapter 103, Laws of 2010 (HB 1541), granting half-time service credit to certain school employees for work during school years prior to January 1, 1987. (Department of Retirement Systems Expense Account-State)
  
2. **Public Safety Death Benefits** - Funding is provided for administrative changes to the Law Enforcement Officers' and Firefighters' Retirement System Plan 2 and the Washington State Patrol Retirement System Plan 2 death and catastrophic disability benefits required to implement Chapter 261, Laws of 2010 (EHB 2519). (Department of Retirement Systems Expense Account-State)
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**Department of Revenue**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>  | <u>Total</u>   |
|--|----------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>217,820</b> | <b>16,574</b> | <b>234,394</b> |
| <b>Total Maintenance Changes</b>             | <b>26</b>      | <b>0</b>      | <b>26</b>      |
| <b>Policy Changes - Early Action Savings</b> |                |               |                |
| 1. Reduce Administrative Expenditures        | -810           | 0             | -810           |
| 2. Reduce Data Warehouse                     | -1,800         | 0             | -1,800         |
| <b>Policy Changes - Early Action Savings</b> | <b>-2,610</b>  | <b>0</b>      | <b>-2,610</b>  |
| <b>Policy Changes - Non-Comp</b>             |                |               |                |
| 3. Adjust Grant Authority                    | 0              | 2,379         | 2,379          |
| 4. Reduce Legislation and Policy             | -150           | 0             | -150           |
| 5. Reduce Information Services               | -50            | 0             | -50            |
| 6. SSB 6846 E-911 Tax Increase               | 163            | 0             | 163            |
| 7. Earned Income Tax Credit                  | 1,200          | 0             | 1,200          |
| 8. Implement Tax Administration Change       | 4,379          | 0             | 4,379          |
| 9. 2SHB 2436 - Vehicle License Fraud         | 0              | 75            | 75             |
| <b>Policy -- Non-Comp Total</b>              | <b>5,542</b>   | <b>2,454</b>  | <b>7,996</b>   |
| <b>Policy Changes - Comp</b>                 |                |               |                |
| 10. Health Insurance Increase                | 1,013          | 58            | 1,071          |
| <b>Policy -- Comp Total</b>                  | <b>1,013</b>   | <b>58</b>     | <b>1,071</b>   |
| <b>2009-11 Revised Appropriations</b>        | <b>221,791</b> | <b>19,086</b> | <b>240,877</b> |
| Fiscal Year 2010 Total                       | 144            | 2,379         | 2,523          |
| Fiscal Year 2011 Total                       | 3,801          | 133           | 3,934          |

**Comments:**

1. **Reduce Administrative Expenditures** - The Department of Revenue (DOR) will achieve savings by maintaining vacancies, reducing expenditures on goods and services, and improving information technology processes.
2. **Reduce Data Warehouse** - Funding for data warehouse-related functions provided in the 2009 legislative session is reduced. DOR will not purchase additional data as originally planned, instead using traditional methods of auditing to leverage the existing data warehouse.
3. **Adjust Grant Authority** - Expenditure authority for the Real Estate Excise Tax Grant Account is increased to reflect grant funding that may be distributed to counties. (Real Estate Excise Tax Grant Account-State)
4. **Reduce Legislation and Policy** - One Tax Policy Specialist 3 position is eliminated from the Legislation and Policy Division.
5. **Reduce Information Services** - Savings will be achieved through a reduction in staff.
6. **SSB 6846 E-911 Tax Increase** - Funding is provided for the implementation of Chapter 19, Laws of 2010, 1st sp.s. (SSB 6846), which increases Enhanced 911 (E911) taxes and requires the DOR to collect the E911 tax for the counties.
7. **Earned Income Tax Credit** - Funding is provided for DOR to establish the infrastructure to administer the Working Families Tax Exemption Program. Under this program, families that qualify for the federal Earned Income Tax Credit (EITC) receive a sales tax exemption in the form of a remittance equal to a percentage of the EITC for years authorized by the Legislature.
8. **Implement Tax Administration Change** - Funding is provided to implement Chapter 23, Laws of 2010, 1st sp.s. (2ESSB 6143), Chapter 22, Laws of 2010, 1st sp.s. (ESHB 2493), and other tax-related bills enacted in the 2010 legislative sessions. Under these statutes, certain taxes are increased; certain tax preferences are limited; a new nexus standard is created; and tax avoidance mechanisms are limited.
9. **2SHB 2436 - Vehicle License Fraud** - Chapter 270, Laws of 2010 (2SHB 2436), contains a fiscal year appropriation of \$325,000 from the Vehicle License Fraud Account to support license fraud enforcement activities within the State Patrol and DOR. (Vehicle License Fraud Account-State)
10. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)

## State Investment Board

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>29,581</b> | <b>29,581</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>      | <b>4</b>      |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 1. Health Insurance Increase           | 0        | 72            | 72            |
| 2. Temporary Layoffs                   | 0        | -305          | -305          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-233</b>   | <b>-233</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>29,352</b> | <b>29,352</b> |
| Fiscal Year 2011 Total                 | 0        | -233          | -233          |
| <hr/>                                  |          |               |               |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

### Board of Tax Appeals

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>2,732</b> | <b>0</b> | <b>2,732</b> |
| <b>Policy Changes - Early Action Savings</b> |              |          |              |
| 1. Reduce Administrative Expenditures        | -44          | 0        | -44          |
| <b>Policy Changes - Early Action Savings</b> | <b>-44</b>   | <b>0</b> | <b>-44</b>   |
| <b>Policy Changes - Comp</b>                 |              |          |              |
| 2. Health Insurance Increase                 | 14           | 0        | 14           |
| 3. Temporary Layoffs                         | -38          | 0        | -38          |
| <b>Policy -- Comp Total</b>                  | <b>-24</b>   | <b>0</b> | <b>-24</b>   |
| <hr/>  |              |          |              |
| <b>2009-11 Revised Appropriations</b>        | <b>2,664</b> | <b>0</b> | <b>2,664</b> |
| Fiscal Year 2010 Total                       | -18          | 0        | -18          |
| Fiscal Year 2011 Total                       | -50          | 0        | -50          |

**Comments:**

1. **Reduce Administrative Expenditures** - The Board of Tax Appeals will reduce expenditures for travel, goods and services.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Municipal Research Council

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>5,455</b>  | <b>5,455</b>  |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Eliminate Municipal Research Cncl   | 0        | -11           | -11           |
| 2. Transfer Municipal Research Svcs    | 0        | -2,715        | -2,715        |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>-2,726</b> | <b>-2,726</b> |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>2,729</b>  | <b>2,729</b>  |
| Fiscal Year 2011 Total                 | 0        | -2,726        | -2,726        |

**Comments:**

1. **Eliminate Municipal Research Cncl** - Under Chapter 271, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2658), the Municipal Research Council is eliminated as part of the Governor's initiative to eliminate boards and commissions. (County Research Services Account-State, City and Town Research Services Account-State)
  
2. **Transfer Municipal Research Svcs** - Under E2SHB 2658, funding for administering the contract with the Municipal Research Services Center (MRSC) is transferred from the Municipal Research Council to the Department of Commerce. Under this contract, the MRSC responds to requests for advice and information on topics of interest to city governments, including but not limited to, municipal law, finance, and growth management. (County Research Services Account-State, City and Town Research Services Account-State)

## Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

|  | NGF-S    | Other        | Total        |
|--|----------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>3,622</b> | <b>3,622</b> |
| <b>Policy Changes - Non-Comp</b>       |          |              |              |
| 1. Workload Increases                  | 0        | 85           | 85           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>85</b>    | <b>85</b>    |
| <b>Policy Changes - Comp</b>           |          |              |              |
| 2. Health Insurance Increase           | 0        | 14           | 14           |
| 3. Temporary Layoffs                   | 0        | -47          | -47          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-33</b>   | <b>-33</b>   |
| <hr/>                                  |          |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>3,674</b> | <b>3,674</b> |
| Fiscal Year 2011 Total                 | 0        | 52           | 52           |

**Comments:**

1. **Workload Increases** - Funding is authorized to hire one temporary FTE in FY 2011 to assist with the processing of applications for certification. Revenue for these activities will come from application fees from these businesses. (Minority and Women's Business Enterprises Account-State)
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Department of General Administration

(Dollars in Thousands)

|  | NGF-S        | Other          | Total          |
|--|--------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>1,626</b> | <b>192,898</b> | <b>194,524</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>12</b>      | <b>12</b>      |
| <b>Policy Changes - Non-Comp</b>       |              |                |                |
| 1. Tenant Improvements                 | 0            | -1,138         | -1,138         |
| 2. Office Facility/Public Historic Bld | 0            | -3,206         | -3,206         |
| 3. Visitor Services                    | 0            | -422           | -422           |
| 4. Increased Utility and Fixed Costs   | 0            | 1,502          | 1,502          |
| 5. Real Estate Services                | 0            | -244           | -244           |
| 6. Off-Campus Facilities               | 0            | -905           | -905           |
| 7. Move Food Program to Agriculture    | -390         | -2,782         | -3,172         |
| 8. Facilities Services Accountability  | 3,545        | 0              | 3,545          |
| 9. Veteran-Owned Businesses            | 0            | 18             | 18             |
| 10. Small Business Purchasing          | 0            | 71             | 71             |
| 11. Transfer State Bldg Code Council   | 0            | 677            | 677            |
| <b>Policy -- Non-Comp Total</b>        | <b>3,155</b> | <b>-6,429</b>  | <b>-3,274</b>  |
| <b>Policy Changes - Comp</b>           |              |                |                |
| 12. Health Insurance Increase          | 0            | 593            | 593            |
| 13. Temporary Layoffs                  | -3           | -1,210         | -1,213         |
| <b>Policy -- Comp Total</b>            | <b>-3</b>    | <b>-617</b>    | <b>-620</b>    |
| <hr/>                                  |              |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>4,778</b> | <b>185,864</b> | <b>190,642</b> |
| Fiscal Year 2010 Total                 | 0            | -882           | -882           |
| Fiscal Year 2011 Total                 | 3,152        | -6,164         | -3,012         |

**Comments:**

1. **Tenant Improvements** - Skilled work units made up of painters, electricians, and carpenters are eliminated. Demand for these services have been steadily decreasing. As a result, this fee for service activity does not raise sufficient revenues to cover the ongoing cost of operations. Remaining units of multi-skilled workers in General Administration (GA) will absorb any remaining workload. (General Administration Services Account-Non-Appropriated)
2. **Office Facility/Public Historic Bld** - The Department will eliminate multiple staff positions across several lines of business, including gardeners, custodians, asset managers, maintenance staff, and budget and business managers. Financial and physical oversight of facilities is reduced, and long-range planning will be suspended. Non-vital repairs and improvements are delayed or eliminated. Purchase of equipment, goods, and services are reduced, and 20 agency fleet vehicles are eliminated. Elevator maintenance contracts are eliminated and staff will be hired to assume these tasks at a savings. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
3. **Visitor Services** - Visitor Services will focus its efforts on coordination of large events and scheduling of school tours. School tours are reduced by one-third during the legislative session, and staffed tours for the general public are replaced by self-guided tours. (General Administration Services Account-State)
4. **Increased Utility and Fixed Costs** - Funding is provided for campus parking lot utility and fixed price contracts previously subsidized by the General Administration Services Account to the Parking Account. Additionally, expenditure authority is increased to address unanticipated costs associated with a tax assessment by the Department of Revenue that requires the sales tax to be collected on parking fee revenue. (State Vehicle Parking Account-State)
5. **Real Estate Services** - Savings are achieved through staff reductions. (General Administration Services Account-State)
6. **Off-Campus Facilities** - Savings are achieved through the elimination and consolidation of several supervisory, budget, administrative, and maintenance positions. Additional savings are achieved through debt service refinancing. (General Administration Services Account-Non-Appropriated)
7. **Move Food Program to Agriculture** - GA's Emergency Food Assistance Program is transferred to the Department of Agriculture. The transfer takes effect on July 1, 2010. (General Fund-State, General Fund-Federal)
8. **Facilities Services Accountability** - Funding for facilities services charges, utilities and contracts charges, and public and historic facilities charges is transferred to GA. Performance standards and quality assurance provisions must be established.

## Department of General Administration

9. **Veteran-Owned Businesses** - Funding is provided for Chapter 5, Laws of 2010 (ESB 5041 - Veteran Owned Businesses).
10. **Small Business Purchasing** - Funding is provided for Engrossed Second Substitute House Bill 1096 (Small Business Purchasing). This bill was vetoed by the Governor.
11. **Transfer State Bldg Code Council** - The State Building Code Council is transferred from the Department of Commerce to GA. (General Fund-Private/local, Building Code Account-State)
12. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
13. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Information Services**

(Dollars in Thousands)

|  | NGF-S        | Other          | Total          |
|--|--------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>2,208</b> | <b>258,180</b> | <b>260,388</b> |
| <b>Total Maintenance Changes</b>             | <b>0</b>     | <b>14</b>      | <b>14</b>      |
| <b>Policy Changes - Early Action Savings</b> |              |                |                |
| 1. Justice Information Network               | -36          | 0              | -36            |
| <b>Policy Changes - Early Action Savings</b> | <b>-36</b>   | <b>0</b>       | <b>-36</b>     |
| <b>Policy Changes - Non-Comp</b>             |              |                |                |
| 2. Administration and Policy                 | 0            | -839           | -839           |
| 3. Broadband Mapping and Strategy            | 0            | 1,567          | 1,567          |
| 4. Security Lifeline Act                     | 0            | 178            | 178            |
| <b>Policy -- Non-Comp Total</b>              | <b>0</b>     | <b>906</b>     | <b>906</b>     |
| <b>Policy Changes - Comp</b>                 |              |                |                |
| 5. Health Insurance Increase                 | 0            | 472            | 472            |
| 6. Temporary Layoffs                         | -6           | -1,380         | -1,386         |
| <b>Policy -- Comp Total</b>                  | <b>-6</b>    | <b>-908</b>    | <b>-914</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>2,166</b> | <b>258,192</b> | <b>260,358</b> |
| Fiscal Year 2010 Total                       | -18          | 1,112          | 1,094          |
| Fiscal Year 2011 Total                       | -24          | -1,114         | -1,138         |

**Comments:**

1. **Justice Information Network** - Funding is reduced for software application enhancements for the Statewide Electronic Collision and Ticketing Online Records exchange.
2. **Administration and Policy** - Funding for the Management Support Division and the Policy and Regulation Division is reduced to lower agency administrative and policy costs to client organizations. (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated)
3. **Broadband Mapping and Strategy** - Funds are provided to collect and display comprehensive data on statewide broadband availability and infrastructure through the development of a Geographical Information System. The resulting map will include broadband provider information, technology type, and speed. It will be displayed on a website with enhanced interactive capabilities. In addition, the Department will partner with the Office of the Superintendent of Public Instruction and the University of Washington to develop strategies to bring high-speed broadband to public institutions and schools. (Educational Technology Account-Non-Appropriated, Broadband Mapping Account-Nonappropriated)
4. **Security Lifeline Act** - Funding is provided to implement Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782). The Department of Information Services will support the creation of a user-friendly electronic Opportunity Portal to allow Washington residents to access a broad array of benefits.
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Office of the Insurance Commissioner**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u>  | <u>Total</u>  |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b>     | <b>49,921</b> | <b>49,921</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>6</b>      | <b>6</b>      |
| <b>Policy Changes - Non-Comp</b>       |              |               |               |
| 1. Surplus Line Brokers                | 0            | -16           | -16           |
| 2. Joint Underwriting Associations     | 0            | 40            | 40            |
| 3. Association Health Plans            | 0            | 227           | 227           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b>     | <b>251</b>    | <b>251</b>    |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 4. Health Insurance Increase           | 0            | 222           | 222           |
| 5. Temporary Layoffs                   | 0            | -9            | -9            |
| <b>Policy -- Comp Total</b>            | <b>0</b>     | <b>213</b>    | <b>213</b>    |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b>     | <b>50,391</b> | <b>50,391</b> |
| Fiscal Year 2011 Total                 | 0            | 464           | 464           |

*Comments:*

1. **Surplus Line Brokers** - Fingerprint background check requirements are removed for certain insurance licensees, pursuant to Chapter 18, Laws of 2010 (SSB 6251). Staffing is reduced by 0.3 FTEs to compensate for a reduced workload. (Insurance Commissioners Regulatory Account)
2. **Joint Underwriting Associations** - Funding is authorized for rulemaking and establishing a joint underwriting association, in the event that a joint underwriting authority is created for excess flood insurance under Chapter 230, Laws of 2010 (ESHB 2560). (Insurance Commissioner's Regulatory Account)
3. **Association Health Plans** - Funds are provided for the implementation of Chapter 172, Laws of 2010 (ESHB 1714). (Insurance Commissioner's Regulatory Account)
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**State Board of Accountancy**

(Dollars in Thousands)

|  | NGF-S    | Other        | Total        |
|--|----------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>3,016</b> | <b>3,016</b> |
| <b>Policy Changes - Non-Comp</b>       |          |              |              |
| 1. Conduct Independent Investigation   | 0        | 150          | 150          |
| 2. Settle Agency Lawsuit               | 0        | 500          | 500          |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>650</b>   | <b>650</b>   |
| <b>Policy Changes - Comp</b>           |          |              |              |
| 3. Health Insurance Increase           | 0        | 10           | 10           |
| 4. Temporary Layoffs                   | 0        | -27          | -27          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-17</b>   | <b>-17</b>   |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>3,649</b> | <b>3,649</b> |
| Fiscal Year 2010 Total                 | 0        | 650          | 650          |
| Fiscal Year 2011 Total                 | 0        | -17          | -17          |

**Comments:**

1. **Conduct Independent Investigation** - Additional expenditure authority is provided to engage an independent firm of legal consultants, governmental entities familiar with the Administrative Procedures Act, and/or a joint venture of such organizations to evaluate and report on the efficiency and effectiveness of the Board's practices, policies, and procedures. (Certified Public Accountants' Account-State)
  
2. **Settle Agency Lawsuit** - Additional expenditure authority is provided as a partial condition of a mediated conditional settlement of seven lawsuits against the Executive Director, the agency, and the Board filed by one litigant between April 2008 and September 2009. The conditional settlement agreement includes withdrawal of 15 public records requests, dismissal of the lawsuits, and waiver of the rights of appeal on those matters. The Board or the agency must also meet certain conditions, including the payment of \$500,000 to the trust account of one of the law firms representing the litigant. (Certified Public Accountants' Account-State)
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Washington Horse Racing Commission

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>10,614</b> | <b>10,614</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>-277</b>   | <b>-277</b>   |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 1. Health Insurance Increase           | 0        | 24            | 24            |
| 2. Temporary Layoffs                   | 0        | -40           | -40           |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-16</b>    | <b>-16</b>    |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>10,321</b> | <b>10,321</b> |
| Fiscal Year 2011 Total                 | 0        | -16           | -16           |
| <hr/>                                  |          |               |               |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Washington State Liquor Control Board

(Dollars in Thousands)

|  | NGF-S    | Other          | Total          |
|--|----------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>243,518</b> | <b>243,518</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>129</b>     | <b>129</b>     |
| <b>Policy Changes - Non-Comp</b>       |          |                |                |
| 1. Beer/Wine Tasting in Grocery Store  | 0        | 130            | 130            |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>130</b>     | <b>130</b>     |
| <b>Policy Changes - Comp</b>           |          |                |                |
| 2. Partial Funding for Board Members   | 0        | 331            | 331            |
| 3. Health Insurance Increase           | 0        | 1,042          | 1,042          |
| 4. Temporary Layoffs                   | 0        | -449           | -449           |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>924</b>     | <b>924</b>     |
| <hr/>                                  |          |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>244,701</b> | <b>244,701</b> |
| Fiscal Year 2010 Total                 | 0        | 331            | 331            |
| Fiscal Year 2011 Total                 | 0        | 723            | 723            |

**Comments:**

1. **Beer/Wine Tasting in Grocery Store** - Under Chapter 141, Laws of 2010 (SSB 6329), certain grocery stores may offer beer and wine tastings, resulting in an increased workload for the Licensing and Enforcement Division. Participating grocery stores will pay an endorsement fee to cover costs for staffing and related expenses. (Liquor Revolving Account-State)
  
2. **Partial Funding for Board Members** - Funding partially restores reductions made in the 2009 biennial budget for the three-member Liquor Control Board. (Liquor Revolving Account-State)
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Utilities and Transportation Commission

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>36,036</b> | <b>36,036</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>      | <b>4</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Energy Facility Site Council        | 0        | 5,547         | 5,547         |
| 2. Public Utility Comm-Recovery Act    | 0        | 267           | 267           |
| 3. Solid Waste Regulatory Fees         | 0        | 100           | 100           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>5,914</b>  | <b>5,914</b>  |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 4. Health Insurance Increase           | 0        | 145           | 145           |
| 5. Temporary Layoffs                   | 0        | -380          | -380          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-235</b>   | <b>-235</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>41,719</b> | <b>41,719</b> |
| Fiscal Year 2010 Total                 | 0        | 38            | 38            |
| Fiscal Year 2011 Total                 | 0        | 5,641         | 5,641         |

**Comments:**

1. **Energy Facility Site Council** - Pursuant to Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658), the Energy Facility Site Evaluation Council is transferred from the Department of Commerce to the Utilities and Transportation Commission (UTC) effective July 1, 2010. (General Fund-Local)
  
2. **Public Utility Comm-Recovery Act** - One-time spending authority is provided for a federal American Recovery & Reinvestment Act (ARRA) grant from the U.S. Department of Energy for managing the projected increase in dockets and other regulatory actions resulting from ARRA electricity-related projects and initiatives. (General Fund-Federal)
  
3. **Solid Waste Regulatory Fees** - Expenditure authority is increased to reflect increased revenues from solid waste regulatory fees. (Public Service Revolving Account-State)
  
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

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

**Military Department**

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>20,534</b> | <b>310,312</b> | <b>330,846</b> |
| <b>Total Maintenance Changes</b>             | <b>2</b>      | <b>23,743</b>  | <b>23,745</b>  |
| <b>Policy Changes - Early Action Savings</b> |               |                |                |
| 1. WYA: Unanticipated Apportionment          | -260          | 0              | -260           |
| <b>Policy Changes - Early Action Savings</b> | <b>-260</b>   | <b>0</b>       | <b>-260</b>    |
| <b>Policy Changes - Non-Comp</b>             |               |                |                |
| 2. WIN211 Reductions                         | -500          | 0              | -500           |
| 3. Network Warfare Squadron Building         | 12            | 35             | 47             |
| 4. Public Safety Interoperability Grnt       | 0             | 17,982         | 17,982         |
| 5. State Emergency Readiness                 | 0             | 392            | 392            |
| 6. Next Generation 911 Transition            | 0             | 6,364          | 6,364          |
| 7. Administrative Savings                    | -1,535        | 0              | -1,535         |
| <b>Policy -- Non-Comp Total</b>              | <b>-2,023</b> | <b>24,773</b>  | <b>22,750</b>  |
| <b>Policy Changes - Comp</b>                 |               |                |                |
| 8. Health Insurance Increase                 | 121           | 212            | 333            |
| 9. Temporary Layoffs                         | -150          | -168           | -318           |
| <b>Policy -- Comp Total</b>                  | <b>-29</b>    | <b>44</b>      | <b>15</b>      |
| <b>2009-11 Revised Appropriations</b>        | <b>18,224</b> | <b>358,872</b> | <b>377,096</b> |
| Fiscal Year 2010 Total                       | -895          | 4,875          | 3,980          |
| Fiscal Year 2011 Total                       | -1,417        | 19,942         | 18,525         |

**Comments:**

- WYA: Unanticipated Apportionment** - The Washington Youth Academy (WYA) utilized a higher than average number of classroom hours with students. This workload resulted in higher than anticipated apportionment funding. General Fund-State funding is reduced by \$260,000 to compensate for the unanticipated apportionment funds.
- WIN211 Reductions** - Grant funding is reduced for Washington Information Network 211 (WIN211), a private, non-profit organization that provides social service referral services.
- Network Warfare Squadron Building** - Federal expenditure authority and state matching funds are provided for the operation and maintenance of the Network Warfare Squadron building, an Air National Guard facility scheduled to open at Joint Base Lewis-McChord in January 2011. (General Fund-State, General Fund-Federal)
- Public Safety Interoperability Grnt** - Expenditure authority is provided to continue projects originally funded with a Public Safety Interoperable Communications grant received in 2007 from the U.S. Department of Homeland Security. The grant will be used to enhance statewide communications infrastructure and address initiatives identified in the Statewide Communications Interoperability Plan. The Department will continue to administer the funds for equipment, exercises, training, planning, and grant administration. The Department will pass through 97 percent of these funds to local jurisdictions, retaining 3 percent for grant administration and management. (General Fund-Federal)
- State Emergency Readiness** - Expenditure authority is provided to continue developing the state's emergency logistics and catastrophic disaster preparedness. A team of planners will address gaps in state and local capabilities and coordinate plans to fill these gaps. The team will also develop plans, exercises, and training modules for statewide emergency logistics and catastrophic incidents. (Military Department Active State Service Account-State)
- Next Generation 911 Transition** - Expenditure authority is provided from the Enhanced 911 Account to continue upgrades to the current 911 telephone system to accommodate Next Generation 911. This upgrade will allow the 911 system to accept information from a wide variety of communication devices during emergencies. (Enhanced 911 Account-State, General Fund-Federal)
- Administrative Savings** - Savings are achieved by eliminating supervisory, administrative, and maintenance positions; implementing early retirement incentives; reorganizing the Emergency Management Division; and consolidating two separate maintenance programs serving the Army National Guard and the Air National Guard. Reductions will also be made in travel, training, and purchases of equipment, goods, and services.

## Military Department

8. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
9. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

### Board for Volunteer Firefighters

(Dollars in Thousands)

|  | NGF-S    | Other        | Total        |
|--|----------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>1,044</b> | <b>1,044</b> |
| <b>Policy Changes - Non-Comp</b>       |          |              |              |
| 1. Retired Volunteers                  | 0        | 3            | 3            |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>3</b>     | <b>3</b>     |
| <b>Policy Changes - Comp</b>           |          |              |              |
| 2. Health Insurance Increase           | 0        | 5            | 5            |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>5</b>     | <b>5</b>     |
| <hr/>                                  |          |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>1,052</b> | <b>1,052</b> |
| Fiscal Year 2010 Total                 | 0        | 3            | 3            |
| Fiscal Year 2011 Total                 | 0        | 5            | 5            |

**Comments:**

1. **Retired Volunteers** - Funding is provided for administrative costs related to the implementation of Chapter 60, Laws of 2010 (HB 2823), which allows retired volunteer firefighters to return to service. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account-State)
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)

## Public Employment Relations Commission

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>6,208</b> | <b>3,290</b> | <b>9,498</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Higher Education Fund Source Change | -250         | 250          | 0            |
| 2. Administrative Reduction            | -619         | 0            | -619         |
| 3. Implement SACS Directive            | -37          | 0            | -37          |
| 4. Language Access Provider Bargaining | 50           | 0            | 50           |
| <b>Policy -- Non-Comp Total</b>        | <b>-856</b>  | <b>250</b>   | <b>-606</b>  |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 5. Health Insurance Increase           | 29           | 14           | 43           |
| 6. Temporary Layoffs                   | -79          | -41          | -120         |
| <b>Policy -- Comp Total</b>            | <b>-50</b>   | <b>-27</b>   | <b>-77</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>5,302</b> | <b>3,513</b> | <b>8,815</b> |
| Fiscal Year 2010 Total                 | -431         | 125          | -306         |
| Fiscal Year 2011 Total                 | -475         | 98           | -377         |

**Comments:**

1. **Higher Education Fund Source Change** - Chapter 571, Laws of 2009 (SHB 2361), made the Public Employees' Collective Bargaining Act applicable to many employees of higher education institutions who are exempt from civil service under the Personnel System Reform Act. Funding for this activity is shifted from the the general fund to the Higher Education Personnel Services Account. (General Fund-State, Higher Education Personnel Services Account-State)
  
2. **Administrative Reduction** - The agency will reduce staff, eliminate vacant positions, eliminate non-mandatory staff training, and delay information technology maintenance.
  
3. **Implement SACS Directive** - Funding is reduced to reflect efficiencies resulting from the use of the Office of Financial Management's Small Agency Client Services' (SACS) centralized accounting, payroll, and budgeting services.
  
4. **Language Access Provider Bargaining** - Funding is provided to support legal and administrative costs related to the implementaton of Chapter 296, Laws of 2010, Partial Veto (ESSB 3062 - Language Access Provider Collective Bargaining).
  
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Archaeology & Historic Preservation**

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>2,732</b> | <b>1,967</b> | <b>4,699</b> |
| <b>Policy Changes - Early Action Savings</b> |              |              |              |
| 1. Reduce Educational Materials              | -12          | 0            | -12          |
| <b>Policy Changes - Early Action Savings</b> | <b>-12</b>   | <b>0</b>     | <b>-12</b>   |
| <b>Policy Changes - Non-Comp</b>             |              |              |              |
| 2. Increased Federal Expd Authority          | 0            | 650          | 650          |
| 3. Main Street Transfer                      | 121          | 0            | 121          |
| 4. Main Street Reduction                     | -77          | 0            | -77          |
| <b>Policy -- Non-Comp Total</b>              | <b>44</b>    | <b>650</b>   | <b>694</b>   |
| <b>Policy Changes - Comp</b>                 |              |              |              |
| 5. Health Insurance Increase                 | 14           | 5            | 19           |
| 6. Temporary Layoffs                         | -25          | -15          | -40          |
| <b>Policy -- Comp Total</b>                  | <b>-11</b>   | <b>-10</b>   | <b>-21</b>   |
| <b>2009-11 Revised Appropriations</b>        | <b>2,753</b> | <b>2,607</b> | <b>5,360</b> |
| Fiscal Year 2010 Total                       | -3           | 525          | 522          |
| Fiscal Year 2011 Total                       | 24           | 115          | 139          |

**Comments:**

1. **Reduce Educational Materials** - Funding is eliminated for archaeology monthly posters and publications as well as for monthly historic preservation activities.
2. **Increased Federal Expd Authority** - Additional federal expenditure authority is provided for the 2009-11 biennium. This includes a one-time carryover of \$400,000 in federal funds provided in FY 2009 and \$125,000 per year in ongoing federal funding for increased reviews of capital projects associated with the federal stimulus program. (General Fund-Federal)
3. **Main Street Transfer** - Under Chapter 30, Laws of 2010 (SHB 2704), the Washington State Main Street Program (WSMSP) was transferred from the Department of Commerce to the Department of Archaeology and Historic Preservation (DAHP). The WSMSP helps communities revitalize the economy, appearance, and image of their traditional commercial districts through training, technical assistance, and organization of local resources.
4. **Main Street Reduction** - WSMSP's General Fund-State funding for FY 2011 is reduced by from \$121,000 to \$44,000. The program will use \$24,000 in available funds in the Washington Main Street Trust Fund Account to support program activities in FY 2011.
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial

Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

## Growth Management Hearings Board

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>3,223</b> | <b>0</b> | <b>3,223</b> |
| <b>Policy Changes - Early Action Savings</b> |              |          |              |
| 1. Legal Services Reduction                  | -51          | 0        | -51          |
| <b>Policy Changes - Early Action Savings</b> | <b>-51</b>   | <b>0</b> | <b>-51</b>   |
| <b>Policy Changes - Non-Comp</b>             |              |          |              |
| 2. Board Restructuring Legislation           | -91          | 0        | -91          |
| 3. Consolidation of GMHB and EHO             | 13           | 0        | 13           |
| <b>Policy -- Non-Comp Total</b>              | <b>-78</b>   | <b>0</b> | <b>-78</b>   |
| <b>Policy Changes - Comp</b>                 |              |          |              |
| 4. Health Insurance Increase                 | 14           | 0        | 14           |
| 5. Temporary Layoffs                         | -42          | 0        | -42          |
| <b>Policy -- Comp Total</b>                  | <b>-28</b>   | <b>0</b> | <b>-28</b>   |
| <hr/>  |              |          |              |
| <b>2009-11 Revised Appropriations</b>        | <b>3,066</b> | <b>0</b> | <b>3,066</b> |
| Fiscal Year 2010 Total                       | -32          | 0        | -32          |
| Fiscal Year 2011 Total                       | -125         | 0        | -125         |

**Comments:**

1. **Legal Services Reduction** - Funding is reduced to reflect lower demand for Attorney General services.
  
2. **Board Restructuring Legislation** - Following an administrative consolidation in 2009, a management study recommended changes to further improve the efficiency of the Growth Management Hearings Boards (GHMBs). Pursuant to Chapter 211, Laws of 2010 (SSB 6214), the number of board members is reduced from nine to seven, and the three existing regional boards are merged into a single, statewide board from which regional panels would be drawn. Funding and staff are reduced to reflect the savings associated with implementing the legislation. One-time funding of \$19,000 is provided in FY 2010 for board member leave buyout.
  
3. **Consolidation of GMHB and EHO** - Pursuant to Chapter 210, Laws of 2010 (SHB 2935), GMHB and the Environmental Hearings Office will be consolidated into the Environmental and Land Use Hearings Office by July 1, 2011. One-time funding is provided for costs associated with leave buyouts.
  
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## State Convention and Trade Center

(Dollars in Thousands)

|  | NGF-S    | Other          | Total          |
|--|----------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>117,122</b> | <b>117,122</b> |
| <b>Policy Changes - Comp</b>           |          |                |                |
| 1. Temporary Layoffs                   | 0        | -301           | -301           |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-301</b>    | <b>-301</b>    |
| <hr/>                                  |          |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>116,821</b> | <b>116,821</b> |
| Fiscal Year 2011 Total                 | 0        | -301           | -301           |

**Comments:**

1. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Department of Financial Institutions

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>44,197</b> | <b>44,197</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>256</b>    | <b>256</b>    |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Elimination of Mortgage Brks Comm   | 0        | -13           | -13           |
| 2. Licensing for Loan Modifiers        | 0        | 73            | 73            |
| 3. Money Transmitters                  | 0        | 10            | 10            |
| 4. Escrow Agent Licensing              | 0        | 4             | 4             |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>74</b>     | <b>74</b>     |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 5. Health Insurance Increase           | 0        | 203           | 203           |
| 6. Temporary Layoffs                   | 0        | -254          | -254          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-51</b>    | <b>-51</b>    |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>44,476</b> | <b>44,476</b> |
| Fiscal Year 2010 Total                 | 0        | 41            | 41            |
| Fiscal Year 2011 Total                 | 0        | -18           | -18           |

**Comments:**

1. **Elimination of Mortgage Brks Comm** - Under Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617), the Mortgage Brokers Commission is eliminated, effective June 30, 2010. (Financial Services Regulation Account-Non-Appropriated)
2. **Licensing for Loan Modifiers** - Under Chapter 35, Laws of 2010 (HB 2608), the Department of Financial Institutions (DFI) will establish a licensing requirement for persons performing residential loan modifications. Indeterminate receipts are expected from license fees. (Financial Services Regulation Account-Non-Appropriated)
3. **Money Transmitters** - Under Chapter 73, Laws of 2010 (SSB 6371), DFI must establish licensing requirements for money transmitters. (Financial Services Regulation Account-Non-Appropriated)
4. **Escrow Agent Licensing** - Under Chapter 34, Laws of 2010 (ESHB 2564), DFI must increase expenditure authority to account for fees paid by additional escrow agent license applicants. These fees will be paid to the Washington State Patrol for fingerprint background checks. (Financial Services Regulatory Account-Non-Appropriated)
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Washington State Gambling Commission

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>29,286</b> | <b>29,286</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>      | <b>4</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Adjust Federal Forfeiture Funds     | 0        | 4,320         | 4,320         |
| 2. Implement SACS Directive            | 0        | -29           | -29           |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>4,291</b>  | <b>4,291</b>  |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 3. Health Insurance Increase           | 0        | 174           | 174           |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>174</b>    | <b>174</b>    |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>33,755</b> | <b>33,755</b> |
| Fiscal Year 2010 Total                 | 0        | 2,315         | 2,315         |
| Fiscal Year 2011 Total                 | 0        | 2,150         | 2,150         |

**Comments:**

1. **Adjust Federal Forfeiture Funds** - In FY 2009, the Gambling Commission received federal seizure funds, which generally must be used by the receiving agency for law enforcement purposes within two or three years. The Commission will use the funds for operating costs including vehicle replacement, equipment, and training. This also will allow for new programs in gambling education and awareness, computer forensics, criminal investigations and intelligence, and law enforcement accreditation. (Federal Seizure Account-Non-Appropriated)
  
2. **Implement SACS Directive** - As part of the Governor's shared service directive, small agencies will use the Office of Financial Management's Small Agency Client Services (SACS) to provide centralized accounting, payroll, and budgeting services.
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)

**Public Printer**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u>  | <u>Total</u>  |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b>     | <b>19,980</b> | <b>19,980</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>2</b>      | <b>2</b>      |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 1. Health Insurance Increase           | 0            | 125           | 125           |
| 2. Temporary Layoffs                   | 0            | -248          | -248          |
| <b>Policy -- Comp Total</b>            | <b>0</b>     | <b>-123</b>   | <b>-123</b>   |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b>     | <b>19,859</b> | <b>19,859</b> |
| Fiscal Year 2011 Total                 | 0            | -123          | -123          |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## LEOFF 2 Retirement Board

(Dollars in Thousands)

|  | NGF-S    | Other        | Total        |
|--|----------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>2,044</b> | <b>2,044</b> |
| <b>Policy Changes - Comp</b>           |          |              |              |
| 1. Health Insurance Increase           | 0        | 5            | 5            |
| 2. Temporary Layoffs                   | 0        | -22          | -22          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-17</b>   | <b>-17</b>   |
| <hr/>                                  |          |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>2,027</b> | <b>2,027</b> |
| Fiscal Year 2011 Total                 | 0        | -17          | -17          |
| <hr/>                                  |          |              |              |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

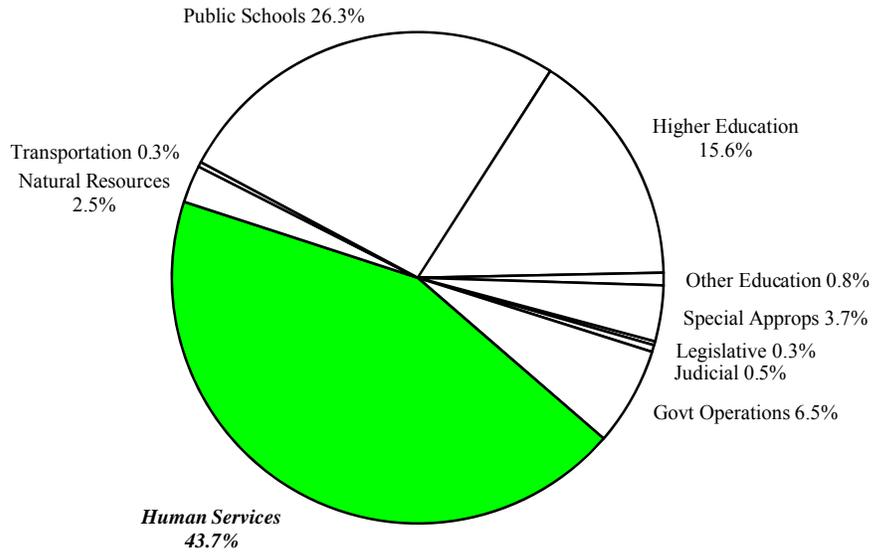


# Human Services

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 Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Health Care Authority, Department of Health, and other human services related agencies.

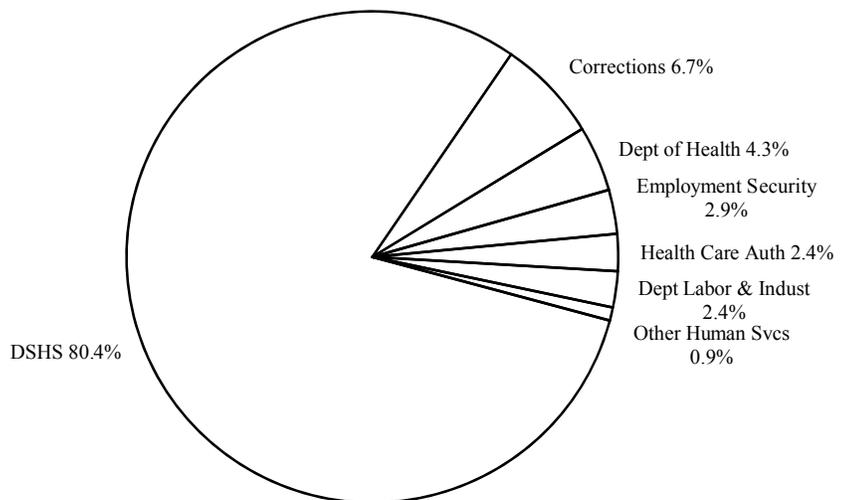
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| <b>Human Services</b>   | <b>26,450,440</b> |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

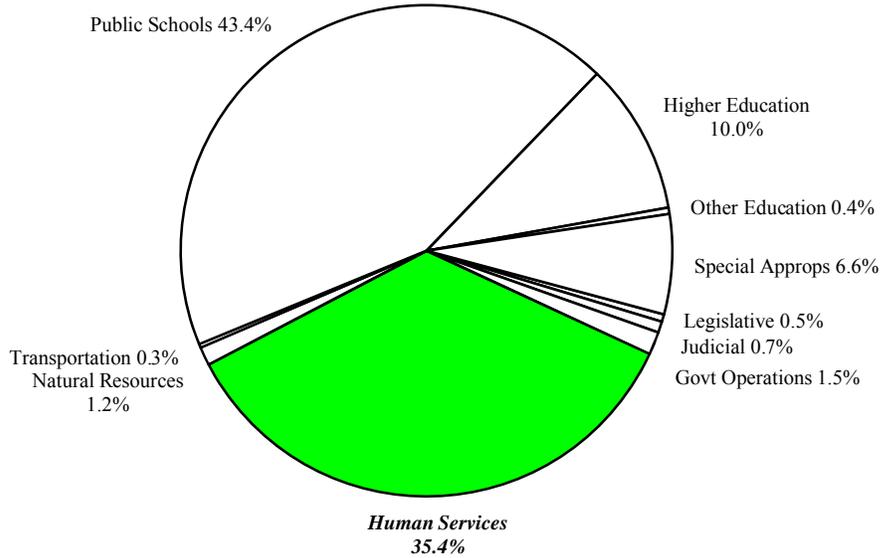
|                        |                   |
|------------------------|-------------------|
| DSHS                   | 21,262,641        |
| Dept of Corrections    | 1,779,452         |
| Dept of Health         | 1,142,820         |
| Employment Security    | 765,742           |
| Health Care Authority  | 642,472           |
| Dept of Labor & Indust | 626,212           |
| Other Human Svcs       | 231,101           |
| <b>Human Services</b>  | <b>26,450,440</b> |



**Human Services**

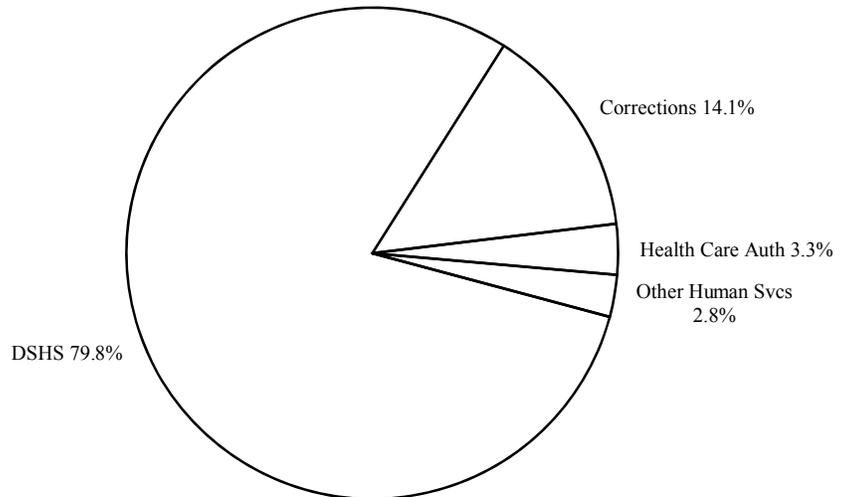
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| <b>Human Services</b>   | <b>10,976,045</b> |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                       |                   |
|-----------------------|-------------------|
| DSHS                  | 8,761,093         |
| Dept of Corrections   | 1,546,956         |
| Health Care Authority | 365,069           |
| Other Human Svcs      | 302,927           |
| <b>Human Services</b> | <b>10,976,045</b> |



**Human Services**



# Department of Social & Health Services

## Children and Family Services

Savings of \$1.4 million in total funds (\$1.1 million Near General Fund-State) are achieved through the elimination of 20 FTEs from the DSHS Children's Administration. Filled case-carrying staff positions are not eliminated in this reduction.

The budget reduces a total of \$2.8 million in state near general funds for Secure Crisis Residential Centers and HOPE beds and provides funding for these services from the Home Security Account, rather than the state near general fund.

The budget reduces funding by \$1.3 million in total funds (\$1.0 million Near General Fund-State) for supervised visits. The Department will revise supervised visit contracts and reimbursements to achieve savings.

One-time savings of \$3.2 million in total funds (\$2.1 million Near General Fund-State) are achieved through under-expenditures in the Behavioral Rehabilitative Services (BRS) program. BRS services are provided to children in foster care who need intensive services. The Department will continue to focus on decreasing the length of stay and moving children to a less restrictive setting.

Savings of \$1.4 million in total funds (\$1.1 million Near General Fund-State) are achieved through increasing Supplemental Security Income facilitation for children who are eligible for social security benefits.

## Juvenile Rehabilitation Administration

The 2009-11 biennial budget directed the Office of Financial Management to conduct a study of the feasibility of closing state institutions/facilities including Juvenile Rehabilitation Administration (JRA) institutions. One of the final recommendations of the facilities closure study was closure of Maple Lane School, which the Legislature assumes will be closed by June 30, 2013. General fund savings total \$5.8 million which includes \$5.0 million for the transition costs of facility closure from the State Efficiency and Restructuring Account, effectively assuming the future savings this biennium. (Note: The capital budget provides \$760,000 in state bonds and \$15.9 million in certificate of participation authority for renovation and construction of specialized housing and treatment facilities at other JRA institutions and community based facilities to accommodate the closure of Maple Lane School).

Other JRA savings include:

- \$7.6 million for institutional and administrative staff reductions, in which staff reductions are made at JRA institutions, other than Maple Lane School, as well as at JRA headquarters and regional offices.
- \$2.5 million in funding for county juvenile courts; the reduction is in non-evidence based, non-sex offender disposition alternatives.

## Mental Health

A total of \$1.6 billion (\$806.7 million Near General Fund-State) is provided for operation of the public mental health system during the 2009-11 biennium. This is a \$48.1 million (3.2 percent) increase from the amount originally appropriated for the biennium. This \$48.1 million increase includes:

- \$38 million (\$15.5 million Near General Fund-State) to provide community mental health services for the substantial growth in the number of people enrolling in Medicaid in response to the recession. The number of people now projected to enroll in Medicaid is almost 10 percent more than were expected to do so when the original 2009-11 budget was enacted.
- \$7.2 million for an approximate 13 percent increase each year in payment rates for community psychiatric hospitalizations. The non-federal share of this increase is covered by a new assessment to be paid by the hospitals.
- \$4.9 million for increased Medicaid services in selected areas of the state. These increases are possible because Regional Support Networks (RSNs) expect to provide \$1.8 million of local tax revenues that will, in turn, earn an additional \$3.2 million of federal match.
- \$3.4 million (\$3 million Near General Fund-State) to increase the monthly state contribution for employee health benefits.

The cost of these increases is partially offset by:

- A \$4.5 million reduction in state funding for staffing at the state psychiatric hospitals. Approximately 31 full-time positions are to be eliminated, approximately 24 of them from administrative and indirect care activities and the balance from vacant direct care functions.
- A \$1.3 million (\$1.0 million Near General Fund-State) reduction in compensation expenditures, to be achieved through furloughs, reduced work hours, or other approved methods.

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

The Aging and Disability Services Administration (ADSA) administers the Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) programs. These two programs combined account for approximately \$5.2 billion total (\$2.0 billion Near General Fund-State) in budgeted expenditures for the 2009-11 biennium.

The DDD and LTC programs share administration, operate several similar programs, and often utilize the same set of vendors. As a result, numerous budget items impact both programs. These shared budget items are described for both programs collectively. Budget items unique to each program are described separately.

Several savings items in the 2009-11 biennial appropriations act were subsequently impacted by court action including case decisions and temporary restraining orders. The specific items and the relevant litigation are detailed below. The total state near general fund savings associated with these four items in the biennial budget was \$101 million.

- Nursing Home rates – *WHCA v. Dreyfus*
- In-Home Hours Reduction – *Koshelnik-Turner v. Dreyfus* and *Faith Freeman v. Dreyfus*
- Adult Day Health – *LTC Ombudsman v. Dreyfus*
- Chapter 571, Laws of 2009 (SHB 2361– in-home care/state payments) – *Carter v. Gregoire*

The 2010 supplemental appropriations act makes several adjustments to these items to account for the impacts of the litigation, changes in caseload assumptions, and partial restorations of the Adult Day Health program and the in-home hours reduction. As a result, the revised Near General Fund-State savings for the biennium are \$47.9 million.

Savings of \$5.1 million are assumed by the Department using individual client assessments to allocate hours for laundry and meal preparation. Previously, the Department had been allocating hours for these tasks regardless of

client need or availability of informal supports. Utilizing the individual assessment to allocate hours results in some clients losing a portion of their currently allocated hours; all clients will receive hours per the needs identified in their assessment.

Chapter 3, Laws of 2010 (ESHB 2921), and Chapter 37, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (ESSB 6444), both addressed the 2010 supplemental budget. Combined, these two budget bills made Near General Fund-State reductions totaling \$6.8 million to ADSA administration, including consolidating printing and human resources functions and reductions in the operations of the residential habilitation centers.

The budget assumes an increase in the annual license fees for nursing homes and boarding homes in order to fully recover the costs of the licensure, inspection, and regulatory program. The increased license fee revenue results in a \$3.0 million offset to the licensing costs previously subsidized by the state near general fund. The nursing home fee is assumed to increase from \$275 per bed to \$326 per bed while the boarding home fee is assumed to increase from \$79 per bed to \$106 per bed. Corresponding adjustments are made to the Medicaid reimbursement rate for both care settings to adequately compensate facilities for the impact of the fee on publicly-funded Medicaid beds.

### **Developmental Disabilities**

The budget provides \$3.5 million Near General Fund-State to fund employment and other daytime supports and services to eligible students graduating from high school during the current biennium. This funding provides services and support to individuals already on a waiver, provides some waiver slots for individuals not currently on a waiver, and some state-only funded services and support to certain qualifying individuals. In total, approximately 1,400 graduating seniors will receive additional services.

### **Long-Term Care**

The budget assumes \$10.7 million state near general fund savings resulting from changes in the nursing home vendor rate methodology. The specific methodological changes are detailed in the budget bill and also in Chapter 34, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (ESSB 6872). Although the Governor's veto eliminated some of the methodological changes, the budget contains a specified appropriation ceiling otherwise known as the budget dial.

### **Economic Services Administration**

The budget provides \$78.8 million in total funds (\$16.8 million Near General Fund-State) to maintain Temporary Assistance for Needy Family (TANF) services through January 2011. The budget also reduces \$23.7 million in state fund appropriations through elimination of services to non-TANF recipients, changing sanction policies, and reducing the number of hours needed to meet participation requirements for certain clients.

Chapter 8, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (E2SHB 2782), made a number of changes to the General Assistance program including changing its name to the Disability Lifeline program. Savings of \$12.3 million in state near general funds is realized through implementation of time limits. Benefits will be capped at 24 months in a 60-month period, from September 1, 2010, to June 30, 2013. Further caseload decreases are assumed through requiring participation in chemical dependency treatment if referred and the elimination of the Administrative Review Team.

Savings of \$5.9 million in total funds (\$3.0 million Near General Fund-State) are achieved through the temporary suspension of the redistribution of Internal Revenue Service refund payments that previously prioritized former TANF clients over repayment of state debt. This savings step reverses state rules established in 2008.

## **Medical Assistance Administration**

A total of \$9.9 billion (\$3.5 billion Near General Fund-State) is provided for the Medical Assistance Administration (MAA) for the 2009-11 biennium. This is a \$1.07 billion (12.1 percent) increase from the total amount originally appropriated for the biennium. The state share appropriated to MAA is reduced by \$95.0 million. This

\$1.1 billion increase in total funds includes:

- \$483.6 million in total funds (\$308.4 million Near General Fund-State) for maintenance level increases primarily as a result of additional caseload growth in programs most affected by the economic downturn, such as the Categorically Needy (CN) Family Medical program and the CN Children's program for those under 200 percent of the federal poverty level.
- \$448.7 million in total funds (Near General Fund-State savings of \$66.8 million) for reimbursement rate increases for hospitals from a Hospital Safety Net Assessment pursuant to Chapter 30, Laws of 2010, 1<sup>st</sup> sp.s. (E2SHB 2956). These funds will leverage federal Medicaid matching funds. Rate increases range from between 4 percent and 17 percent for inpatient services and between 4 percent and 41 percent for outpatient services, depending on hospital type.
- \$95.3 million in total funds (\$39.9 million Near General Fund-State) for rate increases for Federally Qualified Health Centers (FQHCs). Effective January 2009, a new Washington State-specific inflationary index will replace the Medicare Economic Index (MEI) in determining the FQHC fee-for-service encounter rates. Reimbursement rates will increase by 3.8 percent annually compared to 1.2 percent under the MEI for the 2009-11 biennium.
- \$38.2 million in total funds (\$19.1 million Near General Fund-State) to restore administrative reductions taken in the enacted 2009-11 operating budget. The Department must implement a management strategy that minimizes disruption of service and negative impacts on employees.
- \$35.9 million in total funds (\$3.7 million Near General Fund-State) for the transformation of the General Assistance program to the Disability Lifeline program pursuant to Chapter 8, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (E2SHB 2782). Funding is provided to support caseload growth above the enacted 2009-11 appropriation and the transition to a managed care service delivery system statewide. State savings are achieved under E2SHB 2782 through a time limit of 24 months in a 60-month period and requiring clients with addictions to participate in treatment to maintain eligibility. Elimination of the Administrative Review Team process will also decrease the Lifeline caseload. Finally, the state anticipates the receipt of federal matching funds for Medicaid coverage of Lifeline clients under a Section 1115 Waiver from the federal Centers for Medicare and Medicaid Services.

Program reductions include the following:

- \$6.4 million in total funds (\$2.5 million Near General Fund-State) in dental services, with reductions focused on the fastest growing cost drivers of dental care; and
- \$3.4 million in total funds (\$2.5 million Near General Fund-State) saved through a reduction to Healthy Options administrative costs, which include an annual quality incentive payment.

## **Special Commitment Center**

The 2010 supplemental budget adjusted the funding for the Special Commitment Center (SCC), providing a total of \$95.7 million state near general funds for the operations of the SCC; this is an \$11.4 million (10.7 percent) reduction from the 2009-11 enacted budget.

Major savings items include:

- \$4.3 million through staff reductions and efficiencies;
- \$1.5 million through changes to residential and community programs including closing the SCC store;
- \$1.4 million through reductions in resident salaries to reflect adherence to treatment plans;
- \$1.2 million through reduced nursing contracts; and
- \$0.7 million through standardizing reimbursements and activities related to evaluations pursuant to Chapter 28, Laws of 2010, 1<sup>st</sup> sp.s. (ESB 6870).

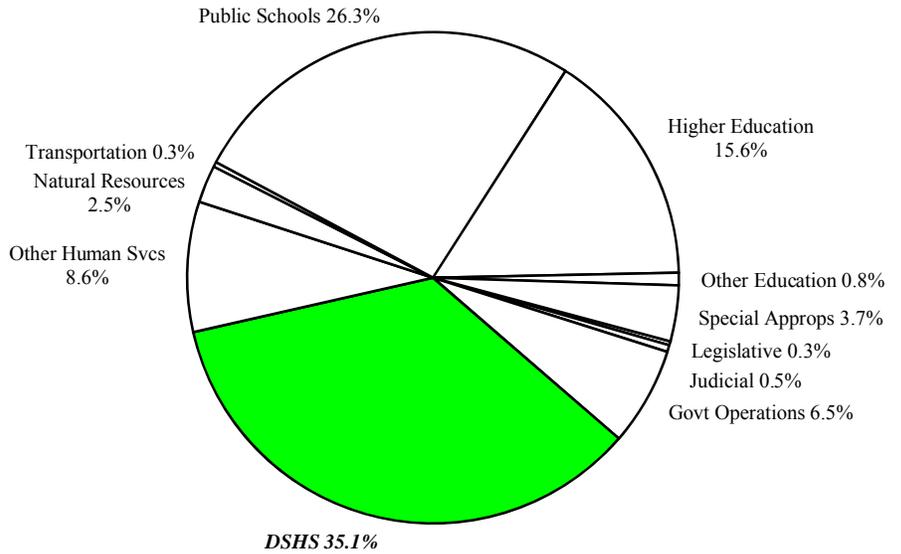
### **Payments to Other Agencies**

The Payments to Other Agencies program within DSHS is the budgeting and accounting center for payments for services and systems support received from other agencies. For example, this program budgets and tracks payments to the Office of the Attorney General (AG), the Department of Personnel, and the Office of Financial Management. The largest single budget item is payments to the AG's office, which total approximately 40 percent of all expenditures.

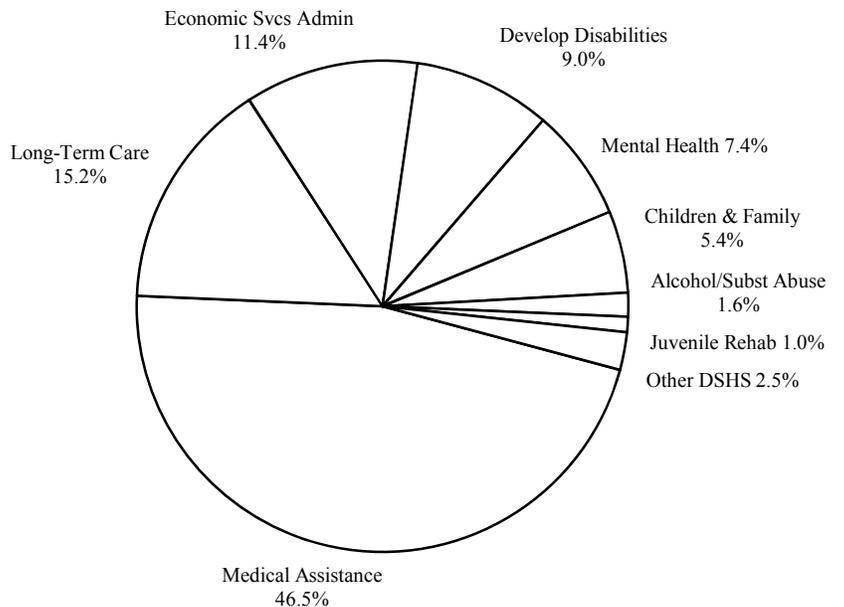
The 2010 supplemental budget provides \$16.2 million from Near General Fund-State to partially restore a \$22.3 million reduction taken in the 2009-11 biennial appropriations act.

**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| <b>DSHS</b>             | <b>21,262,641</b> |
| Other Human Services    | 5,187,799         |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



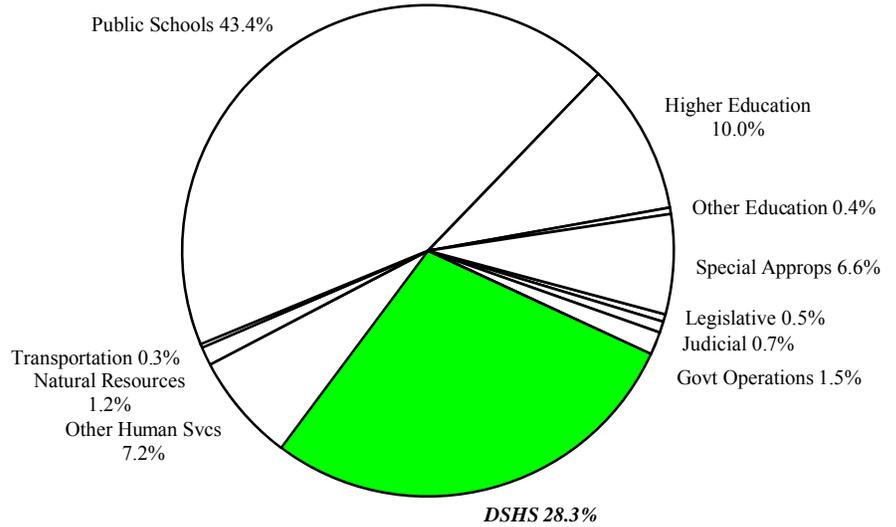
|                            |                   |
|----------------------------|-------------------|
| Medical Assistance         | 9,890,632         |
| Long-Term Care             | 3,230,810         |
| Economic Services Admin    | 2,425,685         |
| Developmental Disabilities | 1,922,104         |
| Mental Health              | 1,573,678         |
| Children & Family Svcs     | 1,143,579         |
| Alcohol/Subst Abuse        | 334,326           |
| Juvenile Rehabilitation    | 216,471           |
| Other DSHS                 | 525,356           |
| <b>DSHS</b>                | <b>21,262,641</b> |



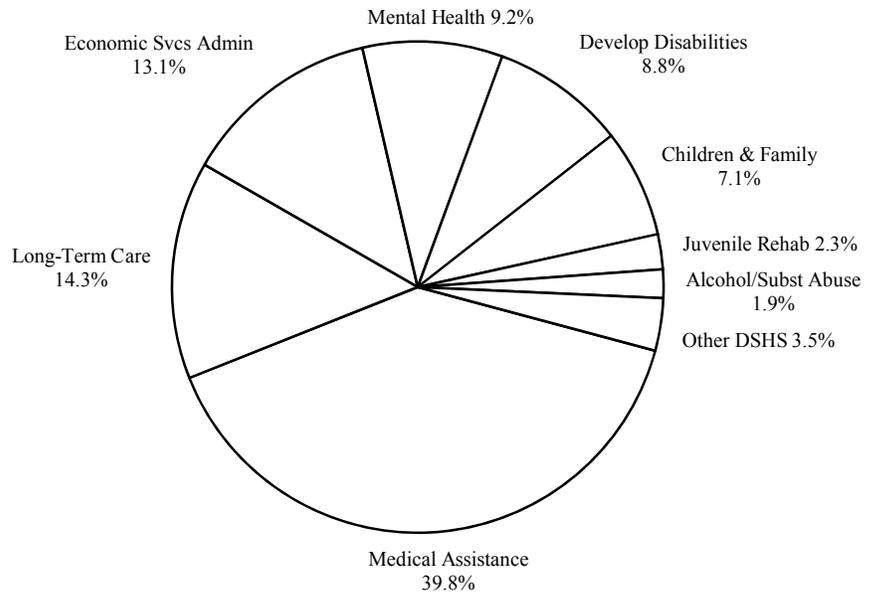
**DSHS**

**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| <b>DSHS</b>             | <b>8,761,093</b>  |
| Other Human Services    | 2,214,952         |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



|                            |                  |
|----------------------------|------------------|
| Medical Assistance         | 3,487,176        |
| Long-Term Care             | 1,255,372        |
| Economic Services Admin    | 1,145,701        |
| Mental Health              | 806,672          |
| Developmental Disabilities | 775,340          |
| Children & Family Svcs     | 622,674          |
| Juvenile Rehabilitation    | 201,198          |
| Alcohol/Subst Abuse        | 164,375          |
| Other DSHS                 | 302,585          |
| <b>DSHS</b>                | <b>8,761,093</b> |



**DSHS**

**Department of Social and Health Services  
Children & Family Services**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>     |
|--|----------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>633,214</b> | <b>506,880</b> | <b>1,140,094</b> |
| <b>Total Maintenance Changes</b>             | <b>7,143</b>   | <b>9,215</b>   | <b>16,358</b>    |
| <b>Policy Changes - Early Action Savings</b> |                |                |                  |
| 1. Passport Program                          | -171           | -170           | -341             |
| 2. Consolidate Printing Functions            | -62            | -55            | -117             |
| 3. Human Resources Reduction                 | -159           | -177           | -336             |
| 4. Foster Care Health Care to MA             | -1,218         | -1,218         | -2,436           |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,610</b>  | <b>-1,620</b>  | <b>-3,230</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                |                  |
| 5. Administrative and Staff Reductions       | -1,080         | -360           | -1,440           |
| 6. Stimulus FMAP Extension                   | -6,713         | 6,713          | 0                |
| 7. Parent Sentencing Alternative             | 11             | 3              | 14               |
| 8. Evaluations and Treatment                 | -912           | 0              | -912             |
| 9. Ancillary and Child Services              | -664           | 0              | -664             |
| 10. Assessment Programs                      | -121           | -11            | -132             |
| 11. Administrative Streamlining              | -52            | -58            | -110             |
| 12. Medicaid Treatment Child Care            | -58            | -74            | -132             |
| 13. Crisis Family Intervention               | -287           | 0              | -287             |
| 14. Secure Crisis Residential Centers        | -2,407         | 2,407          | 0                |
| 15. HOPE Centers                             | -403           | 403            | 0                |
| 16. Child Care for CPS Clients               | -246           | 0              | -246             |
| 17. Educational Advocacy Coordinators        | -466           | 466            | 0                |
| 18. Planning Policy Development              | -133           | -45            | -178             |
| 19. Street Youth Program                     | 1,016          | -1,016         | 0                |
| 20. Adoption Maintenance                     | -145           | -143           | -288             |
| 21. Alternative Response                     | -171           | -171           | -342             |
| 22. One-Time Underexpenditure                | -2,076         | -1,160         | -3,236           |
| 23. Foster Care Recruitment                  | -243           | -90            | -333             |
| 24. Pediatric Interim Care                   | -266           | 0              | -266             |
| 25. SSI Reimbursements                       | -1,056         | -351           | -1,407           |
| 26. Supervised Visits                        | -1,045         | -282           | -1,327           |
| <b>Policy -- Non-Comp Total</b>              | <b>-17,517</b> | <b>6,231</b>   | <b>-11,286</b>   |
| <b>Policy Changes - Comp</b>                 |                |                |                  |
| 27. Health Insurance Increase                | 1,968          | 912            | 2,880            |
| 28. Temporary Layoffs                        | -524           | -713           | -1,237           |
| <b>Policy -- Comp Total</b>                  | <b>1,444</b>   | <b>199</b>     | <b>1,643</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>622,674</b> | <b>520,905</b> | <b>1,143,579</b> |
| Fiscal Year 2010 Total                       | -2,073         | -937           | -3,010           |
| Fiscal Year 2011 Total                       | -15,610        | 5,747          | -9,863           |

**Comments:**

- 1. Passport Program** - Savings are achieved through redesigning and transferring the Passport Program to Health and Recovery Services. (General Fund-State, General Fund-Federal)
- 2. Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- 3. Human Resources Reduction** - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)
- 4. Foster Care Health Care to MA** - The redesigned Passport Program, now known as the Fostering Well-Being Program, is transferred to Medical Assistance (MA) Administration. This

## Department of Social and Health Services Children & Family Services

- program provides coordinated care management for children in foster care. (General Fund-State, General Fund-Federal)
5. **Administrative and Staff Reductions** - Funding is reduced to reflect savings from the elimination of 20 FTEs from Department of Social and Health Service's (DSHS') Children's Administration. Filled case-carrying staff positions are not eliminated. (General Fund-State, General Fund-Federal)
  6. **Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI-E federal match. (General Fund-State, General Fund-Federal)
  7. **Parent Sentencing Alternative** - Funding is reduced in the Department of Corrections (DOC) to reflect the creation of alternatives to incarceration for nonviolent offenders with minor children pursuant to Chapter 224, Laws of 2010 (SSB 6639). These savings result from a reduction in the average daily population of 82 offenders, allowing DOC to close a prison unit at a women's facility. Funding is provided to DOC for community supervision because supplemental services will be provided to offenders in lieu of prison sentences. Funding is provided to the Health and Recovery Services Administration for medical assistance for these offenders and to the Children's Administration for the costs of providing reports to courts on offenders that are under consideration for the sentencing alternative. (General Fund-State, General Fund-Federal)
  8. **Evaluations and Treatment** - Funding for neuropsychological testing and neuro-behavioral examinations for adults and children is reduced by 10 percent. Ongoing counseling, case consultation, and family or group treatment services remain available.
  9. **Ancillary and Child Services** - Funding is reduced by 10 percent to reflect savings achieved through efficiency measures adopted by the Department. These funds are utilized to cover miscellaneous expenses for those families involved with children and family services.
  10. **Assessment Programs** - Funding for the Intensive Foster Care Assessment Program (FCAP) and the Safety Assessment Programs is combined and reduced by 5 percent. The Department will redesign the program to administer the funding more flexibly and maintain the availability of the assessment programs. (General Fund-State, General Fund-Federal)
  11. **Administrative Streamlining** - Savings are achieved by streamlining administrative functions across DSHS. (General Fund-State, General Fund-Federal)
  12. **Medicaid Treatment Child Care** - Funding is reduced by 2.5 percent for Medicaid Treatment Child Care (MTCC). MTCC provides intensive child development services to young children. Savings are achieved through a second review of the medical need for psychosocial services. (General Fund-State, General Fund-Federal)
  13. **Crisis Family Intervention** - Funding is reduced by 12.5 percent for the Crisis Family Intervention (CFI) services. These contracted services are provided to youth 12 to 17 years of age and their families to address a conflict.
  14. **Secure Crisis Residential Centers** - Funding is provided for Secure Crisis Residential Centers (SCRC) from the Home Security Fund and General Fund-State. SCRCs are secure facilities that provide temporary residential placement and reunification services to street youth or youth in conflict with their family. (Home Security Fund Account-State, General Fund-State)
  15. **HOPE Centers** - Funding is provided for these beds from the Home Security Fund rather than General Fund-State. HOPE centers provide assessments, permanency planning services, and temporary residential placement to street youth for up to 30 days. (Home Security Fund Account-State, General Fund-State)
  16. **Child Care for CPS Clients** - Funding to assist Child Protective Services (CPS) parents with child care in an effort to maintain the child in the home is reduced by 3 percent.
  17. **Educational Advocacy Coordinators** - Funding is reduced for the educational advocacy coordinator program, which provides educational support services to children in out-of-home placements. The Department will obtain 33 percent of the funding through private and local resources.
  18. **Planning Policy Development** - Savings will be achieved through a reduction of two FTE staff associated with non-essential business functions. (General Fund-State, General Fund-Federal)
  19. **Street Youth Program** - Funding for the Street Youth Program is moved from the Home Security Fund to General Fund-State. The Street Youth Program provides assistance to homeless youth living on the streets. (Home Security Fund Account-State, General Fund-State)
  20. **Adoption Maintenance** - Savings are achieved through setting a maximum adoption payment standard of 90 percent of the foster care maintenance payment in the same time period for future adoptions. Federal law requires that adoptive parents may not receive a monthly payment higher than what the child would have received in foster care for the same time period. Adoptive parents may also receive up to a \$10,000 tax credit for

**Department of Social and Health Services**  
**Children & Family Services**

the adoption of a child. The item does not reduce current adoption assistance agreements. (General Fund-State, General Fund-Federal)

21. **Alternative Response** - Funding is reduced by 12.5 percent for the Alternative Response System (ARS). The ARS is used to provide contracted services to families whose referrals to Child Protective Services are determined to be low risk or moderately low risk of intake following an investigation. (General Fund-State, General Fund-Federal)
22. **One-Time Underexpenditure** - Savings are achieved through under expenditures in the Behavioral Rehabilitative Services (BRS) program. The Department will continue to focus on decreasing the length of stay and moving children to a less restrictive setting. (General Fund-State, General Fund-Federal)
23. **Foster Care Recruitment** - Funding is reduced for foster care recruitment to reflect the use of informal networks of community-based outreach and recruitment, including former or current foster parents and local community organizations. (General Fund-State, General Fund-Federal)
24. **Pediatric Interim Care** - Funding for the Pediatric Interim Care (PIC) center beds is reduced from 17 beds to 13 beds to reflect utilization. PIC services are provided to medically-fragile drug-impacted infants.
25. **SSI Reimbursements** - Funding is provided for additional Supplemental Security Income (SSI) facilitators to move children in foster care from a state-only foster care payment or a state and federal foster care payment to a SSI payment. (General Fund-State, General Fund-Federal)
26. **Supervised Visits** - Funding is reduced for supervised visits. The Department will revise supervised visit contracts and reimbursements to achieve savings. (General Fund-State, General Fund-Federal)
27. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
28. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Social & Health Services Children & Family Services

### WORKLOAD HISTORY By Fiscal Year

|   | 2002  | 2003  | 2004  | 2005  | 2006  | 2007   | 2008   | 2009   | Estimated |        |
|---|-------|-------|-------|-------|-------|--------|--------|--------|-----------|--------|
|   |       |       |       |       |       |        |        |        | 2010      | 2011   |
| <b>Foster Care <sup>(1)</sup></b>         |       |       |       |       |       |        |        |        |           |        |
| Avg # Children Served Monthly             | 7,853 | 7,880 | 7,713 | 7,769 | 7,769 | 7,909  | 7,829  | 7,347  | 6,747     | 6,169  |
| % Change from prior year                  |       | 0.3%  | -2.1% | 0.7%  | 0.0%  | 1.8%   | -1.0%  | -6.2%  | -8.2%     | -8.6%  |
| <b>Relative Placements <sup>(2)</sup></b> |       |       |       |       |       |        |        |        |           |        |
| Avg # Children Served Monthly             | 3,833 | 3,909 | 3,998 | 4,246 | 4,588 | 4,684  | 4,804  | 4,767  | 4,430     | 4,357  |
| % Change from prior year                  |       | 2.0%  | 2.3%  | 6.2%  | 8.1%  | 2.1%   | 2.6%   | -0.8%  | -7.1%     | -1.6%  |
| <b>Child Care <sup>(3)</sup></b>          |       |       |       |       |       |        |        |        |           |        |
| Avg # Children Served Monthly             | 4,441 | 4,389 | 4,064 | 4,182 | 4,235 | 4,687  | 5,457  | 5,202  | 5,032     | 5,131  |
| % Change from prior year                  |       | -1.2% | -7.4% | 2.9%  | 1.3%  | 10.7%  | 16.4%  | -4.7%  | -3.3%     | 2.0%   |
| <b>Child Protective Services (CPS)</b>    |       |       |       |       |       |        |        |        |           |        |
| Avg CPS Referrals Monthly                 | 6,461 | 6,288 | 6,558 | 6,481 | 6,426 | 6,206  | 6,109  | 6,028  | 6,234     | 6,222  |
| % Change from prior year                  |       | -2.7% | 4.3%  | -1.2% | -0.8% | -3.4%  | -1.6%  | -1.3%  | 3.4%      | -0.2%  |
| <b>Adoption Support <sup>(4)</sup></b>    |       |       |       |       |       |        |        |        |           |        |
| Avg # Children Served Monthly             | 6,603 | 7,392 | 8,387 | 9,208 | 9,964 | 10,632 | 11,254 | 11,964 | 13,199    | 14,355 |
| % Change from prior year                  |       | 12.0% | 13.5% | 9.8%  | 8.2%  | 6.7%   | 5.8%   | 6.3%   | 10.3%     | 8.8%   |
| <b>Caseload Ratio</b>                     |       |       |       |       |       |        |        |        |           |        |
| Avg Cases Per Worker <sup>(5)</sup>       | 24:1  | 24:1  | 24:1  | 24:1  | 23:1  | 22:1   | 20:1   | 18:1   | 18:1      | 18:1   |

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes an unduplicated count of children in unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a count based on point-in-time during the month and excluded children in guardianships and children in Tribal custody. The placements are now counted based on events occurring at any time during the month and include children in guardianships and children in Tribal custody, so that the population counted for relative placements mirrors the population counted for Foster Care.

<sup>(3)</sup> Includes the following child care services: Child Protective 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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 2009 actuals for Foster Care, Relative Placements, 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 2009 actuals for Caseload Ratio are from the DSHS Children's Administration Budget Office.

FY 2010 through FY 2011 data for Relative Placements is from the Caseload Forecast Council.

FY 2010 through FY 2011 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council February 2010 forecast.

FY 2010 through FY 2011 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)

|  | <u>NGF-S</u>   | <u>Other</u>  | <u>Total</u>   |
|--|----------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>197,951</b> | <b>15,162</b> | <b>213,113</b> |
| <b>Total Maintenance Changes</b>             | <b>8,494</b>   | <b>-4,850</b> | <b>3,644</b>   |
| <b>Policy Changes - Early Action Savings</b> |                |               |                |
| 1. Consolidate Printing Functions            | -5             | 0             | -5             |
| 2. WSIPP Contract Reduction                  | -90            | 0             | -90            |
| 3. Tribal Contract Reductions                | -31            | 0             | -31            |
| 4. County Administration Reductions          | -48            | 0             | -48            |
| 5. EBP Leveraging                            | -1,200         | 0             | -1,200         |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,374</b>  | <b>0</b>      | <b>-1,374</b>  |
| <b>Policy Changes - Non-Comp</b>             |                |               |                |
| 6. Reinstate Closure Funding                 | 12,000         | 0             | 12,000         |
| 7. Youthful Offenders to Corrections         | -312           | 0             | -312           |
| 8. Reduce Institution Staffing               | -3,899         | 0             | -3,899         |
| 9. Juvenile Court Reduction                  | -2,513         | 0             | -2,513         |
| 10. JRA Administrative Staff Reduction       | -3,742         | 0             | -3,742         |
| 11. Close Maple Lane School                  | -5,833         | 4,958         | -875           |
| 12. L&I Rate Changes for Institutions        | -171           | 0             | -171           |
| <b>Policy -- Non-Comp Total</b>              | <b>-4,470</b>  | <b>4,958</b>  | <b>488</b>     |
| <b>Policy Changes - Comp</b>                 |                |               |                |
| 13. Health Insurance Increase                | 1,023          | 5             | 1,028          |
| 14. Temporary Layoffs                        | -426           | -2            | -428           |
| <b>Policy -- Comp Total</b>                  | <b>597</b>     | <b>3</b>      | <b>600</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>201,198</b> | <b>15,273</b> | <b>216,471</b> |
| Fiscal Year 2010 Total                       | -5,170         | 0             | -5,170         |
| Fiscal Year 2011 Total                       | -77            | 4,961         | 4,884          |

**Comments:**

- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- WSIPP Contract Reduction** - Unobligated funds for evaluations of Juvenile Rehabilitation Administration (JRA) programs by the Washington State Institute for Public Policy (WSIPP) are reduced.
- Tribal Contract Reductions** - Funding for tribal contracts related to adjudicated youth is reduced by 5 percent.
- County Administration Reductions** - JRA will reduce goods and services costs associated with administering county contracts.
- EBP Leveraging** - Four JRA staff in institutions and four staff in regional offices will no longer provide case management services to JRA youth. Instead, these staff will provide evidence-based treatment programs (EBP) to youth.
- Reinstate Closure Funding** - The 2009-11 operating budget included a study to develop a plan to close 235 beds in juvenile institutions and reduced funding for the JRA by \$12 million in FY 2011. The supplemental budget assumes closure of Maple Lane School (MLS) by June 30, 2013, and makes other capacity and institutional staffing reductions. As a result of this decision, the unspecified reduction of \$12 million in the 2009-11 biennium is restored.
- Youthful Offenders to Corrections** - Juveniles who are scheduled to finish their sentences in a Department of Corrections (DOC) facility are transferred from JRA to DOC at the age of 18 beginning in FY 2011. These transfers will reduce the annual average daily population by 13. A proviso requires JRA to evaluate offenders prior to transfer to determine the offender's physical and emotional suitability for transfer.
- Reduce Institution Staffing** - The number of JRA staff in the residential institutions is reduced.
- Juvenile Court Reduction** - County pass-through funding for juvenile courts is reduced by 10 percent, effective April 1,

## Department of Social and Health Services Juvenile Rehabilitation

2010. The reduction is in non-evidence based, non-sex offender disposition alternative funding.

10. **JRA Administrative Staff Reduction** - Funding for JRA regional and headquarters staffing is reduced.
11. **Close Maple Lane School** - Funding from the State Efficiency and Reorganization Account (SERA) is provided and General Fund-State savings are assumed for the closure of MLS by June 30, 2013. Phased reduction and reallocation of capacity from MLS are (amount remaining from full funding and capacity): 70 percent in FY 2011, 40 percent in FY 2012, and 20 percent in FY 2013. The capital budget provides \$760,000 in state bonds and \$15.8 million in certificate of participation authority for renovation and construction of specialized housing and treatment facilities at other institutions. Funding from SERA makes greater state general fund savings possible, effectively bringing future savings associated with MLS closure into the 2009-11 biennium. (General Fund-State, State Efficiency and Restructuring Account-State)
12. **L&I Rate Changes for Institutions** - Agencies are required to find sufficient efficiencies in their operations to cover any increased worker's compensation costs needed to allow them to perform their mission.
13. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
14. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social & Health Services  
Juvenile Rehabilitation**

**WORKLOAD HISTORY**  
By Fiscal Year

|   | 2002  | 2003   | 2004   | 2005   | 2006   | 2007  | 2008  | 2009   | <u>Estimated</u> |       |
|---|-------|--------|--------|--------|--------|-------|-------|--------|------------------|-------|
|   |       |        |        |        |        |       |       |        | 2010             | 2011  |
| <b>Community Residential</b> <sup>(1)</sup> |       |        |        |        |        |       |       |        |                  |       |
| Avg Daily Population/Month                  | 173   | 172    | 144    | 123    | 99     | 92    | 102   | 78     | 101              | 131   |
| % Change from prior year                    |       | -0.5%  | -16.6% | -14.7% | -19.2% | -7.1% | 10.9% | -23.5% | 29.5%            | 29.7% |
| <b>Institutions</b>                         |       |        |        |        |        |       |       |        |                  |       |
| Avg Daily Population/Month                  | 937   | 797    | 781    | 782    | 728    | 736   | 676   | 624    | 615              | 572   |
| % Change from prior year                    |       | -14.9% | -2.1%  | 0.1%   | -6.8%  | 1.1%  | -8.2% | -7.7%  | -1.4%            | -7.0% |
| <b>Parole</b> <sup>(2)</sup>                |       |        |        |        |        |       |       |        |                  |       |
| Avg Daily Population/Month                  | 1,006 | 847    | 802    | 728    | 751    | 692   | 708   | 689    | 440              | 440   |
| % Change from prior year                    |       | -15.8% | -5.3%  | -9.2%  | 3.1%   | -7.9% | 2.3%  | -2.7%  | -36.1%           | 0.0%  |

<sup>(1)</sup> 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.

<sup>(2)</sup> Parole eligibility standards were significantly modified in FY 2000 and FY 2003.

Data Sources :

FY 2002 through FY 2006 from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

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

FY 2010 through FY 2011 data are from DSHS JRA and legislative fiscal staff.

**Department of Social and Health Services  
Mental Health**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>     |
|--|----------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>820,901</b> | <b>704,690</b> | <b>1,525,591</b> |
| <b>Total Maintenance Changes</b>             | <b>17,981</b>  | <b>21,752</b>  | <b>39,733</b>    |
| <b>Policy Changes - Early Action Savings</b> |                |                |                  |
| 1. Administrative and Staff Reductions       | -154           | -232           | -386             |
| 2. Consolidate Printing Functions            | -17            | -13            | -30              |
| <b>Policy Changes - Early Action Savings</b> | <b>-171</b>    | <b>-245</b>    | <b>-416</b>      |
| <b>Policy Changes - Non-Comp</b>             |                |                |                  |
| 3. Staff Reduction Direct Care-Vacant        | -1,218         | 0              | -1,218           |
| 4. Inst Staff Admin & Indirect Care          | -3,281         | 0              | -3,281           |
| 5. Stimulus FMAP Extension                   | -27,142        | 27,142         | 0                |
| 6. Implement New Medicaid Rates              | 139            | 236            | 375              |
| 7. RSN Technical Assistance                  | 100            | 0              | 100              |
| 8. Administrative Streamlining               | -48            | -62            | -110             |
| 9. RSN Local Match                           | 0              | 4,873          | 4,873            |
| 10. Community Detention Capacity             | 60             | 0              | 60               |
| 11. Involuntary Treatment Assessments        | 60             | 0              | 60               |
| 12. Psychiatric Security Review Panel        | 260            | 0              | 260              |
| 13. Medicaid Match on PACT                   | -1,300         | 1,300          | 0                |
| 14. Hospital Safety Net Assessment           | 0              | 7,165          | 7,165            |
| 15. L&I Rate Changes for Institutions        | -1,645         | 0              | -1,645           |
| <b>Policy -- Non-Comp Total</b>              | <b>-34,015</b> | <b>40,654</b>  | <b>6,639</b>     |
| <b>Policy Changes - Comp</b>                 |                |                |                  |
| 16. Health Insurance Increase                | 2,947          | 444            | 3,391            |
| 17. Temporary Layoffs                        | -971           | -289           | -1,260           |
| <b>Policy -- Comp Total</b>                  | <b>1,976</b>   | <b>155</b>     | <b>2,131</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>806,672</b> | <b>767,006</b> | <b>1,573,678</b> |
| Fiscal Year 2010 Total                       | -2,717         | 3,079          | 362              |
| Fiscal Year 2011 Total                       | -29,493        | 37,485         | 7,992            |

**Comments:**

- Administrative and Staff Reductions** - The Mental Health Division will achieve savings by eliminating 1.1 administrative positions in headquarters and 2.0 non-direct care staff positions at the Child Study and Treatment Center. (General Fund-State, General Fund-Federal)
- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- Staff Reduction Direct Care-Vacant** - Savings are achieved by eliminating 7.0 vacant direct care positions.
- Inst Staff Admin & Indirect Care** - Savings are achieved by eliminating indirect care and administrative positions at the state psychiatric hospitals.
- Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI E federal match. (General Fund-State, General Fund-Federal)
- Implement New Medicaid Rates** - The Department of Social and Health Services has completed a federally-required "rebasin" and actuarial re-certification of the managed care rates that are paid to Regional Support Networks (RSNs) for delivery of Medicaid mental health services. Sufficient state and federal funds are provided to set rates at a level equivalent to: (1) the RSN's current state and federal rates; (2) at the lower end of the RSN's new actuarially-sound rate range, if that is higher than the RSN's current rate level; or (3) at the top of the RSN's new federally-allowable rate range, if that is less than the

## Department of Social and Health Services Mental Health

- RSN's current rate. This is expected to result in: higher state and federal payment levels in two RSN areas; no change in the total funding available in nine others; and in reductions of 7-13 percent in two sparsely populated regions. (General Fund-State, General Fund-Federal)
7. **RSN Technical Assistance** - Funding is provided for consultation and technical assistance on methods for effectively delivering mental health services in very sparsely populated Regional Support Network (RSN) areas, such as the Chelan-Douglas and North Central RSNs.
  8. **Administrative Streamlining** - Additional staffing reductions are achieved through efficiencies in the executive workforce.
  9. **RSN Local Match** - Appropriation authority is provided so that RSNs may provide additional Medicaid services with a combination of local and federal funds. (General Fund-Federal, General Fund-Private/Local)
  10. **Community Detention Capacity** - Funds are provided for the Washington State Institute for Public Policy (WSIPP) to research cost-effective strategies for achieving the increased community detention and treatment capacity associated with implementation of sections 2 and 3 of Chapter 280, Laws of 2010 (2SHB 3076).
  11. **Involuntary Treatment Assessments** - As required by 2SHB 3076, funds are provided for WSIPP to identify research-based tools that might be used to more objectively and consistently determine when a person poses so significant a danger to themselves or others by reason of a mental condition as to require involuntary mental health treatment.
  12. **Psychiatric Security Review Panel** - Funds are provided for implementation of Chapter 263, Laws of 2010 (ESB 6610), which establishes a new independent panel to review and provide recommendations to the court on all applications for release of persons who have been judged not guilty by reason of insanity.
  13. **Medicaid Match on PACT** - Program for Assertive Community Treatment (PACT) teams provide evidence-based, intensive, and multi-disciplinary community mental health services to individuals at demonstrated risk of repeated and long-term psychiatric hospitalization. The Department will implement strategies by January 2011 to incorporate most of the services provided into Medicaid managed care rates, while maintaining service quality and consistency with evidence-based practice. (General Fund-State, General Fund-Federal)
  14. **Hospital Safety Net Assessment** - Funding is provided to cover the cost of the psychiatric hospital rate increases required by Chapter 30, Laws of 2010, 1st sp.s. (E2SHB 2956). (General Fund-State, General Fund-Federal, Hospital Safety Net Assessment Fund)
  15. **L&I Rate Changes for Institutions** - Agencies are required to find sufficient efficiencies in their operations to cover increased worker's compensation costs.
  16. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  17. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social & Health Services  
Mental Health**

**WORKLOAD HISTORY  
By Fiscal Year**

|                                       | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | <u>Estimated</u> |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|---------------|
|                                       |               |               |               |               |               |               |               |               | 2010             | 2011          |
| <b>State Hospitals <sup>(1)</sup></b> |               |               |               |               |               |               |               |               |                  |               |
| Avg Daily Census/Month                | 1,328         | 1,231         | 1,192         | 1,207         | 1,262         | 1,292         | 1,251         | 1,172         | 1,197            | 1,189         |
| % Change from prior year              |               | -7.3%         | -3.1%         | 1.2%          | 4.6%          | 2.4%          | -3.1%         | -6.3%         | 2.1%             | -0.6%         |
| <b>Community Outpatient Services</b>  |               |               |               |               |               |               |               |               |                  |               |
| <b>Avg Persons Served per Month</b>   | <b>51,206</b> | <b>53,141</b> | <b>55,252</b> | <b>53,918</b> | <b>51,779</b> | <b>49,874</b> | <b>49,203</b> | <b>44,500</b> | <b>48,000</b>    | <b>50,500</b> |
| % Change from prior year              |               | 3.8%          | 4.0%          | -2.4%         | -4.0%         | -3.7%         | -1.3%         | -9.6%         | 7.9%             | 5.2%          |
| Adults                                | 36,938        | 38,091        | 39,402        | 38,340        | 36,979        | 35,738        | 35,278        | 32,300        | 34,800           | 36,200        |
| % Change from prior year              |               | 3.1%          | 3.4%          | -2.7%         | -3.5%         | -3.4%         | -1.3%         | -8.4%         | 7.7%             | 4.0%          |
| Children                              | 14,268        | 15,050        | 15,849        | 15,578        | 14,800        | 14,136        | 13,925        | 12,200        | 13,200           | 14,300        |
| % Change from prior year              |               | 5.5%          | 5.3%          | -1.7%         | -5.0%         | -4.5%         | -1.5%         | -12.4%        | 8.2%             | 8.3%          |
| People on Medicaid                    | 37,750        | 40,782        | 45,174        | 46,752        | 45,219        | 42,802        | 42,322        | 38,100        | 42,700           | 45,200        |
| % Change from prior year              |               | 8.0%          | 10.8%         | 3.5%          | -3.3%         | -5.3%         | -1.1%         | -10.0%        | 12.1%            | 5.9%          |
| People not on Medicaid                | 13,456        | 12,358        | 10,078        | 7,166         | 6,560         | 7,072         | 6,881         | 6,400         | 5,300            | 5,300         |
| % Change from prior year              |               | -8.2%         | -18.5%        | -28.9%        | -8.4%         | 7.8%          | -2.7%         | -7.0%         | -17.2%           | 0.0%          |

<sup>(1)</sup> 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 2009 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2010 and FY 2011 estimates are by legislative fiscal committee staff.

**Department of Social and Health Services  
Developmental Disabilities**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>     | <u>Total</u>     |
|--|----------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>820,242</b> | <b>1,098,649</b> | <b>1,918,891</b> |
| <b>Total Maintenance Changes</b>             | <b>11,300</b>  | <b>1,039</b>     | <b>12,339</b>    |
| <b>Policy Changes - Early Action Savings</b> |                |                  |                  |
| 1. Administrative and Staff Reductions       | -3,521         | -2,347           | -5,868           |
| 2. Consolidate Printing Functions            | -24            | -12              | -36              |
| <b>Policy Changes - Early Action Savings</b> | <b>-3,545</b>  | <b>-2,359</b>    | <b>-5,904</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                  |                  |
| 3. Reduce Institutional Funding              | -890           | -1,605           | -2,495           |
| 4. Stimulus FMAP Extension                   | -56,833        | 56,833           | 0                |
| 5. Utilization of Residential Services       | -1,841         | -1,031           | -2,872           |
| 6. Employment Partnership                    | -787           | -963             | -1,750           |
| 7. Federal Funds Adjustment                  | 0              | 5,346            | 5,346            |
| 8. Employment and Day (Transition)           | 1,702          | 0                | 1,702            |
| 9. Employment and Day to Waiver              | 1,104          | 1,772            | 2,876            |
| 10. Waiver Graduate Employment Services      | 680            | 1,111            | 1,791            |
| 11. DD Community Protection Residential      | 869            | 1,316            | 2,185            |
| 12. DD Expanded Community Residential        | 975            | 1,458            | 2,433            |
| 13. Adjust Res Rate for Licens Fee Incr      | 0              | 1                | 1                |
| 14. Reduce Agency Admin Rate                 | -95            | -154             | -249             |
| 15. Eliminate Hours Add-On                   | -725           | -1,175           | -1,900           |
| 16. DD Revised Residential Phase-In          | 1,038          | 1,833            | 2,871            |
| 17. Community Direct Support                 | 200            | 0                | 200              |
| 18. MPC Restoration                          | 508            | 822              | 1,330            |
| 19. Infant and Toddler Program Transfer      | 0              | -16,795          | -16,795          |
| 20. Governor Veto                            | -200           | 0                | -200             |
| <b>Policy -- Non-Comp Total</b>              | <b>-54,295</b> | <b>48,769</b>    | <b>-5,526</b>    |
| <b>Policy Changes - Comp</b>                 |                |                  |                  |
| 21. Health Insurance Increase                | 1,775          | 1,581            | 3,356            |
| 22. Temporary Layoffs                        | -137           | -915             | -1,052           |
| <b>Policy -- Comp Total</b>                  | <b>1,638</b>   | <b>666</b>       | <b>2,304</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>775,340</b> | <b>1,146,764</b> | <b>1,922,104</b> |
| Fiscal Year 2010 Total                       | -3,640         | -4,653           | -8,293           |
| Fiscal Year 2011 Total                       | -52,562        | 51,729           | -833             |

**Comments:**

- Administrative and Staff Reductions** - The Division of Developmental Disabilities (DDD) will capture savings by reducing travel, deferring equipment replacement, and reducing the use of personal services contracts. The agency will hold open vacant case manager positions. Some residential habilitation center cottages have been consolidated; as a result of this consolidation, some positions in these centers will be eliminated. (General Fund-State, General Fund-Federal)
- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- Reduce Institutional Funding** - Savings are achieved through the implementation of efficiency measures at the state's Residential Habilitation Centers. Measures include cottage consolidation, changing maintenance schedules, reduced adult training programs, and reductions in services such as dental care. (General Fund-State, General Fund-Federal)
- Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state

## Department of Social and Health Services Developmental Disabilities

- expenditures for services that receive Medicaid Title XIX and Title VI E federal match. (General Fund-State, General Fund-Federal)
5. **Utilization of Residential Services** - Funding is provided for residential services in Adult Supported Living, Child Supported Living, Group Homes, Community Protection, and Community Intermediate Care Facilities for the Mentally Retarded. (General Fund-State, General Fund-Federal)
  6. **Employment Partnership** - The Jobs by 21 Partnership provides project awards to counties to help leverage funding to improve employment outcomes for individuals with developmental disabilities. Partnership funding will be reduced by 75 percent in FY 2010 and eliminated as of July 1, 2010. (General Fund-State, General Fund-Federal)
  7. **Federal Funds Adjustment** - Federal funds were appropriated for FY 2009 and FY 2010. These funds will instead be expended in FY 2011.
  8. **Employment and Day (Transition)** - Funding is provided for supported employment services for 429 individuals who are expected to graduate from high school during the 2009-11 biennium. No funding was provided in the biennial budget for this item. Employment and day services include job creation and job supports for paid employment. Services are provided at an average per client funding level of \$515 per month.
  9. **Employment and Day to Waiver** - Funding is provided for supported employment and other services for a total of 629 clients of DDD who graduate from high school during the 2009-11 biennium. (General Fund-State, General Fund-Federal)
  10. **Waiver Graduate Employment Services** - Funding is provided for supported employment and day service for approximately 343 graduating high school or transition students. These students are currently on a Home and Community-Based Services Waiver, and supported employment and day services are a component of the waiver. Funding was not included for these waiver clients in the 2009-11 biennial appropriations act. (General Fund-State, General Fund-Federal)
  11. **DD Community Protection Residential** - Residential services, employment services, specialized therapies, and intensive case management and supports are provided for 13 additional new clients who pose a public safety risk. (General Fund-State, General Fund-Federal)
  12. **DD Expanded Community Residential** - Residential services and support will be provided for 24 people with developmental disabilities that will be aging out of other Department of Social and Health Services (DSHS) services such as the Juvenile Rehabilitation Administration and Children's Administration without other living arrangements available. (General Fund-State, General Fund-Federal)
  13. **Adjust Res Rate for Licens Fee Incr** - Boarding home Medicaid rates for publicly-funded beds are increased by approximately \$0.07 per patient day to cover costs associated with higher licensing fees that will begin July 1, 2010. (General Fund-Federal, Private-Local)
  14. **Reduce Agency Admin Rate** - The administrative portion of the hourly vendor rate paid to agency providers of in-home care is reduced by 2.5 percent. (General Fund-State, General Fund-Federal)
  15. **Eliminate Hours Add-On** - Authorized in-home personal care hours for clients who receive the highest possible authorization of hours for special meal preparation or incontinence despite having assistance available from family or friends are reduced. Authorization for service hours will now, like other services, be based upon the individual's assessed needs. Approximately 1,400 DDD clients will have a reduction in service hours. (General Fund-State, General Fund-Federal)
  16. **DD Revised Residential Phase-In** - Funding is provided to cover additional costs associated with an adjustment to the phase-in schedule for individuals entering the Expanded Community Services and Public Safety programs. These funds will be used to provide residential services for individuals released from mental hospitals, correctional facilities, or aging out of other DSHS programs this year who do not have alternative living arrangements. (General Fund-State, General Fund-Federal)
  17. **Community Direct Support** - The sum of \$100,000 General Fund-State is provided for direct support to families of individuals with developmental disabilities, also provided is \$100,000 General Fund-State for direct support of local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families. This item was vetoed (please see Governor Veto item below).
  18. **MPC Restoration** - Additional funding is provided for restoration of the Medicaid Personal Care (MPC) hours reduction in the 2009-11 biennial appropriations act. (General Fund-State, General Fund-Federal)
  19. **Infant and Toddler Program Transfer** - Funding for the Infant and Toddler Early Intervention Program is transferred to the Department of Early Learning per Chapter 233, Laws of 2010 (SB 6593).
  20. **Governor Veto** - The Governor vetoed Section 205 (1) (r) and (s) of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444), which directed DSHS to spend an additional \$100,000 to provide instruction in self-advocacy to families of individuals with developmental disabilities.
  21. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)

**Department of Social and Health Services**  
**Developmental Disabilities**

22. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Social & Health Services Developmental Disabilities

### WORKLOAD HISTORY By Fiscal Year

|   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008    | 2009   | Estimated |        |
|---|--------|--------|--------|--------|--------|--------|---------|--------|-----------|--------|
|   |        |        |        |        |        |        |         |        | 2010      | 2011   |
| <b>Institutions<sup>(1)</sup></b>                   |        |        |        |        |        |        |         |        |           |        |
| Avg Monthly Population                              | 1,093  | 1,044  | 1,035  | 1,101  | 982    | 996    | 997     | 982    | 976       | 960    |
| % Change from prior year                            |        | -4.5%  | -0.9%  | 6.4%   | -10.8% | 1.4%   | 0.1%    | -1.5%  | -0.6%     | -1.6%  |
| <b>Community Residential Programs<sup>(2)</sup></b> |        |        |        |        |        |        |         |        |           |        |
| Avg Month End Contracted Beds                       | 4,010  | 4,005  | 4,469  | 4,903  | 4,723  | 4,637  | 4,493   | 5,645  | 6,554     | 6,872  |
| % Change from prior year                            |        | -0.1%  | 11.6%  | 9.7%   | -3.7%  | -1.8%  | -3.1%   | 25.6%  | 16.1%     | 4.9%   |
| <b>Employment &amp; Day Programs<sup>(3)</sup></b>  |        |        |        |        |        |        |         |        |           |        |
| Avg Monthly Number Served                           | 10,186 | 10,693 | 8,731  | 8,636  | 9,021  | 9,454  | 9,853   | 10,515 | 10,757    | 11,167 |
| % Change from prior year                            |        | 5.0%   | -18.3% | -1.1%  | 4.5%   | 4.8%   | 4.2%    | 6.7%   | 2.3%      | 3.8%   |
| <b>Individual and Family Services<sup>(4)</sup></b> |        |        |        |        |        |        |         |        |           |        |
| Number of Clients Served                            | 3,307  | 2,368  | 3,710  | 3,655  | 4,089  | 4,493  | 2,708   | 2,742  | 2,669     | 2,811  |
| % Change from prior year                            |        | -28.4% | 56.7%  | -1.5%  | 11.9%  | 9.9%   | -39.7%  | 1.3%   | -2.7%     | 5.3%   |
| <b>Waiver Respite<sup>(5)</sup></b>                 |        |        |        |        |        |        |         |        |           |        |
| Number of Clients Served                            |        |        |        |        |        | 129    | 2,097   | 2,098  | 2,175     | 2,330  |
| % Change from prior year                            |        |        |        |        |        |        | 1525.6% | 0.0%   | 3.7%      | 7.1%   |
| <b>Personal Care<sup>(6)</sup></b>                  |        |        |        |        |        |        |         |        |           |        |
| Number of Clients Served                            | 9,972  | 10,677 | 10,933 | 10,986 | 11,150 | 11,391 | 11,662  | 12,192 | 12,876    | 14,058 |
| % Change from prior year                            |        | 7.1%   | 2.4%   | 0.5%   | 1.5%   | 2.2%   | 2.4%    | 4.5%   | 5.6%      | 9.2%   |

<sup>(1)</sup> Caseload counts include long-term and short-term stays.

<sup>(2)</sup> Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and Community Intermediate Council. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

<sup>(3)</sup> Employment and day programs include Supported Employment, Group Supported Employment, Person to Person, Child Development Services, Sheltered Industries, and Community Access.

<sup>(4)</sup> Individual and Family Services (IFS) cover state-only respite, therapies, equipment and supplies, modifications for disability access, recreation and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services was moved to another budget unit. Individual and Family Services now contains state-only respite.

<sup>(5)</sup> Waiver respite was moved from Family Support to other community services. It is no longer part of IFS.

<sup>(6)</sup> Personal Care services include children and adults receiving individual provider and agency provider in-home services and personal care adult family home and adult residential care in both the Medicaid personal care and Waiver programs.

#### Data Sources:

For Personal Care, FY 2009 forward is from the Caseload Forecast Council.

Except as noted above, FY 2010 and FY 2011 are estimates from the allotment process.

Other data is from the Department of Social and Health Service's Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation database.

**Department of Social and Health Services  
Long-Term Care**

(Dollars in Thousands)

|  | <u>NGF-S</u>     | <u>Other</u>     | <u>Total</u>     |
|--|------------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,284,289</b> | <b>1,836,288</b> | <b>3,120,577</b> |
| <b>Total Maintenance Changes</b>             | <b>37,036</b>    | <b>-160</b>      | <b>36,876</b>    |
| <b>Policy Changes - Early Action Savings</b> |                  |                  |                  |
| 1. Administrative and Staff Reductions       | -2,032           | -2,659           | -4,691           |
| 2. Consolidate Printing Functions            | -24              | -21              | -45              |
| 3. Human Resources Reduction                 | -142             | -125             | -267             |
| 4. Expedite Nursing Home Discharges          | -4,025           | -5,736           | -9,761           |
| <b>Policy Changes - Early Action Savings</b> | <b>-6,223</b>    | <b>-8,541</b>    | <b>-14,764</b>   |
| <b>Policy Changes - Non-Comp</b>             |                  |                  |                  |
| 5. Administrative and Staff Reductions       | -75              | -95              | -170             |
| 6. Stimulus FMAP Extension                   | -90,401          | 90,401           | 0                |
| 7. Administrative Streamlining               | -48              | -62              | -110             |
| 8. Traumatic Brain Injury                    | 0                | 750              | 750              |
| 9. TBI Transfer                              | -1,500           | 1,500            | 0                |
| 10. ProviderOne Implementation               | 209              | 210              | 419              |
| 11. Adult Day Health - TRO                   | 19,306           | 17,439           | 36,745           |
| 12. Increase Residential License Fees        | -1,104           | 1,702            | 598              |
| 13. Adjust Res Rate for Licens Fee Incr      | 0                | 180              | 180              |
| 14. Increase Nursing Home License Fees       | -1,920           | 31               | -1,889           |
| 15. Adjust NH Rate for License Fee Incr      | 0                | 521              | 521              |
| 16. Reduce Agency Admin Rate                 | -531             | -862             | -1,393           |
| 17. Eliminate Hours Add-On                   | -4,386           | -7,114           | -11,500          |
| 18. NH Rates Retention Incentive             | -28              | -107             | -135             |
| 19. NH Rates Freeze Capital Growth           | -370             | -600             | -970             |
| 20. NH Rates Eliminate Bed Banking           | -444             | -720             | -1,164           |
| 21. NH Rates Eliminate Variable Return       | -4,619           | -7,491           | -12,110          |
| 22. NH Rates Increase Minimum Occupancy      | -2,221           | -3,602           | -5,823           |
| 23. NH Rates Case Mix Adjustments            | -163             | -264             | -427             |
| 24. NH Rates Finance Allowance               | -2,058           | -3,337           | -5,395           |
| 25. WHCA v Dreyfus                           | 38,247           | 62,499           | 100,746          |
| 26. NH Rates Add-On Adjustment               | -844             | -1,369           | -2,213           |
| 27. NH Exceptional Care TBI Rate             | 0                | 188              | 188              |
| 28. Adult Day Health - Partial Restore       | 1,358            | 2,050            | 3,408            |
| 29. MPC Restoration                          | 3,070            | 4,980            | 8,050            |
| 30. Individual Provider Registry             | 1,000            | 0                | 1,000            |
| 31. Adult Day Health - Revised Savings       | -12,570          | -8,148           | -20,718          |
| 32. Expedite Nursing Home Discharges         | 716              | 123              | 839              |
| <b>Policy -- Non-Comp Total</b>              | <b>-59,376</b>   | <b>148,803</b>   | <b>89,427</b>    |
| <b>Policy Changes - Comp</b>                 |                  |                  |                  |
| 33. Health Insurance Increase                | 632              | 564              | 1,196            |
| 34. Temporary Layoffs                        | -986             | -1,516           | -2,502           |
| <b>Policy -- Comp Total</b>                  | <b>-354</b>      | <b>-952</b>      | <b>-1,306</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>1,255,372</b> | <b>1,975,438</b> | <b>3,230,810</b> |
| Fiscal Year 2010 Total                       | 22,303           | 35,683           | 57,986           |
| Fiscal Year 2011 Total                       | -88,256          | 103,627          | 15,371           |

**Comments:**

- 1. Administrative and Staff Reductions** - The Long-Term Care program will achieve savings by eliminating 25.8 vacant and administrative staff positions. (General Fund-State, General Fund-Federal)
- 2. Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Long-Term Care

3. **Human Resources Reduction** - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)
4. **Expedite Nursing Home Discharges** - Aging and Disability Services will achieve savings through increased case management to facilitate timely discharge from nursing homes for approximately 60 additional clients per month. The actual number of clients being served in nursing homes is about 250 per month higher than the projected November forecast. This is due to some extent to the length of stay that has increased partly because of higher caseloads per case managers. These staff will provide outreach, financial counseling, and support to facilitate more discharges to community settings for clients that are medically-ready and prefer care in a less skilled nursing environment. The costs of serving a client in a nursing home are approximately twice as much as those for serving a client in a home- or community-based setting. (General Fund-State, General Fund-Federal)
5. **Administrative and Staff Reductions** - Long-Term Care will reduce their administration by approximately 1.0 FTE to support Department of Social and Health Services (DSHS) streamlining. The reduction must not be taken from Aging and Disability Services Administration's (ADSA) Decision Support and Data Analysis team.
6. **Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI E federal match. (General Fund-State, General Fund-Federal)
7. **Administrative Streamlining** - The agency will reduce its executive workforce. (General Fund-State, General Fund-Federal)
8. **Traumatic Brain Injury** - Funding is provided for the purpose of expanding Traumatic Brain Injury (TBI) services as recommended by the TBI Council. Funding will be used to expand support group services with an emphasis on persons returning from active military duty with TBI and their families. The TBI Council will also work to establish training and outreach for first responders and medical emergency staff, to improve awareness of health insurance coverage options, to promote best practices in private health insurance, and to secure additional federal and private funding to develop housing specifically for individuals with traumatic brain injuries.
9. **TBI Transfer** - The unspent balance in the TBI Account is used to offset costs for long-term care clients such as increases in mandatory caseloads. As of September 2009, long-term care was serving 2,092 clients in the home-and-community-based system and 136 clients in the nursing home system with some level of TBI. (General Fund-State, Traumatic Brain Injury Account)
10. **ProviderOne Implementation** - Two temporary FTEs and associated funding are required to develop and implement an automated interface between the Department's ProviderOne payment system and ADSA's Case Management Information System. (General Fund-State, General Fund-Federal)
11. **Adult Day Health - TRO** - The 2009 Legislature eliminated adult day health services for clients living in residential settings in the 2009-11 biennial budget; however, savings have not been realized due to a lawsuit. A court decision in Ryan v. Dreyfus implemented a temporary restraining order (TRO) that blocked the 2009-11 decision to only offer adult day health services to in-home clients. All clients who were previously denied services were reinstated by December 2009. (General Fund-State, General Fund-Federal)
12. **Increase Residential License Fees** - Beginning July 1, 2010, license fees for Boarding Homes (BH) are increased from \$79 to \$106 per bed to cover the cost of providing licensure, regulatory, and re-inspection services that the agency is required by law to provide. BHs that serve Medicaid-eligible clients will receive additional funding in their Medicaid rates to cover the increased costs for licensing and regulating publicly-funded beds. (General Fund-State, General Fund-Federal, Private-Local)
13. **Adjust Res Rate for Licens Fee Incr** - BH Medicaid rates for publicly-funded beds are increased by approximately \$0.07 per patient day to cover costs associated with higher licensing fees that will begin July 1, 2010. (General Fund Federal, Private-Local)
14. **Increase Nursing Home License Fees** - Beginning July 1, 2010, license fees for Nursing Homes (NH) are increased from \$275 to \$327 per bed to cover the cost of providing licensure, regulatory, and re-inspection services that the agency is required by law to provide. NHs that serve Medicaid-eligible clients will receive additional funding in their Medicaid rates to cover the increased costs for licensing publicly-funded beds. (General Fund-State, General Fund-Federal, Private-Local)
15. **Adjust NH Rate for License Fee Incr** - NH Medicaid rates for publicly-funded beds are increased by approximately \$0.14 per patient day to cover costs associated with higher licensing fees that will begin July 1, 2010. (General Fund Federal, Private-Local)
16. **Reduce Agency Admin Rate** - The administrative portion of the hourly vendor rate paid to agency providers of in-home care

## Department of Social and Health Services Long-Term Care

is reduced by 2.5 percent. (General Fund-State, General Fund-Federal)

17. **Eliminate Hours Add-On** - Authorization for in-home service hours allowed for special meal preparation or incontinence will be based upon individual assessments of a client's needs like the authorization for other long-term care services. Previously, clients were authorized the maximum number of hours available for these two services regardless of acuity levels, individual needs, and the level of available assistance from family or friends. Approximately 8,100 long-term care clients will receive a reduction in authorized service hours. The average reduction is 8.4 hours. Clients whose individual assessments indicate a continued need for the maximum number of hours will continue to be authorized for those service hours. (General Fund-State, General Fund-Federal)
18. **NH Rates Retention Incentive** - Effective July 1, 2010, and thereafter, a retention incentive is created as required by Chapter 34, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6872). The total NH rate is reduced by 1 percent for those facilities with direct care staff turnover above 75 percent as reported for all facilities on the relevant annual cost reports submitted to the Department. Effective July 1, 2010, and thereafter, the retention incentive funding that is returned to the state will be redistributed as a supplemental performance payment for the facilities that keep their direct care staff turnover at or below the 75 percent direct care staff turnover. One-time funding in FY 2010 is for the purpose of contracting with a consultant to review and evaluate pay-for-performance subsidy options and to develop recommendations in a report to the Legislature. (General Fund-State, General Fund-Federal)
19. **NH Rates Freeze Capital Growth** - New capital projects are put on hold and the allowance for growth of less than 2 percent per year in the property and financing allowance is frozen. (General Fund-State, General Fund-Federal)
20. **NH Rates Eliminate Bed Banking** - As required by ESSB 6872, approximately 20 nursing facilities will no longer be able to reduce the effects of minimum occupancy through bed banking (temporarily reducing the number of patient beds for which they are licensed). These facilities will need to decide whether to renew the Medicaid licensing on these beds, sell them, or relinquish them. (General Fund-State, General Fund-Federal)
21. **NH Rates Eliminate Variable Return** - The variable return component of the NH payment system is eliminated. Variable return was intended to reward facilities with the lowest costs by providing them flexible funding. It was calculated by ranking all facilities from highest to lowest based on their adjusted costs (lids excluded). The highest dollar amounts were paid to the facilities with the lowest cost regardless of the individual facility's level of efficiency or quality of care.

As required by the final passage of ESSB 6872, the variable return component is phased-out rather than eliminated all at

once. Beginning July 1, 2010, variable return is funded at 30 percent of the June 30, 2006, level. Effective July 1, 2011, variable return is eliminated. (General Fund-State, General Fund-Federal)

22. **NH Rates Increase Minimum Occupancy** - Minimum occupancy in the operating, finance, and property components of the NH payment system is raised from 90 percent to 95 percent for large non-essential community provider nursing facilities. Per RCW 74.46, if a facility does not maintain the minimum level of occupancy, they are charged a penalty. NHs with 60 or fewer beds (small non-essential community providers) will continue to be held at 90 percent occupancy. Essential community providers will continue to be held at 85 percent occupancy.

As required by the final passage of ESSB 6872, the minimum occupancy in the operating, finance, and property components of the NH payment system is raised from 90 percent to 92 percent for large non-essential community provider nursing facilities. (General Fund-State, General Fund-Federal)

23. **NH Rates Case Mix Adjustments** - The average level of case mix for Medicaid clients in Washington will be adjusted once every six months rather than on a quarterly basis. The facility's average case mix index will continue to get updated when rates are re-based. (General Fund-State, General Fund-Federal)
24. **NH Rates Finance Allowance** - The allowable return on investment in the Finance Allowance component is reduced from 8.5 percent to 4.0 percent on the net book value of a facility's assets acquired on or after May 17, 1999 (tangible fixed assets such as leases and allowable land costs). The percentage of return on investment is set by the state and is adjusted to reflect lowering interest rates for commercial health industry loans.

ESSB 6872, as passed the Legislature, also reduced the allowable return on investment in the Finance Allowance component from 10 percent to 4 percent on the net book value of a facility's assets acquired before May 17, 1999. However, the Governor vetoed Section 6 of the bill that made the changes to the Finance Allowance component. Thus, the allowable return on investment for all assets will remain as in current law. (General Fund-State, General Fund-Federal)

25. **WHCA v Dreyfus** - The 2009 Legislature reduced the Medicaid payment rates for NHs by 4 percent from the FY 2009 funded levels. A court decision in Washington Health Care Association (WHCA) v. Dreyfus blocked the implementation of this rate reduction. (General Fund-State, General Fund-Federal)
26. **NH Rates Add-On Adjustment** - Eliminates a 0.06 percent add-on established in 2001 by the Legislature to "increase the median price per case-mix unit." Since that time, a regular rebase has been enacted in statute that takes into account actual changes in case mix, the costs therein, and makes funding

## Department of Social and Health Services Long-Term Care

adjustments accordingly. (General Fund-State, General Fund-Federal)

27. **NH Exceptional Care TBI Rate** - Funding is provided for an exceptional rate add-on for facilities serving a high concentration of traumatic brain injury (TBI) residents and that also have a high percentage Medicaid census. (General Fund-State, General Fund-Federal).
28. **Adult Day Health - Partial Restore** - Funding is provided for additional enrollment in the Adult Day Health (ADH) program. The total number of persons to be served by ADH will be maintained at approximately 1,575 clients. (General Fund-State, General Fund-Federal)
29. **MPC Restoration** - Additional funding is provided for restoration of the Medicaid Personal Care (MPC) hours reduction in the 2009-11 biennial appropriations act. (General Fund-State, General Fund-Federal)
30. **Individual Provider Registry** - Funding is provided for the Department to contract for the provision of an individual provider registry. (General Fund-State)
31. **Adult Day Health - Revised Savings** - A court decision blocked the 2009-11 decision to only offer Adult Day Health services to in-home clients, resulting in lower savings than were assumed in the biennial budget. All clients who were previously denied services were offered reinstatement by December 2009. The program will move to a 1915(i) Medicaid state plan option as of January 1, 2010, and enrollment will be capped. (General Fund-State, General Fund-Federal)
32. **Expedite Nursing Home Discharges** - The savings assumed in Chapter 3, Laws of 2010, 1st sp.s. (EHB 2360), for providing additional NH discharge staff to help an additional 700 Medicaid NH residents move to community care residential settings when they are ready is adjusted. (General Fund-State, General Fund-Federal)
33. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
34. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social & Health Services  
Long-Term Care Services**

**WORKLOAD HISTORY**  
By Fiscal Year

|                                      | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>Estimated</b> |               |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|---------------|
|                                      |               |               |               |               |               |               |               |               | <b>2010</b>      | <b>2011</b>   |
| <b>Nursing Homes</b>                 |               |               |               |               |               |               |               |               |                  |               |
| Avg # Served per Day                 | 13,154        | 12,943        | 12,446        | 12,088        | 11,928        | 11,546        | 11,057        | 10,699        | 10,657           | 10,630        |
| % Change from prior year             |               | -1.6%         | -3.8%         | -2.9%         | -1.3%         | -3.2%         | -4.2%         | -3.2%         | -0.4%            | -0.3%         |
| <b>Community Care <sup>(1)</sup></b> |               |               |               |               |               |               |               |               |                  |               |
| Avg # Served per Month               | 32,213        | 33,727        | 34,635        | 35,514        | 37,041        | 38,094        | 39,506        | 41,780        | 44,343           | 47,056        |
| % Change from prior year             |               | 4.7%          | 2.7%          | 2.5%          | 4.3%          | 2.8%          | 3.7%          | 5.8%          | 6.1%             | 6.1%          |
| <b>Combined Total</b>                |               |               |               |               |               |               |               |               |                  |               |
| <b>Avg Persons Served</b>            | <b>45,367</b> | <b>46,670</b> | <b>47,080</b> | <b>47,602</b> | <b>48,969</b> | <b>49,611</b> | <b>50,400</b> | <b>51,226</b> | <b>50,400</b>    | <b>51,226</b> |
| % Change from prior year             |               | 2.9%          | 0.9%          | 1.1%          | 2.9%          | 1.3%          | 1.6%          | 1.6%          | -1.6%            | 1.6%          |

<sup>(1)</sup> 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)

|  | <u>NGF-S</u>     | <u>Other</u>     | <u>Total</u>     |
|--|------------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,145,907</b> | <b>1,197,423</b> | <b>2,343,330</b> |
| <b>Total Maintenance Changes</b>             | <b>37,051</b>    | <b>15,124</b>    | <b>52,175</b>    |
| <b>Policy Changes - Early Action Savings</b> |                  |                  |                  |
| 1. Consolidate Printing Functions            | -239             | -316             | -555             |
| 2. Human Resources Reduction                 | -243             | -152             | -395             |
| <b>Policy Changes - Early Action Savings</b> | <b>-482</b>      | <b>-468</b>      | <b>-950</b>      |
| <b>Policy Changes - Non-Comp</b>             |                  |                  |                  |
| 3. Administrative and Staff Reductions       | -5,650           | -3,810           | -9,460           |
| 4. Reduction of Mandatory Workload           | -6,416           | -5,166           | -11,582          |
| 5. Career Services for Non-WorkFirst         | -3,600           | 0                | -3,600           |
| 6. Non-Compliance Sanction                   | -769             | 0                | -769             |
| 7. Sanction Cure Period                      | -500             | 0                | -500             |
| 8. Suspend Community Works Programs          | -5,500           | 0                | -5,500           |
| 9. Single Parent Participation               | -11,000          | 0                | -11,000          |
| 10. Refugee Assistance                       | 200              | 0                | 200              |
| 11. Limited English Proficiency              | 250              | 0                | 250              |
| 12. Planning & Policy Development            | -115             | -152             | -267             |
| 13. Administrative Streamlining              | -47              | -63              | -110             |
| 14. Redistribution of Fed Tax Intercept      | -3,015           | -2,900           | -5,915           |
| 15. Transfer OFR to Div Child Support        | 2,695            | 2,965            | 5,660            |
| 16. Basic Food Stimulus Funds                | 0                | 10,870           | 10,870           |
| 17. Federal Food Stamp Admin                 | -4,740           | 0                | -4,740           |
| 18. Child Care Policy and Eligibility        | -516             | 0                | -516             |
| 19. Mobile Community Service                 | 0                | 600              | 600              |
| 20. Reduce Job Search                        | -2,363           | 0                | -2,363           |
| 21. Security Lifeline Act                    | -12,317          | 3,626            | -8,691           |
| 22. Maintain TANF Program                    | 16,783           | 62,000           | 78,783           |
| 23. Governor Veto                            | -250             | 0                | -250             |
| <b>Policy -- Non-Comp Total</b>              | <b>-36,870</b>   | <b>67,970</b>    | <b>31,100</b>    |
| <b>Policy Changes - Comp</b>                 |                  |                  |                  |
| 24. Health Insurance Increase                | 2,494            | 1,814            | 4,308            |
| 25. Temporary Layoffs                        | -2,399           | -1,879           | -4,278           |
| <b>Policy -- Comp Total</b>                  | <b>95</b>        | <b>-65</b>       | <b>30</b>        |
| <b>2009-11 Revised Appropriations</b>        | <b>1,145,701</b> | <b>1,279,984</b> | <b>2,425,685</b> |
| Fiscal Year 2010 Total                       | -10,311          | 7,434            | -2,877           |
| Fiscal Year 2011 Total                       | -26,946          | 60,003           | 33,057           |

**Comments:**

- |   |  |
|---|--|
| <p>1. <b>Consolidate Printing Functions</b> - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)</p> <p>2. <b>Human Resources Reduction</b> - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)</p> <p>3. <b>Administrative and Staff Reductions</b> - Funding for administrative costs within the Economic Services Administration (ESA) is reduced. This reduction will result in</p> | <p>consolidation of some office functions. (General Fund-State, General Fund-Federal)</p> <p>4. <b>Reduction of Mandatory Workload</b> - This item eliminates funding provided for anticipated workload expenses. The item does not eliminate current staff but eliminates funding provided for increased staff work due to caseload growth. (General Fund-State, General Fund-Federal)</p> <p>5. <b>Career Services for Non-WorkFirst</b> - Savings are assumed through elimination of career services provided to non-WorkFirst Basic Food/Supplemental Nutrition Assistance Program (SNAP) recipients. Funding had been provided for up</p> |
|---|--|

## Department of Social and Health Services Economic Services Administration

- to 600 cases per month at \$500 per case that were receiving Basic Food/SNAP assistance but who were not on the Temporary Assistance to Needy Families (TANF) caseload.
6. **Non-Compliance Sanction** - Savings are assumed through a two-month reduction in sanction periods. Currently, if a family on WorkFirst/Temporary Assistance to Needy Families (TANF) does not comply with program requirements, they are placed on sanction status for six months and receive a reduced cash grant. The six-month time sanction period is reduced to four months.
  7. **Sanction Cure Period** - If a client leaves or is removed from the WorkFirst/TANF program and re-applies within six months, they are required to participate in and comply with program requirements for four weeks (a "cure period") prior to receiving a cash grant. If a client returns after six months, there is no cure period required to receive their grant. This item extends the cure period to all families returning to WorkFirst after being sanctioned, regardless of the length of time they have been off the program.
  8. **Suspend Community Works Programs** - Funding for all Community Works programs within the WorkFirst program, except for Community Jobs, is suspended for FY 2011.
  9. **Single Parent Participation** - This item reduces demand for the Working Connections Child Care program by allowing single parents with children under the age of six to meet federal participation requirements of 20 hours per week, rather than the state requirement of 32 hours per week.
  10. **Refugee Assistance** - Funding is provided for the Department of Social and Health Services (DSHS) to award grants to small mutual assistance or small community-based organizations in FY 2011 for transitional assistance, language skills, and other resources to improve refugees' economic self sufficiency.
  11. **Limited English Proficiency** - Additional funding is provided in FY 2010 to ESA for Limited English Proficiency (LEP) programs. This item was vetoed (please see Governor Veto item below).
  12. **Planning & Policy Development** - Savings are achieved through a reduction of three FTE staff associated with non-essential business functions. (General Fund-State, General Fund-Federal)
  13. **Administrative Streamlining** - Additional staffing reductions are achieved through efficiencies in the executive workforce. (General Fund-State, General Fund-Federal)
  14. **Redistribution of Fed Tax Intercept** - Savings are assumed through the temporary suspension of the redistribution of Internal Revenue Service (IRS) refund payments. The federal Deficit Reduction Act allows states to pay support collected through the federal tax offset procedure to former TANF families before repaying the state debt. Effective October 1, 2008, IRS collections began to be distributed to families first, whether on TANF or not. The redistribution of federal refund payments to former TANF families before repaying the state debt is suspended. (General Fund-State, General Fund-Federal)
  15. **Transfer OFR to Div Child Support** - The Office of Financial Recovery (OFR) is transferred from DSHS Administration and Support Services to the Division of Child Support within ESA. No savings are assumed through this transfer. (General Fund-State, General Fund-Federal, General Fund-Private/Local).
  16. **Basic Food Stimulus Funds** - As part of the federal FY 2011 Department of Defense Appropriations Act, the state is expected to receive \$10.9 million in additional Basic Food/SNAP funding. These funds do not have matching requirements. (General Fund-State, General Fund-Federal)
  17. **Federal Food Stamp Admin** - Savings are assumed through a reduction in administrative expenditures related to the processing of Basic Food/SNAP benefits.
  18. **Child Care Policy and Eligibility** - The Working Connections Child Care policy functions are transferred from the Department of Early Learning to DSHS in order to consolidate policy functions with eligibility determinations. This is to be done through a Memorandum of Agreement between the agencies.
  19. **Mobile Community Service** - The Department will use funds received from a Gates Foundation grant to purchase a mobile Community Service Office. The vehicle will be used to increase outreach and food stamp participation by providing service to areas that are not near a Community Service Office. The mobile unit will also be used in emergency situations such as natural disasters to assist victims. (General Fund-Local)
  20. **Reduce Job Search** - Funding for the WorkFirst job search activities is reduced to reflect a reduction in the required participation hours in job search activities for participants with children six years old or younger.
  21. **Security Lifeline Act** - Funding and staff are provided to implement Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782). DSHS will sponsor the planning process for creating a user-friendly electronic Opportunity Portal to allow Washington residents to access a broad array of benefits. The Department will expand the Basic Food Employment and Training program to three community colleges, subject to federal approval. The Department will, through performance-based contracts, expedite the transition of individuals that are likely to be eligible for federal benefits to the Disability Lifeline Expedited Program. Caseloads are expected to decrease because an individual cannot continue to receive Disability Lifeline benefits if he or she refuses, without good cause, to participate in needed chemical dependency treatment. This legislation specifies that lifetime benefits will be capped at 24 months in a 60-month period, from September 1, 2010, to June 30, 2013. Savings in this item assume elimination of the Administrative Review Team (ART) process. The ART teams review client cases that have not been approved for assistance

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

through the standard process and are the last opportunity for a client to receive benefits.

22. **Maintain TANF Program** - State and federal funding is provided to maintain TANF services through January, 2011. The funding assumes no expenditure reductions other than those in the budget will occur as a result of the new funding. The federal funding assumes passage of pending federal legislation that would allocate additional emergency TANF funds in FY 2011. DSHS estimates the state could receive \$62 million in state FY 2011.
23. **Governor Veto** - The Governor vetoed Section 207 (11) of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444), which provided \$250,000 General Fund-State for LEP programs through the Office of Refugee and Immigrant Assistance in FY 2010.
24. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
25. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

**WORKLOAD HISTORY**  
By Fiscal Year

|                                       | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | <u>Estimated</u> |        |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|--------|
|                                       |        |        |        |        |        |        |        |        | 2010             | 2011   |
| <b>Lifeline Clients</b>               |        |        |        |        |        |        |        |        |                  |        |
| (formerly General Assistance)         |        |        |        |        |        |        |        |        |                  |        |
| Avg Monthly Caseload                  | 19,933 | 19,483 | 22,028 | 25,578 | 27,676 | 29,239 | 30,726 | 35,001 | 38,381           | 41,098 |
| % Change from prior year              |        | -2.3%  | 13.1%  | 16.1%  | 8.2%   | 5.6%   | 5.1%   | 13.9%  | 9.7%             | 7.1%   |
| <b>TANF Cases</b>                     |        |        |        |        |        |        |        |        |                  |        |
| Avg Monthly Caseload                  | 55,043 | 54,641 | 55,609 | 56,949 | 55,520 | 51,936 | 50,119 | 56,458 | 64,474           | 64,914 |
| % Change from prior year              |        | -0.7%  | 1.8%   | 2.4%   | -2.5%  | -6.5%  | -3.5%  | 12.6%  | 14.2%            | 0.7%   |
| <b>Working Connections Child Care</b> |        |        |        |        |        |        |        |        |                  |        |
| Avg # Children Served/Month           | 71,890 | 70,709 | 62,189 | 61,606 | 60,860 | 59,646 | 60,620 | 61,111 | 63,639           | 64,323 |
| % Change from prior year              |        | -1.6%  | -12.0% | -0.9%  | -1.2%  | -2.0%  | 1.6%   | 0.8%   | 4.1%             | 1.1%   |

Data Sources:

*FY 2002 and FY 2003 General Assistance actuals are from DSHS Division of Research and Data Analysis reports.*

*FY 2004 through FY 2009 General Assistance actuals provided by the Caseload Forecast Council.*

*FY 2010 and FY 2011 General Assistance estimates are from Caseload Forecast Council.*

*FY 2002 through FY 2009 Temporary Assistance to Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).*

*FY 2010 through FY 2011 TANF case estimates are from the OFM February 2010 TANF forecast.*

*FY 2002 through FY 2006 Child Care actuals are from DSHS Division of Research and Data Analysis reports.*

*FY 2007 through FY 2009 Child Care actuals are from OFM.*

*FY 2010 and FY 2011 Child Care estimates are from the OFM Working Connections Child Care February 2010 forecast.*

**Department of Social and Health Services  
Alcohol & Substance Abuse**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>166,889</b> | <b>167,596</b> | <b>334,485</b> |
| <b>Total Maintenance Changes</b>             | <b>-3</b>      | <b>2</b>       | <b>-1</b>      |
| <b>Policy Changes - Early Action Savings</b> |                |                |                |
| 1. Administrative and Staff Reductions       | -176           | -64            | -240           |
| 2. Consolidate Printing Functions            | -3             | -3             | -6             |
| <b>Policy Changes - Early Action Savings</b> | <b>-179</b>    | <b>-67</b>     | <b>-246</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                |                |
| 3. Stimulus FMAP Extension                   | -2,506         | 2,506          | 0              |
| 4. Reduce County Administration Costs        | -1,343         | 0              | -1,343         |
| 5. Agency Staff Reductions                   | -258           | -149           | -407           |
| 6. Reduce K-12 Prevention Funding            | -970           | 0              | -970           |
| 7. Transfer Juvenile Drug Courts             | 566            | 0              | 566            |
| 8. Substance Abuse Treatment                 | 0              | 133            | 133            |
| 9. Security Lifeline Act                     | 2,247          | 0              | 2,247          |
| <b>Policy -- Non-Comp Total</b>              | <b>-2,264</b>  | <b>2,490</b>   | <b>226</b>     |
| <b>Policy Changes - Comp</b>                 |                |                |                |
| 10. Health Insurance Increase                | 58             | 53             | 111            |
| 11. Temporary Layoffs                        | -126           | -123           | -249           |
| <b>Policy -- Comp Total</b>                  | <b>-68</b>     | <b>-70</b>     | <b>-138</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>164,375</b> | <b>169,951</b> | <b>334,326</b> |
| Fiscal Year 2010 Total                       | -133           | -59            | -192           |
| Fiscal Year 2011 Total                       | -2,378         | 2,412          | 34             |

**Comments:**

- Administrative and Staff Reductions** - The Department will implement efficiency measures such as reductions in travel, equipment replacement, and personal services contracts. (General Fund-State, General Fund-Federal)
- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI-E federal match. (General Fund-State, General Fund-Federal)
- Reduce County Administration Costs** - State support for county administration expenses is reduced from 10 percent to 8 percent per year.
- Agency Staff Reductions** - Administrative staff is reduced by five FTEs. (General Fund-State, General Fund-Federal)
- Reduce K-12 Prevention Funding** - The Office of the Superintendent of Public Instruction (OSPI) receives \$970,000 in state funding each year for administrative costs and chemical dependency prevention grants for schools. This funding is eliminated. OSPI will continue to receive \$4 million in federal funding for chemical dependency prevention grants. (General Fund-State)
- Transfer Juvenile Drug Courts** - Funding for juvenile drug courts is transferred from the Department of Commerce to the Division of Alcohol and Substance Abuse. This program improves the capacity of juvenile drug courts statewide. (General Fund-State)
- Substance Abuse Treatment** - Funding for the Residential Substance Abuse Treatment Program is transferred from the Department of Commerce to the Department of Social and Health Services (DSHS). The program helps state and local correctional facilities implement substance abuse programs for prisoners that are incarcerated for long periods. (General Fund-Federal)

**Department of Social and Health Services**  
**Alcohol & Substance Abuse**

9. **Security Lifeline Act** - Funding is provided to implement Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782). Lifeline clients cannot continue to receive benefits if they refuse without good cause to participate in needed chemical dependency treatment. Funding is provided for treatment for clients that decide to participate. DSHS will give high priority for drug or alcohol treatment to Lifeline clients that require treatment to improve their health to transition to employment or federal benefits, but pregnant women and parents will be given first priority.
10. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
11. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social & Health Services  
Alcohol & Substance Abuse**

**WORKLOAD HISTORY**  
By Fiscal Year

|                                      | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <u>Estimated</u> |             |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|                                      |             |             |             |             |             |             |             |             | <b>2010</b>      | <b>2011</b> |
| <b>ADATSA - Assessment</b>           |             |             |             |             |             |             |             |             |                  |             |
| Avg Monthly Assessments              | 1,164       | 1,104       | 1,202       | 1,226       | 1,140       | 1,029       | 1,047       | 974         | 971              | 971         |
| % Change from prior year             |             | -5.2%       | 8.9%        | 2.0%        | -7.0%       | -9.7%       | 1.7%        | -7.0%       | -0.3%            | 0.0%        |
| <b>ADATSA - Outpatient Treatment</b> |             |             |             |             |             |             |             |             |                  |             |
| Avg Monthly Admissions               | 408         | 392         | 402         | 429         | 466         | 446         | 490         | 446         | 480              | 480         |
| % Change from prior year             |             | -3.9%       | 2.6%        | 6.7%        | 8.6%        | -4.3%       | 9.9%        | -9.0%       | 7.6%             | 0.0%        |
| <b>ADATSA - Residential</b>          |             |             |             |             |             |             |             |             |                  |             |
| Avg Monthly Admissions               | 590         | 574         | 579         | 647         | 589         | 556         | 562         | 512         | 528              | 528         |
| % Change from prior year             |             | -2.7%       | 0.9%        | 11.7%       | -9.0%       | -5.6%       | 1.1%        | -8.9%       | 3.1%             | 0.0%        |

Data Sources :

*FY 2002 through FY 2008 workload data updated by the Department of Social and Health Services (DSHS) Division of Alcohol and Substance Abuse.*

*FY 2009 through FY 2011 workload estimates provided by DSHS Division of Alcohol and Substance Abuse.*

**Department of Social and Health Services  
Medical Assistance Payments**

(Dollars in Thousands)

|  | <u>NGF-S</u>     | <u>Other</u>     | <u>Total</u>     |
|--|------------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>3,582,184</b> | <b>5,242,417</b> | <b>8,824,601</b> |
| <b>Total Maintenance Changes</b>             | <b>308,389</b>   | <b>175,255</b>   | <b>483,644</b>   |
| <b>Policy Changes - Early Action Savings</b> |                  |                  |                  |
| 1. Administrative and Staff Reductions       | -878             | -1,057           | -1,935           |
| 2. Consolidate Printing Functions            | -60              | -69              | -129             |
| 3. Human Resources Reduction                 | -102             | -101             | -203             |
| 4. DOC Prisoner Health Care Transfer         | 1,478            | 2,192            | 3,670            |
| 5. Foster Care Health Care to MA             | 1,218            | 1,218            | 2,436            |
| <b>Policy Changes - Early Action Savings</b> | <b>1,656</b>     | <b>2,183</b>     | <b>3,839</b>     |
| <b>Policy Changes - Non-Comp</b>             |                  |                  |                  |
| 6. Stimulus FMAP Extension                   | -295,748         | 281,008          | -14,740          |
| 7. Parent Sentencing Alternative             | 73               | 50               | 123              |
| 8. Medicare Part D Stimulus FMAP             | -86,901          | 0                | -86,901          |
| 9. Administrative Streamlining               | -48              | -62              | -110             |
| 10. Decision Support & Data Analysis         | -37              | -48              | -85              |
| 11. Forecast Variance Adjustment             | -5,813           | -8,682           | -14,495          |
| 12. CHIPRA Bonus Payment                     | -7,461           | 7,461            | 0                |
| 13. ProviderOne Implementation               | 0                | 19,376           | 19,376           |
| 14. Disability Determination Workload        | 0                | 6,304            | 6,304            |
| 15. Poison Center Funding Transfer           | 662              | 1,228            | 1,890            |
| 16. Correcting Medical Asst Admin Base       | 19,103           | 19,085           | 38,188           |
| 17. Hospital Safety Net Assessment           | -66,800          | 515,484          | 448,684          |
| 18. Lifeline Caseload                        | 22,248           | 4,964            | 27,212           |
| 19. Lifeline Managed Care                    | 23,892           | -218             | 23,674           |
| 20. Security Lifeline Act                    | -15,869          | 860              | -15,009          |
| 21. Community Clinic FQHC Rate Increase      | 39,902           | 55,405           | 95,307           |
| 22. Reduce Dental Enhancements               | -2,500           | -3,855           | -6,355           |
| 23. Suspend Apple Health Outreach            | -425             | -790             | -1,215           |
| 24. HO Administrative Adjustment             | -2,523           | -891             | -3,414           |
| 25. MCS Bridge Federal Waiver                | -26,531          | 26,531           | 0                |
| 26. Professional Svcs Supplemental Pymt      | 0                | 60,063           | 60,063           |
| 27. Electronic Health Record Project         | 137              | 1,235            | 1,372            |
| <b>Policy -- Non-Comp Total</b>              | <b>-404,639</b>  | <b>984,508</b>   | <b>579,869</b>   |
| <b>Policy Changes - Comp</b>                 |                  |                  |                  |
| 28. Health Insurance Increase                | 371              | 709              | 1,080            |
| 29. Temporary Layoffs                        | -785             | -1,616           | -2,401           |
| <b>Policy -- Comp Total</b>                  | <b>-414</b>      | <b>-907</b>      | <b>-1,321</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>3,487,176</b> | <b>6,403,456</b> | <b>9,890,632</b> |
| Fiscal Year 2010 Total                       | -43,065          | 261,177          | 218,112          |
| Fiscal Year 2011 Total                       | -360,332         | 724,607          | 364,275          |

**Comments:**

- Administrative and Staff Reductions** - The Department will implement efficiency measures such as reductions in travel, equipment replacement, and personal services contracts. (General Fund-State, General Fund-Federal)
- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- Human Resources Reduction** - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Medical Assistance Payments

4. **DOC Prisoner Health Care Transfer** - The cost of providing inpatient services for Medicaid-eligible residents of state correctional facilities is transferred from the Department of Corrections (DOC) to the Department of Social and Health Services (DSHS). This creates savings in DOC because the state will now receive federal matching funds for these services. (General Fund-State, General Fund-Federal)
5. **Foster Care Health Care to MA** - The redesigned Passport Program, now known as the Fostering Well-Being Program, is transferred to Medical Assistance (MA) Administration. This program provides coordinated care management for children in foster care. (General Fund-State, General Fund-Federal)
6. **Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI-E federal match. (General Fund-State, General Fund-Federal)
7. **Parent Sentencing Alternative** - Funding is reduced in DOC to reflect the creation of alternatives to incarceration for nonviolent offenders with minor children pursuant to Chapter 224, Laws of 2010, (SSB 6639). These savings result from a reduction in the average daily population of 82 offenders, allowing DOC to close a prison unit at a women's facility. Funding is provided to DOC for community supervision because supplemental services will be provided to offenders in lieu of prison sentences. Funding is provided to the MA program for medical care for these offenders and to Children's Administration for the costs of providing reports to courts on offenders that are under consideration for the sentencing alternative. (General Fund-State, General Fund-Federal)
8. **Medicare Part D Stimulus FMAP** - The state will receive increased federal funding because the federal government reversed its decision not to apply the increased FMAP in the American Recovery and Reinvestment Act of 2009 to the reimbursement paid by the state to the federal government for Medicare Part D coverage for prescription drugs. (General Fund-State, General Fund-Federal)
9. **Administrative Streamlining** - DSHS will reduce its executive workforce. (General Fund-State, General Fund-Federal)
10. **Decision Support & Data Analysis** - Seven FTEs that provide decision support and data analysis functions are eliminated across DSHS. (General Fund-State, General Fund-Federal)
11. **Forecast Variance Adjustment** - Funding is reduced based on recent data showing that caseload levels are trending lower than the Caseload Forecast Council February 2010 forecast. (General Fund-State, General Fund-Federal)
12. **CHIPRA Bonus Payment** - The Centers for Medicare and Medicaid Services (CMS) will provide a one-time performance bonus payment for federal FY 2009 under the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009. (General Fund-State, General Fund-Federal)
13. **ProviderOne Implementation** - Funding is provided for the continued implementation of ProviderOne, the system scheduled to replace the Medicaid Management Information System (MMIS) as the Department's primary payment system. When fully operational, the system will pay more than 100,000 providers, support the delivery of services to more than one million clients, and manage roughly \$4 billion per year in Medicaid and other payments. Additional federal expenditure authority and transfers of state and federal funding from state FY 2010 to state FY 2011 are provided. The additional authority will support an expanded test environment and supporting services for providers, including a live ProviderOne help desk for a period of six months beginning January 1, 2010. (General Fund-State, General Fund-Federal)
14. **Disability Determination Workload** - Additional federal expenditure authority is provided to support increased workloads for determining eligibility for federal disability benefits. (General Fund-Federal)
15. **Poison Center Funding Transfer** - A portion of the Department of Health's funding for the Washington State Poison Center (WPC) is transferred to the MA program at DSHS, which will disburse the funds to the WPC and seek federal matching funds under the Children's Health Insurance Program. WPC provides statewide treatment advice and assistance in the case of exposure to poisonous, hazardous, or toxic substances. (General Fund-State, General Fund-Federal)
16. **Correcting Medical Asst Admin Base** - Administrative funding for the MA program is increased to offset reductions in the biennial budget. Remaining administrative reductions will be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect providers, direct client services, or direct service delivery or programs. The Department will seek to mitigate impacts related to cost recovery and cost avoidance, prior authorizations, claims backlogs, and hold times or unanswered calls from clients and providers. The Department will make every effort to maintain current employment levels and achieve administrative savings through vacancies and employee attrition. The Department will implement efficiencies as soon as possible in order to minimize actual reductions in force. The Department shall implement a management strategy that minimizes disruption of service and negative impacts on employees. The Department will maintain employer-sponsored insurance program staff, coordination of benefits unit staff, the payment integrity team, and family planning nursing. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Medical Assistance Payments

17. **Hospital Safety Net Assessment** - Pursuant to Chapter 30, Laws of 2010, 1st sp.s (E2SHB 2956), the Hospital Safety Net Assessment Fund is created in the state treasury. Hospitals will provide the funds to leverage federal Medicaid matching funds and approximately \$187 million of the increased revenues will be returned to the hospitals in the form of increased reimbursement rates ranging from 4 percent to 17 percent for inpatient services and between 4 percent and 41 percent for outpatient services. Approximately \$67.5 million from the Hospital Safety Net Assessment Fund and \$95.4 million in federal Medicaid funds are provided for Healthy Options managed care premium rate increases resulting from the increased hospital rates. Funding is provided to bring Small Rural Disproportionate Share Hospital payments to 120 percent of 2009 levels. Hospital assessments are based on the number of non-Medicare inpatient days, and the assessment amounts are increased in four phases from July 2009 through June 2013. Hospitals exempt from the assessment include those that are owned or operated by the federal or state government, those that participate in the Certified Public Expenditure program, those that do not charge directly or indirectly for hospital services, and long-term acute care hospitals. The sum of \$49.3 million is provided in lieu of General Fund-State expenditures for hospitals. An additional \$17.5 million in General Fund-State savings is provided if enhanced federal financial participation under the federal American Recovery and Reinvestment Act (5001 of P.L. No. 111-5) is extended beyond December 31, 2010. (General Fund-State, Hospital Safety Net Assessment Fund-State, General Fund-Federal)
18. **Lifeline Caseload** - Funding is provided for enrollment in the Lifeline caseload above levels supported by the 2009-11 appropriation, as projected in the Caseload Forecast Council February 2010 forecast. (General Fund-State, General Fund-Federal)
19. **Lifeline Managed Care** - The Lifeline program pursuant to Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782), began the statewide transition to a managed care system of service delivery in November 2009. The per member per month (pmpm) cost for the managed care benefit package is \$72 higher than the fee-for-service equivalent. This is due primarily to the addition of a mental health benefit (\$32 pmpm) and care coordination and administration (\$40 pmpm), as estimated by the Department's actuary.
20. **Security Lifeline Act** - Funding is provided to implement E2SHB 2782. Lifeline clients can receive benefits for a maximum of 24 months in a 60-month period starting September 1, 2010, and ending June 30, 2013. Caseloads are also expected to decrease because an individual cannot continue to receive Lifeline benefits if he or she refuses, without good cause, to participate in needed chemical dependency treatment. The Administrative Review Team process is eliminated. DSHS will implement a pilot project in King, Pierce, and Spokane counties to contract with the managed care organization that provides Lifeline health care benefits for services related to transitioning persons receiving Lifeline benefits to Lifeline Expedited and federal benefits. (General Fund-State, General Fund-Federal)
21. **Community Clinic FQHC Rate Increase** - In response to a 2006 federal Centers for Medicare and Medicaid Services (CMS) audit, the per person enhancement payments that ensure that Federally Qualified Health Centers (FQHCs) are paid at cost for Healthy Options (HO) managed care clients were reduced to make them consistent with the fee-for-service encounter rates that the enhancement payments are based on. In order to offset this reduction, a new Washington State specific inflationary index will be used to replace the Medicare Economic Index (MEI) in determining the FQHC fee-for-service encounter rates. As a result of this change, encounter rates paid to these clinics will increase by 3.8 percent per year compared to 1.2 percent per year under the MEI for the 2009-11 biennium. This increase is projected to offset the reductions taken as a result of the lower HO enhancement rates and increase utilization and the encounter rates paid to FQHCs in the 2011-13 biennium. (General Fund-State, General Fund-Federal)
22. **Reduce Dental Enhancements** - The Health and Recovery Services Administration will reduce dental expenditures by focusing reductions on the fastest growing cost areas of dental care. Reductions in preventive care and particularly preventive care for children will be avoided if possible. (General Fund-State, General Fund-Federal)
23. **Suspend Apple Health Outreach** - Funding for outreach activities related to the Apple Health for Kids program is suspended. (General Fund-State, General Fund-Federal)
24. **HO Administrative Adjustment** - The Healthy Options Quality Incentive Pool payments of \$2 million per year are suspended. Additionally, the administrative component of the delivery case rate (DCR) is increased by the MEI from 2007 through 2010 rather than being increased proportionately with a 21.5 percent increase in the DCR that occurred as a result of the 2007 rebasing of inpatient hospital reimbursement. (General Fund-State, General Fund-Federal)
25. **MCS Bridge Federal Waiver** - State savings are achieved through anticipated approval of a Section 1115, Medical Care Services (MCS) Waiver from CMS which will allow Lifeline and Alcohol and Drug Treatment and Support Act (ADATSA) enrollees to be eligible for federal Medicaid matching funds starting in January 2011. (General Fund-State, General Fund-Federal)
26. **Professional Svcs Supplemental Pymt** - As directed by the Legislature and starting retroactively July 1, 2009, DSHS will implement the professional services supplemental payment program for University of Washington (UW) Medicine professional providers. The program will increase rates to the Average Commercial Rate to maximize allowable payment levels under the Medicare Upper Payment Limit (UPL). UW Medicine is responsible for providing the local match required

## Department of Social and Health Services Medical Assistance Payments

to obtain federal matching funds for supplemental payments made under the Medicare UPL. The Department will also expand this program to include Valley Medical Center and Olympic Medical Center professional providers. (General Fund-Federal, General Fund-Private/Local)

27. **Electronic Health Record Project** - Additional federal expenditure authority is provided to develop the Health Information Technology Medicaid Plan, as created in the American Recovery and Reinvestment Act. The Health Care Authority (HCA) is the lead agency, and it received funding in the 2009-11 budget to implement state efforts. State funds are transferred from the HCA to DSHS, and federal authority is provided because the federal government provides matching funds for 90 percent of these costs. (General Fund-State, General Fund-Federal)
28. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
29. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social & Health Services**  
**Medical Assistance Payments**

**WORKLOAD HISTORY**

By Fiscal Year

|   | 2002           | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | Estimated        |                  |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
|   |                |                |                |                |                |                |                |                | 2010             | 2011             |
| <b>Categorically Needy</b>                                    | <b>788,862</b> | <b>823,222</b> | <b>815,257</b> | <b>810,363</b> | <b>840,971</b> | <b>843,163</b> | <b>878,541</b> | <b>937,136</b> | <b>1,028,370</b> | <b>1,104,892</b> |
| AFDC/TANF   | 272,388        | 275,716        | 283,973        | 293,185        | 283,290        | 267,472        | 251,971        | 264,413        | 294,582          | 315,210          |
| Elderly   | 53,091         | 53,819         | 54,573         | 55,544         | 56,467         | 57,041         | 57,647         | 59,168         | 62,455           | 65,317           |
| Disabled  | 114,587        | 118,466        | 123,248        | 126,868        | 129,667        | 132,375        | 135,929        | 140,840        | 148,553          | 154,322          |
| Non-AFDC Children   | 319,793        | 343,521        | 319,772        | 298,548        | 329,580        | 332,404        | 363,328        | 397,252        | 445,741          | 487,151          |
| Non-AFDC Pregnant Women                                       | 23,937         | 25,707         | 26,366         | 27,121         | 27,589         | 28,488         | 29,176         | 29,482         | 30,126           | 30,820           |
| Undocumented Children   | 0              | 0              | 0              | 0              | 2,528          | 10,127         | 23,567         | 27,595         | 26,730           | 28,383           |
| Medicare Beneficiaries  | 5,036          | 5,850          | 7,066          | 8,563          | 10,689         | 13,781         | 15,203         | 16,409         | 17,813           | 21,033           |
| Breast & Cervical Cancer                                      | 0              | 0              | 0              | 56             | 375            | 495            | 565            | 655            | 809              | 911              |
| Medicaid Buy-In   | 30             | 143            | 261            | 479            | 787            | 981            | 1,157          | 1,322          | 1,560            | 1,746            |
| <b>Medically Needy</b>  | <b>14,528</b>  | <b>15,949</b>  | <b>16,972</b>  | <b>17,849</b>  | <b>16,536</b>  | <b>13,594</b>  | <b>13,566</b>  | <b>13,023</b>  | <b>12,032</b>    | <b>11,912</b>    |
| Elderly   | 6,005          | 6,382          | 6,510          | 6,592          | 6,150          | 5,233          | 5,159          | 5,047          | 4,947            | 4,879            |
| Disabled  | 8,523          | 9,567          | 10,462         | 11,257         | 10,385         | 8,361          | 8,407          | 7,976          | 7,085            | 7,032            |
| <b>Childrens Health Insurance Program</b>                     | <b>6,049</b>   | <b>7,320</b>   | <b>9,516</b>   | <b>13,303</b>  | <b>11,786</b>  | <b>11,409</b>  | <b>11,974</b>  | <b>14,476</b>  | <b>18,604</b>    | <b>20,658</b>    |
| <b>Lifeline Cases</b><br>(formerly General Assistance/ADATSA) |                |                |                |                |                |                |                |                |                  |                  |
| # Persons/Month   | 11,671         | 10,169         | 11,651         | 14,109         | 15,982         | 17,137         | 17,917         | 19,865         | 21,135           | 19,274           |
| <b>State Medically Indigent</b>                               |                |                |                |                |                |                |                |                |                  |                  |
| # Persons/Month   | 3,331          | 3,997          | 0              | 0              | 0              | 0              | 0              | 0              | 0                | 0                |
| <b>Refugees</b>   |                |                |                |                |                |                |                |                |                  |                  |
| # Persons/Month   | 933            | 677            | 684            | 685            | 754            | 738            | 673            | 754            | 1,019            | 1,198            |
| <b>Total Eligibles per Month</b>                              | <b>825,374</b> | <b>861,334</b> | <b>854,080</b> | <b>856,310</b> | <b>886,028</b> | <b>886,042</b> | <b>922,672</b> | <b>985,253</b> | <b>1,081,161</b> | <b>1,157,935</b> |
| % Change from prior year                                      |                | 4.4%           | -0.8%          | 0.3%           | 3.5%           | 0.0%           | 4.1%           | 6.8%           | 9.7%             | 7.1%             |

Data Sources:

Caseload Forecast Council and legislative fiscal committees.

**Department of Social and Health Services  
Vocational Rehabilitation**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>   | <u>Total</u>   |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>20,579</b> | <b>85,532</b>  | <b>106,111</b> |
| <b>Total Maintenance Changes</b>             | <b>2</b>      | <b>10,054</b>  | <b>10,056</b>  |
| <b>Policy Changes - Early Action Savings</b> |               |                |                |
| 1. Consolidate Printing Functions            | -3            | -19            | -22            |
| <b>Policy Changes - Early Action Savings</b> | <b>-3</b>     | <b>-19</b>     | <b>-22</b>     |
| <b>Policy Changes - Non-Comp</b>             |               |                |                |
| 2. Administrative and Staff Reductions       | -244          | -1,141         | -1,385         |
| 3. Administrative Streamlining               | -24           | -86            | -110           |
| 4. State Match for Federal VR Grant          | 0             | 20,000         | 20,000         |
| <b>Policy -- Non-Comp Total</b>              | <b>-268</b>   | <b>18,773</b>  | <b>18,505</b>  |
| <b>Policy Changes - Comp</b>                 |               |                |                |
| 5. Health Insurance Increase                 | 352           | 0              | 352            |
| 6. Temporary Layoffs                         | -258          | -403           | -661           |
| <b>Policy -- Comp Total</b>                  | <b>94</b>     | <b>-403</b>    | <b>-309</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>20,404</b> | <b>113,937</b> | <b>134,341</b> |
| Fiscal Year 2010 Total                       | -126          | -590           | -716           |
| Fiscal Year 2011 Total                       | -51           | 18,941         | 18,890         |

**Comments:**

1. **Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
2. **Administrative and Staff Reductions** - The Vocational Rehabilitation program will continue to implement administrative efficiency measures such as holding vacant positions open and reducing travel, equipment replacement, and personal services contracts. (General Fund-State, General Fund-Federal)
3. **Administrative Streamlining** - The Department of Social and Health Services (DSHS) will reduce its executive workforce. (General Fund-State, General Fund-Federal)
4. **State Match for Federal VR Grant** - Funds from the Telecommunications Devices for the Hearing and Speech Impaired Account are provided to meet the state's maintenance of effort requirements to continue to receive full Department of Education vocational rehabilitation (VR) grants. This is expected to increase the Telecommunications Relay Service excise tax from \$0.11 to the statutory maximum of \$0.19. (General Fund-Federal, Telecommunications Devices for the Hearing and Speech Impaired Account-State)
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u> | <u>Total</u>   |
|--|----------------|--------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>107,164</b> | <b>0</b>     | <b>107,164</b> |
| <b>Total Maintenance Changes</b>             | <b>-770</b>    | <b>0</b>     | <b>-770</b>    |
| <b>Policy Changes - Early Action Savings</b> |                |              |                |
| 1. Reduce Contract Nursing Services          | -1,214         | 0            | -1,214         |
| 2. Residential and Community Programs        | -1,469         | 0            | -1,469         |
| 3. Clinical Staff Workload                   | -329           | 0            | -329           |
| 4. Pharmaceuticals for Residents             | -454           | 0            | -454           |
| 5. Resident Salary Reductions                | -1,370         | 0            | -1,370         |
| 6. Human Resources Reduction                 | -150           | 0            | -150           |
| 7. Administrative Reduction                  | -4,343         | 0            | -4,343         |
| 8. Treatment Contract Savings                | -758           | 0            | -758           |
| <b>Policy Changes - Early Action Savings</b> | <b>-10,087</b> | <b>0</b>     | <b>-10,087</b> |
| <b>Policy Changes - Non-Comp</b>             |                |              |                |
| 9. Eliminate City Agreement Funding          | -161           | 0            | -161           |
| 10. Limit Evaluation Costs                   | -717           | 0            | -717           |
| <b>Policy -- Non-Comp Total</b>              | <b>-878</b>    | <b>0</b>     | <b>-878</b>    |
| <b>Policy Changes - Comp</b>                 |                |              |                |
| 11. Health Insurance Increase                | 487            | 0            | 487            |
| 12. Temporary Layoffs                        | -167           | 0            | -167           |
| <b>Policy -- Comp Total</b>                  | <b>320</b>     | <b>0</b>     | <b>320</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>95,749</b>  | <b>0</b>     | <b>95,749</b>  |
| Fiscal Year 2010 Total                       | -4,259         | 0            | -4,259         |
| Fiscal Year 2011 Total                       | -6,386         | 0            | -6,386         |

**Comments:**

- 1. Reduce Contract Nursing Services** - Funding is reduced for agency nursing contracts which will decrease the nurse staffing model at the Special Commitment Center (SCC).
- 2. Residential and Community Programs** - Funding is reduced for residential and community programs at SCC. The SCC store will close, and existing staff will assume management of community programs and the Secure Community Transition Facility in Pierce County. The SCC warehouse staff and vocational specialists will have increased workloads.
- 3. Clinical Staff Workload** - Funding is reduced for clinical program psychologist staff. Residents at SCC will continue to receive all necessary evaluations.
- 4. Pharmaceuticals for Residents** - Funding is reduced by 30 percent to reflect savings from utilizing generic pharmaceutical drugs.
- 5. Resident Salary Reductions** - Funding for resident salaries is reduced from \$1.6 million to \$250,000 for the 2009-11 biennium. SCC will adjust salary pay scales to residents based on their adherence to treatment plans.
- 6. Human Resources Reduction** - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)
- 7. Administrative Reduction** - Funding is reduced to reflect savings due to staff reductions and efficiencies. Forensic therapists, residential nurses, residential area managers, and central office staff positions are eliminated. Additionally, savings are achieved as a result of underexpenditures at the Secure Transitional Community Facility in King County and a reduction in the cost per meal for residents through centralized purchasing.
- 8. Treatment Contract Savings** - Funding is reduced to reflect actual expenditures for contracted treatment. Residents at SCC will continue to received treatment.
- 9. Eliminate City Agreement Funding** - SCC currently funds an agreement with the city of Seattle Police Department. This funding is discontinued effective January 2010.
- 10. Limit Evaluation Costs** - Funding is reduced to reflect savings SCC will achieve, pursuant to Chapter 28, Laws of 2010, 1st

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

sp.s. (ESB 6870), by standardizing the reimbursements and associated activities related to evaluations.

11. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
12. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

**WORKLOAD HISTORY**  
By Fiscal Year

|   | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>Estimated</b> |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|   |             |             |             |             |             |             |             |             | <b>2010</b>      | <b>2011</b> |
| <b>Special Commitment Center - Main Facility</b>                                |             |             |             |             |             |             |             |             |                  |             |
| Avg Daily Population/Month  | 151         | 167         | 189         | 211         | 232         | 251         | 270         | 277         | 282              | 297         |
| % Change from prior year  |             | 10.6%       | 13.2%       | 11.6%       | 10.0%       | 8.2%        | 7.6%        | 2.6%        | 1.8%             | 5.3%        |
| <b>Special Commitment Center - Less Restrictive Alternatives <sup>(1)</sup></b> |             |             |             |             |             |             |             |             |                  |             |
| Avg Daily Population/Month  | 7           | 9           | 10          | 11          | 11          | 12          | 14          | 15          | 17               | 17          |
| % Change from prior year  |             | 28.6%       | 11.1%       | 10.0%       | 0.0%        | 9.1%        | 16.7%       | 7.1%        | 13.3%            | 0.0%        |

<sup>(1)</sup> 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 2002 through FY 2009 from DSHS Executive Management Information System reports.

FY 2010 through FY 2011 data are from legislative fiscal staff.

**Department of Social and Health Services  
Administration & Supporting Services**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>  | <u>Total</u>   |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>69,392</b> | <b>56,933</b> | <b>126,325</b> |
| <b>Total Maintenance Changes</b>             | <b>341</b>    | <b>124</b>    | <b>465</b>     |
| <b>Policy Changes - Early Action Savings</b> |               |               |                |
| 1. Consolidate Printing Functions            | -13           | -8            | -21            |
| 2. Human Resources Reduction                 | -327          | -230          | -557           |
| <b>Policy Changes - Early Action Savings</b> | <b>-340</b>   | <b>-238</b>   | <b>-578</b>    |
| <b>Policy Changes - Non-Comp</b>             |               |               |                |
| 3. Administrative and Staff Reductions       | -1,842        | -819          | -2,661         |
| 4. Council Child & Family Reduction          | -300          | 0             | -300           |
| 5. Streamline Planning & Policy              | -164          | -135          | -299           |
| 6. Administrative Streamlining               | -182          | -148          | -330           |
| 7. Decision Support & Data Analysis          | -140          | -115          | -255           |
| 8. Reimburse Spokane County Sheriff          | 0             | 22            | 22             |
| 9. Transfer OFR to Div Child Support         | -2,695        | -2,965        | -5,660         |
| 10. Language Access Provider Bargaining      | 150           | 0             | 150            |
| 11. Family Policy Council Reduction          | -300          | 0             | -300           |
| 12. Autism Coverage Study                    | 25            | 0             | 25             |
| 13. Thrive By Five Program                   | -300          | 0             | -300           |
| 14. Governor Veto                            | -25           | 0             | -25            |
| <b>Policy -- Non-Comp Total</b>              | <b>-5,773</b> | <b>-4,160</b> | <b>-9,933</b>  |
| <b>Policy Changes - Comp</b>                 |               |               |                |
| 15. Health Insurance Increase                | 709           | 178           | 887            |
| 16. Temporary Layoffs                        | -1,343        | -575          | -1,918         |
| <b>Policy -- Comp Total</b>                  | <b>-634</b>   | <b>-397</b>   | <b>-1,031</b>  |
| <b>2009-11 Revised Appropriations</b>        | <b>62,986</b> | <b>52,262</b> | <b>115,248</b> |
| Fiscal Year 2010 Total                       | -1,303        | -724          | -2,027         |
| Fiscal Year 2011 Total                       | -5,444        | -4,071        | -9,515         |

**Comments:**

- Consolidate Printing Functions** - The Department will improve the agency-wide coordination and efficiency of printing functions to achieve savings. (General Fund-State, General Fund-Federal)
- Human Resources Reduction** - Savings are achieved by streamlining human resources functions across the Department. The Department will eliminate 11.2 FTEs agency-wide. (General Fund-State, General Fund-Federal)
- Administrative and Staff Reductions** - The agency's Administrative and Support Services Program, which includes Executive Management, Financial Services, and Management Services, will reduce 15 FTE staff and continue to reduce travel, equipment, and contract expenses to achieve savings. This is in addition to the 101 FTE staff reduction implemented by the program in the 2009-11 biennial appropriations act. (General Fund-State, General Fund-Federal)
- Council Child & Family Reduction** - Savings are assumed in the operations of the Council on Children and Families. (General Fund-State)
- Streamline Planning & Policy** - Savings are achieved by reducing planning and policy development functions across the Department. (General Fund-State, General Fund-Federal)
- Administrative Streamlining** - Savings are achieved by reducing the agency's executive workforce. (General Fund-State, General Fund-Federal)
- Decision Support & Data Analysis** - Savings are assumed throughout the Department of Social and Health Services (DSHS) in decision support and data analysis functions. (General Fund-State, General Fund-Federal)
- Reimburse Spokane County Sheriff** - The Spokane County Sheriff's office is reimbursed for expenses related to apprehending a resident of Eastern State Hospital in September 2009. (Institutional Impact Account)

**Department of Social and Health Services  
Administration & Supporting Services**

9. **Transfer OFR to Div Child Support** - The Office of Financial Recovery (OFM) is transferred to the Division of Child Support within the Economic Services Administration in order to consolidate the agency's financial recovery functions. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
10. **Language Access Provider Bargaining** - Funding is provided for legal services related to Chapter 296, Laws of 2010, Partial Veto (ESSB 6726 - Collective Bargaining for Language Access Providers).
11. **Family Policy Council Reduction** - Savings are assumed in the operations of the Family Policy Council. (General Fund-State)
12. **Autism Coverage Study** - Funding is provided for the Department to work with the Department of Health and the Health Care Authority to provide an analysis of the full costs and savings to all state purchased health care from the inclusion of coverage for the diagnosis and treatment of autism spectrum disorders for individuals less than 21 years of age. This item was vetoed (please see Governor Veto item below).
13. **Thrive By Five Program** - Transfers the Thrive by Five contract funds from the Council for Children and Families to the Department of Early Learning. (General Fund-State)
14. **Governor Veto** - The Governor vetoed Section 212 (7) of Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which would have required a report on the fiscal impact of state purchased health care dealing with autism.
15. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
16. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Social and Health Services  
 Payments to Other Agencies**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>  | <u>Total</u>   |
|--|----------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>106,903</b> | <b>49,494</b> | <b>156,397</b> |
| <b>Total Maintenance Changes</b>       | <b>2,819</b>   | <b>1,563</b>  | <b>4,382</b>   |
| <b>Policy Changes - Non-Comp</b>       |                |               |                |
| 1. Central Service Adjustment          | 16,148         | 6,932         | 23,080         |
| 2. Infant and Toddler Program Transfer | 0              | -31           | -31            |
| 3. Unemployment Compensation           | -2,424         | -1,386        | -3,810         |
| <b>Policy -- Non-Comp Total</b>        | <b>13,724</b>  | <b>5,515</b>  | <b>19,239</b>  |
| <b>2009-11 Revised Appropriations</b>  | <b>123,446</b> | <b>56,572</b> | <b>180,018</b> |
| Fiscal Year 2010 Total                 | 6,862          | 2,772         | 9,634          |
| Fiscal Year 2011 Total                 | 6,862          | 2,743         | 9,605          |

**Comments:**

1. **Central Service Adjustment** - Funding is provided to cover the cost of services provided to the Department by other state agencies such as the Attorney General, Office of Financial Management, and Department of General Administration. This partially restores a reduction in the biennial budget. (General Fund-State, General Fund-Federal)
2. **Infant and Toddler Program Transfer** - Funding for the Infant and Toddler Early Intervention Program is transferred to the Department of Early Learning per Chapter 233, Laws of 2010 (SB 6593).
3. **Unemployment Compensation** - Agencies are required to find sufficient efficiencies in their operations to cover any increased unemployment insurance costs needed to allow them to perform their mission.



# Other Human Services

## Department of Corrections

A total of \$1.8 billion is provided to the Department of Corrections (DOC) to incarcerate and supervise offenders in the 2009-11 biennium. This represents a decrease of \$27.0 million (1.7 percent) in correctional spending from the enacted 2009-11 biennial budget, and savings of \$48.6 million (3.1 percent) from the revised 2009-11 biennium maintenance level.

In response to excess capacity in adult correctional institutions and slowing or declining demand for incarceration, the budget reflects savings generated through more efficient use of existing prison capacity by closing and restructuring state institution facilities. The 2009-11 biennial budget directed the Office of Financial Management to conduct a study of the feasibility of closing DOC institutions/facilities. The final recommendations of the facilities closure study were used as a base for developing a facilities closure implementation plan. The Department is directed to:

- Downsize McNeil Island Corrections Center from 1,250 medium and minimum custody offenders to 256 minimum custody offenders; \$34.5 million is provided for one-time and transition costs from the State Efficiency Restructuring Account, effectively assuming the future savings this biennium;
- Downsize the Larch Corrections Center in Yaoclt from 480 to 240 beds;
- Close the Pine Lodge Corrections Center for Women in Medical Lake; and
- Close the Ahtanum View Corrections Center in Yakima.

The plan includes additional funds to shift offender capacity to newer, more efficient facilities at the Coyote Ridge Corrections Center in Connell and the Mission Creek Corrections Center for Women in Belfair. With the restoration of \$12 million in anticipated savings from the 2009-11 biennial budget, the total savings from facility closure and downsizing is \$46.1 million.

In addition, other savings at DOC include:

- \$4.2 million that reflects reduced demand for work release facilities;
- \$1.0 million to implement Chapter 267, Laws of 2010 (SSB 6414), which modifies sex offender registration provisions; and
- \$0.2 million to implement Chapter 224, Laws of 2010 (SSB 6639), which provides sentencing alternatives for offenders with minor children.

## Criminal Justice Training Commission

The budget provides \$35.1 million from Near General Fund-State to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs; this funding reflects an 8.4 percent reduction to the 2009-11 enacted budget.

Major items include:

- \$3.9 million in savings by funding 10 basic law enforcement academies in each fiscal year; this reflects the actual number of academies offered in fiscal year 2010 and anticipated diminished demand from local law enforcement agencies in fiscal year 2011;
- \$537,000 savings for a 20 percent reduction in administration at the CJTC; and
- \$1.5 million funding provided for continuing grants to rural counties for drug enforcement activities in fiscal year 2011. Funding for fiscal year 2010 is provided through the Department of Commerce.

### **Department of Veterans' Affairs**

The 2010 supplemental appropriations act provides \$19.3 million Near General Fund-State (\$113.3 million all funds) for the Washington Department of Veterans' Affairs (DVA) .

DVA operates three homes that provide long-term health care for honorably discharged veterans, and in some instances, their spouses. The homes are: the Washington Veterans' Home at Retsil, the Washington Soldiers' Home and Colony at Orting, and the Spokane Veterans' Home. In addition, DVA manages several state and federal programs providing support and services to service men and women.

The sum of \$250,000 from the Veterans' Innovations Program Account is provided to DVA for increased veterans claims assistance provided by veteran service officers (VSOs). DVA will contract for additional VSOs to assist veterans in accessing federal benefits.

Savings totaling \$396,000 Near General Fund-State are realized by DVA revising contracts at the three state veterans' homes. This item will not impact the availability of services and goods for the residents.

### **Department of Labor and Industries**

Crime Victims' Compensation program benefit limits are modified pursuant to Chapter 122, Laws of 2010 (E2SSB 6504). For example, total claim payments for a single claim will be limited to \$50,000. Modifications are also made to limits for burial expense reimbursements, lump sum payments, and permanent partial disability payments.

One-time funding is provided to pay for services to certain crime victims in excess of the new statutory caps. Benefits will be temporarily paid for claimants who were determined eligible for and who were receiving crime victims' compensation benefits because they were determined to be permanently and totally disabled prior to April 1, 2010. The Department will assist these claimants in identifying and applying for appropriate alternative benefit programs.

The Crime Victims' Compensation Account is created. A portion of monies deposited into inmate accounts and the proceeds from certain criminal profiteering recovery actions are deposited into this account, and funds are dedicated to the program.

### **Health Care Authority**

Savings of \$25.9 million in Near General Fund-State funds for the Basic Health Plan (BHP) are achieved through the anticipated receipt of a Section 1115 Waiver from the federal Centers for Medicare and Medicaid Services (CMS), which will allow BHP enrollees under 133 percent of the federal poverty level to be eligible for federal Medicaid matching funds. Should the waiver be approved, the cost of covering an additional 4,000 enrollees

above the 2009-11 enacted budget level is shifted from state to federal funds, allowing for an enrollment level of 69,000 enrollees through June 2011.

## **Department of Health**

### **Family Planning Grants**

During the 2007-09 biennium, funding was provided to the Department of Health to increase the number of non-Department of Social and Health Services eligible clients served by family planning clinics and to add coverage for sexually-transmitted disease testing. The 2009-11 operating budget decreased annual funding by 10 percent in FY 2010 and 70 percent in FY 2011. Funding is restored to FY 2010 levels as of July 1, 2010 (\$3.0 million Near General Fund-State).

### **Reduce AIDS Funding**

Total state funding for services to people with HIV/AIDS is reduced by 7 percent (\$1.4 million Near General Fund-State). The Department is directed to eliminate funding to the regional AIDSNETs and assume those duties within the agency. Funding for nutritional therapy services provided by the Lifelong AIDS Alliance is also eliminated. The Department shall manage the remaining reductions through administrative efficiencies and reductions to minimize impacts on direct client services and prevention activities.

### **Childhood Vaccines**

In the 2009-2011 biennial budget, state funding for the universal purchase of vaccines was eliminated. The Department of Health has achieved an additional \$8.3 million in Near General Fund-State savings through the use of federal funding. The universal purchase of vaccines will be continued through a public/private partnership established by Chapter 174, Laws of 2010 (2SHB 2551 – WA Vaccine Association). The vaccines will be purchased using funds from private insurance carriers and third party administrators.

## Washington State Health Care Authority

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>388,433</b> | <b>202,047</b> | <b>590,480</b> |
| <b>Total Maintenance Changes</b>       | <b>1,067</b>   | <b>39,251</b>  | <b>40,318</b>  |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. Health Information Exchange         | 0              | 3,370          | 3,370          |
| 2. Moore, et al. v. HCA                | 1,651          | 0              | 1,651          |
| 3. Health Data Information Tech Trnf   | -137           | 0              | -137           |
| 4. Basic Health Program Bridge         | -13,000        | 13,000         | 0              |
| 5. Maintain Current BHP Enrollment     | -12,906        | 19,912         | 7,006          |
| 6. Primary Care Pilot Projects         | 2,495          | 0              | 2,495          |
| 7. Accountable Care Projects           | 83             | 0              | 83             |
| 8. Governor Veto                       | -2,495         | 0              | -2,495         |
| <b>Policy -- Non-Comp Total</b>        | <b>-24,309</b> | <b>36,282</b>  | <b>11,973</b>  |
| <b>Policy Changes - Comp</b>           |                |                |                |
| 9. Health Insurance Increase           | 164            | 173            | 337            |
| 10. Temporary Layoffs                  | -286           | -350           | -636           |
| <b>Policy -- Comp Total</b>            | <b>-122</b>    | <b>-177</b>    | <b>-299</b>    |
| <hr/>                                  |                |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>365,069</b> | <b>277,403</b> | <b>642,472</b> |
| Fiscal Year 2010 Total                 | 1,617          | 2,600          | 4,217          |
| Fiscal Year 2011 Total                 | -26,048        | 33,505         | 7,457          |

**Comments:**

1. **Health Information Exchange** - Expenditure authorization for federal funds is provided for the Health Care Authority (HCA) to support planning and implementation of a common, shared health information exchange (HIE) in Washington State. HCA will coordinate the necessary governance, policies, technical services, business operations, and financing for the HIE over a four-year performance period. The federal grant of \$11.3 million is provided through the Health Information Technology for Economic and Clinical Health provisions of the American Recovery and Reinvestment Act (ARRA). (General Fund-Federal)
2. **Moore, et al. v. HCA** - Additional authority is provided for costs associated with litigation on a class action seeking damages related to health care benefits for part-time employees in state agencies and institutions. (General Fund-State, Basic Health Plan Subscription Account-Non-Appropriated)
3. **Health Data Information Tech Trnf** - The HCA has coordinated the state's efforts to secure American Recovery and Reinvestment Act grants for health information technology. In the 2009-11 operating budget, the Legislature appropriated funds for the activities required to apply for these funds. Most of the funding available will be through the Medicaid program. Funds are transferred to the Department of Social and Health Services to establish a partner organization to maximize the benefit available to the state and its partner providers. These funds will serve as a 10 percent match for federal grant funding.
4. **Basic Health Program Bridge** - State savings are achieved through the anticipated receipt of a Section 1115 Waiver from the Centers for Medicare and Medicaid Services (CMS) which will allow Basic Health Plan enrollees under 133 percent of the federal poverty level to be eligible for federal Medicaid matching funds. (General Fund-State, General Fund-Federal)
5. **Maintain Current BHP Enrollment** - The cost of covering an additional 4,000 BHP enrollees above the 2009-11 enacted budget level of 65,000 is shifted from state to federal funds upon the anticipated approval of a federal CMS Section 1115 waiver. If federal funding is not received, then BHP enrollment will be reduced from 69,000 to 65,000 enrollees. (General Fund-State, Basic Health Plan Trust Account-Non-Appropriated; General Fund-Federal)
6. **Primary Care Pilot Projects** - HCA will provide grants to support two pilot projects to provide low-income residents with a full continuum of health care services that combines a primary care medical home with catastrophic insurance coverage. The pilot projects will be conducted in Spokane and Whatcom counties, which shall enroll 500 and 1,000 individuals, respectively. Enrollees cannot be enrolled in the BHP, nor eligible for either Medicaid or Medicare. This item was vetoed (please see Governor Veto item below).
7. **Accountable Care Projects** - Funding is provided pursuant to Chapter 220, Laws of 2010 (ESSB 6522), which directs the Authority to appoint a lead organization by January 1, 2011, to support at least two accountable care organization pilot

## Washington State Health Care Authority

projects. The Authority will provide oversight to maintain the antitrust exemption under the state action doctrine.

8. **Governor Veto** - The Governor vetoed Section 214 (7) of Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which provided grants to support two pilot projects that sought to combine a primary care medical home with catastrophic insurance coverage in Spokane and Whatcom counties for 1,500 individuals.
9. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
10. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

# Washington State Health Care Authority

## WORKLOAD HISTORY

By Fiscal Year

|                          | 2002    | 2003    | 2004    | 2005   | 2006    | 2007    | 2008    | 2009    | <u>Estimated</u> |        |
|--------------------------|---------|---------|---------|--------|---------|---------|---------|---------|------------------|--------|
|                          |         |         |         |        |         |         |         |         | 2010             | 2011   |
| <b>Basic Health Plan</b> |         |         |         |        |         |         |         |         |                  |        |
| Subsidized Enrollees     | 123,730 | 128,937 | 103,452 | 99,807 | 100,444 | 102,118 | 104,792 | 103,590 | 76,424           | 69,000 |
| % Change from prior year |         | 4.2%    | -19.8%  | -3.5%  | 0.6%    | 1.7%    | 2.6%    | -1.1%   | -26.2%           | -9.7%  |

*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 2002 through FY 2008 from the Health Care Authority.*

*FY 2009 through FY 2011 are actuals and estimates from legislative fiscal staff.*

## Human Rights Commission

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>5,616</b> | <b>1,299</b> | <b>6,915</b> |
| <b>Policy Changes - Early Action Savings</b> |              |              |              |
| 1. Administrative Reductions                 | -445         | 0            | -445         |
| <b>Policy Changes - Early Action Savings</b> | <b>-445</b>  | <b>0</b>     | <b>-445</b>  |
| <b>Policy Changes - Non-Comp</b>             |              |              |              |
| 2. Federal Revenue & Expenditures            | 0            | 297          | 297          |
| <b>Policy -- Non-Comp Total</b>              | <b>0</b>     | <b>297</b>   | <b>297</b>   |
| <b>Policy Changes - Comp</b>                 |              |              |              |
| 3. Health Insurance Increase                 | 29           | 14           | 43           |
| 4. Temporary Layoffs                         | -51          | -26          | -77          |
| <b>Policy -- Comp Total</b>                  | <b>-22</b>   | <b>-12</b>   | <b>-34</b>   |
| <hr/>  |              |              |              |
| <b>2009-11 Revised Appropriations</b>        | <b>5,149</b> | <b>1,584</b> | <b>6,733</b> |
| Fiscal Year 2010 Total                       | -164         | 0            | -164         |
| Fiscal Year 2011 Total                       | -303         | 285          | -18          |

**Comments:**

1. **Administrative Reductions** - The Human Rights Commission will not fill an investigator position at its headquarters office. The agency will close the Seattle office and relocate staff to Olympia. It will also reduce staff at the Spokane office.
  
2. **Federal Revenue & Expenditures** - Additional federal revenue from the Equal Employment Opportunity Commission and U.S. Department of Housing and Urban Development will be used to hire additional staff to investigate housing and employment discrimination claims. Revenue for these activities will come from work-sharing agreements with the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Board of Industrial Insurance Appeals

(Dollars in Thousands)

|  | NGF-S    | Other         | Total         |
|--|----------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>36,926</b> | <b>36,926</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b> | <b>4</b>      | <b>4</b>      |
| <b>Policy Changes - Non-Comp</b>       |          |               |               |
| 1. Implement SACS Directive            | 0        | -66           | -66           |
| 2. Administrative Efficiencies         | 0        | -300          | -300          |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b> | <b>-366</b>   | <b>-366</b>   |
| <b>Policy Changes - Comp</b>           |          |               |               |
| 3. Health Insurance Increase           | 0        | 154           | 154           |
| 4. Temporary Layoffs                   | 0        | -420          | -420          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-266</b>   | <b>-266</b>   |
| <hr/>                                  |          |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>36,298</b> | <b>36,298</b> |
| Fiscal Year 2010 Total                 | 0        | -145          | -145          |
| Fiscal Year 2011 Total                 | 0        | -487          | -487          |

**Comments:**

1. **Implement SACS Directive** - Savings will be achieved through the increased use of the Office of Financial Management's Small Agency Client Services (SACS), which provides centralized accounting, payroll, and budgeting services. (Medical Aid Account-State, Accident Account-State)
  
2. **Administrative Efficiencies** - Savings will be achieved by reducing maintenance contract costs, implementing print assessment recommendations, contracting with a new phone vendor, utilizing office space more efficiently through telework and office sharing, and implementing a number of other process improvements. (Accident Account-State, Medical Aid Account-State)
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Washington State Criminal Justice Training Commission

(Dollars in Thousands)

|  | NGF-S         | Other        | Total         |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>38,322</b> | <b>6,652</b> | <b>44,974</b> |
| <b>Total Maintenance Changes</b>       | <b>-2,285</b> | <b>0</b>     | <b>-2,285</b> |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Eliminate Standards Board           | -9            | 0            | -9            |
| 2. Drug Prosecution Assistance         | 236           | 0            | 236           |
| 3. Project Safe Neighborhoods          | 0             | 143          | 143           |
| 4. Reduce Funding for Development Div  | -220          | 0            | -220          |
| 5. Reimbursement for Ammunition Costs  | -171          | 171          | 0             |
| 6. Crisis Intervention Training        | 0             | 932          | 932           |
| 7. Six Fewer Academies                 | -1,658        | 0            | -1,658        |
| 8. Rural Drug Enforcement              | 1,500         | 0            | 1,500         |
| 9. 20% CJTC Administration Reduction   | -537          | 0            | -537          |
| <b>Policy -- Non-Comp Total</b>        | <b>-859</b>   | <b>1,246</b> | <b>387</b>    |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 10. Health Insurance Increase          | 39            | 0            | 39            |
| 11. Temporary Layoffs                  | -101          | 0            | -101          |
| <b>Policy -- Comp Total</b>            | <b>-62</b>    | <b>0</b>     | <b>-62</b>    |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>35,116</b> | <b>7,898</b> | <b>43,014</b> |
| Fiscal Year 2010 Total                 | -170          | 261          | 91            |
| Fiscal Year 2011 Total                 | -751          | 985          | 234           |

**Comments:**

1. **Eliminate Standards Board** - Funding is reduced to reflect savings from elimination of the Boards of Law Enforcement and Correctional Training Standards, pursuant to Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617).
2. **Drug Prosecution Assistance** - The Drug Prosecution Assistance Program is transferred from the Department of Commerce to the Criminal Justice Training Commission (CJTC) effective July 1, 2010.
3. **Project Safe Neighborhoods** - Funding for the Project Safe Neighborhoods program is transferred from the Department of Commerce to CJTC effective July 1, 2010. The Project Safe Neighborhood program aims to reduce the incidence of gun crime and gang violence in communities. (General Fund-Federal)
4. **Reduce Funding for Development Div** - Funding is reduced for curriculum designers within the Development/Training/Standards Division; this represents a 4 percent reduction.
5. **Reimbursement for Ammunition Costs** - Funding from General Fund-State is reduced and funding from General Fund-Local is increased to reflect cost recovery for ammunition. Agencies with 100 or more full-time commissioned officers will reimburse the CJTC for the costs of ammunition, based on the average cost of ammunition per cadet, for cadets they enroll in the Basic Law Enforcement Academy. (General Fund-State, General Fund-Local)
6. **Crisis Intervention Training** - Funding is provided to deliver crisis intervention training in coordination with the King County Sheriff's Office. Crisis intervention training will be provided in order to increase the number of trained police officers and emergency workers in King County responding to calls involving individuals who may be affected by a mental illness or chemical dependency. (General Fund-Local)
7. **Six Fewer Academies** - Funding is reduced to reflect funding six fewer academies in FY 2011 than the 16 assumed at maintenance level. The budget assumes serving 300 students.
8. **Rural Drug Enforcement** - Funding is provided for continuing grants to rural counties for drug enforcement in FY 2011; fiscal year 2010 funding is provided in the Department of Commerce.
9. **20% CJTC Administration Reduction** - A 20 percent reduction is taken in administration activities of the CJTC.
10. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
11. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Labor and Industries

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>48,489</b> | <b>582,074</b> | <b>630,563</b> |
| <b>Total Maintenance Changes</b>       | <b>-142</b>   | <b>-5,968</b>  | <b>-6,110</b>  |
| <b>Policy Changes - Non-Comp</b>       |               |                |                |
| 1. Reduce to Contractor Compliance Pgm | -619          | 0              | -619           |
| 2. Boiler Inspection Program Costs     | 0             | 381            | 381            |
| 3. Crime Victim Mental Health Services | 66            | 0              | 66             |
| 4. Crime Victim Benefits               | 260           | 0              | 260            |
| 5. Convert to New Federal Medical Code | 0             | 878            | 878            |
| 6. Prevailing Wage Backlog             | 0             | 148            | 148            |
| 7. Crime Victims Caseload Adjustments  | 3,430         | 0              | 3,430          |
| 8. Crime Victims Compensation Changes  | -6,455        | 2,668          | -3,787         |
| 9. CVC Medical Rates                   | -774          | 0              | -774           |
| 10. Farm Internship Program            | 71            | 0              | 71             |
| 11. Off-Site Prefabricated Items       | 0             | 155            | 155            |
| 12. Underground Economy                | 0             | 96             | 96             |
| <b>Policy -- Non-Comp Total</b>        | <b>-4,021</b> | <b>4,326</b>   | <b>305</b>     |
| <b>Policy Changes - Comp</b>           |               |                |                |
| 13. Health Insurance Increase          | 135           | 2,652          | 2,787          |
| 14. Temporary Layoffs                  | -150          | -1,183         | -1,333         |
| <b>Policy -- Comp Total</b>            | <b>-15</b>    | <b>1,469</b>   | <b>1,454</b>   |
| <hr/>                                  |               |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>44,311</b> | <b>581,901</b> | <b>626,212</b> |
| Fiscal Year 2010 Total                 | 1,297         | 454            | 1,751          |
| Fiscal Year 2011 Total                 | -5,333        | 5,341          | 8              |

**Comments:**

- |   |  |
|---|--|
| <p>1. <b>Reduce to Contractor Compliance Pgm</b> - Savings are achieved by eliminating inspector positions and associated appeals and legal costs in the construction compliance program.</p> <p>2. <b>Boiler Inspection Program Costs</b> - Funding is provided to cover basic program operating expenses. These expenses include travel for inspectors and advisory board members, the annual purchase of revised national code manuals, mobile computing equipment, inspector training on industry standards, and consumer education and outreach materials. (Pressure Systems Safety Account-State)</p> <p>3. <b>Crime Victim Mental Health Services</b> - Funding is provided for a continuation of mental health services for Crime Victims' Compensation Program (CVCP) clients who have an established relationship with a mental health provider and subsequently obtain coverage under other government health care programs. Services will continue under the CVCP only when the service or the provider is not reimbursable under the other government program.</p> <p>4. <b>Crime Victim Benefits</b> - Funding is provided to pay for services to certain crime victims in excess of current statutory caps. Benefits will be temporarily paid for claimants who were determined eligible for and who were receiving crime victims' compensation benefits because they were determined to be permanently and totally disabled prior to April 1, 2010. The</p> | <p>Department shall assist these claimants in identifying and applying for appropriate alternative benefit programs.</p> <p>5. <b>Convert to New Federal Medical Code</b> - Funding is provided to modify information technology systems. Funds will be used to bring systems into conformity with new Version 10 of the International Classification of Diseases. These classifications are used for electronic billing and other data transactions. (Accident Account-State, Medical Aid Account-State)</p> <p>6. <b>Prevailing Wage Backlog</b> - Funding is provided for two permanent administrative employees. These employees will process certified payroll requests and review Statements of Intent to Pay Prevailing Wages and Affidavits of Wages Paid filed pursuant to the Public Works Act. (Public Works Account-State)</p> <p>7. <b>Crime Victims Caseload Adjustments</b> - Funding is provided to cover an increase in claims for crime victims' compensation benefits.</p> <p>8. <b>Crime Victims Compensation Changes</b> - Funding is reduced pursuant to Chapter 122, Laws of 2010 (E2SSB 6504), which reduced statutory benefit levels for Crime Victims' Compensation claimants.</p> |
|---|--|

## Department of Labor and Industries

9. **CVC Medical Rates** - Savings are achieved by reducing provider reimbursement rates to Medicaid levels for mental health and dental services.
10. **Farm Internship Program** - Funding is provided to implement Chapter 160, Laws of 2010 (SSB 6349), which creates a farm internship pilot project.
11. **Off-Site Prefabricated Items** - Funding is provided to implement Chapter 276, Laws of 2010 (EHB 2805), which requires contractors and subcontractors on public works projects estimated to cost over \$1 million to submit information about certain off-site prefabricated items produced outside Washington to the Department of Labor and Industries as a part of the Affidavit of Wages Paid form. (Public Works Administration-State)
12. **Underground Economy** - Funding is provided for Chapter 22, Laws of 2010 (SHB 2789). This bill authorizes issuance of third-party subpoenas for purposes of agency investigations. (Accident Account-State, Medical Aid Account-State)
13. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
14. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Indeterminate Sentence Review Board

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>3,830</b> | <b>0</b> | <b>3,830</b> |
| <b>Policy Changes - Early Action Savings</b> |              |          |              |
| 1. Administrative Reductions                 | -62          | 0        | -62          |
| <b>Policy Changes - Early Action Savings</b> | <b>-62</b>   | <b>0</b> | <b>-62</b>   |
| <b>Policy Changes - Comp</b>                 |              |          |              |
| 2. Health Insurance Increase                 | 19           | 0        | 19           |
| 3. Temporary Layoffs                         | -41          | 0        | -41          |
| <b>Policy -- Comp Total</b>                  | <b>-22</b>   | <b>0</b> | <b>-22</b>   |
| <hr/>  |              |          |              |
| <b>2009-11 Revised Appropriations</b>        | <b>3,746</b> | <b>0</b> | <b>3,746</b> |
| Fiscal Year 2010 Total                       | -31          | 0        | -31          |
| Fiscal Year 2011 Total                       | -53          | 0        | -53          |

**Comments:**

1. **Administrative Reductions** - Funding is reduced to reflect savings in various administrative costs including defense attorney costs, purchases of supplies and materials, motor pool services, travel, and employee training.
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Veterans' Affairs**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>  | <u>Total</u>   |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>20,123</b> | <b>90,116</b> | <b>110,239</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>      | <b>2,849</b>  | <b>2,851</b>   |
| <b>Policy Changes - Non-Comp</b>       |               |               |                |
| 1. Savings & Revenue in Veterans Homes | -396          | 0             | -396           |
| 2. Stimulus FMAP Extension             | -484          | 484           | 0              |
| 3. Veteran Service Officers Contract   | 0             | 250           | 250            |
| <b>Policy -- Non-Comp Total</b>        | <b>-880</b>   | <b>734</b>    | <b>-146</b>    |
| <b>Policy Changes - Comp</b>           |               |               |                |
| 4. Health Insurance Increase           | 144           | 473           | 617            |
| 5. Temporary Layoffs                   | -73           | -222          | -295           |
| <b>Policy -- Comp Total</b>            | <b>71</b>     | <b>251</b>    | <b>322</b>     |
| <hr/>                                  |               |               |                |
| <b>2009-11 Revised Appropriations</b>  | <b>19,316</b> | <b>93,950</b> | <b>113,266</b> |
| Fiscal Year 2010 Total                 | -321          | 0             | -321           |
| Fiscal Year 2011 Total                 | -488          | 985           | 497            |

**Comments:**

1. **Savings & Revenue in Veterans Homes** - Funding is reduced to reflect savings from revising contracts for goods and services in the skilled nursing facilities at Orting, Retsil, and Spokane.
2. **Stimulus FMAP Extension** - The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs that the federal government provides. The American Recovery and Reinvestment Act of 2009 increased FMAP by almost 13 percentage points for FY 2010 and the first six months of FY 2011. The Legislature anticipates that the FMAP increase from 50 percent to 62.94 percent will be extended for six additional months through June 2011, resulting in a reduction in state expenditures for services that receive Medicaid Title XIX and Title VI-E federal match. (General Fund-State, General Fund-Federal)
3. **Veteran Service Officers Contract** - Funding is provided for the Department of Veterans' Affairs to contract with six additional veteran service officers to be located at the DSHS Community Service Offices to assist veterans in obtaining federal veterans benefits. (Veterans' Innovations Program Account-State)
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Health**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>     |
|--|----------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>193,048</b> | <b>798,656</b> | <b>991,704</b>   |
| <b>Total Maintenance Changes</b>             | <b>-232</b>    | <b>105,740</b> | <b>105,508</b>   |
| <b>Policy Changes - Early Action Savings</b> |                |                |                  |
| 1. Eliminate Health Profession Survey        | -558           | 0              | -558             |
| 2. Administrative Reductions                 | -2,271         | -32            | -2,303           |
| <b>Policy Changes - Early Action Savings</b> | <b>-2,829</b>  | <b>-32</b>     | <b>-2,861</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                |                  |
| 3. Discipline of Unsafe Nurses               | 0              | 1,961          | 1,961            |
| 4. Discipline of Unsafe Providers            | 0              | 2,147          | 2,147            |
| 5. MQAC Educational Programs/Research        | 0              | 128            | 128              |
| 6. Reduce Tobacco Prevention Pgms            | 0              | -2,649         | -2,649           |
| 7. Reduce Child and Maternal Health          | -438           | 0              | -438             |
| 8. Universal Vaccination Savings             | -8,250         | 0              | -8,250           |
| 9. Reduce Area Health Centers                | -60            | 0              | -60              |
| 10. Reduce Radiation Lab Testing             | -150           | 0              | -150             |
| 11. Reduce Colon Screening                   | -208           | 0              | -208             |
| 12. Elim Medical Nutritional Therapy         | -370           | 0              | -370             |
| 13. DD Council and Endowment                 | 57             | 2,092          | 2,149            |
| 14. EMS Trauma Fund Reductions               | 0              | -319           | -319             |
| 15. Cardio Invasive Specialists              | 0              | 10             | 10               |
| 16. Family Planning Grants                   | 3,000          | 0              | 3,000            |
| 17. Reduce AIDS Funding                      | -1,000         | 0              | -1,000           |
| 18. Eliminate EMS Licensing Committee        | -8             | 0              | -8               |
| 19. Credentialing Health Professionals       | 0              | 706            | 706              |
| 20. Pain Management                          | 0              | 66             | 66               |
| 21. Health Professions Survey Study          | 0              | 50             | 50               |
| 22. Tracking Pseudoephedrine                 | 23             | 0              | 23               |
| 23. Washington Vaccine Association           | 0              | 52,174         | 52,174           |
| 24. Preventing Impaired Practice             | 0              | 441            | 441              |
| 25. Newborn Clinic Support                   | -408           | 408            | 0                |
| 26. Licensing Barriers to Nursing Care       | 0              | 403            | 403              |
| 27. Poison Center Funding Transfer           | -662           | 0              | -662             |
| 28. Reduce Oral Health Program               | -154           | 0              | -154             |
| 29. Remove State Funding for Water Rec       | -100           | 0              | -100             |
| 30. Temporary Farmworker Housing             | -116           | 0              | -116             |
| 31. Nitrates in Drinking Water               | 0              | 500            | 500              |
| 32. Nursing Assistants                       | 0              | 390            | 390              |
| <b>Policy -- Non-Comp Total</b>              | <b>-8,844</b>  | <b>58,508</b>  | <b>49,664</b>    |
| <b>Policy Changes - Comp</b>                 |                |                |                  |
| 33. Health Insurance Increase                | 391            | 1,123          | 1,514            |
| 34. Temporary Layoffs                        | -1,385         | -1,324         | -2,709           |
| <b>Policy -- Comp Total</b>                  | <b>-994</b>    | <b>-201</b>    | <b>-1,195</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>180,149</b> | <b>962,671</b> | <b>1,142,820</b> |
| Fiscal Year 2010 Total                       | -10,349        | 8,578          | -1,771           |
| Fiscal Year 2011 Total                       | -2,318         | 49,697         | 47,379           |

**Comments:**

- 1. Eliminate Health Profession Survey** - Funding to conduct surveys of licensed health care professionals is eliminated. The funding was initially provided to collect demographic information on the health care workforce as required by Chapter 236, Laws of 2006 (2SSB 6193). Alternate methods for gathering data are being explored.
- 2. Administrative Reductions** - The Department will realize savings through reduced administrative functions and additional drug rebates. (General Fund-State, Tobacco Prevention and Control Account-State)
- 3. Discipline of Unsafe Nurses** - The Nursing Care Quality Assurance Commission (NCQAC) takes legal action on nurses'

## Department of Health

- licenses, based on complaints of unprofessional conduct as investigated and prosecuted. Additional expenditure authority is provided for increased investigators, legal staff, and health law judges to address the backlog of cases. (Health Professions Account-State)
4. **Discipline of Unsafe Providers** - Additional expenditure authority is provided to meet workload needs related to disciplining unsafe providers. This funds disciplinary staff levels, as outlined in the Department's statistically valid formula. (Health Professions Account-State)
  5. **MQAC Educational Programs/Research** - Additional expenditure authority is provided to report progress and outcomes on Medical Quality Assurance Commission (MQAC) Programs to the Governor and the Legislature in an annual report and to develop a comparative report for the Governor and Legislature by December 2013. (Health Professions Account-State)
  6. **Reduce Tobacco Prevention Pgms** - Beginning July 1, 2010, tobacco usage prevention and treatment programs will be reduced. The state will continue to operate the Quit-Line, and focus on disparities in treatment for those most at risk of engaging in tobacco usage. (Tobacco Prevention and Control Account-State)
  7. **Reduce Child and Maternal Health** - The Child and Maternal Health Division will achieve program savings through efficiencies gained by reorganizing Division responsibilities. The Division works to prevent disease and outbreaks, educate individuals regarding potentially dangerous behaviors, and facilitate access to care and health services for specific populations.
  8. **Universal Vaccination Savings** - The state's Universal Vaccine Purchasing Program is discontinued as of May 1, 2010. Due to trend changes, projected vaccination costs, and revised purchasing strategies, the program will save an additional \$8.25 million prior to its discontinuation.
  9. **Reduce Area Health Centers** - Area Health Education Centers (AHECs) are organizations that work on the regional recruitment and retention of health care providers, especially in underserved areas. Contracts with Washington's two AHECs are reduced by 10 percent as of July 1, 2010.
  10. **Reduce Radiation Lab Testing** - Capacity for testing at the Public Health Laboratory to support state laws and the regulation of medical radiation facilities is reduced for the remainder of the biennium.
  11. **Reduce Colon Screening** - The 2008 supplemental operating budget provided funds to expand the Washington Colon Health Program. The 2009-11 operating budget reduced the program by 80 percent. The program is discontinued in FY 2011.
  12. **Elim Medical Nutritional Therapy** - The Department provides funding to the Lifelong AIDS Alliance to conduct medical nutrition therapy for financially and medically qualified clients. Support for nutritional therapy services is eliminated as of January 1, 2010.
  13. **DD Council and Endowment** - The Developmental Disabilities (DD) Council and Endowment Trust Fund are transferred from the Department of Commerce to the Department of Health (DOH). The Council works with people with developmental disabilities and their families to promote a comprehensive system of services, and serves as an advocate and a planning body for Washington's citizens with developmental disabilities. The Endowment Trust Fund works with families and individuals with developmental disabilities to prepare for their future financial stability. (General Fund-State, General Fund-Federal, Community and Economic Development Fee Account-State)
  14. **EMS Trauma Fund Reductions** - The Trauma Care Fund provides grants and reimbursement for trauma care services provided by ambulances and trauma care centers. Funding for these activities is reduced to accommodate decreased revenue into this fund. (Emergency Medical Services [EMS] and Trauma Care Systems Trust Account-State)
  15. **Cardio Invasive Specialists** - Funding is provided pursuant to Chapter 92, Laws of 2010 (SHB 2430), which creates a new credentialing requirement for cardiovascular invasive specialists. (Health Professions Account-State)
  16. **Family Planning Grants** - During the 2007-09 biennium, funding was provided to the Department for family planning clinics to increase capacity for non-DSHS eligible clients by adding more clients as well as coverage for sexually-transmitted disease testing. The 2009-11 operating budget decreased annual funding by 10 percent in FY 2010 and 70 percent in FY 2011. Funding is restored to FY 2010 levels for FY 2011.
  17. **Reduce AIDS Funding** - Pursuant to Chapter 3, Laws of 2010, 1st sp.s. (EHB 2360), the Department will discontinue the services of the regional AIDS networks and contract directly for AIDS prevention services. The Department will manage this reduction primarily through efficiencies and reductions in administration, minimizing reductions to direct services to clients with HIV/AIDS, and preventive work.
  18. **Eliminate EMS Licensing Committee** - Funding for the EMS Licensing and Certification Advisory Committee is eliminated pursuant to Chapter 7, Laws of 2010, 1st sp.s (E2SHB 2617), which eliminates various boards and commissions.
  19. **Credentialing Health Professionals** - DOH's credentialing workload experienced an increase in new applicants in FY 2009. This increase is expected to continue in existing and newly-regulated professions. Additional expenditure authority is provided to meet the demands of credentialing Washington's health professionals. (Health Professions Account-State)
  20. **Pain Management** - Funding is provided pursuant to Chapter 209, Laws of 2010, Partial Veto (ESHB 2876), which requires certain health boards and commissions to adopt rules regarding pain management. (Health Professions Account-State)

## Department of Health

21. **Health Professions Survey Study** - The Department was directed to discontinue its activities relating to collecting data regarding the health professions workforce. Funding is provided to support the development of a plan for the comprehensive and cost-effective collection of data related to the health professions workforce. The plan shall be submitted to the Governor and the Legislature by December 1, 2010. (Health Professions Account-State)
22. **Tracking Pseudoephedrine** - Funding is provided to implement Chapter 182, Laws of 2010 (E2SHB 2961), which establishes a statewide electronic tracking system for non-prescription sales of methamphetamine precursors.
23. **Washington Vaccine Association** - Funding is provided to implement Chapter 174, Laws of 2010 (2SHB 2551) which establishes the Washington Vaccine Association (WVA) to facilitate the purchase of childhood vaccines among health carriers and third party administrators. Members of the WVA pay assessments for the purchase of childhood vaccines that allow for Washington to maintain its status as a Universal Vaccine Purchase state. The Department has responsibilities to the board of the WVA, including providing data regarding program costs. (Universal Vaccine Purchase Account Non-Appropriated)
24. **Preventing Impaired Practice** - Additional expenditure authority is provided to keep pace with increased workload in the impaired physicians program. (Health Professions Account-State)
25. **Newborn Clinic Support** - The University of Washington (UW) Hospital clinic provides treatments for children with certain inheritable or metabolic disorders. In addition, Children's Hospital supports a sickle cell disease collaborative project with state support. The newborn screening fee collected to support specialty clinics for treatment services for children with congenital disorders is raised to provide additional support for the treatment services at the UW Hospital clinic and to continue the sickle cell collaborative. (General Fund-State, General Fund-Private/Local)
26. **Licensing Barriers to Nursing Care** - The number of nurses licensed in the last year has increased by 30 percent. To avoid delays in discipline that would result from continued practice by unsafe or unskilled providers, additional expenditure authority is provided to meet workload needs. (Health Professions Account-State)
27. **Poison Center Funding Transfer** - A portion of the Department's funding for the Washington Poison Center (WAPC) is transferred to the Medical Assistance program at the Department of Social and Health Services, which will disburse the funds to the WAPC and seek federal matching funds under the Children's Health Insurance Program. The WAPC provides statewide treatment advice and assistance in the case of exposure to poisonous, hazardous, or toxic substances.
28. **Reduce Oral Health Program** - Funding for the Department to support oral health programs at local health jurisdictions is reduced by 10 percent. Local health jurisdictions must manage the reductions to have the least impact on direct services to patients as possible. The Department will also reduce technical assistance to local health jurisdictions for oral health planning and access.
29. **Remove State Funding for Water Rec** - State funding is removed for DOH to provide technical assistance and plan review for water recreation facilities.
30. **Temporary Farmworker Housing** - State general fund appropriations are reduced and DOH is given authority to raise fees on regulation of temporary farmworker housing.
31. **Nitrates in Drinking Water** - DOH will provide \$400,000 to a willing local public entity to provide emergency water supplies or water treatment for households with individuals that are at high public health risk from nitrate-contaminated wells in the lower Yakima basin. DOH will contract the remaining funds with the Department of Ecology (DOE) to grant to agencies involved in improving groundwater quality in the lower Yakima Valley. These agencies will develop a local plan for improving water quality and reducing nitrate contamination. DOE will report to the appropriate committees of the Legislature and to the Office of Financial Management no later than December 1, 2010, summarizing progress towards developing and implementing this plan. (State Toxics Control Account-State)
32. **Nursing Assistants** - Funding is provided to the Department to implement the provisions in Chapter 169, Laws of 2010 (ESSB 6582), which creates an alternative credentialing process for nursing assistants. (Health Professions Account-State)
33. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
34. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Corrections

(Dollars in Thousands)

|  | NGF-S            | Other          | Total            |
|--|------------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,580,733</b> | <b>200,429</b> | <b>1,781,162</b> |
| <b>Total Maintenance Changes</b>             | <b>21,593</b>    | <b>-1,670</b>  | <b>19,923</b>    |
| <b>Policy Changes - Early Action Savings</b> |                  |                |                  |
| 1. Centralize Food Purchasing                | -445             | 0              | -445             |
| 2. Eliminate Duplicate Admin Positions       | -1,070           | 0              | -1,070           |
| 3. One-Time Underexpenditure Savings         | -900             | 0              | -900             |
| 4. Reduce Offsite Medical Costs              | -2,192           | 0              | -2,192           |
| 5. Reduce Assessment Staff in CCD            | -295             | 0              | -295             |
| 6. Federal/State Grant Funding               | -375             | -750           | -1,125           |
| 7. DOC Prisoner Health Care Transfer         | -1,478           | 0              | -1,478           |
| <b>Policy Changes - Early Action Savings</b> | <b>-6,755</b>    | <b>-750</b>    | <b>-7,505</b>    |
| <b>Policy Changes - Non-Comp</b>             |                  |                |                  |
| 8. Peninsula College Contract                | -400             | 0              | -400             |
| 9. Administrative Staff Reductions           | -392             | 0              | -392             |
| 10. Eliminate Purchasing Fees                | -366             | 0              | -366             |
| 11. Minimum Camp Capacity Reduction          | -944             | 0              | -944             |
| 12. Reduce Work Release Capacity             | -4,166           | 0              | -4,166           |
| 13. Parent Sentencing Alternative            | -225             | 0              | -225             |
| 14. Open Coyote Ridge Medium Units           | -1,658           | 0              | -1,658           |
| 15. Close Pine Lodge Corrections Center      | -7,202           | 0              | -7,202           |
| 16. Open Mission Creek Unit                  | 1,764            | 0              | 1,764            |
| 17. Restore Facility Closure Reduction       | 12,000           | 0              | 12,000           |
| 18. Larch Corrections Center                 | -3,037           | 0              | -3,037           |
| 19. McNeil Island Corrections Center         | -49,151          | 34,522         | -14,629          |
| 20. Neighborhood Partnership Officers        | 197              | 0              | 197              |
| 21. Youthful Offenders from JRA              | 73               | 0              | 73               |
| 22. Sex Offender Registration                | -1,041           | 0              | -1,041           |
| 23. Dept of Labor Settlement                 | 418              | 0              | 418              |
| 24. Closure Health Services Adjustment       | 1,203            | 0              | 1,203            |
| 25. L & I Rate Changes for Institutions      | -1,320           | 0              | -1,320           |
| <b>Policy -- Non-Comp Total</b>              | <b>-54,247</b>   | <b>34,522</b>  | <b>-19,725</b>   |
| <b>Policy Changes - Comp</b>                 |                  |                |                  |
| 26. Health Insurance Increase                | 9,209            | 5              | 9,214            |
| 27. Temporary Layoffs                        | -3,577           | -40            | -3,617           |
| <b>Policy -- Comp Total</b>                  | <b>5,632</b>     | <b>-35</b>     | <b>5,597</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>1,546,956</b> | <b>232,496</b> | <b>1,779,452</b> |
| Fiscal Year 2010 Total                       | -10,127          | -750           | -10,877          |
| Fiscal Year 2011 Total                       | -45,243          | 34,487         | -10,756          |

**Comments:**

1. **Centralize Food Purchasing** - Funding for food costs and food management positions is reduced due to increased collaboration between Department of Corrections (DOC) institutions and Correctional Industries and increased centralization of food purchasing.
2. **Eliminate Duplicate Admin Positions** - Funding is reduced to reflect elimination of vacant administrative staff positions related to re-entry and monitoring the number of out-of-state offenders. Offender re-entry services and monitoring of out-of-state offenders will not be affected by this reduction.
3. **One-Time Underexpenditure Savings** - Funding is reduced to account for one-time savings that the Department accrued at the beginning of FY 2010. These savings resulted from delays in the hiring and implementation for certain programs, including housing voucher staff, violator home monitoring staff, and health services staff.
4. **Reduce Offsite Medical Costs** - Funding is reduced to reflect the savings that will be achieved through increased federal payment participation in the Medicaid program for eligible inmates admitted into hospitals for inpatient services. The cost of providing inpatient services for Medicaid eligible residents of state correctional facilities is transferred from DOC to the Department of Social and Health Services (DSHS). This

## Department of Corrections

- creates savings in DOC because the state will now receive federal matching funds for these services.
5. **Reduce Assessment Staff in CCD** - The Department will eliminate the remainder of its assessment staff positions for the Community Corrections Offender Assessment Pilot program. This workload will be absorbed by Community Corrections Division (CCD) staff.
  6. **Federal/State Grant Funding** - Funding is reduced related to the federal Second Chance Act Reentry Demonstration Grant. State matching funds and federal fund expenditure authority were originally provided in the 2009-11 biennial budget; however, the Department did not receive this federal grant. (General Fund-State, General Fund-Federal)
  7. **DOC Prisoner Health Care Transfer** - The cost of providing inpatient services for Medicaid eligible residents of state correctional facilities is transferred from DOC to DSHS. This creates savings in DOC because the state will now receive federal matching funds for these services.
  8. **Peninsula College Contract** - The Department will reduce the contract with Peninsula College for staff training curriculum development. The remainder of the contract with Peninsula College, in the amount of \$1.2 million per biennium, is maintained.
  9. **Administrative Staff Reductions** - Funding is reduced to reflect savings related to reductions in administrative staff due to reduced prison population and community supervision caseload.
  10. **Eliminate Purchasing Fees** - The Department will contract for medical supplies and uniforms so that administrative purchasing fees paid to the Department of General Administration will no longer need to be paid.
  11. **Minimum Camp Capacity Reduction** - The Department will reduce operating capacity at the Cedar Creek Corrections Center from 500 to 480 offenders in order to achieve staff efficiencies and savings. Twenty offenders will be transferred to another minimum security facility.
  12. **Reduce Work Release Capacity** - Funding was received to finance the acquisition and construction of additional work release capacity. This funding is reduced as additional work release capacity is not needed this biennium.
  13. **Parent Sentencing Alternative** - Funding is reduced to reflect the creation of alternatives to incarceration for nonviolent offenders with minor children, pursuant to Chapter 224, Laws of 2010 (SSB 6639). The savings from this change are a reduction in the average daily population of 82 offenders allowing DOC to close a prison unit at a women's facility. Funding for community supervision is increased because of supplemental services that will be provided to offenders in lieu of a prison sentence. Caseload funding is increased for Medical Assistance in DSHS, and funding is provided to Children's Administration in DSHS for the costs of providing reports to courts on offenders being considered for the sentencing alternative.
  14. **Open Coyote Ridge Medium Units** - The final recommendations of the facilities closure study directed by section 130 of the the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. As part of the proposal, DOC will open units to maximize the capacity of Coyote Ridge Corrections Center in Connell.
  15. **Close Pine Lodge Corrections Center** - The final recommendations of the facilities closure study directed in the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. Funding is reduced to reflect closure of the Pine Lodge Corrections Center for Women in Medical Lake.
  16. **Open Mission Creek Unit** - The final recommendations of the facilities closure study directed in the the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. Funding is provided to open a unit at the Mission Creek Corrections Center for Women in Belfair.
  17. **Restore Facility Closure Reduction** - The final recommendations of the facilities closure study directed by section 130 of the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. The 2009-11 budget for DOC included a reduction of \$12 million for FY 2011 based on anticipated savings from implementation of a closure plan. Funding for this unspecified reduction is restored.
  18. **Larch Corrections Center** - The final recommendations of the facilities closure study directed in the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. Funding is reduced to reflect closure of one unit at the Larch Corrections Center in Yacolt.
  19. **McNeil Island Corrections Center** - The final recommendations of the facilities closure study directed in the 2009-11 budget were used as a base for developing a facilities closure implementation plan that generates savings through more efficient use of existing prison capacity. Funding is reduced to reflect the conversion of McNeil Island Corrections Center into a minimum security facility and will reduce the inmate population from 1,249 to 256 in the 2009-11 biennium. Funding from the State Efficiency and Reorganization Account is provided for one-time and transition costs associated with reducing the number of offenders, effectively recognizing these savings immediately. Repayment is anticipated to be made over

## Department of Corrections

eight years (from ongoing savings). (General Fund-State, State Efficiency and Restructuring Account-State)

20. **Neighborhood Partnership Officers** - Funding is provided for community corrections officers to work in partnership with local law enforcement officers to improve public safety and offender accountability.
21. **Youthful Offenders from JRA** - Juveniles who are scheduled to finish their sentence in a DOC facility are transferred from the Juvenile Rehabilitation Administration to DOC at the age of 18.
22. **Sex Offender Registration** - Savings are assumed to reflect the requirements of Chapter 267, Laws of 2010 (SSB 6414), which modifies the terms of supervision for sex offenders upon release from prison.
23. **Dept of Labor Settlement** - Funding is provided to implement the settlement of the lawsuit, Hilda Solis, Secretary of Labor, United State Department of Labor v. State of Washington, Department of Corrections, United States District Court, Western District of Washington, Cause No. C08-cv-05362-RJB.
24. **Closure Health Services Adjustment** - Funding is provided for health services costs at Monroe Correctional Complex and the Washington State Penitentiary associated with facility closure and consolidation.
25. **L & I Rate Changes for Institutions** - Agencies are required to find sufficient efficiencies in their operations to cover any increased worker's compensation costs paid to the Department of Labor and Industries (L&I) needed to allow them to perform their mission.
26. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
27. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

# Department of Corrections

## WORKLOAD HISTORY By Fiscal Year

|  | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | Estimated |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|
|  |        |        |        |        |        |        |        |        | 2010      | 2011   |
| <b>Community Supervision</b> <sup>(1)(2)</sup>   |        |        |        |        |        |        |        |        |           |        |
| # Active (Non-Monetary) Offenders                | 33,831 | 36,765 | 32,685 | 29,190 | 26,466 | 27,057 | 28,212 | 28,894 | 19,773    | 19,840 |
| % Change from prior year                         |        | 8.7%   | -11.1% | -10.7% | -9.3%  | 2.2%   | 4.3%   | 2.4%   | -31.6%    | 0.3%   |
| <b>Work Release</b>                              |        |        |        |        |        |        |        |        |           |        |
| Avg Daily Population/Month                       | 654    | 642    | 675    | 657    | 684    | 663    | 674    | 674    | 674       | 674    |
| % Change from prior year                         |        | -1.8%  | 5.1%   | -2.7%  | 4.1%   | -3.1%  | 1.7%   | 0.0%   | 0.0%      | 0.0%   |
| <b>Institutions</b> <sup>(3)</sup>               |        |        |        |        |        |        |        |        |           |        |
| Avg Daily Population/Month                       | 14,808 | 15,702 | 16,061 | 16,732 | 17,144 | 17,747 | 17,714 | 17,844 | 17,582    | 17,179 |
| % Change from prior year                         |        | 6.0%   | 2.3%   | 4.2%   | 2.5%   | 3.5%   | -0.2%  | 0.7%   | -1.5%     | -2.3%  |
| <b>Average Cost Per Inmate</b> <sup>(4)(5)</sup> |        |        |        |        |        |        |        |        |           |        |
| Annual   | 25,447 | 25,924 | 26,736 | 27,193 | 29,055 | 31,071 | 35,611 | 36,756 | 34,787    | 34,239 |
| % Change from prior year                         |        | 1.9%   | 3.1%   | 1.7%   | 6.8%   | 6.9%   | 14.6%  | 3.2%   | -5.4%     | -1.6%  |

<sup>(1)</sup> 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.

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

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

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

<sup>(5)</sup> 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)

|  | NGF-S        | Other         | Total         |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>5,094</b> | <b>20,011</b> | <b>25,105</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>12</b>     | <b>12</b>     |
| <b>Policy Changes - Non-Comp</b>       |              |               |               |
| 1. Administrative Reduction            | -100         | -11           | -111          |
| 2. Increased Federal Revenue           | -81          | 81            | 0             |
| <b>Policy -- Non-Comp Total</b>        | <b>-181</b>  | <b>70</b>     | <b>-111</b>   |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 3. Health Insurance Increase           | 19           | 63            | 82            |
| 4. Temporary Layoffs                   | -38          | -145          | -183          |
| <b>Policy -- Comp Total</b>            | <b>-19</b>   | <b>-82</b>    | <b>-101</b>   |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>4,894</b> | <b>20,011</b> | <b>24,905</b> |
| Fiscal Year 2010 Total                 | -40          | 40            | 0             |
| Fiscal Year 2011 Total                 | -160         | -52           | -212          |

**Comments:**

1. **Administrative Reduction** - The Department of Services for the Blind will continue to implement administrative efficiency measures such as holding vacant positions open and reducing travel, equipment replacement, and personal services contracts. (General Fund-State, General Fund-Federal)
2. **Increased Federal Revenue** - Increased Social Security Administration reimbursements for clients who have successfully gained employment will offset state funding. (General Fund-State, General Fund-Federal)
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

### Sentencing Guidelines Commission

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b>       | <b>1,954</b> | <b>0</b> | <b>1,954</b> |
| <b>Policy Changes - Early Action Savings</b> |              |          |              |
| 1. Administrative Reductions                 | -32          | 0        | -32          |
| <b>Policy Changes - Early Action Savings</b> | <b>-32</b>   | <b>0</b> | <b>-32</b>   |
| <b>Policy Changes - Comp</b>                 |              |          |              |
| 2. Health Insurance Increase                 | 10           | 0        | 10           |
| 3. Temporary Layoffs                         | -22          | 0        | -22          |
| <b>Policy -- Comp Total</b>                  | <b>-12</b>   | <b>0</b> | <b>-12</b>   |
| <hr/>  |              |          |              |
| <b>2009-11 Revised Appropriations</b>        | <b>1,910</b> | <b>0</b> | <b>1,910</b> |
| Fiscal Year 2010 Total                       | -16          | 0        | -16          |
| Fiscal Year 2011 Total                       | -28          | 0        | -28          |

**Comments:**

1. **Administrative Reductions** - Funding is reduced to reflect a reduction in administrative staff.
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Employment Security Department

(Dollars in Thousands)

|  | NGF-S        | Other          | Total          |
|--|--------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>7,107</b> | <b>724,778</b> | <b>731,885</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>30,986</b>  | <b>30,986</b>  |
| <b>Policy Changes - Non-Comp</b>       |              |                |                |
| 1. Tax Administration                  | 0            | 444            | 444            |
| 2. State Labor Information Improvement | 0            | 1,061          | 1,061          |
| 3. Underground Economy                 | 0            | 232            | 232            |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b>     | <b>1,737</b>   | <b>1,737</b>   |
| <b>Policy Changes - Comp</b>           |              |                |                |
| 4. Health Insurance Increase           | 0            | 1,949          | 1,949          |
| 5. Temporary Layoffs                   | 0            | -815           | -815           |
| <b>Policy -- Comp Total</b>            | <b>0</b>     | <b>1,134</b>   | <b>1,134</b>   |
| <hr/>                                  |              |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>7,107</b> | <b>758,635</b> | <b>765,742</b> |
| Fiscal Year 2010 Total                 | 0            | 431            | 431            |
| Fiscal Year 2011 Total                 | 0            | 2,440          | 2,440          |

**Comments:**

1. **Tax Administration** - Funding is provided to implement Chapter 72, Laws of 2010 (SSB 6524). This bill makes changes in the delinquency unemployment insurance tax rate and the penalty for knowingly failing to register. (Unemployment Compensation Administration Account-Federal)
  
2. **State Labor Information Improvement** - The Department will use State Labor Market Information Improvement Grant dollars provided under the American Recovery and Reinvestment Act (ARRA) to combine green jobs data with existing workforce information in order to create tools and reports to assist job seekers and job counselors in transitioning claimants into green jobs. (General Fund-Federal)
  
3. **Underground Economy** - Funding is provided for Chapter 22, Laws of 2010 (SHB 2789). This bill authorizes issuance of third-party subpoenas for purposes of agency investigations. (Unemployment Compensation Administration Account-Federal)
  
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**Home Care Quality Authority**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>2,450</b>  | <b>0</b>     | <b>2,450</b>  |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Eliminate Home Care Quality Auth    | -1,221        | 0            | -1,221        |
| <b>Policy -- Non-Comp Total</b>        | <b>-1,221</b> | <b>0</b>     | <b>-1,221</b> |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>1,229</b>  | <b>0</b>     | <b>1,229</b>  |
| Fiscal Year 2011 Total                 | -1,221        | 0            | -1,221        |

**Comments:**

- 1. Eliminate Home Care Quality Auth** - The Home Care Quality Authority is eliminated.

# Natural Resources

## Water Resources and Watershed Protection

### **Puget Sound Cleanup and Restoration**

Approximately \$7.9 million in state and federal funds are provided for cleanup and restoration activities benefiting Puget Sound, including \$640,000 of state funds to complete remedial investigation of the Whitmarsh Landfill, located in the tidelands of Padilla Bay, and to repair erosion of a sediment cap in Commencement Bay.

A total of \$7.3 million in federal funds will be used for derelict vessel and creosote removal, invasive species control, stormwater management, habitat restoration projects, and to monitor aquatic reserves. In addition, \$2.2 million of these funds will be passed through to local watershed projects and to conduct environmental monitoring and scientific modeling.

The capital budget also invests approximately \$123 million for projects that will benefit Puget Sound. See the Omnibus Capital Budget section for more information.

### **Emergency Drought Response**

Due to mild winter conditions, there is potential for drought conditions in certain areas of the state. As a result, a total of \$4.2 million is provided for emergency drought response to address potential needs for assistance to Eastern Washington in the event that the Governor declares an emergency.

If necessary, the funds will be used for a number of projects, including drinking water supply improvements, purchasing or leasing water rights for use during a drought, and augmenting streamflows for protection of endangered fish species.

### **Water Resource Management**

The Department of Ecology (DOE) administers the water pollution control revolving loan program that helps local governments improve and protect water quality through high-priority, wastewater treatment facility projects. As a result of additional federal stimulus funds received by the state, a total of \$360,000 in state funds are provided for the additional staff needed to provide oversight and management of these funds consistent with federal guidelines.

The Legislature also enacted Chapter 285, Laws of 2010, Partial Veto (E2SSB 6267), which created a new, expedited process for water right applications. This allows DOE to recover the costs associated with processing expedited applications, which will assist DOE in reducing the backlog of water right applicants.

### **Savings**

Approximately \$581,000 in state near general fund savings are achieved by: reducing water resource data collection and streamflow measurement and management activities; reducing activities that support wetland mitigation, including follow-up compliance and technical assistance; and reducing the Puget Sound Partnership's (PSP's) education and outreach efforts.

## **Environmental Protection**

### **Pollution Mitigation and Abatement**

Approximately \$979,000 in state funds are provided to the Department of Ecology (DOE) for mitigation and abatement of air and land pollution, including \$100,000 to implement clean air strategies in Pierce County. The federal Environmental Protection Agency recently tightened air quality standards, which resulted in Pierce County becoming out of compliance with the federal Clean Air Act. These funds will identify and implement clean air strategies to improve air quality in the county and allow Pierce County to become compliant under the new regulations.

A total of \$650,000 is provided for expert witness fees and other legal fees associated with a court case concerning a toxic cleanup site on the Upper Columbia River. A portion of the upper Columbia River in Eastern Washington has been contaminated by metal and other pollutants from the Teck-Cominco smelter complex in British Columbia. The state is a co-plaintiff with the Confederated Tribes of the Colville Reservation; the trial is scheduled to begin in October 2010.

The Legislature also enacted Chapter 130, Laws of 2010 (ESSB 5543), which requires all producers who sell mercury-containing lights in the state to pay an annual fee to implement a product stewardship program for collection and disposal of mercury-containing lights. This new recycling program will begin January 1, 2013.

### **Savings**

Approximately \$120,000 in savings is achieved in DOE by reducing spending for the Woodstove Education and Enforcement Program and for laboratory analysis and data collection activities used to identify and control pollution sources. An additional \$2.0 million in state funds is transferred from the Waste Reduction and Recycling Account to the state general fund by reducing litter pick-up activities throughout the state. Remaining funding will be dedicated to litter pick-up along interstate highways with a focus on maximizing the use of correctional crews.

## **Land and Species Management**

### **Land Management**

Approximately \$9.6 million in state and federal funds is provided for various activities that facilitate management of state lands. A total of \$1.5 million in state funds is provided to replace lost federal funds to continue the adaptive management program within the Forest Practices Division of the Department of Natural Resources (DNR). The adaptive management program is a required component of the state's Forest Practices Habitat Conservation Plan that enables the Forest Practices Board to determine if and when it is necessary to adjust the forest practices rules and guidance.

A total of \$6.7 million of expenditure authority is provided to the Department of Agriculture (Agriculture) for grants received from the federal government. These funds will be utilized to protect food safety, support organic agriculture and specialty crops, detect sudden oak death, and to remove Spartina, an invasive aquatic weed.

### **Fire Suppression**

A total of \$11.7 million of general funds is provided for one-time costs incurred by DNR and the Department of Fish and Wildlife (DFW) during the 2009 wildfire season. In addition, 50 percent of the helicopter fleet budget (\$986,000) is shifted to the Forest Fire Protection Assessment Account, which will produce savings to the general fund in future fiscal years as only half of the costs will be recovered via the emergency fire suppression budget appropriations, resulting in a sharing of these fire protection costs between the general fund and the Forest Fire Protection Assessment Account.

## **Savings**

Approximately \$3.3 million in state funds are saved by reducing land and species management activities, including the following:

- State Parks and Recreation Commission: Reducing interpretive and forestry staff, maintenance and operating staff, long-range park planning, using temporary Park Ranger positions during the high-use seasons, and transferring Wenberg State Park to Snohomish County and Lake Osoyoos State Park to the city of Oroville. (\$1.6 million)
- State Conservation Commission: Reducing funding and technical assistance to conservation districts and reducing audits conducted by the Commission of the districts. (\$561,000)
- Department of Fish and Wildlife: Reducing outreach and education, wildlife disease monitoring and winter feeding, wildlife area management planning, scientific studies and technical assistance, and by using local partnerships to fund the McKernan and Mayr Brothers fish hatcheries. (\$1.1 million)

## **Emergency Food Programs**

Pursuant to Chapter 68, Laws of 2010 (SSB 6341), the Temporary Emergency Food Assistance Program and the Commodity Supplemental Food Program in the Department of General Administration and the Emergency Food Assistance Program in the Department of Commerce are transferred to the Department of Agriculture. This transfer takes place on July 1, 2010.

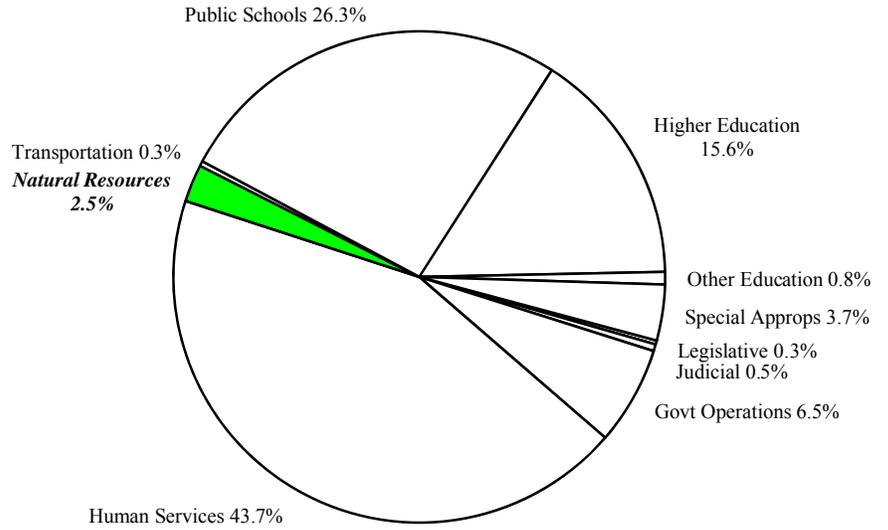
## **General Reductions and Efficiencies**

Approximately \$20.9 million in additional state near general fund savings are achieved by general administrative reductions and efficiencies including:

- One-time shifts of various activities, including water pollution, parks maintenance and operation, fish program costs, and the Natural Heritage Program from the general fund to other state accounts to utilize available fund balances (\$16.5 million);
- Administrative reductions in DOE, State Parks, DFW, PSP, and DNR, including reducing the general fund subsidy of certain fees and recovery of savings as a result of reductions made in the 2009-11 biennial operating budget (\$3.8 million);
- Shifting the costs of pesticide testing in Agriculture from the general fund to the State Toxics Control Account (\$416,000); and
- Consolidating the Growth Management Hearings Board and the Environmental Hearings Office into the newly-created Environmental and Land Use Hearings Office as a result of enactment of Chapter 210, Laws of 2010 (SHB 2935); consolidating the back-office functions of the PSP and the Recreation and Conservation Office; and increasing the use of the Small Agency Consortium (\$184,000).

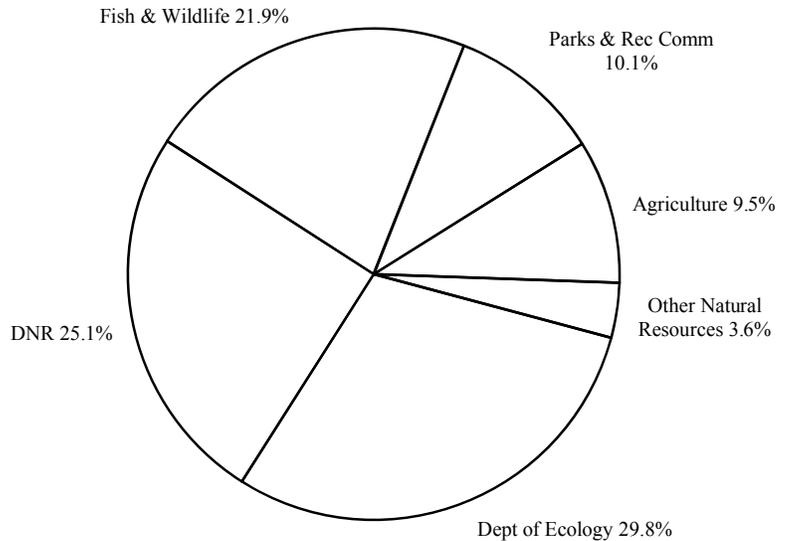
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                          |                   |
|--------------------------|-------------------|
| Legislative              | 158,277           |
| Judicial                 | 273,554           |
| Governmental Operations  | 3,921,845         |
| Human Services           | 26,450,440        |
| <b>Natural Resources</b> | <b>1,494,562</b>  |
| Transportation           | 195,202           |
| Public Schools           | 15,909,596        |
| Higher Education         | 9,453,410         |
| Other Education          | 496,323           |
| Special Appropriations   | 2,229,691         |
| <b>Statewide Total</b>   | <b>60,582,900</b> |



**Washington State**

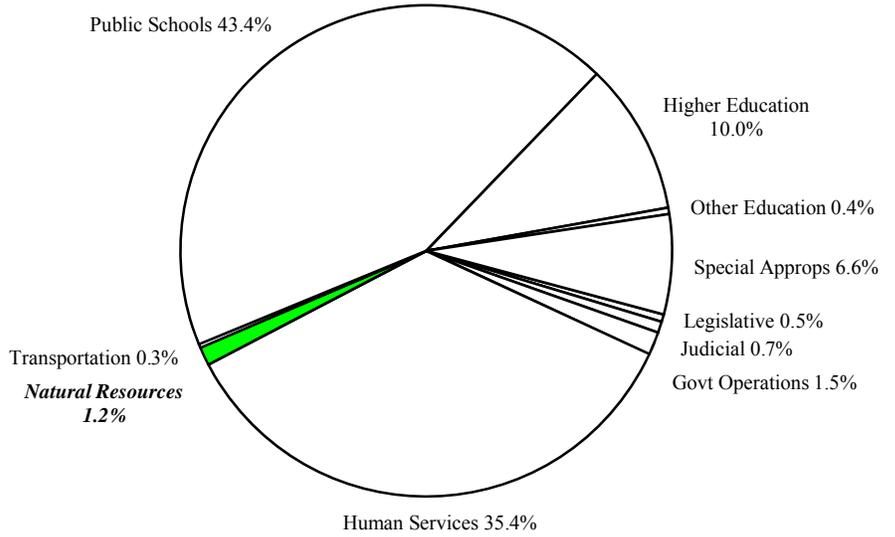
|                           |                  |
|---------------------------|------------------|
| Dept of Ecology           | 446,022          |
| Dept of Natural Resources | 375,203          |
| Dept of Fish & Wildlife   | 326,828          |
| Parks & Recreation Comm   | 151,172          |
| Dept of Agriculture       | 141,354          |
| Other Natural Resources   | 53,983           |
| <b>Natural Resources</b>  | <b>1,494,562</b> |



**Natural Resources**

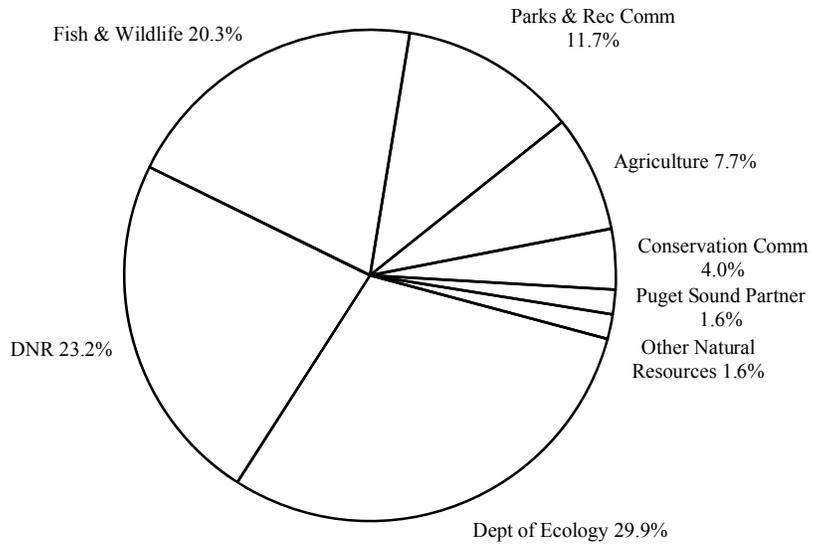
**2009-11 Washington State Omnibus Operating Budget**  
**Including 2010 Supplemental**  
**Near General Fund-State**  
(Dollars in Thousands)

|                          |                   |
|--------------------------|-------------------|
| Legislative              | 153,900           |
| Judicial                 | 228,493           |
| Governmental Operations  | 464,535           |
| Human Services           | 10,976,045        |
| <b>Natural Resources</b> | <b>372,107</b>    |
| Transportation           | 77,996            |
| Public Schools           | 13,442,302        |
| Higher Education         | 3,094,912         |
| Other Education          | 125,446           |
| Special Appropriations   | 2,035,286         |
| <b>Statewide Total</b>   | <b>30,971,022</b> |



**Washington State**

|                           |                |
|---------------------------|----------------|
| Dept of Ecology           | 111,277        |
| Dept of Natural Resources | 86,335         |
| Dept of Fish & Wildlife   | 75,600         |
| Parks & Recreation Comm   | 43,487         |
| Dept of Agriculture       | 28,539         |
| Conservation Commission   | 14,803         |
| Puget Sound Partner       | 6,007          |
| Other Natural Resources   | 6,059          |
| <b>Natural Resources</b>  | <b>372,107</b> |



**Natural Resources**

## Columbia River Gorge Commission

(Dollars in Thousands)

|  | NGF-S      | Other      | Total        |
|--|------------|------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>886</b> | <b>894</b> | <b>1,780</b> |
| <b>Policy Changes - Non-Comp</b>       |            |            |              |
| 1. Staffing Reduction                  | 0          | -14        | -14          |
| <b>Policy -- Non-Comp Total</b>        | <b>0</b>   | <b>-14</b> | <b>-14</b>   |
| <b>Policy Changes - Comp</b>           |            |            |              |
| 2. Health Insurance Increase           | 5          | 5          | 10           |
| 3. Temporary Layoffs                   | -10        | -10        | -20          |
| <b>Policy -- Comp Total</b>            | <b>-5</b>  | <b>-5</b>  | <b>-10</b>   |
| <hr/>                                  |            |            |              |
| <b>2009-11 Revised Appropriations</b>  | <b>881</b> | <b>875</b> | <b>1,756</b> |
| Fiscal Year 2010 Total                 | 0          | -7         | -7           |
| Fiscal Year 2011 Total                 | -5         | -12        | -17          |

**Comments:**

1. **Staffing Reduction** - Funding and FTE staff are reduced on an ongoing basis to reflect reductions in legal and administrative staff. (General Fund-Private/Local)
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Ecology**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>118,356</b> | <b>327,271</b> | <b>445,627</b> |
| <b>Total Maintenance Changes</b>             | <b>-170</b>    | <b>-216</b>    | <b>-386</b>    |
| <b>Policy Changes - Early Action Savings</b> |                |                |                |
| 1. Manage Administration Vacancies           | -318           | 0              | -318           |
| <b>Policy Changes - Early Action Savings</b> | <b>-318</b>    | <b>0</b>       | <b>-318</b>    |
| <b>Policy Changes - Non-Comp</b>             |                |                |                |
| 2. Reduce Litter Pickup                      | 0              | -2,039         | -2,039         |
| 3. Five Percent Admin Reduction              | -370           | -817           | -1,187         |
| 4. Eliminate Advisory Groups                 | 0              | -8             | -8             |
| 5. Teck Cominco Litigation                   | 0              | 650            | 650            |
| 6. Meeting New Federal Air Standards         | 0              | 109            | 109            |
| 7. Biosolids                                 | 0              | 400            | 400            |
| 8. Managing Clean Water Loans                | 0              | 360            | 360            |
| 9. NW Interstate Compact Litigation          | 0              | 220            | 220            |
| 10. Electronic Product Recycling             | 0              | 273            | 273            |
| 11. Emergency Drought Response               | 0              | 4,240          | 4,240          |
| 12. Woodstove Ed & Enforcement Reduct        | -50            | 0              | -50            |
| 13. Reduce Water Resource Data Collect       | -264           | 0              | -264           |
| 14. Reduce Wetland Mitigation                | -64            | 0              | -64            |
| 15. Reduce Environmental Studies             | -71            | 0              | -71            |
| 16. Pollution Activities Fund Shift          | -5,017         | 5,017          | 0              |
| 17. Reduce GF-S Subsidy of Fees              | -68            | 68             | 0              |
| 18. Water Right Processing                   | 0              | 68             | 68             |
| 19. Mercury-Containing Lights                | 0              | 42             | 42             |
| <b>Policy -- Non-Comp Total</b>              | <b>-5,904</b>  | <b>8,583</b>   | <b>2,679</b>   |
| <b>Policy Changes - Comp</b>                 |                |                |                |
| 20. Health Insurance Increase                | 574            | 1,048          | 1,622          |
| 21. Temporary Layoffs                        | -1,261         | -1,941         | -3,202         |
| <b>Policy -- Comp Total</b>                  | <b>-687</b>    | <b>-893</b>    | <b>-1,580</b>  |
| <b>2009-11 Revised Appropriations</b>        | <b>111,277</b> | <b>334,745</b> | <b>446,022</b> |
| Fiscal Year 2010 Total                       | -1,529         | 250            | -1,279         |
| Fiscal Year 2011 Total                       | -5,380         | 7,440          | 2,060          |

**Comments:**

- 1. Manage Administration Vacancies** - General Fund-State savings are achieved through vacancy management in the Administration Program.
- 2. Reduce Litter Pickup** - Funding and FTE staffing are reduced on a one-time basis for litter pickup activities managed by the Department of Ecology (DOE), other state agencies, and local governments. This also includes a reduction in associated administrative funding. Remaining litter pickup funding of \$1.0 million is dedicated to litter pickup along interstate highways, with a focus on maximizing the use of correctional crews. (Waste Reduction, Recycling, and Litter Control Account-State)
- 3. Five Percent Admin Reduction** - DOE will effect an ongoing 5 percent reduction in administrative expenditures. (General Fund-State, General Fund-Federal, various other accounts)
- 4. Eliminate Advisory Groups** - Funding is reduced pursuant to Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617), which eliminates the State Solid Waste Advisory Committee. (State Toxics Account-State)
- 5. Teck Cominco Litigation** - One-time funding is provided for Attorney General services and expert-witness costs associated with the Pakootas et al. v. Teck Cominco, Ltd., case concerning a toxic cleanup site on the upper Columbia River. DOE and the Confederated Tribes of the Colville Reservation are co-plaintiffs in this litigation, which addresses the liability, under federal cleanup law, of a smelter complex located in British Columbia, Canada, for cleanup and natural resource restoration costs at the site. (State Toxics Control Account-State)
- 6. Meeting New Federal Air Standards** - In October 2009, federal regulators declared areas of Pierce County to be in violation of federal clean air standards for fine particle

## Department of Ecology

- pollution, such as smoke and soot that present public health risks. The area has until 2012 to develop a pollution reduction plan and must meet the clean air standards by 2014 or face federal sanctions and penalties. Funding is provided through 2013 to analyze, identify, and implement clean air strategies designed to return Pierce County to compliance with federal Clean Air Act standards. (Air Pollution Control Account-State)
7. **Biosolids** - The state Biosolids Program provides oversight, permitting, and assistance for sewage treatment plants and other facilities that generate, treat, and use biosolids. State law requires the program that regulates these facilities to be fully supported by fees. The 2009 Legislature approved an administrative fee increase to cover anticipated costs. Expenditure authority is increased to allow the agency to spend the additional revenue from this fee increase for activities such as permitting, inspections, and technical assistance. (Biosolids Permit Account-State)
  8. **Managing Clean Water Loans** - DOE operates the Washington State Water Pollution Control Revolving Fund Loan Program. This program provides low-interest loans to local governments for high-priority, wastewater treatment facility projects. The competitive process by which loans are awarded, as well as ongoing oversight of loans, are funded in the operating budget and the dollars to be loaned are funded in the capital budget. Increased federal funding, plus increased loan repayments, have resulted in an increase in funds available to be loaned. Funding and FTE staff are provided to manage these additional capital dollars consistent with federal guidelines for loan administration and oversight. (Water Pollution Control Revolving Account-State, Water Pollution Control Revolving Account-Federal)
  9. **NW Interstate Compact Litigation** - Washington is a member of the Northwest Interstate Compact (NWIC) on Low-Level Radioactive Waste Management. As the host state of a facility where regional generators located in eight member states can send low-level radioactive waste for disposal, Washington receives permit fee revenue to support NWIC operations, including providing legal counsel. The NWIC is defending itself against a lawsuit filed by a site operator in another member state. The case is going to appeal and is expected to last up to two years. One-time funding is provided for legal defense costs associated with this lawsuit. (Site Closure Account-State)
  10. **Electronic Product Recycling** - Washington State law requires manufacturers of televisions and computers, through the Washington Materials Management and Financing Authority, to provide recycling services to consumers free of charge. The 2009-11 operating budget authorized DOE to raise manufacturer fees to fully cover its regulatory oversight of this electronic products recycling process. Expenditure authority and FTE staff are increased to match expected fee revenue. (Electronic Products Recycling Account-Non-Appropriated)
  11. **Emergency Drought Response** - One-time funding is provided for emergency drought response to address potential needs for assistance to Eastern Washington in the event that the Governor declares an emergency. (State Drought Preparedness Account-State, State Emergency Water Projects Revolving Account-State)
  12. **Woodstove Ed & Enforcement Reduct** - The Woodstove Education and Enforcement Program (WEEP) under the Department's Air Quality Program is supported by a one-time purchase fee of \$30 assessed to consumers on the purchase of a woodstove, fireplace, or other solid fuel burning device. The WEEP is 65 percent subsidized by the state general fund. The WEEP's state general fund budget is reduced by \$50,000 in FY 2011.
  13. **Reduce Water Resource Data Collect** - Funding from the general fund is reduced by 2.5 percent for water resource data collection and stream flow measurement and management activities.
  14. **Reduce Wetland Mitigation** - Funding from the general fund is reduced for activities that support wetland mitigation, including follow-up compliance and technical assistance.
  15. **Reduce Environmental Studies** - Funding from the general fund is reduced by 2.5 percent for laboratory analysis and data collection activities that help to identify and control pollution sources.
  16. **Pollution Activities Fund Shift** - The general fund portion of activities that support cleaning up polluted waters, controlling stormwater pollution, and preventing point source and non-point source pollution is shifted, on a one-time basis, to the State Toxics Control Account. (General Fund-State, State Toxics Control Account-State)
  17. **Reduce GF-S Subsidy of Fees** - The general fund subsidy of the biosolids permit fee is eliminated in FY 2011. (General Fund-State, Biosolids Permit Account-State)
  18. **Water Right Processing** - Funding is provided to implement Chapter 285, Laws of 2010, Partial Veto (E2SSB 6267), that creates a new, expedited process for the Department to pursue in reducing the backlog of applicants. Applicants who choose to participate in the expedited process will be required to pay a processing fee which will be dependent on the amount of water being requested for use. Revenues collected from these fees will be deposited into the newly-created Water Rights Processing Account. (Water Rights Processing Account-State)
  19. **Mercury-Containing Lights** - Funds are provided to implement the product stewardship program for collection and disposal of mercury-containing lights pursuant to Chapter 130, Laws of 2010 (ESSB 5543). All producers who sell mercury-containing lights in the state will be required to participate in the program and must pay an annual fee to cover the costs of the program. DOE will submit a report on the status of the program and any recommendations for changes to the

**Department of Ecology**

Legislature by December 31, 2013. (Product Stewardship Programs Account-Non-Appropriated)

20. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
21. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**State Parks and Recreation Commission**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u>   | <u>Total</u>   |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>46,485</b> | <b>105,496</b> | <b>151,981</b> |
| <b>Total Maintenance Changes</b>             | <b>12</b>     | <b>0</b>       | <b>12</b>      |
| <b>Policy Changes - Early Action Savings</b> |               |                |                |
| 1. Wenberg State Park Transfer               | -430          | 0              | -430           |
| <b>Policy Changes - Early Action Savings</b> | <b>-430</b>   | <b>0</b>       | <b>-430</b>    |
| <b>Policy Changes - Non-Comp</b>             |               |                |                |
| 2. Administrative Staff Reduction            | -312          | 0              | -312           |
| 3. Reduce Interpretive Staff                 | -226          | 0              | -226           |
| 4. Transfer Parks to Local Owners            | -186          | 0              | -186           |
| 5. Fill Positions with Temp Rangers          | -500          | 0              | -500           |
| 6. Fund Shift to PRSA                        | -1,200        | 1,200          | 0              |
| 7. Staffing Reduction                        | -289          | 0              | -289           |
| 8. Reduce Forestry Activities                | -164          | 0              | -164           |
| 9. Reduce Park Planning                      | -124          | 0              | -124           |
| 10. Recreational Boating Federal Funds       | 0             | 1,000          | 1,000          |
| <b>Policy -- Non-Comp Total</b>              | <b>-3,001</b> | <b>2,200</b>   | <b>-801</b>    |
| <b>Policy Changes - Comp</b>                 |               |                |                |
| 11. Health Insurance Increase                | 603           | 44             | 647            |
| 12. Temporary Layoffs                        | -182          | -55            | -237           |
| <b>Policy -- Comp Total</b>                  | <b>421</b>    | <b>-11</b>     | <b>410</b>     |
| <hr/>  |               |                |                |
| <b>2009-11 Revised Appropriations</b>        | <b>43,487</b> | <b>107,685</b> | <b>151,172</b> |
| Fiscal Year 2010 Total                       | -371          | 0              | -371           |
| Fiscal Year 2011 Total                       | -2,639        | 2,189          | -450           |

**Comments:**

- |  |  |
|--|--|
| <p>1. <b>Wenberg State Park Transfer</b> - Funding and staff are reduced to reflect the permanent transfer of Wenberg State Park to Snohomish County in July 2009.</p> <p>2. <b>Administrative Staff Reduction</b> - Two communications staff, one fiscal staff, and one contract specialist position will be eliminated. (General Fund-State)</p> <p>3. <b>Reduce Interpretive Staff</b> - Funding is reduced for interpretive staff in state parks that do not have formal interpretive centers. This reduction does not apply to staff associated with formal interpretive centers, such as the Lewis and Clark Interpretive Center, Mt. St. Helens Interpretive Center at Silver Lake, and Sacagawea Interpretive Center.</p> <p>4. <b>Transfer Parks to Local Owners</b> - State funding is reduced to reflect that Osoyoos Lake State Park is transferring to local ownership.</p> <p>5. <b>Fill Positions with Temp Rangers</b> - Temporary park rangers instead of full-time rangers will be hired for four months in FY 2011 during the high-use season.</p> <p>6. <b>Fund Shift to PRSA</b> - The Parks Renewal and Stewardship Account (PRSA) ended FY 2009 with a higher fund balance than anticipated. On a one-time basis, \$1.2 million of this</p> | <p>balance is used to replace General Fund-State resources. (General Fund-State, Parks Renewal and Stewardship Account-State)</p> <p>7. <b>Staffing Reduction</b> - General fund expenditures are reduced by 1.5 percent for maintenance and operations staffing.</p> <p>8. <b>Reduce Forestry Activities</b> - To achieve general fund savings, one forester position will be eliminated.</p> <p>9. <b>Reduce Park Planning</b> - Funding for long-range park planning is reduced.</p> <p>10. <b>Recreational Boating Federal Funds</b> - State Parks operates a \$6 million recreational boating program that includes providing boating safety grants to local law enforcement for conducting on-the-water patrols, enforcement, vessel safety inspections, and boating safety educational activities. Federal expenditure authority is increased on a one-time basis to allow State Parks to spend additional federal funding available for these purposes during the 2009-11 biennium. (General Fund-Federal)</p> <p>11. <b>Health Insurance Increase</b> - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)</p> |
|--|--|

## State Parks and Recreation Commission

12. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Recreation and Conservation Funding Board

(Dollars in Thousands)

|  | NGF-S        | Other         | Total         |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>3,069</b> | <b>15,138</b> | <b>18,207</b> |
| <b>Policy Changes - Non-Comp</b>       |              |               |               |
| 1. Small Agency Consortium             | -26          | -118          | -144          |
| 2. Recover Vacancy Savings             | -49          | 0             | -49           |
| 3. Implement SACS Directive            | -7           | -30           | -37           |
| <b>Policy -- Non-Comp Total</b>        | <b>-82</b>   | <b>-148</b>   | <b>-230</b>   |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 4. Health Insurance Increase           | 5            | 14            | 19            |
| 5. Temporary Layoffs                   | -26          | -83           | -109          |
| <b>Policy -- Comp Total</b>            | <b>-21</b>   | <b>-69</b>    | <b>-90</b>    |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>2,966</b> | <b>14,921</b> | <b>17,887</b> |
| Fiscal Year 2010 Total                 | -25          | 0             | -25           |
| Fiscal Year 2011 Total                 | -78          | -217          | -295          |

**Comments:**

1. **Small Agency Consortium** - The Puget Sound Partnership and the Recreation and Conservation Office will combine some administrative functions to improve efficiency. Information technology, web support, human resources, board support, and invasive species staff will be considered for consolidation. Funding for two staff positions is eliminated beginning in FY 2011. (General Fund-State, General Fund-Federal, Recreation Resources Account-State, NOVA Program Account-State)
  
2. **Recover Vacancy Savings** - Funding is reduced for vacant staff positions.
  
3. **Implement SACS Directive** - The Recreation and Conservation Office will use the Office of Financial Management's Small Agency Client Services (SACS) to provide centralized accounting, payroll, and budgeting services. (General Fund-State, General Fund-Federal, various other accounts)
  
4. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
5. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Environmental Hearings Office

(Dollars in Thousands)

|  | NGF-S        | Other    | Total        |
|--|--------------|----------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>2,153</b> | <b>0</b> | <b>2,153</b> |
| <b>Total Maintenance Changes</b>       | <b>64</b>    | <b>0</b> | <b>64</b>    |
| <b>Policy Changes - Non-Comp</b>       |              |          |              |
| 1. Reduced Staffing                    | -34          | 0        | -34          |
| 2. Tenant Improvements                 | 46           | 0        | 46           |
| <b>Policy -- Non-Comp Total</b>        | <b>12</b>    | <b>0</b> | <b>12</b>    |
| <b>Policy Changes - Comp</b>           |              |          |              |
| 3. Health Insurance Increase           | 10           | 0        | 10           |
| 4. Temporary Layoffs                   | -27          | 0        | -27          |
| <b>Policy -- Comp Total</b>            | <b>-17</b>   | <b>0</b> | <b>-17</b>   |
| <hr/>                                  |              |          |              |
| <b>2009-11 Revised Appropriations</b>  | <b>2,212</b> | <b>0</b> | <b>2,212</b> |
| Fiscal Year 2010 Total                 | 29           | 0        | 29           |
| Fiscal Year 2011 Total                 | -34          | 0        | -34          |

**Comments:**

1. **Reduced Staffing** - Funding is reduced to reflect savings for a vacant administrative law judge position.
2. **Tenant Improvements** - One-time funding of \$46,000 is provided in FY 2010 for tenant improvement costs associated with the agency relocating to a facility in Tumwater.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**State Conservation Commission**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b>       | <b>15,399</b> | <b>1,179</b> | <b>16,578</b> |
| <b>Policy Changes - Early Action Savings</b> |               |              |               |
| 1. Reduce Outreach Assistance to CDs         | -234          | 0            | -234          |
| <b>Policy Changes - Early Action Savings</b> | <b>-234</b>   | <b>0</b>     | <b>-234</b>   |
| <b>Policy Changes - Non-Comp</b>             |               |              |               |
| 2. Reduce Local CD Funding 5%                | -250          | 0            | -250          |
| 3. Kittitas County Wild Horse Plan           | 38            | 0            | 38            |
| 4. Reduce Conservation District Audits       | -77           | 0            | -77           |
| 5. Governor Veto                             | -38           | 0            | -38           |
| <b>Policy -- Non-Comp Total</b>              | <b>-327</b>   | <b>0</b>     | <b>-327</b>   |
| <b>Policy Changes - Comp</b>                 |               |              |               |
| 6. Health Insurance Increase                 | 19            | 0            | 19            |
| 7. Temporary Layoffs                         | -54           | -1           | -55           |
| <b>Policy -- Comp Total</b>                  | <b>-35</b>    | <b>-1</b>    | <b>-36</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>14,803</b> | <b>1,178</b> | <b>15,981</b> |
| Fiscal Year 2010 Total                       | -136          | 0            | -136          |
| Fiscal Year 2011 Total                       | -460          | -1           | -461          |

**Comments:**

1. **Reduce Outreach Assistance to CDs** - Funding is reduced for communications and education assistance provided to local conservation districts (CDs) by the Commission. This reduction will result in fewer technical assistance visits to CDs and less governance oversight. higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)
2. **Reduce Local CD Funding 5%** - Pass-through funding to local conservation districts is reduced by 5 percent in FY 2011.
3. **Kittitas County Wild Horse Plan** - One-time funding is provided to the Kittitas Conservation District for infrastructure improvements to facilitate and enhance wildlife habitat related to the Wild Horse Coordinated Resource Management Plan. This item was vetoed (please see Governor Veto item below).
4. **Reduce Conservation District Audits** - Funding for conservation district audits is reduced by 25 percent.
5. **Governor Veto** - The Governor vetoed Section 306 (2) of Chapter 37, Laws of 2010, 1st. sp.s., Partial Veto (ESSB 6444), which would have provided \$38,000 in one-time funding to the Kittitas Conservation District for infrastructure improvements to facilitate and enhance wildlife habitat related to the Wild Horse Coordinated Resource Management Plan.
6. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
7. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and

## Department of Fish and Wildlife

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>81,173</b> | <b>245,592</b> | <b>326,765</b> |
| <b>Total Maintenance Changes</b>             | <b>836</b>    | <b>4,014</b>   | <b>4,850</b>   |
| <b>Policy Changes - Early Action Savings</b> |               |                |                |
| 1. Shift Work to Dedicated Accounts          | -1,500        | 1,500          | 0              |
| 2. Reduce Winter Feeding of Wildlife         | -96           | 0              | -96            |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,596</b> | <b>1,500</b>   | <b>-96</b>     |
| <b>Policy Changes - Non-Comp</b>             |               |                |                |
| 3. Reduce Outreach and Education             | -207          | 0              | -207           |
| 4. Reduce Executive Management               | -160          | 0              | -160           |
| 5. Reduce Wildlife Disease Monitoring        | -54           | 0              | -54            |
| 6. Reduce Wildlife Area Mgmt Planning        | -152          | 0              | -152           |
| 7. Fund Hatcheries Using Partnerships        | -288          | 0              | -288           |
| 8. Reduce Fisheries Mgmt Authority           | 0             | -5,792         | -5,792         |
| 9. Eliminate Reg Fisheries Enh Board         | 0             | -20            | -20            |
| 10. Restore Aviation Funding                 | 170           | 0              | 170            |
| 11. Maintain Core Admin Functions            | 0             | 2,000          | 2,000          |
| 12. Op Costs for New Wildlife Lands          | 132           | 0              | 132            |
| 13. Wildfire on WDFW Lands                   | 185           | 0              | 185            |
| 14. Fund Support Pgms Proportionately        | 0             | 710            | 710            |
| 15. Incr Hunter Access on Private Land       | 0             | 711            | 711            |
| 16. Voight Creek Hatchery                    | 50            | 0              | 50             |
| 17. Consolidation of GMHB and EHO            | -13           | 0              | -13            |
| 18. Fish Program Fund Shift                  | -3,658        | 3,658          | 0              |
| 19. Reduce Scientific Study/Tech Asst        | -335          | 0              | -335           |
| <b>Policy -- Non-Comp Total</b>              | <b>-4,330</b> | <b>1,267</b>   | <b>-3,063</b>  |
| <b>Policy Changes - Comp</b>                 |               |                |                |
| 20. Health Insurance Increase                | 738           | 740            | 1,478          |
| 21. Temporary Layoffs                        | -1,221        | -1,885         | -3,106         |
| <b>Policy -- Comp Total</b>                  | <b>-483</b>   | <b>-1,145</b>  | <b>-1,628</b>  |
| <b>2009-11 Revised Appropriations</b>        | <b>75,600</b> | <b>251,228</b> | <b>326,828</b> |
| Fiscal Year 2010 Total                       | -439          | -1,650         | -2,089         |
| Fiscal Year 2011 Total                       | -5,970        | 3,272          | -2,698         |

**Comments:**

- Shift Work to Dedicated Accounts** - Funding for improving habitat, managing game, operating the licensing system, protecting wildlife diversity, and maintaining access to Department lands is moved to the State Wildlife Account from the state general fund. (General Fund-State, State Wildlife Account-State)
- Reduce Winter Feeding of Wildlife** - Funding for the winter feeding of wildlife is reduced by 11 percent.
- Reduce Outreach and Education** - Funding for outreach and education programs is reduced, which decreases funding for partnerships offering youth fishing opportunities, natural resource law enforcement education, and outreach at fairs and outdoor shows.
- Reduce Executive Management** - The Department will reduce one executive management position and consolidate administrative and policy functions.
- Reduce Wildlife Disease Monitoring** - Funding for the Puget Sound Ambient Monitoring Laboratory and testing for contaminants in salmon and other species is reduced by 9 percent in FY 2011.
- Reduce Wildlife Area Mgmt Planning** - The Department manages over nine million acres of wildlife habitat. Funding for wildlife area management planning is reduced 3 percent, delaying approximately 20 plans and updates and the input from citizen advisory groups needed for those plans.
- Fund Hatcheries Using Partnerships** - State law allows the Department to enter into partnerships with local groups to support fish hatcheries. Funding is reduced for the McKernan

## Department of Fish and Wildlife

- and Mayr Brothers fish hatcheries in anticipation of the Department forming partnerships to assist in supporting the operation and maintenance of these hatcheries.
8. **Reduce Fisheries Mgmt Authority** - Reductions are made to the expenditure authority for five accounts for projected revenue during the 2009-11 biennium. No planned work will be reduced. (Special Wildlife Account-Federal, Sea Cucumber Dive Fishery Account-Non-Appropriated, Puget Sound Crab Pot Buoy Tag Account-Nonappropriated, Washington Coastal Crab Pot Buoy Tag Account-Nonappropriated, Recreational Fisheries Enhancement Account-State)
  9. **Eliminate Reg Fisheries Enh Board** - Pursuant to Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617), funding is eliminated for the Regional Fisheries Enhancement Group Advisory Board. (Regional Fisheries Enhancement Group Account-Non-Appropriated)
  10. **Restore Aviation Funding** - Funding is restored for the maintenance and operation of the Department's Partenavia aircraft. The Partenavia will continue to be used for survey missions and fish planting and will assist the Department of Natural Resources with fire suppression coordination.
  11. **Maintain Core Admin Functions** - The Department's indirect rate for administration and overhead from federal grants has been reduced, resulting in a net loss of approximately \$3.8 million for the 2009-11 biennium. One-time funding is provided to partially restore the loss from the lower indirect rate. (State Wildlife Account-State)
  12. **Op Costs for New Wildlife Lands** - In FY 2009, the Department completed land acquisition transactions for 9,067 acres. These acres were acquired with legislatively approved and allocated capital funds through the Washington Wildlife and Recreation Program. One-time operating funding to maintain these new land acquisitions is provided, enabling the Department to manage new wildlife areas, natural lands, and water access sites, and to provide access, clean toilets, and weed control.
  13. **Wildfire on WDFW Lands** - One-time funding is provided for fire suppression activity costs incurred during FY 2010.
  14. **Fund Support Pgms Proportionately** - Funding is provided in FY 2011 to pay for administrative support services. Additionally, \$250,000 per fiscal year will support the automated Washington Interactive Licensing Database system. (State Wildlife Account-State)
  15. **Incr Hunter Access on Private Land** - Funding is provided for the Department to bring 200,000 additional acres of private land under contract for recreational access. The program is funded through special hunting permit application fees. (State Wildlife Account-State)
  16. **Voight Creek Hatchery** - One-time funding is provided to enhance fish production at Voight Creek Hatchery.
  17. **Consolidation of GMHB and EHO** - Savings are achieved as a result of reduced administrative law judge fees pursuant to Chapter 210, Laws of 2010 (SHB 2935), which consolidates the Growth Management Hearings Board (GMHB) and the Environmental Hearings Office (EHO) into the Environmental and Land Use Hearings Office.
  18. **Fish Program Fund Shift** - Due to available fund balance in the State Wildlife Account, expenditures for the Fish Program are shifted on a one-time basis from the general fund to the State Wildlife Account. (General Fund-State, State Wildlife Account-State)
  19. **Reduce Scientific Study/Tech Asst** - General fund expenditures for scientific studies and technical assistance are reduced by 2.5 percent.
  20. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  21. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Natural Resources

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>81,132</b> | <b>279,222</b> | <b>360,354</b> |
| <b>Total Maintenance Changes</b>       | <b>10</b>     | <b>21</b>      | <b>31</b>      |
| <b>Policy Changes - Non-Comp</b>       |               |                |                |
| 1. Recover Land Mgmt Savings           | -950          | -700           | -1,650         |
| 2. Shift Fire Protection Costs to FFPA | -5,000        | 5,000          | 0              |
| 3. Reduce New Land Purchases           | -100          | 0              | -100           |
| 4. Reduce Survey/Maps Activity         | 0             | -200           | -200           |
| 5. Reduce Administration               | -110          | 0              | -110           |
| 6. Maintain Adaptive Management Pgm    | 0             | 1,530          | 1,530          |
| 7. Puget Sound Cleanup & Recovery      | 0             | 2,210          | 2,210          |
| 8. Emergency Fire Suppression          | 11,542        | 0              | 11,542         |
| 9. Forest Biomass Agreements           | 0             | 87             | 87             |
| 10. Reimbursable Agreements            | 0             | 1,000          | 1,000          |
| 11. Reopen Recreation Sites            | 0             | 200            | 200            |
| 12. Natural Heritage Program           | -150          | 150            | 0              |
| 13. Helicopter Fund Shift              | 0             | 986            | 986            |
| 14. Open Water Moorage Area            | 40            | 100            | 140            |
| <b>Policy -- Non-Comp Total</b>        | <b>5,272</b>  | <b>10,363</b>  | <b>15,635</b>  |
| <b>Policy Changes - Comp</b>           |               |                |                |
| 15. Health Insurance Increase          | 420           | 1,047          | 1,467          |
| 16. Temporary Layoffs                  | -499          | -1,785         | -2,284         |
| <b>Policy -- Comp Total</b>            | <b>-79</b>    | <b>-738</b>    | <b>-817</b>    |
| <b>2009-11 Revised Appropriations</b>  | <b>86,335</b> | <b>288,868</b> | <b>375,203</b> |
| Fiscal Year 2010 Total                 | 8,542         | 3,690          | 12,232         |
| Fiscal Year 2011 Total                 | -3,349        | 5,935          | 2,586          |

**Comments:**

- |  |   |
|--|---|
| <p>1. <b>Recover Land Mgmt Savings</b> - Lower timber prices have led to fewer timber sales, which has resulted in fewer costs associated with the preparation of sales. Savings from lower management costs on Agricultural College Trust Lands are recovered on a one-time basis. In addition to lower expenditure authority in the Agricultural College Trust Management Account (ACTMA), the amount of General Fund-State funding provided for deposit into the ACTMA is reduced. (General Fund-State, Agricultural College Trust Management Account-State)</p> <p>2. <b>Shift Fire Protection Costs to FFPA</b> - On a one-time basis, \$3 million of FY 2010 and \$2 million of FY 2011 fire preparedness and prevention costs are shifted from General Fund-State to the Forest Fire Protection Assessment (FFPA) Account-Non-Appropriated. (General Fund-State, FFPA Account-Non-Appropriated)</p> <p>3. <b>Reduce New Land Purchases</b> - Funding is eliminated for a staff position that applies for new land acquisitions from state grant programs.</p> <p>4. <b>Reduce Survey/Maps Activity</b> - Due to lower revenue into the Survey and Maps Account, expenditure authority for mapping and surveys is reduced. (Survey and Maps Account-State)</p> | <p>5. <b>Reduce Administration</b> - Funding is reduced for the proportionate share of administrative costs from the Department of Natural Resources' (DNR) other General Fund-State reductions.</p> <p>6. <b>Maintain Adaptive Management Pgm</b> - One-time funding is provided to continue DNR's adaptive management activities. FY 2011 funding for this program includes \$970,000 of redirected Forest and Fish Support Account funding. (Aquatic Lands Enhancement Account-State, General Fund-Federal)</p> <p>7. <b>Puget Sound Cleanup &amp; Recovery</b> - Funding is provided for projects that remove contaminants from Puget Sound. Projects include completing the remedial investigation of Whitmarsh Landfill and repairing a sediment cap in Commencement Bay. Additionally, General Fund-Federal expenditure authority is increased for monitoring aquatic reserves, submerged aquatic vegetation mapping, and a Habitat Conservation Plan buffer assessment. (State Toxics Control Account-State, General Fund-Federal)</p> <p>8. <b>Emergency Fire Suppression</b> - One-time funding is provided for costs associated with fire suppression activities during FY 2010. This funding is in addition to DNR's existing fire suppression appropriation.</p> |
|--|---|

## Department of Natural Resources

9. **Forest Biomass Agreements** - Funding is provided for Chapter 126, Laws of 2010 (2SHB 2481), which permits DNR to enter into contracts for the purpose of providing a supply of forest biomass from lands managed by DNR.
10. **Reimbursable Agreements** - Additional expenditure authority is provided to allow DNR to utilize reimbursable agreements related to reforestation, the Washington Conservation Corps, and habitat restoration. (General Fund-Private/Local)
11. **Reopen Recreation Sites** - Funding is provided from the Off Road Vehicle (ORV) and Nonhighway Vehicle Account to support access to 13 recreational sites utilized by off road vehicle users. (ORV and Nonhighway Vehicle Account-State)
12. **Natural Heritage Program** - Due to available fund balance, funds for the Natural Heritage Program are shifted one-time from the general fund to the Natural Resources Conservation Areas Stewardship Account. (General Fund-State, Natural Resources Conservation Areas Stewardship Account-State)
13. **Helicopter Fund Shift** - The helicopter fleet is paid for by the Natural Resources Equipment Account and the costs are later recovered from the general fund as part of DNR's emergency fire suppression budget appropriation. In support of fire protection costs being shared between the general fund and the Forest Fire Protection Assessment Account, 50 percent of the budget for the helicopter fleet is shifted from the Natural Resources Equipment Account to the Forest Fire Protection Assessment Account. This shift will produce savings to the general fund in future fiscal years as only half of the costs will be recovered via the emergency fire suppression budget appropriations. (Natural Resources Equipment Account-Non-Appropriated, Forest Fire Protection Assessment Account-Non-Appropriated)
14. **Open Water Moorage Area** - One-time funds are provided to assist the City of Bainbridge Island in creating an Open Water Moorage and Anchorage Bay by installing mooring buoys and removing abandoned vessels and other structures. (General Fund-State, Aquatic Lands Enhancement Account-State)
15. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
16. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Department of Agriculture**

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>24,848</b> | <b>102,127</b> | <b>126,975</b> |
| <b>Total Maintenance Changes</b>             | <b>4</b>      | <b>8</b>       | <b>12</b>      |
| <b>Policy Changes - Early Action Savings</b> |               |                |                |
| 1. Complete Pesticide Notification           | -50           | 0              | -50            |
| 2. Equitable Administration Funding          | -1,198        | 1,198          | 0              |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,248</b> | <b>1,198</b>   | <b>-50</b>     |
| <b>Policy Changes - Non-Comp</b>             |               |                |                |
| 3. Reduce Spartina Funding                   | -44           | 0              | -44            |
| 4. Shift Pesticides Testing to STCA          | -416          | 416            | 0              |
| 5. Commerce Food Pgm Transfer to Ag          | 5,030         | 0              | 5,030          |
| 6. GA Food Program Transfer to Ag            | 390           | 2,782          | 3,172          |
| 7. Incr Federal Agr Support                  | 0             | 6,661          | 6,661          |
| <b>Policy -- Non-Comp Total</b>              | <b>4,960</b>  | <b>9,859</b>   | <b>14,819</b>  |
| <b>Policy Changes - Comp</b>                 |               |                |                |
| 8. Health Insurance Increase                 | 121           | 503            | 624            |
| 9. Temporary Layoffs                         | -146          | -880           | -1,026         |
| <b>Policy -- Comp Total</b>                  | <b>-25</b>    | <b>-377</b>    | <b>-402</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>28,539</b> | <b>112,815</b> | <b>141,354</b> |
| Fiscal Year 2010 Total                       | -235          | 2,907          | 2,672          |
| Fiscal Year 2011 Total                       | 3,922         | 7,773          | 11,695         |

**Comments:**

- 1. **Complete Pesticide Notification** - The Pesticide Notification Project was completed under budget. This reduction reflects savings from the balance of the amount appropriated for the project.
- 2. **Equitable Administration Funding** - To reflect each program paying its proportionate share of administrative costs, funding for Department administration is rebalanced. (General Fund-State, Agricultural Local Account-Non-Appropriated)
- 3. **Reduce Spartina Funding** - Funding to eradicate Spartina is reduced. The agency will prioritize the remaining work.
- 4. **Shift Pesticides Testing to STCA** - Environmental pesticide testing is permanently transferred to the State Toxics Control Account (STCA). (General Fund-State, State Toxics Control Account-State)
- 5. **Commerce Food Pgm Transfer to Ag** - Pursuant to Chapter 68, Laws of 2010 (SSB 6341) the Department of Commerce's Emergency Food Assistance Program is transferred to the Department of Agriculture, effective July 1, 2010.
- 6. **GA Food Program Transfer to Ag** - Pursuant to Chapter 68, Laws of 2010 (SSB 6341) the Department of General Administration's (GA) Temporary Emergency Food Assistance Program and the Commodity Supplemental Food Program are transferred to the Department of Agriculture, effective July 1, 2010. (General Fund-State, General Fund-Federal)
- 7. **Incr Federal Agr Support** - Additional federal expenditure authority is provided to reflect recent federal awards for protecting food safety, supporting organic agriculture and specialty crops, detecting sudden oak death, and Spartina removal. (General Fund-Federal)
- 8. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
- 9. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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        |
|--|----------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b> | <b>1,644</b> | <b>1,644</b> |
| <b>Policy Changes - Comp</b>           |          |              |              |
| 1. Health Insurance Increase           | 0        | 10           | 10           |
| 2. Temporary Layoffs                   | 0        | -15          | -15          |
| <b>Policy -- Comp Total</b>            | <b>0</b> | <b>-5</b>    | <b>-5</b>    |
| <hr/>                                  |          |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b> | <b>1,639</b> | <b>1,639</b> |
| Fiscal Year 2011 Total                 | 0        | -5           | -5           |
| <hr/>                                  |          |              |              |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**Puget Sound Partnership**

(Dollars in Thousands)

|  | NGF-S        | Other        | Total         |
|--|--------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b>       | <b>6,417</b> | <b>5,019</b> | <b>11,436</b> |
| <b>Total Maintenance Changes</b>             | <b>18</b>    | <b>-71</b>   | <b>-53</b>    |
| <b>Policy Changes - Early Action Savings</b> |              |              |               |
| 1. Reduce Puget Sound Events                 | -102         | 0            | -102          |
| <b>Policy Changes - Early Action Savings</b> | <b>-102</b>  | <b>0</b>     | <b>-102</b>   |
| <b>Policy Changes - Non-Comp</b>             |              |              |               |
| 2. Reduce Puget Sound Outreach               | -151         | 0            | -151          |
| 3. Small Agency Consortium                   | -60          | -46          | -106          |
| 4. Additional Anticipated Federal PS         | 0            | 1,400        | 1,400         |
| 5. Increased Federal PS Recovery             | 0            | 2,247        | 2,247         |
| 6. Administrative Reduction 5%               | -92          | 0            | -92           |
| <b>Policy -- Non-Comp Total</b>              | <b>-303</b>  | <b>3,601</b> | <b>3,298</b>  |
| <b>Policy Changes - Comp</b>                 |              |              |               |
| 7. Health Insurance Increase                 | 29           | 5            | 34            |
| 8. Temporary Layoffs                         | -52          | -53          | -105          |
| <b>Policy -- Comp Total</b>                  | <b>-23</b>   | <b>-48</b>   | <b>-71</b>    |
| <b>2009-11 Revised Appropriations</b>        | <b>6,007</b> | <b>8,501</b> | <b>14,508</b> |
| Fiscal Year 2010 Total                       | -89          | 1,652        | 1,563         |
| Fiscal Year 2011 Total                       | -339         | 1,901        | 1,562         |

**Comments:**

1. **Reduce Puget Sound Events** - Funding is reduced for Agency sponsorships of various conferences and events related to Puget Sound recovery. Equipment and supply purchases will also be reduced.
2. **Reduce Puget Sound Outreach** - The Puget Sound Partnership's (PSP's) overall education and outreach budget is reduced by 10 percent, which will reduce pass-through funding for local organizations' educational activities.
3. **Small Agency Consortium** - PSP and the Recreation and Conservation Office (RCO) will combine administrative functions to improve efficiency. The Partnership will move some staff into the Natural Resources Building by July 1, 2010, in order to collocate with RCO. The savings anticipated from the consolidation are offset by \$90,000 of one-time moving costs and higher lease payments of \$20,000 per year. (General Fund-State, General Fund-Federal, Aquatic Lands Enhancement Account-State, State Toxics Control Account-State)
4. **Additional Anticipated Federal PS** - Additional federal expenditure authority is provided for anticipated federal grant awards. This federal funding will support stormwater management, mitigation reform, and floodplain management. (General Fund-Federal)
5. **Increased Federal PS Recovery** - Additional federal expenditure authority is provided to account for a National Estuary Program grant from the U.S. Environmental Protection Agency for Puget Sound (PS) restoration efforts. Funding will be passed through to local watershed projects and to conduct environmental monitoring, scientific modeling, and performance management. (General Fund-Federal)
6. **Administrative Reduction 5%** - General Fund-State funding is reduced by 5 percent for administration.
7. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
8. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)



# 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 Washington State Patrol (WSP) and the Department of Licensing.

## **Washington State Patrol**

### **Staff Savings**

A total of \$1.8 million Near General Fund-State savings are achieved through eliminating 12 FTE positions across various divisions of the WSP. Positions at the State Patrol Crime Labs are not included in this reduction.

### **Criminal History Section**

A total of \$2.8 million Near General Fund-State savings are achieved by utilizing the Fingerprint Identification Account rather than Near General Fund-State for the Criminal History Section. Of this amount, \$2 million is a one-time fund shift and the remaining \$800,000 is ongoing.

### **Program Transfers**

The Forensic Sciences Improvement program and the Post-Conviction DNA Analysis program are transferred from the Department of Commerce to the WSP. The Forensic Science Improvement program supports forensic science services and medical examiner services provider by state and local government. The Post-Conviction DNA Analysis program provides testing of old evidence to determine if the DNA analysis substantiates prior convictions.

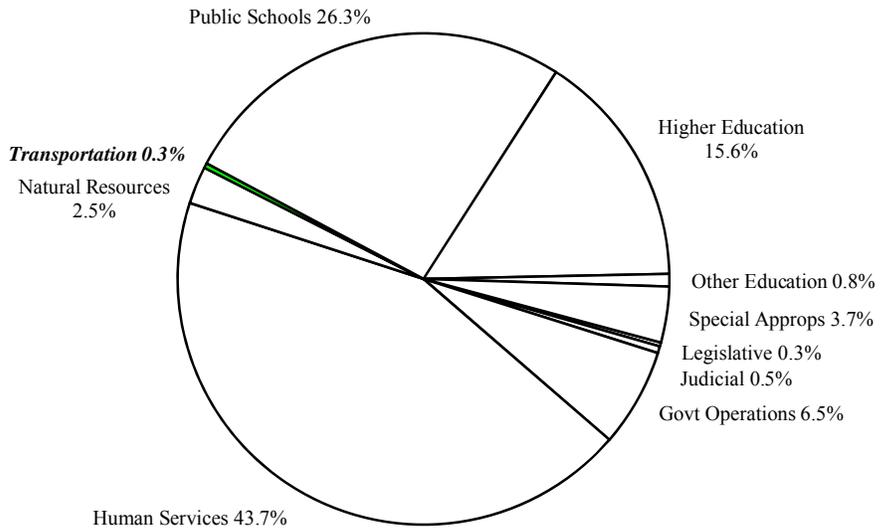
## **Department of Licensing**

### **Minor-In-Possession Program Funding Shift**

Under this program, minors found to be in possession of illegal drugs, alcohol, or firearms lose their driver's licenses for one to two years. Operating costs for this program are now supported with transportation funds, rather than with the state near general fund.

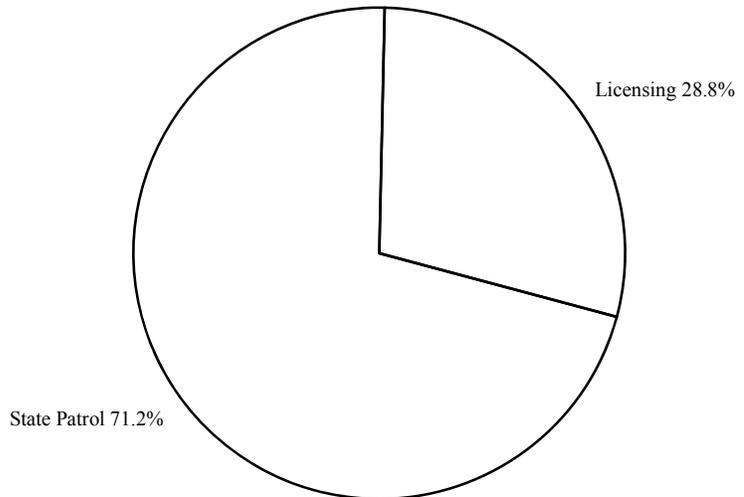
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| <b>Transportation</b>   | <b>195,202</b>    |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

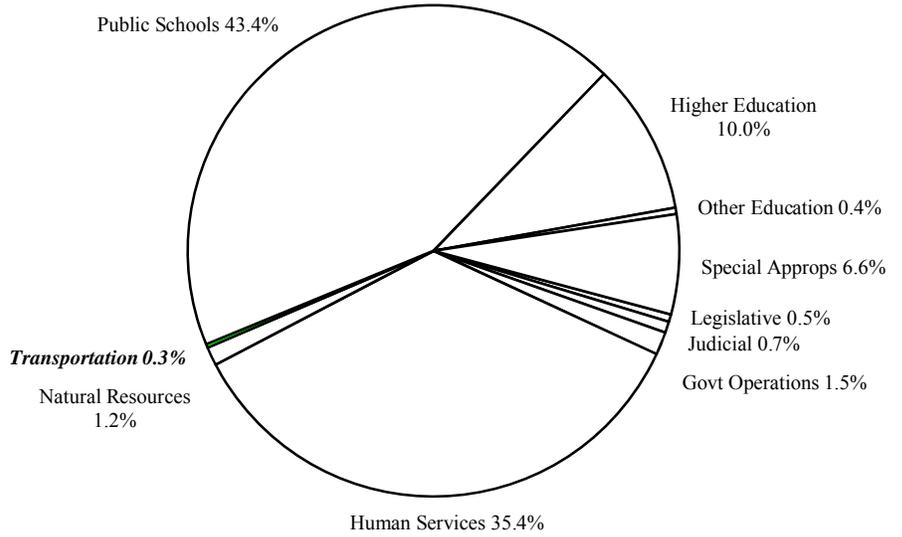
|                         |                |
|-------------------------|----------------|
| Washington State Patrol | 138,963        |
| Dept of Licensing       | 56,239         |
| <b>Transportation</b>   | <b>195,202</b> |



**Transportation**

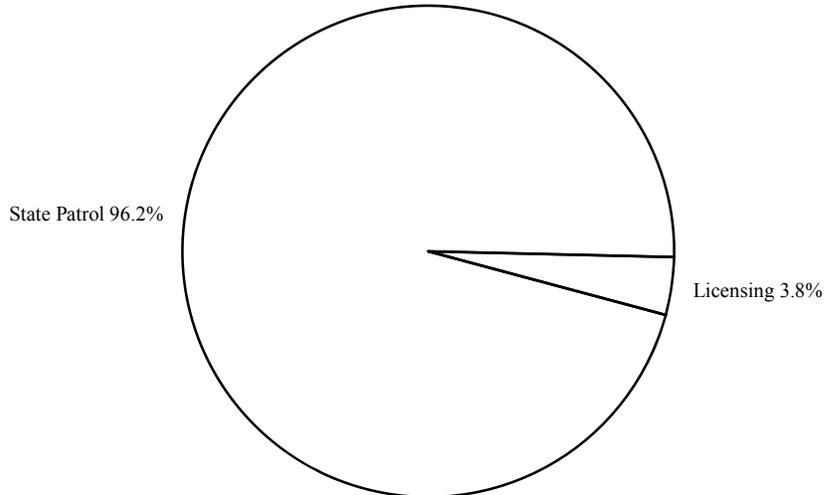
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| <b>Transportation</b>   | <b>77,996</b>     |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                         |               |
|-------------------------|---------------|
| Washington State Patrol | 75,036        |
| Dept of Licensing       | 2,960         |
| <b>Transportation</b>   | <b>77,996</b> |



**Transportation**

**Department of Licensing**

(Dollars in Thousands)

|  | NGF-S        | Other         | Total         |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b>       | <b>3,380</b> | <b>52,916</b> | <b>56,296</b> |
| <b>Total Maintenance Changes</b>             | <b>0</b>     | <b>250</b>    | <b>250</b>    |
| <b>Policy Changes - Early Action Savings</b> |              |               |               |
| 1. Vacancy/Travel/Equipment Savings          | -54          | 0             | -54           |
| 2. Boat Registration Notifications           | -150         | 0             | -150          |
| 3. Minor-In-Possession Pgm Fund Shift        | -410         | 0             | -410          |
| <b>Policy Changes - Early Action Savings</b> | <b>-409</b>  | <b>0</b>      | <b>-409</b>   |
| <b>Policy Changes - Non-Comp</b>             |              |               |               |
| 4. Eliminate Onsite Wastewater Cmte          | 0            | -6            | -6            |
| 5. Real Estate License Fee                   | 0            | 151           | 151           |
| 6. Vaccine Association                       | 0            | 60            | 60            |
| 7. Architect Licensing                       | 0            | 158           | 158           |
| <b>Policy -- Non-Comp Total</b>              | <b>0</b>     | <b>363</b>    | <b>363</b>    |
| <b>Policy Changes - Comp</b>                 |              |               |               |
| 8. Health Insurance Increase                 | 10           | 260           | 270           |
| 9. Temporary Layoffs                         | -21          | -510          | -531          |
| <b>Policy -- Comp Total</b>                  | <b>-11</b>   | <b>-250</b>   | <b>-261</b>   |
| <b>2009-11 Revised Appropriations</b>        | <b>2,960</b> | <b>53,279</b> | <b>56,239</b> |
| Fiscal Year 2010 Total                       | -335         | 0             | -335          |
| Fiscal Year 2011 Total                       | -290         | 113           | -177          |

**Comments:**

1. **Vacancy/Travel/Equipment Savings** - Savings are achieved by holding vacancies open and reducing spending for travel and equipment in five divisions.
2. **Boat Registration Notifications** - Boat registrations must be renewed every June. Beginning June 2010, all renewal notices will be sent by email, and a reminder note regarding vessel registration will be added to trailer registration notices sent by mail. The Department will continue to make hard copy renewal notices available to those who request them.
3. **Minor-In-Possession Pgm Fund Shift** - The Minor-In-Possession Program is comprised of two FTE staff who update driving records and restore driving privileges following successful completion of a diversion program for drivers under the age of 18 who are cited for possessing alcohol. Historically, this program has been funded by the state general fund. The program generates approximately \$600,000 in revenue each biennium.  
  
The Minor-in-Possession Program is transferred from the state general fund to the Highway Safety Account. (General Fund-State, Highway Safety Account-State)
4. **Eliminate Onsite Wastewater Cmte** - Expenditure authority is reduced to reflect the elimination of the Onsite Wastewater Treatment System Advisory Committee under Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617). (Professional Engineers Account-State)
5. **Real Estate License Fee** - Under Chapter 156, Laws of 2010 (HB 2697), the Department of Licensing's (DOL) authority to collect a \$10 fee from real estate licensees is extended through FY 2015. This fee is transmitted to the Washington Center on Real Estate Research. (Real Estate Research Account-State)
6. **Vaccine Association** - Under Chapter 174, Laws of 2010 (2SHB 2551), DOL must register third-party health providers under the Master License Program. (Master License Account-State)
7. **Architect Licensing** - Under Chapter 129, Laws of 2010 (ESSB 5529), licensing provisions for architects are modified. Funding is provided for additional staffing needed for implementation. (Architects' License Account-State)
8. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
9. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

## Washington State Patrol

(Dollars in Thousands)

|  | NGF-S         | Other         | Total          |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>81,834</b> | <b>54,641</b> | <b>136,475</b> |
| <b>Total Maintenance Changes</b>             | <b>-854</b>   | <b>5,243</b>  | <b>4,389</b>   |
| <b>Policy Changes - Early Action Savings</b> |               |               |                |
| 1. Appropriation Adjustment                  | -1,600        | 0             | -1,600         |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,600</b> | <b>0</b>      | <b>-1,600</b>  |
| <b>Policy Changes - Non-Comp</b>             |               |               |                |
| 2. Eliminate Fire Protection Board           | -3            | -2            | -5             |
| 3. Criminal Records Fund Shift               | -800          | 800           | 0              |
| 4. Criminal Records Funding                  | -2,000        | 2,000         | 0              |
| 5. Forensic Sciences Improvement             | 0             | 288           | 288            |
| 6. Post-Conviction DNA Analysis              | 0             | 313           | 313            |
| 7. Eliminate Staff Positions                 | -1,810        | 0             | -1,810         |
| 8. Fire Training Academy Funding             | -92           | 92            | 0              |
| 9. Restore Trooper Funding                   | 60            | 0             | 60             |
| 10. Restore Crime Lab Equipment Funding      | 110           | 110           | 220            |
| 11. Criminal Background Checks               | 0             | 24            | 24             |
| 12. 2SHB 2436 - Vehicle License Fraud        | 0             | 250           | 250            |
| <b>Policy -- Non-Comp Total</b>              | <b>-4,535</b> | <b>3,875</b>  | <b>-660</b>    |
| <b>Policy Changes - Comp</b>                 |               |               |                |
| 13. Health Insurance Increase                | 434           | 168           | 602            |
| 14. Temporary Layoffs                        | -243          | 0             | -243           |
| <b>Policy -- Comp Total</b>                  | <b>191</b>    | <b>168</b>    | <b>359</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>75,036</b> | <b>63,927</b> | <b>138,963</b> |
| Fiscal Year 2010 Total                       | -2,078        | 457           | -1,621         |
| Fiscal Year 2011 Total                       | -3,866        | 3,586         | -280           |

**Comments:**

- Appropriation Adjustment** - Funding is reduced to capture savings due to an early implementation of a hiring freeze and reductions in travel, personal service contracts, and equipment purchases.
- Eliminate Fire Protection Board** - The Fire Protection Board is eliminated in FY 2011, pursuant to Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617). The Board works to establish a comprehensive state policy regarding fire protection services. (General Fund-State, Fire Service Training Account-State)
- Criminal Records Fund Shift** - Funding is provided from the Fingerprint Identification Account rather than General Fund-State for the Criminal History Section. The Criminal History Section is the state repository for fingerprint-based criminal history information. (General Fund-State, Fingerprint Identification Account-State)
- Criminal Records Funding** - One-time funding for the Criminal History Section is provided from the Fingerprint Identification Account rather than from General Fund-State. The Criminal History Section is the state repository for fingerprint-based criminal history information. (General Fund-State, Fingerprint Identification Account-State)
- Forensic Sciences Improvement** - The Forensic Sciences Improvement Program is transferred from the Department of Commerce to the Washington State Patrol (WSP). The program supports forensic science services and medical examiner services provided by state and local governments. (General Fund-Federal)
- Post-Conviction DNA Analysis** - Funding for the Post-Conviction DNA Analysis Program is transferred from Department of Commerce to WSP. The program provides testing of old evidence to determine if the DNA analysis substantiates prior convictions. (General Fund-Federal)
- Eliminate Staff Positions** - Funding is reduced to reflect savings from eliminating 12 FTE positions across the various divisions within WSP. Positions at the WSP Crime Labs are not eliminated.
- Fire Training Academy Funding** - The remaining state general funds are removed from the WSP Fire Training Academy (FTA) and funding is provided from the Fire Service Training Account. The FTA provides live fire training to fire and emergency response personnel. (General Fund-State, Fire Service Training Account-State)

## Washington State Patrol

9. **Restore Trooper Funding** - Funding is provided to maintain current trooper levels this biennium in the Field Operations Bureau. The Bureau is responsible for enforcing traffic laws, investigating collisions, and assisting motorists.
10. **Restore Crime Lab Equipment Funding** - One-time funding is provided for two gas chromatograph/mass spectrometers. These instruments are used at the WSP Crime Labs to analyze drug, arson, explosives, poisons, and toxins evidence. (Federal Seizure Account-Non Appropriated, General Fund-State)
11. **Criminal Background Checks** - Funding is provided to implement Chapter 47, Laws of 2010 (SB 6288), which authorizes local governments to require background investigations for certain license applicants and licensees and stipulates that background investigations must be processed through the WSP Identification and Criminal History Section. (Fingerprint Identification Account-State)
12. **2SHB 2436 - Vehicle License Fraud** - Chapter 270, Laws of 2010 (2SHB 2436), contains a fiscal year appropriation of \$325,000 from the Vehicle License Fraud Account to support license fraud enforcement activities within WSP and the Department of Revenue. (Vehicle License Fraud Account-State)
13. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
14. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

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

# Public Schools

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

|                         | 2009-11 Originally-Enacted<br>Operating Budget | 2010 Supplemental | Difference  | Percent<br>Change |
|-------------------------|--|-------------------|-------------|-------------------|
| NGF-S*                  | 13,310,462,000                                 | 13,442,302,000    | 131,840,000 | 1.0%              |
| NGF-S Per Pupil Funding | 6,737  | 6,784             | 47          | 0.7%              |

\* Near General Fund-State: General Fund and Education Legacy Trust Account

### Maintenance Level Changes

#### **Enrollment, Workload, and Inflation**

State funds in the amount of \$262 million are provided for student enrollment increases, inflation of non-employee related costs, and other workload adjustments. Compared to the original budget, the number of full-time equivalent (FTE) students is expected to be higher by 1,798 in year one and by 3,942 in year two of the biennium. Additional adjustments are made for changes in certificated instructional staff compensation based on higher-than-anticipated projections for average teacher experience level (staff mix).

#### **Safety Net Adjustment**

State costs for the special education safety net program are lower than originally anticipated in the enacted budget by \$29 million, primarily due to the availability of additional federal stimulus funding from the Individuals with Disabilities Education Act.

### Policy Level Changes

State funds reductions totaling \$120 million are included in the 2010 supplemental budget for the 2009-11 biennium.

### Major Reductions in the 2009-11 K-12 Operating Budget:

#### **Student Achievement Program**

Student Achievement program funds are reduced by \$79 million, eliminating the planned distribution of \$99 per eligible K-12 student for the 2010-11 school year.

#### **Certificated Staff Ratio, Grade 4**

Funding for class-size reductions in grade four is reduced by \$30 million in fiscal year 2011. State law requires certain levels of staffing per FTE student. Currently, the law requires 46 certificated instructional staff (CIS) to 1,000 annual average FTE students enrolled in grade four; the enacted biennial budget provided an enhancement over this level to reduce class sizes – funding 53.2 CIS per 1,000 average annual FTE students in grades kindergarten (K) through four. These enhancements are retained for grades K through three but reduced for grade four to a ratio of 47.4 staff per 1,000 student FTEs.

### **Bus Depreciation**

A one-time reduction of \$22 million is taken by postponing sales tax payments for school bus depreciation. The Office of the Superintendent of Public Instruction will provide sufficient funds in the last year of an expected bus life cycle to cover sales tax costs, rather than providing a portion of these funds to districts each year.

### **Learning Improvement Day**

The 2009-11 base operating budget funds one learning improvement day to state-funded certified instructional staff. This funding is discontinued beginning in the 2010-11 school year, reducing the budget by \$15.3 million in fiscal year 2011.

### **Statewide Grants and Programs**

A number of statewide grants and programs are reduced or eliminated in the second year of the biennium, totaling reductions of \$10 million. Among the programs reduced or eliminated are: Focused Assistance; Career, and Technical Education grants; Building Bridges grants; and Navigation 101.

### **Major Policy-Level Additions**

#### **School Levies**

The supplemental budget includes \$22 million for the 2009-11 levy equalization costs of Chapter 237, Laws of 2010, Partial Veto (SHB 2893), which are increased from the originally-enacted budget beginning in calendar year 2011 (the last six months of the biennium). The bill increases the levy lid by 4 percentage points and increases the levy equalization percentage from 12 to 14 percent through December 2017. The legislation also makes amendments to the school districts' levy bases upon which levy authority is calculated.

#### **Per-Pupil Inflator**

Funding is increased by \$8 million to fund the per-pupil inflator at 4 percent, rather than 1 percent. This item will allow some districts to collect additional local funds previously approved by voters and increases local effort assistance funds for eligible districts. The increase is effective for calendar year 2011; therefore, the additional funds cover the last six months of the biennium.

## 2010 Session Bills

A total amount of \$7.1 million is added to the budget for the costs associated with legislation enacted in the 2010 legislative session. The following table includes a list of bills and their costs – excluding SHB 2893, school levies, which is described above:

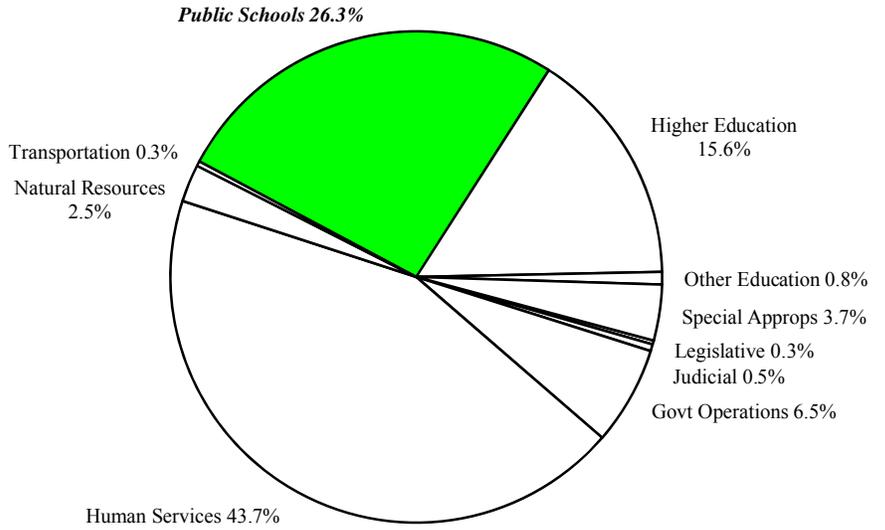
| <b>2010 Session Bills</b> |   |                                |
|---------------------------|---|--------------------------------|
| Dollars in Thousands      |   |                                |
| <b>Bill Number</b>        | <b>Brief Title</b>  | <b>Change in State Funding</b> |
| SHB 2776                  | Funding distribution formulas for K-12 education                | 2,518                          |
| E2SSB 6696                | Education reform  | 2,357                          |
| 2SSB 6702                 | Providing education programs for juveniles in adult jails       | 1,747                          |
| SSB 6759                  | Development of a plan for a voluntary program of early learning | 164                            |
| HB 2621                   | Resource programs for STEM instructions and K-12 schools        | 150                            |
| E2SHB 3026                | Compliance with state and federal civil rights laws             | 133                            |
| Total                     |   | 7,069                          |

### Changes to Basic Education Funding

The Legislature adopted Chapter 236, Laws of 2010, Partial Veto (SHB 2776), which makes two significant changes to basic education funding. First, the bill establishes specific crosswalk funding values to create a fiscally-neutral conversion to the new prototypical school funding formulas established in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261). Those formulas are scheduled to take effect beginning in the 2010-2011 school year. Second, the bill establishes a phase-in schedule for specific funding enhancements in several program areas, including: K-3 class size of 17 by 2017-18; implementation of a new pupil-transportation formula by the 2013-15 biennium; full-day kindergarten programs by 2017-18; and enhanced funding for maintenance, supplies, and other non-salary costs by 2015-16.

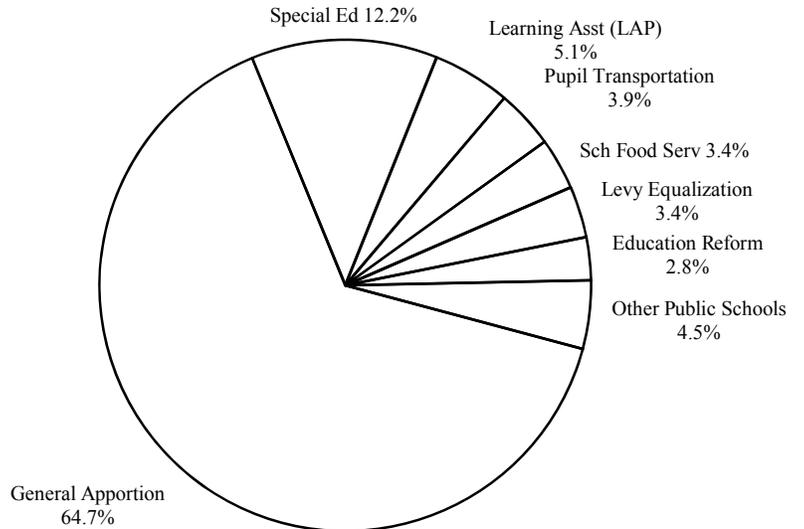
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| <b>Public Schools</b>   | <b>15,909,596</b> |
| Higher Education        | 9,453,410         |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

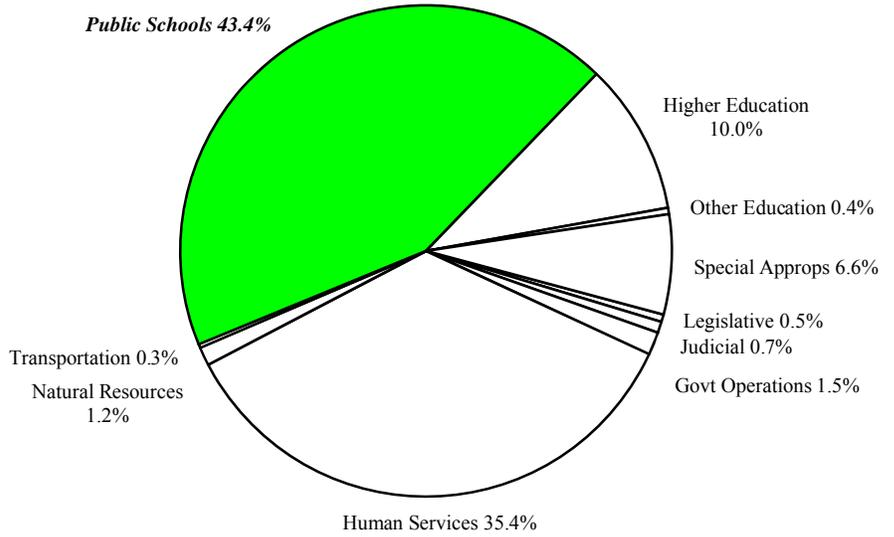
|                       |                   |
|-----------------------|-------------------|
| General Apportionment | 10,285,778        |
| Special Education     | 1,948,349         |
| Learning Assist Pgm   | 816,082           |
| Pupil Transpo         | 613,863           |
| School Food Services  | 543,318           |
| Levy Equalization     | 537,095           |
| Education Reform      | 449,424           |
| Other Public Schools  | 715,687           |
| <b>Public Schools</b> | <b>15,909,596</b> |



**Public Schools**

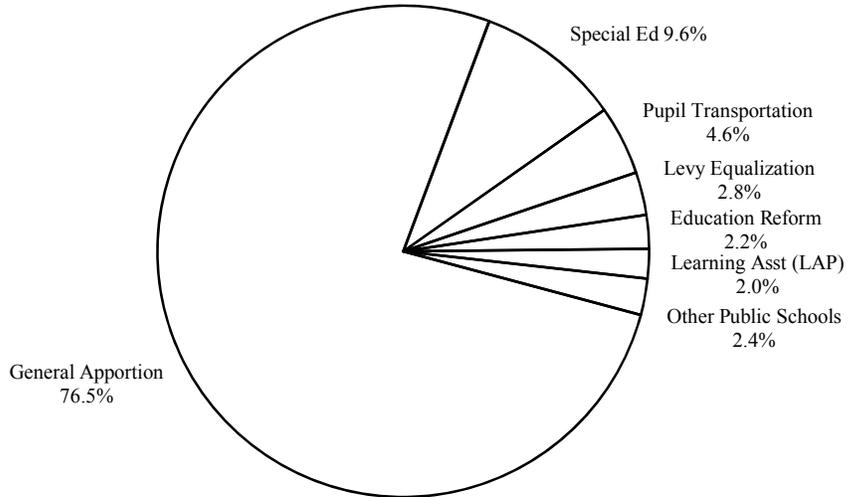
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| <b>Public Schools</b>   | <b>13,442,302</b> |
| Higher Education        | 3,094,912         |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                       |                   |
|-----------------------|-------------------|
| General Apportionment | 10,285,778        |
| Special Education     | 1,283,748         |
| Pupil Transpo         | 613,863           |
| Levy Equalization     | 380,052           |
| Education Reform      | 295,836           |
| Learning Assist Pgm   | 262,157           |
| Other Public Schools  | 320,868           |
| <b>Public Schools</b> | <b>13,442,302</b> |



**Public Schools**

# Public Schools

## WORKLOAD HISTORY

By School Year

|  | 2002-03            | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09            | <u>Estimated</u> |         |
|--|--------------------|---------|---------|---------|---------|---------|--------------------|------------------|---------|
|  |                    |         |         |         |         |         |                    | 2009-10          | 2010-11 |
| <b>General Apportionment</b>             |                    |         |         |         |         |         |                    |                  |         |
| FTE Enrollment                           | 958,846            | 962,294 | 966,246 | 972,079 | 973,612 | 975,540 | 980,955            | 988,282          | 993,246 |
| % Change from prior year                 |                    | 0.4%    | 0.4%    | 0.6%    | 0.2%    | 0.2%    | 0.6%               | 0.7%             | 0.5%    |
| <b>Special Education</b>                 |                    |         |         |         |         |         |                    |                  |         |
| Funded Enrollment <sup>(1)</sup>         | <del>119,387</del> | 120,673 |         | 121,678 | 121,612 | 126,053 | <del>130,867</del> | 131,391          |         |
| % Change from prior year                 |                    | 0.5%    | 0.7%    | 0.8%    | -0.1%   | 3.7%    | 1.4%               | 1.8%             | 0.9%    |
| <b>Bilingual Education</b>               |                    |         |         |         |         |         |                    |                  |         |
| Headcount Enrollment                     | 66,258             | 70,908  | 75,255  | 76,716  | 76,505  | 80,689  | 82,916             | 84,802           | 86,453  |
| % Change from prior year                 |                    | 7.0%    | 6.1%    | 1.9%    | -0.3%   | 5.5%    | 2.8%               | 2.3%             | 1.9%    |
| <b>Learning Assistance Program (LAP)</b> |                    |         |         |         |         |         |                    |                  |         |
| Entitlement Units <sup>(2)</sup>         | 170,157            | 161,864 | 157,935 | N/A     | N/A     | N/A     | N/A                | N/A              | N/A     |
| Funded Student Units <sup>(3)</sup>      | N/A                | N/A     | N/A     | 408,477 | 419,033 | 413,797 | <del>433,542</del> |                  | 473,247 |
| % Change from prior year                 |                    | -4.9%   | -2.4%   |         | 2.6%    | -1.2%   | 4.5%               | 5.3%             | 3.9%    |

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

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

<sup>(3)</sup> Beginning in the 2008-09 school year, additional LAP units are provided to school districts with concentrations of bilingual students exceeding 20 percent of enrollment pursuant to RCW 28A.165.055, making year-to-year comparisons of total LAP units before and after this change non-comparable.

Data Sources :

Caseload Forecast Council, March 2010 forecast, and legislative budgets from the 2009 and 2010 sessions.

**Public Schools  
OSPI & Statewide Programs**

(Dollars in Thousands)

|  | NGF-S         | Other         | Total          |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>67,767</b> | <b>91,217</b> | <b>158,984</b> |
| <b>Total Maintenance Changes</b>       | <b>958</b>    | <b>862</b>    | <b>1,820</b>   |
| <b>Policy Changes - Non-Comp</b>       |               |               |                |
| 1. Apportionment and Financial Systems | 250           | 0             | 250            |
| 2. Navigation 101                      | -100          | 0             | -100           |
| 3. Alternate Routes                    | -1,715        | 0             | -1,715         |
| 4. Communities in Schools              | -25           | 0             | -25            |
| 5. Building Bridges Grants             | -338          | 0             | -338           |
| 6. Youth Suicide Prevention            | -70           | 0             | -70            |
| 7. Basic Education Allocation          | 2,518         | 0             | 2,518          |
| 8. WWII Oral History Project           | -25           | 0             | -25            |
| 9. Campaña Quetzal                     | -50           | 0             | -50            |
| 10. Financial Literacy                 | -75           | 0             | -75            |
| 11. Dyslexia Pilot Best Practices      | -70           | 0             | -70            |
| 12. Retooling to Teach Math            | -144          | 0             | -144           |
| 13. Civil Rights Enforcement           | 133           | 0             | 133            |
| 14. Dropout Prevention                 | 150           | 0             | 150            |
| 15. Recruiting Diverse Teachers        | -181          | 0             | -181           |
| 16. Highly Capable Program             | 55            | 0             | 55             |
| 17. Current Year Program Savings       | -611          | 0             | -611           |
| 18. Administrative Reductions          | -337          | 0             | -337           |
| 19. K-20 Network                       | -194          | 0             | -194           |
| 20. College Bound Scholarship          | 1,000         | 0             | 1,000          |
| 21. Student Achievement Gap            | 100           | 0             | 100            |
| 22. School District Consolidation      | 250           | 0             | 250            |
| 23. Early Learning Basic Education     | 164           | 0             | 164            |
| 24. STEM Working Group                 | 25            | 0             | 25             |
| 25. Environmental Ed Coordinator       | -78           | 0             | -78            |
| 26. World Languages Supervisor         | -136          | 0             | -136           |
| 27. Governor Veto                      | -250          | 0             | -250           |
| <b>Policy -- Non-Comp Total</b>        | <b>246</b>    | <b>0</b>      | <b>246</b>     |
| <b>Policy Changes - Comp</b>           |               |               |                |
| 28. Health Insurance Increase          | 400           | 0             | 400            |
| 29. Temporary Layoffs                  | -596          | -385          | -981           |
| <b>Policy -- Comp Total</b>            | <b>-196</b>   | <b>-385</b>   | <b>-581</b>    |
| <b>2009-11 Revised Appropriations</b>  | <b>68,775</b> | <b>91,694</b> | <b>160,469</b> |
| Fiscal Year 2010 Total                 | -337          | 0             | -337           |
| Fiscal Year 2011 Total                 | 387           | -385          | 2              |

**Comments:**

- 1. Apportionment and Financial Systems** - Funds are provided to complete the replacement of the current apportionment system. The amount provided was underspent in FY 2009 and the resources lapsed; reappropriating the funds into the current year funds the remaining activities that have been carried into FY 2010, allowing 100 percent conversion to be completed.
- 2. Navigation 101** - Funding for Navigation 101 is reduced. The funding provides implementation grants for Navigation 101 guidance and career counseling programs in secondary schools.
- 3. Alternate Routes** - The Alternative Routes to Certification program provides assistance to individuals pursuing teacher certification through performance-based, non-traditional programs. These programs are aimed at recruiting candidates to teach in statewide subject matter and geographic shortage areas. The program is reduced by 50 percent, beginning July 1, 2010, and thereafter.
- 4. Communities in Schools** - Funding for the Communities in Schools program in Pierce County is discontinued beginning July 1, 2010.

## Public Schools OSPI & Statewide Programs

5. **Building Bridges Grants** - Funding for Building Bridges grants to school districts for drop-out prevention programs is reduced by 50 percent beginning July 1, 2010.
6. **Youth Suicide Prevention** - The Youth Suicide Prevention program is managed as a contract through the Department of Health to assist schools to address suicide concerns among students. Funding for the contract is eliminated as of July 1, 2010.
7. **Basic Education Allocation** - Funding is provided to develop the information technology (IT) systems infrastructure to support the school funding formula provisions contained in Chapter 236, Laws of 2010, Partial Veto (SHB 2776). The funding primarily supports reprogramming for the pupil transportation and general apportionment funding formulas. The pupil transportation IT systems work comprises approximately \$800,000 of this total and funds the development of infrastructure capable of mapping out bus routes to document route miles for funding purposes. The work will also include development of enhanced reporting capabilities in the system. The general apportionment system reprogramming comprises approximately \$1.7 million of this total and funds systems to align with the funding formulas contained in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261), including structuring funding based on prototypical school models.
8. **WWII Oral History Project** - Funding for the World War II Oral History Project is discontinued beginning in July 1, 2010. The funding supports the development of oral history presentations, documentation, and other curriculum materials for teaching the historical significance of World War II, under the direction of the World War II Memorial Education Foundation.
9. **Campaña Quetzal** - Funding for the Seattle Coalition of Campaña Quetzal is discontinued beginning July 1, 2010. The program provides support to the Latino/Latina community in early childhood education, parent leadership training, and high school success and college preparation.
10. **Financial Literacy** - State funding for the financial education public-private partnership, is eliminated as of July 1, 2010. Non-appropriated funds are expected to be available to the public-private partnership to continue financial literacy activities.
11. **Dyslexia Pilot Best Practices** - The 2009 Legislature enacted Chapter 546, Laws of 2009 (SSB 6016), which directed the Office of the Superintendent of Public Instruction (OSPI) to develop an educator-training program and materials to facilitate teacher development in the area of dyslexia. Funding for ongoing training sessions is reduced from \$145,000 per year to \$75,000 per year beginning with FY 2011.
12. **Retooling to Teach Math** - Funding to the Professional Educator Standards Board to support teachers seeking endorsements in areas of teacher shortage, such as math, science, special education, and bilingual education is eliminated as of July 1, 2010.
13. **Civil Rights Enforcement** - Funding is provided to support the provisions of Chapter 240, Laws of 2010 (E2SHB 3026). The funding supports the staff to carry out the duties given to OSPI concerning enforcement and monitoring of civil rights in schools.
14. **Dropout Prevention** - Funding is provided for drop-out prevention programs at OSPI, including the Jobs for America's Graduates (JAG) program.
15. **Recruiting Diverse Teachers** - The Recruiting Washington Teachers Program is operated through the Professional Educator Standards Board and is designed to recruit high school students into the teaching profession in content shortage areas. The funding is reduced from \$231,000 per year to \$50,000 per year, beginning in FY 2011.
16. **Highly Capable Program** - Funding is provided to convene a working group to make recommendations defining a basic education program for highly capable students. OSPI will convene the group and report the results to the Legislature by December 1, 2010.
17. **Current Year Program Savings** - Reductions are made in FY 2010 to several K-12 programs to capture savings from under-expended contracts. This includes Navigation 101, K-20 communications, longitudinal data systems, Building Bridges, and other smaller programs.
18. **Administrative Reductions** - Funding for OSPI agency operations is reduced by \$306,000 in FY 2011. Reductions are also made to the Professional Educator Standards Board in the amount of \$12,000 and to the State Board of Education in the amount of \$19,000.
19. **K-20 Network** - State funding for the K-20 network is reduced in FY 2011. The system is a technology network connecting Washington State's educational community, including K-12 schools and institutions of higher education.
20. **College Bound Scholarship** - Funding is provided to contract with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington College Bound Scholarship.
21. **Student Achievement Gap** - Funding is provided for the ongoing work of the Achievement Gap Oversight and Accountability Committee and beginning the implementation of the committee's recommendations.
22. **School District Consolidation** - Funding is provided for a school district reorganization commission to provide recommendations to the Legislature in the form of a comprehensive plan for reducing the number of school districts. This item was vetoed (please see Governor Veto item below).

## Public Schools OSPI & Statewide Programs

23. **Early Learning Basic Education** - Funding is provided to implement Chapter 234, Laws of 2010 (SSB 6759). The legislation requires a plan to be drafted that examines the opportunities and barriers to expanding early learning.
24. **STEM Working Group** - OSPI will convene a work group to develop a plan to improve policies and practices regarding science, technology, engineering, and mathematics (STEM) instructional programs statewide. The plan will include improvements for recruiting, preparing, hiring, and retaining teachers; closing the achievement gap; and creating STEM pathways that start in middle school and prepare students for college and career readiness.
25. **Environmental Ed Coordinator** - Funding for OSPI's environmental education coordinator is eliminated beginning July 1, 2010.
26. **World Languages Supervisor** - Funding for the world languages supervisor position at OSPI is eliminated as of July 1, 2010.
27. **Governor Veto** - The Governor vetoed Section 501 (1) (b) of Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which would have created a statewide commission on school district reorganization.
28. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
29. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Public Schools  
 General Apportionment**

(Dollars in Thousands)

|  | NGF-S             | Other    | Total             |
|--|-------------------|----------|-------------------|
| <b>2009-11 Original Appropriations</b> | <b>10,186,760</b> | <b>0</b> | <b>10,186,760</b> |
| <b>Total Maintenance Changes</b>       | <b>128,984</b>    | <b>0</b> | <b>128,984</b>    |
| <b>Policy Changes - Non-Comp</b>       |                   |          |                   |
| 1. Certificated Staff Ratio Grade 4    | -29,966           | 0        | -29,966           |
| <b>Policy -- Non-Comp Total</b>        | <b>-29,966</b>    | <b>0</b> | <b>-29,966</b>    |
| <b>2009-11 Revised Appropriations</b>  | <b>10,285,778</b> | <b>0</b> | <b>10,285,778</b> |
| Fiscal Year 2011 Total                 | -29,966           | 0        | -29,966           |

**Comments:**

- Certificated Staff Ratio Grade 4** - State law requires certain levels of staffing per full-time-equivalent (FTE) student. Currently, the law requires 46 certificated instructional staff (CIS) to 1,000 annual average FTE students enrolled in grade four. The budget enacted in 2009 provided an enhancement over this level to reduce class sizes - funding 53.2 CIS per 1,000 average annual FTE students in grades kindergarten through four. These enhancements are retained for grades kindergarten through three but reduced for grade four to a ratio of 47.4 staff per 1,000 student FTEs.

**Public Schools  
 Compensation Adjustments**

(Dollars in Thousands)

|  | <b>NGF-S</b>   | <b>Other</b> | <b>Total</b>   |
|--|----------------|--------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>9,957</b>   | <b>6</b>     | <b>9,963</b>   |
| <b>Total Maintenance Changes</b>       | <b>-570</b>    | <b>0</b>     | <b>-570</b>    |
| <b>Policy Changes - Non-Comp</b>       |                |              |                |
| 1. Juveniles in Adult Jails            | 5              | 0            | 5              |
| 2. Certificated Staff Ratio Grade 4    | -34            | 0            | -34            |
| 3. Learning Improvement Day            | -15,578        | -7           | -15,585        |
| <b>Policy -- Non-Comp Total</b>        | <b>-15,607</b> | <b>-7</b>    | <b>-15,614</b> |
| <b>2009-11 Revised Appropriations</b>  | <b>-6,220</b>  | <b>-1</b>    | <b>-6,221</b>  |
| Fiscal Year 2011 Total                 | -15,607        | -7           | -15,614        |

**Comments:**

- Juveniles in Adult Jails** - Funding is provided for the increased compensation costs associated with increased funding for juveniles educated in jails.
- Certificated Staff Ratio Grade 4** - Compensation costs are adjusted to reflect the reduction in the certificated instructional staff ratio in grade 4.
- Learning Improvement Day** - The 2009-11 base operating budget funded one learning improvement day to state-funded certified instructional staff. This funding is discontinued beginning with the 2010-11 school year.

**Public Schools  
 Pupil Transportation**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u> | <u>Total</u>   |
|--|----------------|--------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>614,427</b> | <b>0</b>     | <b>614,427</b> |
| <b>Total Maintenance Changes</b>       | <b>21,526</b>  | <b>0</b>     | <b>21,526</b>  |
| <b>Policy Changes - Non-Comp</b>       |                |              |                |
| 1. Bus Depreciation                    | -22,090        | 0            | -22,090        |
| <b>Policy -- Non-Comp Total</b>        | <b>-22,090</b> | <b>0</b>     | <b>-22,090</b> |
| <hr/>                                  |                |              |                |
| <b>2009-11 Revised Appropriations</b>  | <b>613,863</b> | <b>0</b>     | <b>613,863</b> |
| Fiscal Year 2011 Total                 | -22,090        | 0            | -22,090        |

**Comments:**

- Bus Depreciation** - Savings are assumed for FY 2011 by postponing sales tax payments for school bus depreciation. OSPI shall provide sufficient funds in the last year of a bus's expected life cycle to cover sales tax costs, rather than providing a portion of these funds to districts each year.

**Public Schools  
School Food Services**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u>   | <u>Total</u>   |
|--|--------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>6,318</b> | <b>427,000</b> | <b>433,318</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>110,000</b> | <b>110,000</b> |
| <hr/>                                  |              |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>6,318</b> | <b>537,000</b> | <b>543,318</b> |
| <hr/>                                  |              |                |                |

*Comments:*

There were no policy level changes.

**Public Schools  
 Special Education**

(Dollars in Thousands)

|  | NGF-S            | Other          | Total            |
|--|------------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b> | <b>1,294,103</b> | <b>656,052</b> | <b>1,950,155</b> |
| <b>Total Maintenance Changes</b>       | <b>-9,955</b>    | <b>8,549</b>   | <b>-1,406</b>    |
| <b>Policy Changes - Non-Comp</b>       |                  |                |                  |
| 1. Safety Net Recovery                 | -400             | 0              | -400             |
| <b>Policy -- Non-Comp Total</b>        | <b>-400</b>      | <b>0</b>       | <b>-400</b>      |
| <b>2009-11 Revised Appropriations</b>  | <b>1,283,748</b> | <b>664,601</b> | <b>1,948,349</b> |
| Fiscal Year 2011 Total                 | -400             | 0              | -400             |

**Comments:**

- Safety Net Recovery** - The Office of the Superintendent of Public Instruction (OSPI), at the conclusion of each school year, will recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible. It is assumed an additional FTE staff will be needed to accomplish this work and that collections will be such that staff costs plus recoveries will yield at least \$400,000 per year in savings. OSPI will track the value of the recoveries and report to the fiscal committees of the Legislature.

**Public Schools  
 Educational Service Districts**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>16,789</b> | <b>0</b>     | <b>16,789</b> |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Administrative Reductions           | -76           | 0            | -76           |
| <b>Policy -- Non-Comp Total</b>        | <b>-76</b>    | <b>0</b>     | <b>-76</b>    |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>16,713</b> | <b>0</b>     | <b>16,713</b> |
| Fiscal Year 2011 Total                 | -76           | 0            | -76           |

**Comments:**

- Administrative Reductions** - An administrative reduction is applied to the Educational Service District core budget for FY 2011.

**Public Schools  
 Levy Equalization**

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>252,918</b> | <b>176,284</b> | <b>429,202</b> |
| <b>Total Maintenance Changes</b>       | <b>97,353</b>  | <b>-19,241</b> | <b>78,112</b>  |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. School Levies                       | 21,808         | 0              | 21,808         |
| 2. Per Pupil Inflator                  | 7,973          | 0              | 7,973          |
| <b>Policy -- Non-Comp Total</b>        | <b>29,781</b>  | <b>0</b>       | <b>29,781</b>  |
| <b>2009-11 Revised Appropriations</b>  | <b>380,052</b> | <b>157,043</b> | <b>537,095</b> |
| Fiscal Year 2011 Total                 | 29,781         | 0              | 29,781         |

**Comments:**

1. **School Levies** - Chapter 237, Laws of 2010, Partial Veto (SHB 2893), increases the levy lid by 4 percentage points and increases the levy equalization percentage from 12 to 14 percent. The legislation also extends the expiration deadline (from the end of calendar year 2011 to the end of calendar year 2017) for allowing school district levy bases to include revenue that would have been received by districts if reductions had not been made to Initiative 728 and Initiative 732 funding for the student achievement program and for public school employee cost-of-living increases. The legislation further includes the kindergarten to 4th grade staffing enhancement funds in the levy base, regardless of whether funding for the enhancement is included in the budget. Appropriations for this item reflect the last six months of FY 2011.
2. **Per Pupil Inflator** - Funding is provided to fund the per pupil inflator at 4 percent, rather than 1 percent. This results in a general fund cost of \$7.973 million. This item increases local effort assistance funds for districts and will allow some districts to collect additional local funds previously approved by voters. Appropriations for this item reflect the last six months of FY 2011.

**Public Schools  
Institutional Education**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>36,935</b> | <b>0</b>     | <b>36,935</b> |
| <b>Total Maintenance Changes</b>       | <b>-1,612</b> | <b>0</b>     | <b>-1,612</b> |
| <b>Policy Changes - Non-Comp</b>       |               |              |               |
| 1. Juveniles in Adult Jails            | 1,742         | 0            | 1,742         |
| <b>Policy -- Non-Comp Total</b>        | <b>1,742</b>  | <b>0</b>     | <b>1,742</b>  |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>37,065</b> | <b>0</b>     | <b>37,065</b> |
| Fiscal Year 2011 Total                 | 1,742         | 0            | 1,742         |

**Comments:**

1. **Juveniles in Adult Jails** - Funding is provided to ensure provision of education programs for juveniles through age 18 in adult jails. It is estimated 90 juveniles each year will receive institutional education funding in an adult jail setting.

**Public Schools**  
**Education of Highly Capable Students**

(Dollars in Thousands)

|  | <u>NGF-S</u>  | <u>Other</u> | <u>Total</u>  |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>18,867</b> | <b>0</b>     | <b>18,867</b> |
| <b>Total Maintenance Changes</b>       | <b>-490</b>   | <b>0</b>     | <b>-490</b>   |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>18,377</b> | <b>0</b>     | <b>18,377</b> |
| <hr/>                                  |               |              |               |

*Comments:*

There were no policy level changes.

**Public Schools**  
**Elementary & Secondary School Improvement**

(Dollars in Thousands)

|                                 | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|---------------------------------|--------------|--------------|--------------|
| 2009-11 Original Appropriations | 0            | 43,450       | 43,450       |
| Total Maintenance Changes       | 0            | 436          | 436          |
| <hr/>                           |              |              |              |
| 2009-11 Revised Appropriations  | 0            | 43,886       | 43,886       |
| <hr/>                           |              |              |              |

*Comments:*

There were no policy level changes.

**Public Schools  
Education Reform**

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b>       | <b>292,805</b> | <b>153,588</b> | <b>446,393</b> |
| <b>Total Maintenance Changes</b>             | <b>9,473</b>   | <b>0</b>       | <b>9,473</b>   |
| <b>Policy Changes - Early Action Savings</b> |                |                |                |
| 1. Current Year Program Savings              | -1,500         | 0              | -1,500         |
| <b>Policy Changes - Early Action Savings</b> | <b>-1,500</b>  | <b>0</b>       | <b>-1,500</b>  |
| <b>Policy Changes - Non-Comp</b>             |                |                |                |
| 2. Beginning Educator Support Team           | -348           | 0              | -348           |
| 3. LASER                                     | -1,184         | 0              | -1,184         |
| 4. Education Reform                          | 2,357          | 0              | 2,357          |
| 5. Focused Assistance                        | -1,523         | 0              | -1,523         |
| 6. Current Year Program Savings              | -634           | 0              | -634           |
| 7. Nat'l Board Bonus for Principals          | -810           | 0              | -810           |
| 8. National Board Assessment Fees            | -801           | 0              | -801           |
| 9. Career and Technical Education            | -1,838         | 0              | -1,838         |
| 10. Local Farms & Healthy Kids               | -300           | 0              | -300           |
| 11. STEM Best Practices                      | 150            | 0              | 150            |
| <b>Policy -- Non-Comp Total</b>              | <b>-4,931</b>  | <b>0</b>       | <b>-4,931</b>  |
| <b>Policy Changes - Comp</b>                 |                |                |                |
| 12. Temporary Layoffs                        | -11            | 0              | -11            |
| <b>Policy -- Comp Total</b>                  | <b>-11</b>     | <b>0</b>       | <b>-11</b>     |
| <b>2009-11 Revised Appropriations</b>        | <b>295,836</b> | <b>153,588</b> | <b>449,424</b> |
| Fiscal Year 2010 Total                       | -2,134         | 0              | -2,134         |
| Fiscal Year 2011 Total                       | -4,308         | 0              | -4,308         |

**Comments:**

- 1. Current Year Program Savings** - Reductions are made in FY 2010 to Focused Assistance to capture savings from underexpenditures. The program is designed to build capacity for districts and schools to improve student achievement through the use of the continuous improvement models.
- 2. Beginning Educator Support Team** - Funding for the Beginning Educator Support Team (BEST) program is reduced from \$2.348 million to \$2 million per year beginning FY 2011. The program provides early career educators with mentorship and support.
- 3. LASER** - Learning Assistance for Science Education Reform (LASER) programs provide strategic planning and professional development in assisting school districts with implementation of science programs aligned with state assessments. Funding is reduced beginning July 1, 2010.
- 4. Education Reform** - Funding is provided for implementation of Chapter 235, Laws of 2010 (E2SSB 6696), regarding education reform. The bill implements policy changes in a number of areas impacting the K-12 school system, including school and school district accountability systems, educator preparation program policy, educator evaluation systems, academic standards, and parent and community involvement in schools.
- 5. Focused Assistance** - State-funded Focused Assistance programs within the Office of the Superintendent of Public Instruction are reduced from \$3.046 million per year to \$1.523 million per year beginning in FY 2011.
- 6. Current Year Program Savings** - Reductions are made in FY 2010 to several K-12 programs to capture savings from under-expended contracts. This includes Focused Assistance, Readiness to Learn, career and technical education grants, and other smaller programs. (General Fund-State, Education Legacy Trust Account-State)
- 7. Nat'l Board Bonus for Principals** - The enacted base budget permits national board certified teachers who subsequently become principals to keep their bonus as principals. This provision is discontinued beginning with the 2010-11 school year.
- 8. National Board Assessment Fees** - State funding for scholarships providing a \$2,000 advance to help cover the up-front costs of pursuing certification from the National Board for

## Public Schools Education Reform

Professional Teaching Standards is discontinued. The program will continue to operate with available federal funding.

9. **Career and Technical Education** - Funding for grants to middle schools, high schools, or skills centers to upgrade high-demand career and technical education programs is reduced by two-thirds, beginning July 1, 2010.
10. **Local Farms & Healthy Kids** - Funding is suspended for the Local Farms and Healthy "Kids" Act for schools to purchase Washington grown fresh and fresh frozen fruits and vegetables to offer students as a snack.
11. **STEM Best Practices** - Funding is provided for the implementation of Chapter 238, Laws of 2010 (HB 2621), which funds three best practice "lighthouse" districts in the area of science, technology, engineering and math (STEM) instruction. The STEM lighthouse districts will provide technical assistance to help replicate best practices in other districts.
12. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

**Public Schools**  
**Transitional Bilingual Instruction**

(Dollars in Thousands)

|                                 | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|---------------------------------|--------------|--------------|--------------|
| 2009-11 Original Appropriations | 158,931      | 45,263       | 204,194      |
| Total Maintenance Changes       | -4,840       | 20,000       | 15,160       |
| <hr/>                           |              |              |              |
| 2009-11 Revised Appropriations  | 154,091      | 65,263       | 219,354      |
| <hr/>                           |              |              |              |

*Comments:*

There were no policy level changes.

**Public Schools  
 Learning Assistance Program (LAP)**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>251,284</b> | <b>543,925</b> | <b>795,209</b> |
| <b>Total Maintenance Changes</b>       | <b>11,081</b>  | <b>10,000</b>  | <b>21,081</b>  |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. LAP Income Verification             | -208           | 0              | -208           |
| <b>Policy -- Non-Comp Total</b>        | <b>-208</b>    | <b>0</b>       | <b>-208</b>    |
| <hr/>                                  |                |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>262,157</b> | <b>553,925</b> | <b>816,082</b> |
| Fiscal Year 2011 Total                 | -208           | 0              | -208           |

**Comments:**

- LAP Income Verification** - Funding is adjusted to reflect implementation of recommendations contained in the State Auditor's February 2010 report on the Learning Assistance Program (LAP). Beginning in the 2010-11 school year, LAP funds allocated to school districts shall be adjusted for ineligible free and reduced price lunch applications identified through the annual income verification process required by the national school lunch program.

**Public Schools  
 Student Achievement Program**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>104,101</b> | <b>200,295</b> | <b>304,396</b> |
| <b>Total Maintenance Changes</b>       | <b>167</b>     | <b>0</b>       | <b>167</b>     |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. Student Achievement Program         | -78,519        | 0              | -78,519        |
| <b>Policy -- Non-Comp Total</b>        | <b>-78,519</b> | <b>0</b>       | <b>-78,519</b> |
| <b>2009-11 Revised Appropriations</b>  | <b>25,749</b>  | <b>200,295</b> | <b>226,044</b> |
| Fiscal Year 2011 Total                 | -78,519        | 0              | -78,519        |

**Comments:**

- 1. Student Achievement Program** - The Student Achievement Program is currently budgeted to provide \$99.32 for each eligible K-12 student in Washington State in the 2010-11 school year. This funding is eliminated.

# Higher Education

## Overview

The original 2009-11 operating budget reduced biennial Near General Fund-State support for higher education by \$502 million, or approximately 13 percent, after accounting for \$81.5 million in one-time federal stimulus funding through the American Recovery and Reinvestment Act of 2009. In response to the continued economic recession, the 2010 supplemental operating budget reduces state support for higher education by an additional \$57 million, or 3 percent, during the second year of the biennium. This \$57 million net reduction includes approximately \$55 million of targeted increases that are offset by \$112 million of additional reductions in state support to the public colleges and universities, student financial aid, and other higher education agencies.

## Major Increases

### **State Employee Health Benefits**

State employer contributions are increased by \$34.8 million (11 percent), from \$768 per employee per month to \$850 per employee per month.

### **Worker Retraining**

The amount of \$17.6 million is provided for an additional 3,800 unemployed workers to train at community and technical colleges for new jobs in high-demand fields.

### **Aerospace Training**

A total of \$1.75 million is appropriated for the State Board for Community and Technical Colleges to contract with the Aerospace Training and Research Center at Paine Field in Everett to provide industry-identified training in the aerospace sector.

### **Opportunity Grants**

The sum of \$1.0 million is provided for additional financial aid and support services for community and technical college students who are pursuing training in high-demand fields.

## Institutional Reductions

Through a combination of general budget reductions and savings from the implementation of Chapter 32, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (ESSB 6503), state appropriations to the six public universities and 34 community and technical colleges are reduced by \$90 million in fiscal year 2011. This represents an approximate 6.3 percent reduction in the level of state support each institution was previously budgeted to receive during the second year of the biennium. As directed by the Legislature in the original 2009-11 biennial budget, colleges and universities are expected to achieve savings first through purchasing efficiencies, reduced energy use, administrative reductions, and program consolidations. However, additional reductions in course offerings, increased class sizes, and reduced student support services are also anticipated.

## **Student Financial Aid Reductions**

### **State Work Study Program**

Funding is reduced by \$7.4 million, or approximately 30 percent in the second year of the biennium. These savings are to be achieved through a combination of actions, such as maintaining average student earnings at the current level rather than increasing them to keep pace with the estimated costs of attendance; increasing the required employer share of wages to approximately 50 percent for proprietary employers and to 30 percent for non profits (from 35 percent and 20 percent, respectively); and discontinuing non-resident student eligibility for the program.

### **Conditional Scholarship and Loan Programs**

Funding is reduced by \$5 million due to the suspension of new awards for the Health Professionals Conditional Scholarship and Loan Repayment and the Future Teachers Conditional Scholarship and Loan Repayment programs for the 2010-11 academic year. As a result of these suspensions approximately 125 new applicants will no longer receive awards. Students currently receiving scholarships or loan repayments in either of these programs will continue to receive their awards.

### **Educational Opportunity Grants**

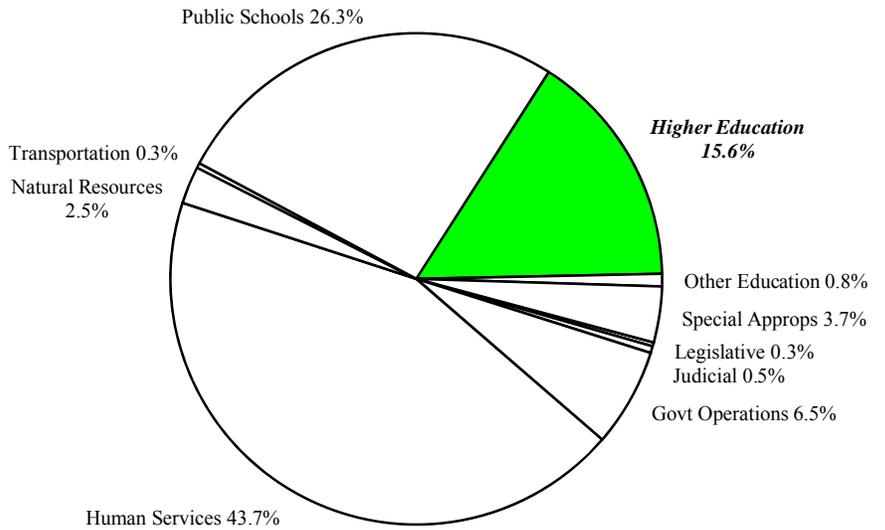
The state will not provide \$2.6 million of additional financial assistance for community and technical college graduates who, because of work or financial obligations, face significant barriers to completing their studies at a distant public baccalaureate institution. Funding continues to be available to complete scholarship commitments to current recipients, but no new applicants will be selected.

### **Washington Scholars and Washington Award for Vocation Excellence**

Each year, three outstanding high school graduates from each legislative district are selected as Washington Scholars, and three outstanding vocational/technical graduates receive the Washington Award for Vocational Excellence (WAVE). State expenditures are reduced by \$870,000 during the 2010-11 academic year by awarding scholarships to only one Washington Scholar and one WAVE recipient in each district, rather than to three each. Funding continues to be available for current recipients who were awarded scholarships in previous years to complete their studies.

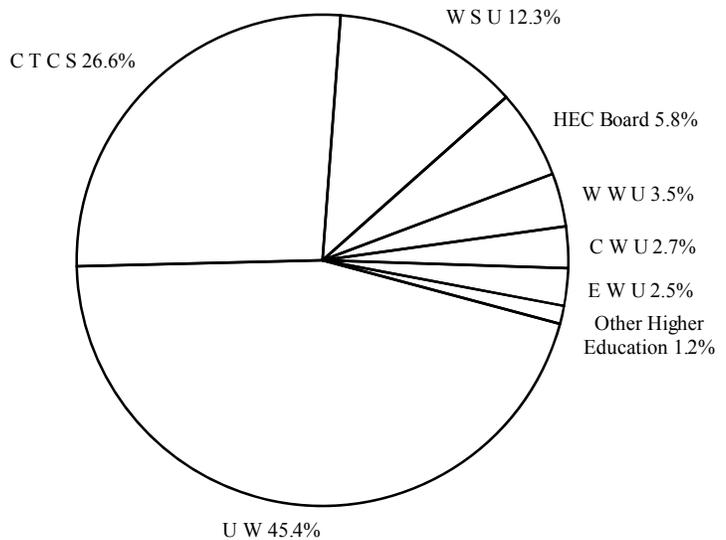
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| <b>Higher Education</b> | <b>9,453,410</b>  |
| Other Education         | 496,323           |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

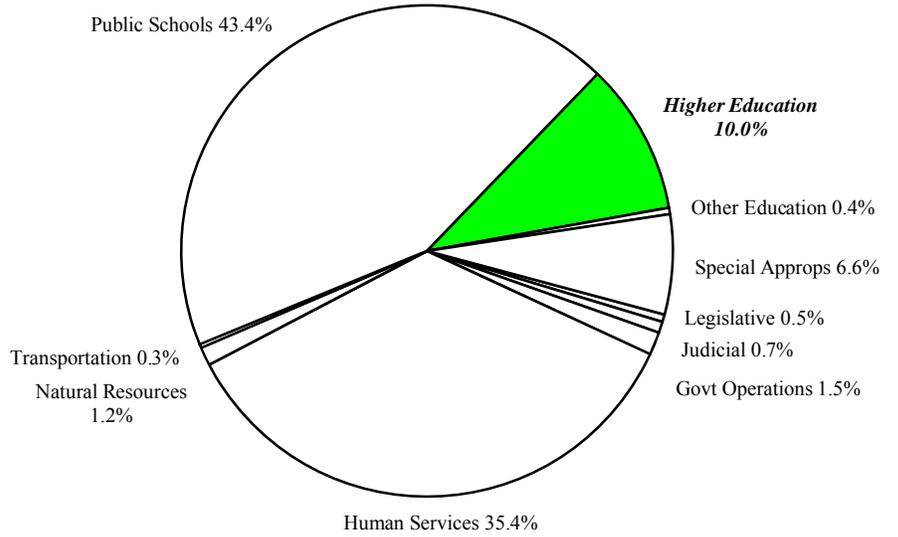
|                         |                  |
|-------------------------|------------------|
| Univ of Washington      | 4,295,994        |
| C T C S                 | 2,511,958        |
| Washington State Univ   | 1,158,581        |
| Higher Ed Coord Bd      | 552,201          |
| Western Washington Univ | 332,324          |
| Central Washington Univ | 258,088          |
| Eastern Washington Univ | 231,779          |
| Other Higher Education  | 112,485          |
| <b>Higher Education</b> | <b>9,453,410</b> |



**Higher Education**

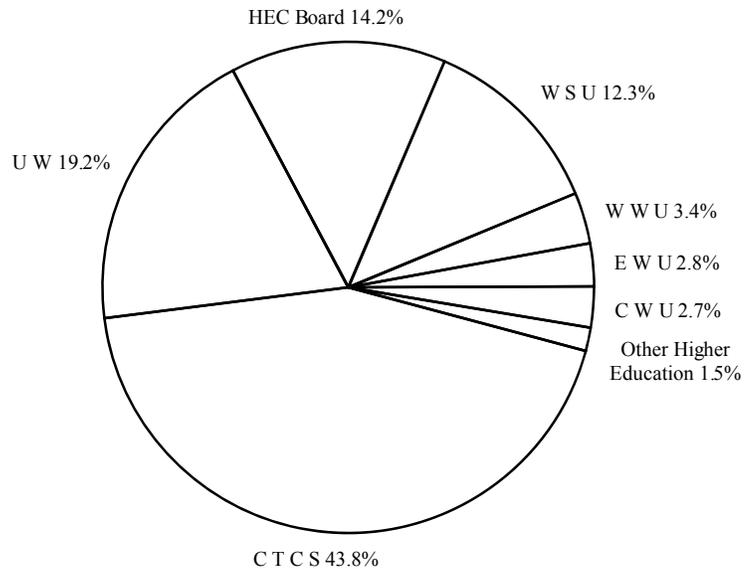
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| <b>Higher Education</b> | <b>3,094,912</b>  |
| Other Education         | 125,446           |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                         |                  |
|-------------------------|------------------|
| C T C S                 | 1,356,584        |
| Univ of Washington      | 595,197          |
| Higher Ed Coord Bd      | 438,573          |
| Washington State Univ   | 382,080          |
| Western Washington Univ | 104,454          |
| Eastern Washington Univ | 87,396           |
| Central Washington Univ | 83,104           |
| Other Higher Education  | 47,524           |
| <b>Higher Education</b> | <b>3,094,912</b> |



**Higher Education**

**Higher Education**  
**FTE Student Enrollment History**  
 By Academic Year

|  | Actual Enrollment             |                               |                               |                               |                               |                               | Budgeted                      |                |                |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------|----------------|
|  | <u>2002-03</u> <sup>(1)</sup> | <u>2003-04</u> <sup>(1)</sup> | <u>2004-05</u> <sup>(1)</sup> | <u>2005-06</u> <sup>(1)</sup> | <u>2006-07</u> <sup>(1)</sup> | <u>2007-08</u> <sup>(1)</sup> | <u>2008-09</u> <sup>(1)</sup> | <u>2009-10</u> | <u>2010-11</u> |
| <b>Community &amp; Technical Colleges</b>    | <b>148,760</b>                | <b>147,774</b>                | <b>141,283</b>                | <b>141,217</b>                | <b>143,019</b>                | <b>147,908</b>                | <b>159,845</b>                | <b>150,795</b> | <b>154,604</b> |
| Adult Students                               | 139,753                       | 138,241                       | 131,489                       | 130,933                       | 132,176                       | 136,723                       | 148,000                       | 139,237        | 143,046        |
| Running Start Students <sup>(2)</sup>        | 9,007                         | 9,533                         | 9,794                         | 10,284                        | 10,843                        | 11,185                        | 11,845                        | 11,558         | 11,558         |
| <b>Four-Year Schools</b>                     | <b>89,511</b>                 | <b>90,075</b>                 | <b>91,358</b>                 | <b>91,547</b>                 | <b>92,182</b>                 | <b>94,310</b>                 | <b>98,292</b>                 | <b>91,328</b>  | <b>92,929</b>  |
| University of Washington <sup>(3)</sup>      | 36,963                        | 36,316                        | 36,357                        | 36,022                        | 36,647                        | 37,525                        | 39,729                        | 36,546         | 37,162         |
| Washington State University                  | 20,311                        | 20,542                        | 21,157                        | 21,301                        | 21,244                        | 22,334                        | 23,316                        | 22,250         | 22,250         |
| Eastern Washington University                | 8,700                         | 8,956                         | 9,126                         | 9,281                         | 9,189                         | 9,111                         | 9,287                         | 8,477          | 8,734          |
| Central Washington University                | 8,106                         | 8,657                         | 8,885                         | 9,057                         | 9,204                         | 8,931                         | 9,082                         | 8,469          | 8,808          |
| The Evergreen State College                  | 4,054                         | 4,099                         | 4,120                         | 4,131                         | 4,114                         | 4,269                         | 4,470                         | 4,213          | 4,213          |
| Western Washington University                | 11,377                        | 11,505                        | 11,713                        | 11,755                        | 11,784                        | 12,140                        | 12,408                        | 11,373         | 11,762         |
| <b>Total Higher Education</b> <sup>(2)</sup> | <b>229,264</b>                | <b>228,316</b>                | <b>222,847</b>                | <b>222,480</b>                | <b>224,358</b>                | <b>231,033</b>                | <b>246,292</b>                | <b>230,565</b> | <b>235,975</b> |

<sup>(1)</sup> 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.

<sup>(2)</sup> Beginning with school year 2009-10, Community and Technical Colleges budgeted enrollment targets include Running Start students. For comparability with previous years, Running Start students are excluded from the "All Higher Education" total.

<sup>(3)</sup> University of Washington enrollment for 2008-09 and subsequent years includes: a) 445 FTEs for the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) medical school partnership; and b) 148 FTEs for the Molecular and Cellular Biology program. Enrollments for these programs were reported as self-sustaining from 2003-04 through 2007-08 and as state-supported both before and after that period.

**Higher Education**  
**Budgeted Enrollment Increases**  
 By Academic Year

|   | FTE Student Enrollment       |                            |                              |                            |                              |
|---|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
|   | Budgeted<br>Level<br>2008-09 | Increase<br>for<br>2009-10 | Total<br>Budgeted<br>2009-10 | Increase<br>for<br>2010-11 | Total<br>Budgeted<br>2010-11 |
| <b>Community &amp; Technical Colleges</b>         | 139,237                      | 0                          | 139,237                      | 3,809                      | 143,046                      |
| <b>Four-Year Schools</b>                          | 95,670                       | -4,342                     | 91,328                       | 1,601                      | 92,929                       |
| <b>University of Washington <sup>(1)</sup></b>    | 38,526                       | -1,980                     | 36,546                       | 616                        | 37,162                       |
| Seattle   | 34,197                       |                            |                              |                            |                              |
| Bothell   | 1,980                        |                            |                              |                            |                              |
| Tacoma  | 2,349                        |                            |                              |                            |                              |
| <b>Washington State University <sup>(1)</sup></b> | 22,250                       | 0                          | 22,250                       | 0                          | 22,250                       |
| Pullman/Spokane                                   | 19,272                       |                            |                              |                            |                              |
| Tri-Cities  | 865                          |                            |                              |                            |                              |
| Vancouver   | 2,113                        |                            |                              |                            |                              |
| <b>Eastern Washington University</b>              | 9,184                        | -707                       | 8,477                        | 257                        | 8,734                        |
| <b>Central Washington University</b>              | 9,322                        | -853                       | 8,469                        | 339                        | 8,808                        |
| <b>The Evergreen State College</b>                | 4,213                        | 0                          | 4,213                        | 0                          | 4,213                        |
| <b>Western Washington University</b>              | 12,175                       | -802                       | 11,373                       | 389                        | 11,762                       |
| <b>Total Higher Education</b>                     | 234,907                      | -4,342                     | 230,565                      | 5,410                      | 235,975                      |

<sup>(1)</sup> Enrollment targets are not specified by branch campus for 2009-11. The operating budget directs the University of Washington and Washington State University to maintain, and to the extent possible to increase, enrollment levels at the branch campuses.

## Community & Technical College System

(Dollars in Thousands)

|  | NGF-S            | Other            | Total            |
|--|------------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b> | <b>1,357,705</b> | <b>1,135,815</b> | <b>2,493,520</b> |
| <b>Total Maintenance Changes</b>       | <b>74</b>        | <b>17</b>        | <b>91</b>        |
| <b>Policy Changes - Non-Comp</b>       |                  |                  |                  |
| 1. Maintenance Fund Shift              | 22,800           | 0                | 22,800           |
| 2. Higher Education Reductions         | -37,746          | 0                | -37,746          |
| 3. Facilities-Related Expenditures     | 809              | 0                | 809              |
| 4. Opportunity Grants                  | 0                | 1,000            | 1,000            |
| 5. Worker Retraining                   | 0                | 17,556           | 17,556           |
| 6. BS in Nursing/University Center     | 158              | 0                | 158              |
| 7. Transfer Labor Ed & Research Center | 164              | 0                | 164              |
| 8. Aerospace Training                  | 1,750            | 0                | 1,750            |
| <b>Policy -- Non-Comp Total</b>        | <b>-12,065</b>   | <b>18,556</b>    | <b>6,491</b>     |
| <b>Policy Changes - Comp</b>           |                  |                  |                  |
| 9. Health Insurance Increase           | 17,924           | 3,117            | 21,041           |
| 10. Temporary Layoffs                  | -7,054           | -2,131           | -9,185           |
| <b>Policy -- Comp Total</b>            | <b>10,870</b>    | <b>986</b>       | <b>11,856</b>    |
| <hr/>                                  |                  |                  |                  |
| <b>2009-11 Revised Appropriations</b>  | <b>1,356,584</b> | <b>1,155,374</b> | <b>2,511,958</b> |
| Fiscal Year 2010 Total                 | 11,696           | 0                | 11,696           |
| Fiscal Year 2011 Total                 | -12,891          | 19,542           | 6,651            |

**Comments:**

- |  |  |
|--|--|
| <p>1. <b>Maintenance Fund Shift</b> - State general funds are provided for facility maintenance costs previously funded with building account revenues appropriated in the state capital budget.</p> <p>2. <b>Higher Education Reductions</b> - State appropriations are reduced by 6.5 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.</p> <p>3. <b>Facilities-Related Expenditures</b> - Funding is provided for maintenance costs at three instructional facilities that will open during the 2009-11 biennium.</p> <p>4. <b>Opportunity Grants</b> - Funding is provided for the Opportunity Grant program as specified in RCW 28B.50.271. The Opportunity Grant program provides grants to low-income adults training for high-wage, high-demand careers. (Opportunity Express Account-State)</p> <p>5. <b>Worker Retraining</b> - Funding is provided for an additional 3,784 Worker Retraining slots at community and technical colleges. Worker Retraining programs provide financial aid and other support services to jobless workers who need to change careers in order to re-enter the workforce. (Opportunity Express Account-State)</p> <p>6. <b>BS in Nursing/University Center</b> - Funding is provided to implement Chapter 25, Laws of 2010, 1st sp.s. (HB 2694). The University Center of North Puget Sound, in partnership with the University of Washington-Bothell, is to offer a</p> | <p>bachelor of science (BS) in nursing program for 25 full-time equivalent students.</p> <p>7. <b>Transfer Labor Ed &amp; Research Center</b> - Funding is provided to reflect the transfer of the Labor Education and Research Center from The Evergreen State College to South Seattle Community College. The Center provides outreach programs and direct educational and research services to labor unions and worker-centered organizations.</p> <p>8. <b>Aerospace Training</b> - Funding is provided for the State Board for Community and Technical Colleges to contract with the Aerospace Training and Research Center at Paine Field in Everett to support industry-identified training in the aerospace sector.</p> <p>9. <b>Health Insurance Increase</b> - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)</p> <p>10. <b>Temporary Layoffs</b> - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)</p> |
|--|--|

## University of Washington

(Dollars in Thousands)

|  | NGF-S          | Other            | Total            |
|--|----------------|------------------|------------------|
| <b>2009-11 Original Appropriations</b> | <b>621,090</b> | <b>3,657,287</b> | <b>4,278,377</b> |
| <b>Total Maintenance Changes</b>       | <b>-19,203</b> | <b>19,381</b>    | <b>178</b>       |
| <b>Policy Changes - Non-Comp</b>       |                |                  |                  |
| 1. Maintenance Fund Shift              | 5,084          | 0                | 5,084            |
| 2. Higher Education Reductions         | -15,771        | 0                | -15,771          |
| 3. WWAMI Healthcare System Planning    | 250            | 0                | 250              |
| 4. Telecommunications Regulation       | 183            | 0                | 183              |
| 5. Tax Increment Cost/Benefits         | 25             | 0                | 25               |
| <b>Policy -- Non-Comp Total</b>        | <b>-10,229</b> | <b>0</b>         | <b>-10,229</b>   |
| <b>Policy Changes - Comp</b>           |                |                  |                  |
| 6. Health Insurance Increase           | 8,327          | 24,469           | 32,796           |
| 7. Temporary Layoffs                   | -4,788         | -340             | -5,128           |
| <b>Policy -- Comp Total</b>            | <b>3,539</b>   | <b>24,129</b>    | <b>27,668</b>    |
| <hr/>                                  |                |                  |                  |
| <b>2009-11 Revised Appropriations</b>  | <b>595,197</b> | <b>3,700,797</b> | <b>4,295,994</b> |
| Fiscal Year 2011 Total                 | -6,690         | 24,129           | 17,439           |

**Comments:**

- |  |   |
|--|---|
| <p>1. <b>Maintenance Fund Shift</b> - The original biennial budget provided for approximately \$26 million of facility maintenance costs to be funded with building account revenues appropriated in the state capital budget. A portion of those costs will instead be covered by state general fund appropriations.</p> <p>2. <b>Higher Education Reductions</b> - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.</p> <p>3. <b>WWAMI Healthcare System Planning</b> - Funding is provided for joint planning to increase the number of residency positions and programs in eastern Washington and Spokane within the existing Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) regional medical education program partnership between the University of Washington (UW) School of Medicine, Washington State University, and area physicians and hospitals. The joint planning efforts are to include preparation of applications for new residency programs in Family Medicine, Internal Medicine, Obstetrics, Psychiatry, and General Surgery; business plans for those new programs; and for increasing the number of positions in existing programs among regional academic and hospital partners and networks.</p> <p>4. <b>Telecommunications Regulation</b> - Funding is provided for the Technology Law and Public Policy Clinic at the UW school of law to prepare a comprehensive report identifying and analyzing trends in the telecommunications industry and pathways for telecommunications regulatory reform. The report must be submitted to the Legislature by December 1, 2011.</p> <p>5. <b>Tax Increment Cost/Benefits</b> - Funding is provided for implementation of Chapter 164, Laws of 2010 (E2SSB 6609).</p> | <p>The bill directs UW economists to complete state government cost and benefit assessments of local government infrastructure financing.</p> <p>6. <b>Health Insurance Increase</b> - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)</p> <p>7. <b>Temporary Layoffs</b> - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)</p> |
|--|---|

## Washington State University

(Dollars in Thousands)

|  | NGF-S          | Other          | Total            |
|--|----------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b> | <b>409,437</b> | <b>776,169</b> | <b>1,185,606</b> |
| <b>Total Maintenance Changes</b>       | <b>28</b>      | <b>10</b>      | <b>38</b>        |
| <b>Policy Changes - Non-Comp</b>       |                |                |                  |
| 1. Maintenance Fund Shift              | -18,260        | 0              | -18,260          |
| 2. Higher Education Reductions         | -10,186        | 0              | -10,186          |
| 3. WA Center for Real Estate Research  | 0              | 160            | 160              |
| 4. Small Business Development Centers  | 100            | 0              | 100              |
| 5. Governor Veto                       | -100           | 0              | -100             |
| <b>Policy -- Non-Comp Total</b>        | <b>-28,446</b> | <b>160</b>     | <b>-28,286</b>   |
| <b>Policy Changes - Comp</b>           |                |                |                  |
| 6. Health Insurance Increase           | 4,351          | 1,437          | 5,788            |
| 7. Temporary Layoffs                   | -3,290         | -1,275         | -4,565           |
| <b>Policy -- Comp Total</b>            | <b>1,061</b>   | <b>162</b>     | <b>1,223</b>     |
| <hr/>                                  |                |                |                  |
| <b>2009-11 Revised Appropriations</b>  | <b>382,080</b> | <b>776,501</b> | <b>1,158,581</b> |
| Fiscal Year 2010 Total                 | -9,130         | 0              | -9,130           |
| Fiscal Year 2011 Total                 | -18,255        | 322            | -17,933          |

**Comments:**

- |   |   |
|---|---|
| <p>1. <b>Maintenance Fund Shift</b> - A portion of facility maintenance costs will be funded with trust land revenues appropriated in the state capital budget, rather than with state general fund appropriations.</p> <p>2. <b>Higher Education Reductions</b> - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.</p> <p>3. <b>WA Center for Real Estate Research</b> - Funding is provided for the Real Estate Research Center to provide research, information, education services, and project-oriented research to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington State and the Pacific Northwest region. (Higher Education Grant and Contracts Account-Non-Appropriated)</p> <p>4. <b>Small Business Development Centers</b> - Funds are provided for development and implementation of a comprehensive plan for the coordination and integration of small business and entrepreneurial development programs statewide. This item was vetoed (please see Governor Veto item below).</p> <p>5. <b>Governor Veto</b> - The Governor vetoed section 605 (5) of Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which provided \$100,000 to the Small Business Development Center at Washington State University to develop a state plan for coordination of small business and entrepreneurial development programs.</p> | <p>6. <b>Health Insurance Increase</b> - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)</p> <p>7. <b>Temporary Layoffs</b> - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)</p> |
|---|---|

## Eastern Washington University

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>91,568</b> | <b>144,315</b> | <b>235,883</b> |
| <b>Total Maintenance Changes</b>       | <b>8</b>      | <b>0</b>       | <b>8</b>       |
| <b>Policy Changes - Non-Comp</b>       |               |                |                |
| 1. Maintenance Fund Shift              | -2,192        | 0              | -2,192         |
| 2. Higher Education Reductions         | -2,858        | 0              | -2,858         |
| <b>Policy -- Non-Comp Total</b>        | <b>-5,050</b> | <b>0</b>       | <b>-5,050</b>  |
| <b>Policy Changes - Comp</b>           |               |                |                |
| 3. Health Insurance Increase           | 1,100         | 242            | 1,342          |
| 4. Temporary Layoffs                   | -230          | -174           | -404           |
| <b>Policy -- Comp Total</b>            | <b>870</b>    | <b>68</b>      | <b>938</b>     |
| <hr/>                                  |               |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>87,396</b> | <b>144,383</b> | <b>231,779</b> |
| Fiscal Year 2011 Total                 | -4,180        | 68             | -4,112         |

**Comments:**

1. **Maintenance Fund Shift** - A portion of facility maintenance costs will be funded with trust land revenues appropriated in the state capital budget, rather than with state general fund appropriations.
  
2. **Higher Education Reductions** - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and academic support services.
  
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Central Washington University

(Dollars in Thousands)

|  | NGF-S         | Other          | Total          |
|--|---------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>86,940</b> | <b>175,182</b> | <b>262,122</b> |
| <b>Total Maintenance Changes</b>       | <b>10</b>     | <b>0</b>       | <b>10</b>      |
| <b>Policy Changes - Non-Comp</b>       |               |                |                |
| 1. Maintenance Fund Shift              | -1,985        | 0              | -1,985         |
| 2. Higher Education Reductions         | -2,638        | 0              | -2,638         |
| <b>Policy -- Non-Comp Total</b>        | <b>-4,623</b> | <b>0</b>       | <b>-4,623</b>  |
| <b>Policy Changes - Comp</b>           |               |                |                |
| 3. Health Insurance Increase           | 1,119         | 101            | 1,220          |
| 4. Temporary Layoffs                   | -342          | -299           | -641           |
| <b>Policy -- Comp Total</b>            | <b>777</b>    | <b>-198</b>    | <b>579</b>     |
| <hr/>                                  |               |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>83,104</b> | <b>174,984</b> | <b>258,088</b> |
| Fiscal Year 2011 Total                 | -3,846        | -198           | -4,044         |

**Comments:**

1. **Maintenance Fund Shift** - A portion of facility maintenance costs will be funded with trust land revenues appropriated in the state capital budget, rather than with state general fund appropriations.
2. **Higher Education Reductions** - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## The Evergreen State College

(Dollars in Thousands)

|  | NGF-S         | Other         | Total          |
|--|---------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>48,827</b> | <b>62,871</b> | <b>111,698</b> |
| <b>Total Maintenance Changes</b>       | <b>4</b>      | <b>0</b>      | <b>4</b>       |
| <b>Policy Changes - Non-Comp</b>       |               |               |                |
| 1. Maintenance Fund Shift              | -3,247        | 0             | -3,247         |
| 2. Higher Education Reductions         | -1,291        | 0             | -1,291         |
| 3. Transfer Labor Ed & Research Center | -164          | 0             | -164           |
| 4. Quality Education Council           | 50            | 0             | 50             |
| <b>Policy -- Non-Comp Total</b>        | <b>-4,652</b> | <b>0</b>      | <b>-4,652</b>  |
| <b>Policy Changes - Comp</b>           |               |               |                |
| 5. Health Insurance Increase           | 584           | 53            | 637            |
| 6. Temporary Layoffs                   | -327          | -241          | -568           |
| <b>Policy -- Comp Total</b>            | <b>257</b>    | <b>-188</b>   | <b>69</b>      |
| <hr/>                                  |               |               |                |
| <b>2009-11 Revised Appropriations</b>  | <b>44,436</b> | <b>62,683</b> | <b>107,119</b> |
| Fiscal Year 2011 Total                 | -4,395        | -188          | -4,583         |

**Comments:**

1. **Maintenance Fund Shift** - A portion of facility maintenance costs will be funded with trust land revenues appropriated in the state capital budget, rather than with state general fund appropriations.
2. **Higher Education Reductions** - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.
3. **Transfer Labor Ed & Research Center** - Funding is adjusted to reflect the transfer of the Labor Education and Research Center from The Evergreen State College to South Seattle Community College.
4. **Quality Education Council** - Funding is provided for the Washington State Institute for Public Policy to provide research support to the Quality Education Council. The Council is assisting and advising the Legislature in updating the definition and funding of basic education.
5. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
6. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Western Washington University**

(Dollars in Thousands)

|  | <u>NGF-S</u>   | <u>Other</u>   | <u>Total</u>   |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>108,929</b> | <b>227,615</b> | <b>336,544</b> |
| <b>Total Maintenance Changes</b>       | <b>10</b>      | <b>2</b>       | <b>12</b>      |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. Maintenance Fund Shift              | -2,200         | 0              | -2,200         |
| 2. Higher Education Reductions         | -2,575         | 0              | -2,575         |
| <b>Policy -- Non-Comp Total</b>        | <b>-4,775</b>  | <b>0</b>       | <b>-4,775</b>  |
| <b>Policy Changes - Comp</b>           |                |                |                |
| 3. Health Insurance Increase           | 1,462          | 285            | 1,747          |
| 4. Temporary Layoffs                   | -1,172         | -32            | -1,204         |
| <b>Policy -- Comp Total</b>            | <b>290</b>     | <b>253</b>     | <b>543</b>     |
| <hr/>                                  |                |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>104,454</b> | <b>227,870</b> | <b>332,324</b> |
| Fiscal Year 2011 Total                 | -4,485         | 253            | -4,232         |

**Comments:**

1. **Maintenance Fund Shift** - A portion of facility maintenance costs will be funded with trust land revenues appropriated in the state capital budget, rather than with state general fund appropriations.
2. **Higher Education Reductions** - State appropriations are reduced by 6 percent from the level originally budgeted for FY 2011. This may require additional reductions in administrative activities, student support services, and course offerings.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Higher Education Coordinating Board

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>534,919</b> | <b>47,570</b>  | <b>582,489</b> |
| <b>Total Maintenance Changes</b>       | <b>-4,874</b>  | <b>-7,400</b>  | <b>-12,274</b> |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. Childcare Matching Grants           | -75            | 0              | -75            |
| 2. State Work Study Program            | -7,379         | 0              | -7,379         |
| 3. Washington Scholars                 | -562           | 0              | -562           |
| 4. State-Funded GEAR-UP Projects       | -500           | 0              | -500           |
| 5. WAVE                                | -308           | 0              | -308           |
| 6. Health Prof'l Loans & Scholarships  | -3,960         | 0              | -3,960         |
| 7. Future Teachers Scholarship         | -1,000         | 0              | -1,000         |
| 8. WICHE Prof'l Student Exchange       | -210           | 0              | -210           |
| 9. SWS Math/Science                    | -250           | 0              | -250           |
| 10. Leadership 1000                    | -200           | 0              | -200           |
| 11. Educational Opportunity Grants     | -2,598         | 0              | -2,598         |
| 12. Foster Care Endowed Scholarship    | -75            | 0              | -75            |
| 13. Opportunity Pathways               | -73,500        | 73,500         | 0              |
| 14. HECB Administrative Reduction      | -354           | 0              | -354           |
| 15. Rural Health Care Subsidy Rollback | -250           | 0              | -250           |
| 16. Implement SACS Directive           | -143           | 0              | -143           |
| 17. Eliminate HECB Advisory Council    | -1             | 0              | -1             |
| <b>Policy -- Non-Comp Total</b>        | <b>-91,365</b> | <b>73,500</b>  | <b>-17,865</b> |
| <b>Policy Changes - Comp</b>           |                |                |                |
| 18. Health Insurance Increase          | 72             | 34             | 106            |
| 19. Temporary Layoffs                  | -179           | -76            | -255           |
| <b>Policy -- Comp Total</b>            | <b>-107</b>    | <b>-42</b>     | <b>-149</b>    |
| <hr/>                                  |                |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>438,573</b> | <b>113,628</b> | <b>552,201</b> |
| Fiscal Year 2010 Total                 | -210           | 0              | -210           |
| Fiscal Year 2011 Total                 | -91,262        | 73,458         | -17,804        |

**Comments:**

1. **Childcare Matching Grants** - During the second year of the biennium, state matching funds will not be provided to support innovations in child care delivery at the public universities.
2. **State Work Study Program** - Funding for the State Work Study program is reduced by approximately 30 percent in FY 2011. Savings are to be achieved through a combination of actions, such as: maintaining average student earnings at the current level rather than increasing them to keep pace with the estimated costs of attendance; increasing the required employer share of wages to approximately 50 percent for proprietary employers and to 30 percent for non-profits (current shares are 35 percent and 20 percent, respectively); and discontinuing non-resident student eligibility for the program.
3. **Washington Scholars** - Funding is reduced by awarding scholarships to one student (rather than three) from each legislative district for the 2010 high school graduating class. The Washington Scholars program provides a four-year scholarship equivalent to approximately 90 percent of full tuition. Students awarded scholarships in previous years will continue to receive them.
4. **State-Funded GEAR-UP Projects** - The Gaining Early Awareness and Readiness for Undergraduates Program (GEAR UP) provides pre-collegiate preparation services to students in school districts without structured college access programs. The federally-funded program is currently available in 43 school districts in Washington and serves about 27,000 students. State funding provides these services to approximately 3,400 students in 25 additional school districts. This item reduces funding for the state-supported projects by approximately 30 percent.
5. **WAVE** - Funding is reduced by awarding scholarships to one student (rather than three) from each legislative district for the 2010 high school graduating class. The Washington Award for Vocational Excellence (WAVE) provides two-year scholarships equivalent to full tuition. Students awarded scholarships in previous years will continue to receive them.
6. **Health Prof'l Loans & Scholarships** - Funding is reduced for the Health Professional Conditional Scholarship and Loan Repayment program. The Loan Repayment program provides loan payment assistance to licensed primary care health professionals. The scholarship provides conditional

## Higher Education Coordinating Board

- scholarships to students training to become primary care health professionals. In return, program participants agree to provide primary care health care in rural or underserved urban areas with designated shortages. Due to this reduction, approximately 90 applicants will not receive scholarships or loan re-payments while preparing for or practicing in a health professional shortage area. Funding continues to be available for scholarships and three-year loan re-payment commitments awarded in previous years.
7. **Future Teachers Scholarship** - Funding is suspended for the Future Teacher Conditional Scholarship program. In return for conditional scholarships or loan repayments, participants agree to teach in Washington K-12 public schools. Due to this suspension, approximately 25 new applicants will not receive scholarships while preparing for a teaching career. Funding continues to be available for current recipients who were awarded scholarships in previous years to complete their studies.
  8. **WICHE Prof'l Student Exchange** - Funding is suspended for the Western Interstate Compact for Higher Education (WICHE) Professional Student Exchange program. Since professional degrees in optometry and osteopathy are not offered by a Washington public university, this program provides scholarships for approximately 12 Washington residents to pursue such degrees in other western states. Funding is available to continue scholarship commitments to current recipients and to pay dues for Washington's continued participation in the compact so that Washington residents may continue to receive reduced non-resident tuition rates at participating universities in other western states.
  9. **SWS Math/Science** - Funding is suspended for a project that provides targeted state work study (SWS) experience for students considering careers in math and science instruction.
  10. **Leadership 1000** - State funding for the Leadership 1000 Scholarship program is reduced by 50 percent. The program matches private benefactors with selected economically-disadvantaged students who have exhausted all other sources of scholarship and financial aid and would otherwise be unable to attend college. The state funding is leveraged with private donations.
  11. **Educational Opportunity Grants** - Funding is suspended for a program that provides additional financial assistance for community and technical college graduates who would otherwise be unable to attend a distant public baccalaureate institution because of work or financial obligations in their home community. Funding continues to be available to complete scholarship commitments to current recipients, but no new applicants will be selected for the 2010-11 academic year.
  12. **Foster Care Endowed Scholarship** - No state contributions will be made in the second year of the biennium toward an endowment fund. The earnings from this fund are expected to eventually be sufficient to support college scholarships for former foster care recipients.
  13. **Opportunity Pathways** - Appropriation levels are adjusted to reflect Chapter 27, Laws of 2010, 1st sp.s., Partial Veto (E2SSB 6409). The bill provides that all profits from lottery games are to be used for student financial aid, early childhood education, and economic development. Funds from the new state Opportunity Pathways Account replace state general fund support for the State Need Grant, the State Work Study Program, Washington Scholars, and WAVE. (General Fund-State, Opportunity Pathways Account-State)
  14. **HECB Administrative Reduction** - Funding for Higher Education Coordinating Board (HECB) planning, policy development, and general agency administration is reduced by an additional 9 percent from the level originally budgeted for the biennium. The Board is expected to target reductions, to the maximum extent possible, to planning and policy development rather than the direct financial aid administrative component of its operations.
  15. **Rural Health Care Subsidy Rollback** - Funding is reduced for HECB to contract with the Pacific Northwest University of Health Sciences to provide training and education of health care professionals to promote osteopathic physicians services in rural and underserved areas of the state.
  16. **Implement SACS Directive** - Funding is reduced to reflect savings achieved by the transfer of HECB accounting and payroll services to the Office of Financial Management's Small Agency Client Services (SACS).
  17. **Eliminate HECB Advisory Council** - Funding is reduced to reflect savings achieved through implementation of Chapter 7, Laws of 2010, 1st sp.s. (E2SHB 2617). The bill eliminates the Higher Education Coordinating Board Advisory Council.
  18. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  19. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (various other accounts)

## Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>3,209</b> | <b>2,278</b> | <b>5,487</b> |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Administration & Program Reduction  | -87          | 0            | -87          |
| 2. Implement SACS Directive            | -4           | 0            | -4           |
| <b>Policy -- Non-Comp Total</b>        | <b>-91</b>   | <b>0</b>     | <b>-91</b>   |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 3. Health Insurance Increase           | 14           | 0            | 14           |
| 4. Temporary Layoffs                   | -44          | 0            | -44          |
| <b>Policy -- Comp Total</b>            | <b>-30</b>   | <b>0</b>     | <b>-30</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>3,088</b> | <b>2,278</b> | <b>5,366</b> |
| Fiscal Year 2011 Total                 | -121         | 0            | -121         |

**Comments:**

1. **Administration & Program Reduction** - Funding for the Spokane Intercollegiate Research and Technology Institute (SIRTI) is reduced by approximately 6 percent from the level originally budgeted for FY 2011.
2. **Implement SACS Directive** - Funding is reduced to reflect savings achieved by the transfer of SIRTI accounting and payroll services to the Office of Financial Management's Small Agency Client Services (SACS).
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

# Other Education

## Department of Early Learning

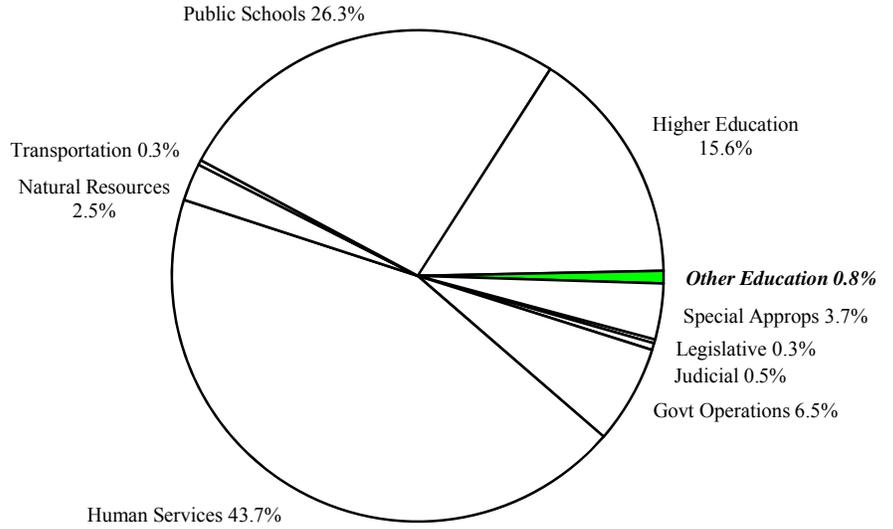
Funding for the Early Childhood Education and Assistance Program (ECEAP) is adjusted by Chapter 27, Laws of 2010, 1st sp.s., partial veto (E2SSB 6409). A total of \$40 million Near General Fund-State is replaced with \$40 million from the Opportunity Pathways Account, which contains profits from lottery games to be used for various state educational programs, including the Early Childhood Education and Assistance Program (ECEAP).

A total of \$16.8 million in federal funding and authority is transferred from the Department of Social and Health Services to the Department of Early Learning for the Infant and Toddler Early Intervention Program (ITEIP). The program is renamed the Early Support for Infant and Toddler Program (SEITP).

The budget reduces funding by \$428,000 Near General Fund-State for several programs, including \$212,000 for the Child Care Resource and Referral Network, \$193,000 for ECEAP, and \$23,000 for operations and staffing within the Department of Early Learning.

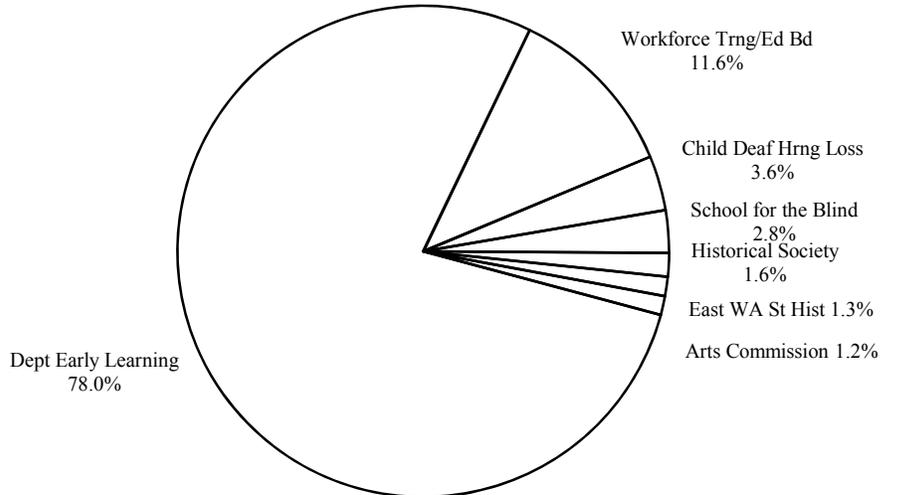
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 158,277           |
| Judicial                | 273,554           |
| Governmental Operations | 3,921,845         |
| Human Services          | 26,450,440        |
| Natural Resources       | 1,494,562         |
| Transportation          | 195,202           |
| Public Schools          | 15,909,596        |
| Higher Education        | 9,453,410         |
| <b>Other Education</b>  | <b>496,323</b>    |
| Special Appropriations  | 2,229,691         |
| <b>Statewide Total</b>  | <b>60,582,900</b> |



**Washington State**

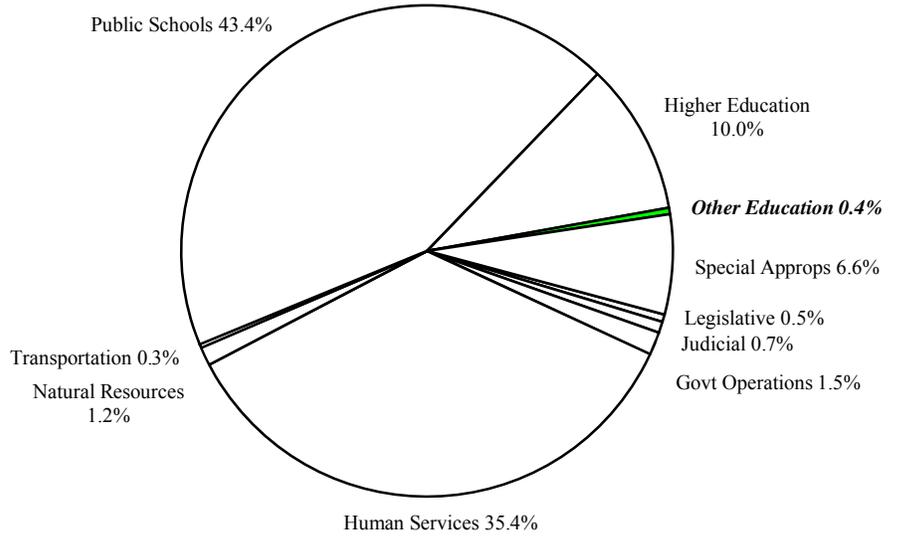
|                            |                |
|----------------------------|----------------|
| Dept Early Learning        | 386,946        |
| Workforce Trng/Ed Bd       | 57,432         |
| Child Deaf Hrng Loss       | 17,901         |
| School for the Blind       | 13,829         |
| Historical Society         | 7,698          |
| East WA State Hist Society | 6,330          |
| State Arts Comm            | 6,187          |
| <b>Other Education</b>     | <b>496,323</b> |



**Other Education**

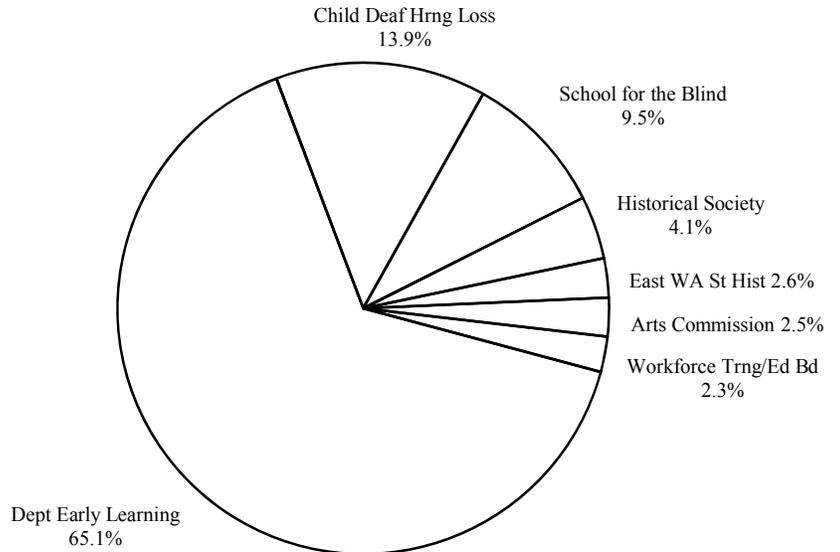
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 153,900           |
| Judicial                | 228,493           |
| Governmental Operations | 464,535           |
| Human Services          | 10,976,045        |
| Natural Resources       | 372,107           |
| Transportation          | 77,996            |
| Public Schools          | 13,442,302        |
| Higher Education        | 3,094,912         |
| <b>Other Education</b>  | <b>125,446</b>    |
| Special Appropriations  | 2,035,286         |
| <b>Statewide Total</b>  | <b>30,971,022</b> |



**Washington State**

|                            |                |
|----------------------------|----------------|
| Dept Early Learning        | 81,641         |
| Child Deaf Hrng Loss       | 17,375         |
| School for the Blind       | 11,887         |
| Historical Society         | 5,199          |
| East WA State Hist Society | 3,244          |
| State Arts Comm            | 3,191          |
| Workforce Trng/Ed Bd       | 2,909          |
| <b>Other Education</b>     | <b>125,446</b> |



**Other Education**

## Workforce Training & Education Coordinating Board

(Dollars in Thousands)

|  | NGF-S        | Other         | Total         |
|--|--------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>3,143</b> | <b>54,535</b> | <b>57,678</b> |
| <b>Policy Changes - Non-Comp</b>       |              |               |               |
| 1. Administration & Service Reduction  | -195         | 0             | -195          |
| <b>Policy -- Non-Comp Total</b>        | <b>-195</b>  | <b>0</b>      | <b>-195</b>   |
| <b>Policy Changes - Comp</b>           |              |               |               |
| 2. Health Insurance Increase           | 14           | 5             | 19            |
| 3. Temporary Layoffs                   | -53          | -17           | -70           |
| <b>Policy -- Comp Total</b>            | <b>-39</b>   | <b>-12</b>    | <b>-51</b>    |
| <hr/>                                  |              |               |               |
| <b>2009-11 Revised Appropriations</b>  | <b>2,909</b> | <b>54,523</b> | <b>57,432</b> |
| Fiscal Year 2010 Total                 | -122         | 0             | -122          |
| Fiscal Year 2011 Total                 | -112         | -12           | -124          |

**Comments:**

1. **Administration & Service Reduction** - Funding is reduced by an additional 7 percent from the level originally budgeted for the biennium. Savings are to be achieved by reductions in agency planning, policy coordination, and administrative activities.
  
2. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
3. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Department of Early Learning

(Dollars in Thousands)

|  | NGF-S          | Other          | Total          |
|--|----------------|----------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>121,323</b> | <b>244,859</b> | <b>366,182</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>       | <b>4</b>       | <b>6</b>       |
| <b>Policy Changes - Non-Comp</b>       |                |                |                |
| 1. Opportunity Pathways                | -40,000        | 40,000         | 0              |
| 2. Federal Funding Adjustment          | 0              | 3,940          | 3,940          |
| 3. Reduction to Operations/Staff       | -23            | 0              | -23            |
| 4. Resource and Referral Reduction     | -212           | 0              | -212           |
| 5. Head Start and ECEAP                | -193           | 0              | -193           |
| 6. Early Learning Basic Education      | 71             | 0              | 71             |
| 7. Read Out Loud                       | 150            | 0              | 150            |
| 8. Thrive By Five Program              | 500            | 0              | 500            |
| 9. Infant and Toddler Program Transfer | 0              | 16,795         | 16,795         |
| <b>Policy -- Non-Comp Total</b>        | <b>-39,707</b> | <b>60,735</b>  | <b>21,028</b>  |
| <b>Policy Changes - Comp</b>           |                |                |                |
| 10. Health Insurance Increase          | 58             | 159            | 217            |
| 11. Temporary Layoffs                  | -35            | -452           | -487           |
| <b>Policy -- Comp Total</b>            | <b>23</b>      | <b>-293</b>    | <b>-270</b>    |
| <hr/>                                  |                |                |                |
| <b>2009-11 Revised Appropriations</b>  | <b>81,641</b>  | <b>305,305</b> | <b>386,946</b> |
| Fiscal Year 2010 Total                 | 21             | 1,970          | 1,991          |
| Fiscal Year 2011 Total                 | -39,705        | 58,472         | 18,767         |

**Comments:**

- |   |   |
|---|---|
| <p>1. <b>Opportunity Pathways</b> - Appropriation levels are adjusted to reflect Chapter 27, Laws of 2010, 1st sp.s., Partial Veto (E2SSB 6409). The bill provides that all profits from lottery games are to be used for student financial aid, early childhood education, and economic development. Funds from the new account replace state general fund support for the State Need Grant, the State Work Study Program, Washington Scholars, and Washington Award for Vocational Excellence (WAVE) higher education financial aid programs, as well as for the Early Childhood Education and Assistance Program (ECEAP) at the Department of Early Learning. (Opportunity Pathways Account-State)</p> <p>2. <b>Federal Funding Adjustment</b> - Federal expenditure authority is increased due to an increased Child Care and Development Fund award from the federal government. (General Fund-Federal)</p> <p>3. <b>Reduction to Operations/Staff</b> - Funding for administrative costs for management of programs and contracts is reduced.</p> <p>4. <b>Resource and Referral Reduction</b> - General Fund-State funding for the Washington State Child Care Resource and Referral Network is reduced in FY 2011. American Recovery and Reinvestment Act (ARRA) funds will continue through the biennium as will other federal funding contracted to the organization.</p> <p>5. <b>Head Start and ECEAP</b> - As part of the 2009 American Recovery and Reinvestment Act, Head Start providers in</p> | <p>Washington were assumed to receive an additional 173 Head Start slots. Providers actually received 202 slots. This item continues the policy of reducing the number of ECEAP slots to match the increased number of Head Start slots to achieve General Fund-State savings.</p> <p>6. <b>Early Learning Basic Education</b> - Funding is provided to implement Chapter 234, Laws of 2010 (SSB 6759). The legislation requires a plan to be drafted that examines the opportunities and barriers to expanding early learning as basic education. A progress report is due July 1, 2011, and a final report and plan is due November 1, 2011.</p> <p>7. <b>Read Out Loud</b> - Funding is provided for the Department to contract with Reach Out and Read for services that promote early literacy by giving new books to children and advice to parents about the importance of reading.</p> <p>8. <b>Thrive By Five Program</b> - Washington contract funds for the Thrive by Five Program for home visiting are transferred from the Council on Children and Families within the Department of Social and Health Services (DSHS) to the Department of Early Learning (DEL). Additional funding is provided for expenditure into the Home Visiting Services Account for further home visiting contracts with Thrive by Five, Washington. (General Fund-State)</p> <p>9. <b>Infant and Toddler Program Transfer</b> - Funding is provided for Chapter 233, Laws of 2010 (SB 6593). The bill transfers the Infant and Toddler Early Intervention Program from DSHS</p> |
|---|---|

## Department of Early Learning

to DEL effective July 1, 2010. The legislation also renames the program the Early Support for Infants and Toddlers Program.

10. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
11. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## State School for the Blind

(Dollars in Thousands)

|  | NGF-S         | Other        | Total         |
|--|---------------|--------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>11,810</b> | <b>1,928</b> | <b>13,738</b> |
| <b>Policy Changes - Comp</b>           |               |              |               |
| 1. Health Insurance Increase           | 77            | 14           | 91            |
| <b>Policy -- Comp Total</b>            | <b>77</b>     | <b>14</b>    | <b>91</b>     |
| <hr/>                                  |               |              |               |
| <b>2009-11 Revised Appropriations</b>  | <b>11,887</b> | <b>1,942</b> | <b>13,829</b> |
| Fiscal Year 2011 Total                 | 77            | 14           | 91            |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)

## Center for Childhood Deafness & Hearing Loss

(Dollars in Thousands)

|  | NGF-S         | Other      | Total         |
|--|---------------|------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>17,248</b> | <b>526</b> | <b>17,774</b> |
| <b>Total Maintenance Changes</b>       | <b>2</b>      | <b>0</b>   | <b>2</b>      |
| <b>Policy Changes - Comp</b>           |               |            |               |
| 1. Health Insurance Increase           | 125           | 0          | 125           |
| <b>Policy -- Comp Total</b>            | <b>125</b>    | <b>0</b>   | <b>125</b>    |
| <hr/>                                  |               |            |               |
| <b>2009-11 Revised Appropriations</b>  | <b>17,375</b> | <b>526</b> | <b>17,901</b> |
| Fiscal Year 2011 Total                 | 125           | 0          | 125           |
| <hr/>                                  |               |            |               |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.

## Washington State Arts Commission

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>3,759</b> | <b>2,977</b> | <b>6,736</b> |
| <b>Total Maintenance Changes</b>       | <b>0</b>     | <b>21</b>    | <b>21</b>    |
| <b>Policy Changes - Non-Comp</b>       |              |              |              |
| 1. Reduced Agency Administration       | -156         | 0            | -156         |
| 2. Reduction to Arts Grants            | -400         | 0            | -400         |
| <b>Policy -- Non-Comp Total</b>        | <b>-556</b>  | <b>0</b>     | <b>-556</b>  |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 3. Health Insurance Increase           | 19           | 0            | 19           |
| 4. Temporary Layoffs                   | -31          | -2           | -33          |
| <b>Policy -- Comp Total</b>            | <b>-12</b>   | <b>-2</b>    | <b>-14</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>3,191</b> | <b>2,996</b> | <b>6,187</b> |
| Fiscal Year 2010 Total                 | -32          | 0            | -32          |
| Fiscal Year 2011 Total                 | -536         | -2           | -538         |

**Comments:**

1. **Reduced Agency Administration** - Savings will be achieved through vacancies, reduced lease payments, data processing and accounting costs, and reductions in staff hours or other administrative expenses. The Arts Commission will also generate savings by reducing the number of meetings held.
2. **Reduction to Arts Grants** - State funding for Community Services Art Grant programs is reduced for FY 2011. Since federal and private sources fund half of these grant programs, approximately 75 percent of the grant programs are retained.
3. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850.
4. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

## Washington State Historical Society

(Dollars in Thousands)

|  | NGF-S        | Other        | Total        |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>5,228</b> | <b>2,509</b> | <b>7,737</b> |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 1. Health Insurance Increase           | 34           | 5            | 39           |
| 2. Temporary Layoffs                   | -63          | -15          | -78          |
| <b>Policy -- Comp Total</b>            | <b>-29</b>   | <b>-10</b>   | <b>-39</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>5,199</b> | <b>2,499</b> | <b>7,698</b> |
| Fiscal Year 2011 Total                 | -29          | -10          | -39          |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)

**Eastern Washington State Historical Society**

(Dollars in Thousands)

|  | <u>NGF-S</u> | <u>Other</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <b>2009-11 Original Appropriations</b> | <b>3,267</b> | <b>3,088</b> | <b>6,355</b> |
| <b>Policy Changes - Comp</b>           |              |              |              |
| 1. Health Insurance Increase           | 24           | 10           | 34           |
| 2. Temporary Layoffs                   | -47          | -12          | -59          |
| <b>Policy -- Comp Total</b>            | <b>-23</b>   | <b>-2</b>    | <b>-25</b>   |
| <hr/>                                  |              |              |              |
| <b>2009-11 Revised Appropriations</b>  | <b>3,244</b> | <b>3,086</b> | <b>6,330</b> |
| Fiscal Year 2011 Total                 | -23          | -2           | -25          |

**Comments:**

1. **Health Insurance Increase** - Funding is provided for an increase in the monthly employer funding rate for state employee health benefits for FY 2011 from \$768 to \$850. (General Fund-State, various other accounts)
  
2. **Temporary Layoffs** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), due to the closure of state agencies and higher education institutions, or approved alternative compensation reduction plans. (General Fund-State, various other accounts)



# Special Appropriations

Employee compensation related changes are displayed in individual agency budgets including the Office of Superintendent of Public Instruction and institutions of higher education.

## Special Appropriations (Non-Compensation Related Items)

### **Strategic Printing**

Savings of \$1.5 million state near general fund are realized through implementing various printing strategies. The strategies include utilizing print management, standardizing envelopes, and streamlining processes and may also include pilot projects allowing state agencies to directly purchase printing services from other than the State Printer.

### **Information Technology Reform**

Savings of \$30 million state near general fund are realized through Information Technology (IT) related efficiency efforts. Chapter 282, Laws of 2010, Partial Veto (ESHB 3178), outlines the IT efficiency efforts, which include potential savings related to wireless service, telephony, desktop computers, email services, and data storage. Additionally, \$15 million of the \$30 million savings are achieved by reducing rates paid by agencies into the Data Processing Revolving Account and utilizing the excess fund balance.

## Special Appropriations (Compensation Related Items)

### **Temporary Layoff Savings**

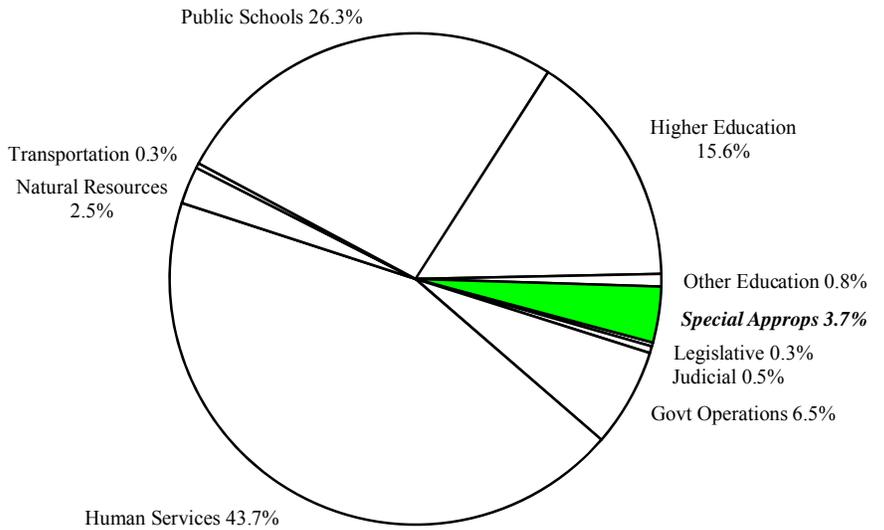
Funding for agencies is reduced (by \$38.0 million Near General Fund-State and \$35.3 million in other funds) to reflect savings from closing agencies for ten days, or implementing approved equivalent compensation reduction plans, as specified in Chapter 32, Laws of 2010, 1<sup>st</sup> sp.s., Partial Veto (ESSB 6503). Certain agencies and activities are exempted from the closure or compensation reduction requirements. Legislatively-adopted provisions requiring general government state agencies to reduce compensation expenditures on Washington Management Services (WMS) and Civil Service-exempt management employees by \$10 million Near General Fund-State and additional amounts in other funds, in addition to the reduced expenditures due to closures or reduction plans, were vetoed by the Governor.

### **State Employee Health Benefit Funding Increase**

Additional funding (\$64.9 million Near General Fund-State and \$53.1 million in other funds) is provided to cover cost increases for state employee health benefits. State employer contribution rates for fiscal year 2011 are increased from \$768 per employee per month to \$850 per employee per month, an increase of \$82 per employee per month over contribution levels for fiscal year 2010. The amount remitted by technical colleges, school districts, and educational service districts for retiree insurance coverage from the Public Employees' Benefits Board is reduced \$64.90 per employee per month to \$62.48 per employee per employee per month.

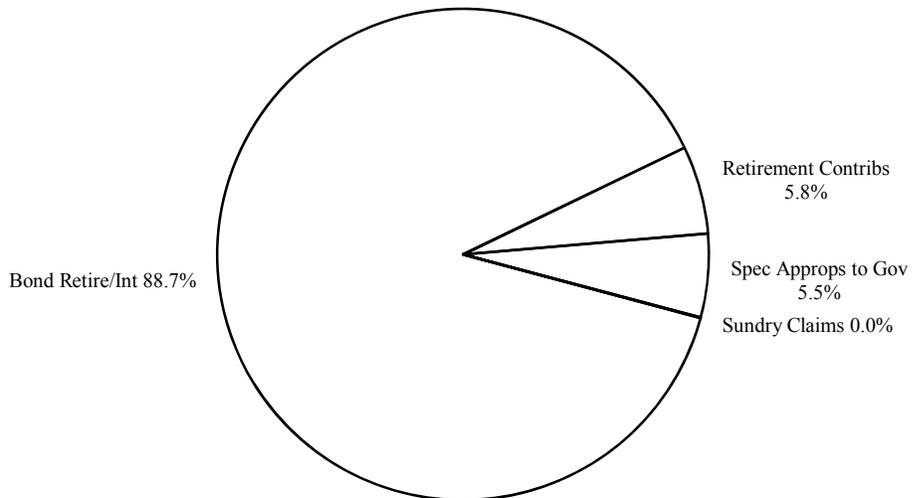
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

|                                      |                         |
|--------------------------------------|-------------------------|
| Legislative                          | 158,277                 |
| Judicial                             | 273,554                 |
| Governmental Operations              | 3,921,845               |
| Human Services                       | 26,450,440              |
| Natural Resources                    | 1,494,562               |
| Transportation                       | 195,202                 |
| Public Schools                       | 15,909,596              |
| Higher Education                     | 9,453,410               |
| Other Education                      | 496,323                 |
| <b><i>Special Appropriations</i></b> | <b><i>2,229,691</i></b> |
| <b>Statewide Total</b>               | <b>60,582,900</b>       |



**Washington State**

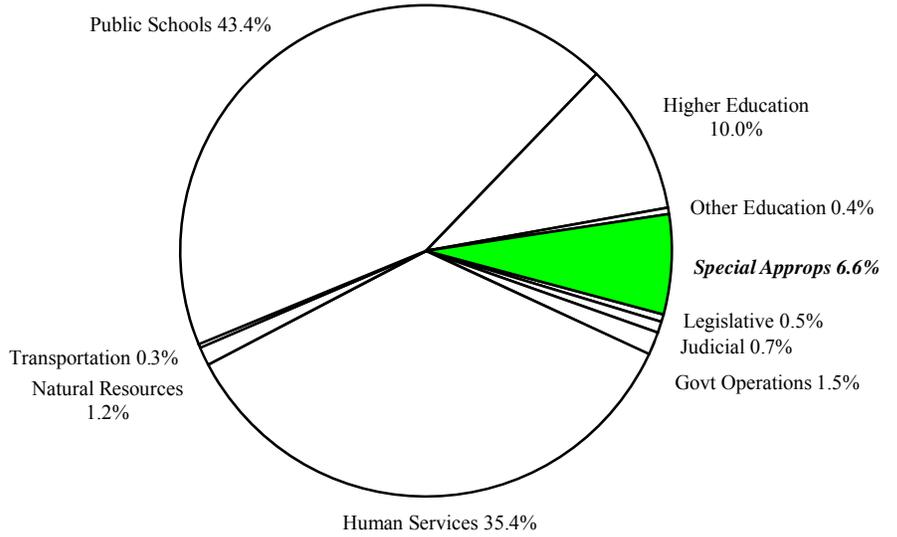
|                                      |                         |
|--------------------------------------|-------------------------|
| Bond Retire/Int                      | 1,977,277               |
| Retirement Contributions             | 129,330                 |
| Spec Approps to Gov                  | 122,193                 |
| Sundry Claims                        | 891                     |
| <b><i>Special Appropriations</i></b> | <b><i>2,229,691</i></b> |



***Special Appropriations***

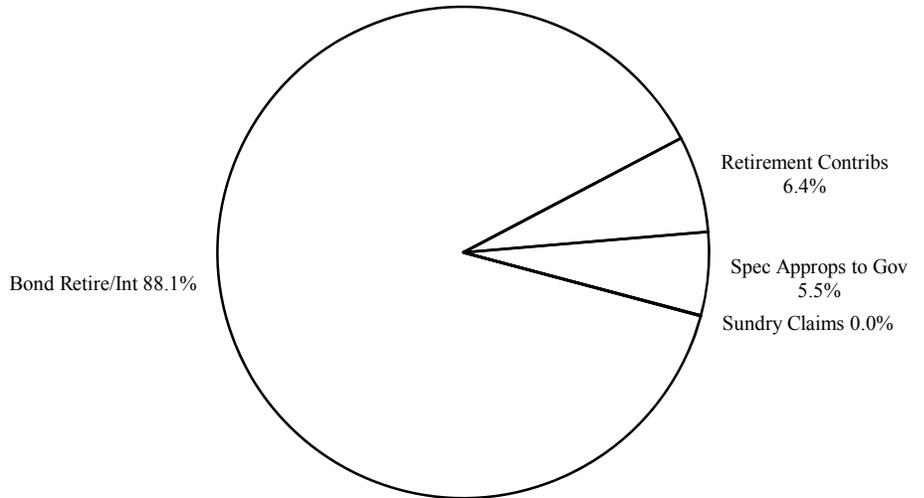
**2009-11 Washington State Omnibus Operating Budget  
Including 2010 Supplemental  
Near General Fund-State  
(Dollars in Thousands)**

|                                      |                         |
|--------------------------------------|-------------------------|
| Legislative                          | 153,900                 |
| Judicial                             | 228,493                 |
| Governmental Operations              | 464,535                 |
| Human Services                       | 10,976,045              |
| Natural Resources                    | 372,107                 |
| Transportation                       | 77,996                  |
| Public Schools                       | 13,442,302              |
| Higher Education                     | 3,094,912               |
| Other Education                      | 125,446                 |
| <b><i>Special Appropriations</i></b> | <b><i>2,035,286</i></b> |
| <b>Statewide Total</b>               | <b>30,971,022</b>       |



**Washington State**

|                                      |                         |
|--------------------------------------|-------------------------|
| Bond Retire/Int                      | 1,793,797               |
| Retirement Contributions             | 129,330                 |
| Spec Approps to Gov                  | 111,268                 |
| Sundry Claims                        | 891                     |
| <b><i>Special Appropriations</i></b> | <b><i>2,035,286</i></b> |



***Special Appropriations***

**Bond Retirement and Interest**

(Dollars in Thousands)

|  | <u>NGF-S</u>     | <u>Other</u>   | <u>Total</u>     |
|--|------------------|----------------|------------------|
| <b>2009-11 Original Appropriations</b> | <b>1,813,244</b> | <b>184,094</b> | <b>1,997,338</b> |
| <b>Total Maintenance Changes</b>       | <b>-19,447</b>   | <b>-614</b>    | <b>-20,061</b>   |
| <hr/>                                  |                  |                |                  |
| <b>2009-11 Revised Appropriations</b>  | <b>1,793,797</b> | <b>183,480</b> | <b>1,977,277</b> |
| <hr/>                                  |                  |                |                  |

**Comments:**

There were no policy level changes.

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.

### Contributions to Retirement Systems

(Dollars in Thousands)

|   | NGF-S          | Other    | Total          |
|---|----------------|----------|----------------|
| <b>2009-11 Original Appropriations</b>  | <b>130,230</b> | <b>0</b> | <b>130,230</b> |
| <b>Policy Changes - Non-Comp</b>        |                |          |                |
| 1. Match Contribution to Payout Level   | -2,000         | 0        | -2,000         |
| <b>Policy -- Non-Comp Total</b>         | <b>-2,000</b>  | <b>0</b> | <b>-2,000</b>  |
| <b>Policy Changes - Comp</b>            |                |          |                |
| 2. LEOFF & WSPRS Survivor Benefits      | 300            | 0        | 300            |
| 3. Public Safety Employees Hlth Benefit | 800            | 0        | 800            |
| <b>Policy -- Comp Total</b>             | <b>1,100</b>   | <b>0</b> | <b>1,100</b>   |
| <hr/>                                   |                |          |                |
| <b>2009-11 Revised Appropriations</b>   | <b>129,330</b> | <b>0</b> | <b>129,330</b> |
| Fiscal Year 2011 Total                  | -900           | 0        | -900           |

**Comments:**

1. **Match Contribution to Payout Level** - Funding for contributions to the Judicial Retirement System is reduced to more closely match the expected levels of benefit payments during the 2009-11 biennium.
  
2. **LEOFF & WSPRS Survivor Benefits** - Funding is provided for increased state contributions to the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) as a result of improvements to the benefits paid to survivors of LEOFF and Washington State Patrol Retirement System (WSPRS) members pursuant to the provisions of Chapter 261, Laws of 2010 (EHB 2519)
  
3. **Public Safety Employees Hlth Benefit** - Funding is provided for the impact on contribution rates in LEOFF Plan 2 from Chapter 259, Laws of 2010 (SHB 1679 - Public Safety Employees' Health Benefits Reimbursement).

## State Employee Compensation Adjustments

(Dollars in Thousands)

|  | NGF-S       | Other         | Total         |
|--|-------------|---------------|---------------|
| <b>2009-11 Original Appropriations</b> | <b>800</b>  | <b>1,000</b>  | <b>1,800</b>  |
| <b>Total Maintenance Changes</b>       | <b>-800</b> | <b>-1,000</b> | <b>-1,800</b> |
| <b>Policy Changes - Comp</b>           |             |               |               |
| 1. Management Compensation             | -10,000     | -15,764       | -25,764       |
| 2. Governor Veto                       | 10,000      | 15,764        | 25,764        |
| <b>2009-11 Revised Appropriations</b>  | <b>0</b>    | <b>0</b>      | <b>0</b>      |

**Comments:**

1. **Management Compensation** - Agency appropriations are reduced consistent with Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503 - Closing State Agencies on Specified Dates), due to the reduction in compensation costs required for Washington Management Services (WMS) and exempt management employees in general government state agencies. Specific agency reductions are detailed in Legislative Evaluation and Accountability Program (LEAP) document TL1 dated April 10, 2010. This item was vetoed (please see Governor Veto item below). (General Fund-State, various other accounts)
  
2. **Governor Veto** - The Governor vetoed Section 708 of Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which required general government state agencies to reduce compensation expenditures on WMS and Civil Service-exempt management employees. (General Fund-State, various other accounts)

NOTE: In addition to the amounts displayed in this portion, the operating budget (Chapter 37, Laws of 2010, 1st sp.s., Partial Veto [ESSB 6444]) made appropriations from transportation fund sources. Those appropriations, which relate to health benefit funding, are included in the transportation agencies portion (Part VI) of this document.

### Sundry Claims

(Dollars in Thousands)

|  | NGF-S      | Other    | Total      |
|--|------------|----------|------------|
| <b>2009-11 Original Appropriations</b> | <b>0</b>   | <b>0</b> | <b>0</b>   |
| <b>Policy Changes - Non-Comp</b>       |            |          |            |
| 1. Sundry Claims                       | 891        | 0        | 891        |
| <b>Policy -- Non-Comp Total</b>        | <b>891</b> | <b>0</b> | <b>891</b> |
| <hr/>                                  |            |          |            |
| <b>2009-11 Revised Appropriations</b>  | <b>891</b> | <b>0</b> | <b>891</b> |
| Fiscal Year 2010 Total                 | 891        | 0        | 891        |

**Comments:**

- Sundry Claims** - On the recommendation of the Risk Management Division of the Office of Financial 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 (\$741,000) and under RCW 41.04.017 for a death benefit claim (\$150,000). Sundry claims received by the Legislature by March 8, 2010, are included.

## Special Appropriations to the Governor

(Dollars in Thousands)

|  | NGF-S          | Other         | Total          |
|--|----------------|---------------|----------------|
| <b>2009-11 Original Appropriations</b> | <b>123,992</b> | <b>8,500</b>  | <b>132,492</b> |
| <b>Policy Changes - Non-Comp</b>       |                |               |                |
| 1. Capital Building Construction Acct  | -400           | 0             | -400           |
| 2. Opportunity Express Funding         | 18,556         | 0             | 18,556         |
| 3. IT Reform                           | -30,000        | 0             | -30,000        |
| 4. Extraordinary Criminal Justice Cost | 620            | 0             | 620            |
| 5. Agency Reallocation & Realignment   | 250            | 0             | 250            |
| 6. Strategic Printing                  | -1,500         | 0             | -1,500         |
| 7. Dept. of Transportation             | 0              | 2,425         | 2,425          |
| 8. Governor Veto                       | -250           | 0             | -250           |
| <b>Policy -- Non-Comp Total</b>        | <b>-12,724</b> | <b>2,425</b>  | <b>-10,299</b> |
| <b>2009-11 Revised Appropriations</b>  | <b>111,268</b> | <b>10,925</b> | <b>122,193</b> |
| Fiscal Year 2010 Total                 | 220            | 0             | 220            |
| Fiscal Year 2011 Total                 | -12,944        | 2,425         | -10,519        |

**Comments:**

1. **Capital Building Construction Acct** - The state general fund appropriation into the Capital Building Construction Account is reduced due to increased timber sales revenues. The Capital Building Construction Account is used to pay debt service on the Natural Resources Building and the Legislative Building rehabilitation. The state general fund is used to backfill the account when timber sales revenues, which are the primary source of revenue for the account, do not cover the debt service.
2. **Opportunity Express Funding** - State general funds are appropriated into the Opportunity Express Account, created pursuant to Chapter 24, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2630), for worker retraining and opportunity grants at the community and technical colleges.
3. **IT Reform** - Funding is reduced to reflect savings from information technology (IT) efficiency efforts outlined in Chapter 282, Laws of 2010, Partial Veto (ESHB 3178). Of this amount, \$15 million is assumed to be achieved from reducing Data Processing Revolving Account rates paid by agencies and utilizing the excess fund balance in the revolving account.
4. **Extraordinary Criminal Justice Cost** - The Office of Financial Management shall distribute funds to Franklin County (\$33,000), Skagit County (\$390,000), and Jefferson County (\$197,000) for extraordinary criminal justice costs.
5. **Agency Reallocation & Realignment** - One-time funding is provided for the Agency Reallocation and Realignment of Washington (ARROW) Commission to evaluate the operations and organization of state government. This item was vetoed (please see Governor Veto item below).
6. **Strategic Printing** - Funding is reduced to reflect savings achieved through a strategic printing strategy. The strategy will include utilizing print management, standardizing envelopes, streamlining printing processes, and pilot projects allowing state agencies to directly acquire printing services.
7. **Dept. of Transportation** - Funding is provided to the Department of Transportation's Program Delivery Management and Support Program for compliance with its national pollution discharge elimination system permit. (Motor Vehicle Fund-State)
8. **Governor Veto** - The Governor vetoed Section 717 of Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), which provided funding for the ARROW commission.