

Agency 305

**Department of Veterans Affairs**

**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2007-09 Expenditure Authority</b>	671.2	31,916	78,274	110,190
<b>Supplemental Changes</b>				
Services for Returning Veterans	6.3	291	383	674
Federal and Local Fund Adjustments		(2,279)	3,170	891
Online Recruiting Service		13	22	35
Increased Tax District Assessment		30		30
Pension Plan 1 COLA Funding		14		14
PEBB Rate Reduction		(1,214)		(1,214)
Fuel Rate Adjustment		5		5
Utility Rate Adjustments		136		136
Self-Insurance Premiums		14		14
Transfers				
<b>Subtotal - Supplemental Changes</b>	6.3	(2,990)	3,575	585
<b>Total Proposed Budget</b>	677.4	28,926	81,849	110,775
Difference	6.3	(2,990)	3,575	585
Percent Change	0.9%	(9.4)%	4.6%	0.5%

**SUPPLEMENTAL CHANGES**

**Services for Returning Veterans**

A growing number of soldiers are returning from conflicts in Afghanistan and Iraq. The Department of Veterans Affairs will work on-site at Fort Lewis and Madigan Hospital to link an estimated 3,360 soldiers with benefits to which they are entitled. In addition, a county-funded Incarcerated Veterans Program will work with approximately 1,500 more veterans in King County and Pierce County jails to decrease recidivism for non-violent offenders. Funding from increased federal grants is included to expand programs helping homeless veterans return to employment and a stable residence, aiding 80 more veterans than were served in the last grant cycle. Counselors are being recruited to provide therapy for more veterans dealing with post-traumatic stress as they return to civilian life. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

**Federal and Local Fund Adjustments**

Funding is adjusted to reflect an updated cost recovery forecast. Increased federal and local funds will allow for a reduction in state funding. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**Online Recruiting Service**

To support the state's online recruitment tool (E-Recruiting), additional funds are provided for a one-time charge from the Department of Personnel. This will improve the ability of agencies to manage their recruitment and hiring processes as required by the Personnel System Reform Act of 2002.

## **HUMAN SERVICES - OTHER**

### **Increased Tax District Assessment**

The city of Belfair has increased its assessment for fire protection charges for the Retsil Veterans' Home due to the expansion of the skilled nursing facility.

### **Pension Plan 1 COLA Funding**

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Senate Bill 5175. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. (General Fund-State, other funds)

### **PEBB Rate Reduction**

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).

### **Fuel Rate Adjustment**

According to revised estimates from the Transportation Revenue Forecast Council, motor vehicle fuel prices have exceeded budgeted estimates.

### **Utility Rate Adjustments**

There have been several natural gas and electric utilities rate increases approved by the Utilities and Transportation Commission since the last funding adjustment was requested.

### **Self-Insurance Premiums**

Self-insurance premiums for the Spokane Veterans' Home have increased following several significant remodeling improvements to the facility.

### **Transfers**

Two transfers are made which net to zero agency-wide. The Eastern Washington Cemetery project has one FTE staff and associated funding in the Headquarters Program (010). These resources are transferred to the Field Services Program (020). In addition, Veterans Innovation Program Account funding is transferred from Program 010 to Program 020. (Veterans Stewardship Account-Private/Local, Veterans Innovation Program Account-State)