

Agency 343

Higher Education Coordinating Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	100.7	364,414	139,224	503,638
Supplemental Changes				
Online Recruiting Service		4	2	6
Nonappropriated Fund Adjustment	5.1		14,557	14,557
Pension Plan 1 COLA Funding		2		2
PEBB Rate Reduction		(111)	(54)	(165)
Transfers		62		62
Subtotal - Supplemental Changes	5.1	(43)	14,505	14,462
Total Proposed Budget	105.8	364,371	153,729	518,100
Difference	5.1	(43)	14,505	14,462
Percent Change	5.0%	0.0%	10.4%	2.9%

SUPPLEMENTAL CHANGES

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.

Nonappropriated Fund Adjustment

The Guaranteed Education Tuition Program has grown so fast that additional staffing and spending authority are required. Because the program is self-sufficient, state funds are not required. In addition, non-state spending authority is increased for the Gaining Early Awareness and Readiness for Undergraduate Programs and Health Professional Conditional Scholarship Program. (Various Accounts)

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)

HIGHER EDUCATION

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).

Transfers

Funding is provided to the Higher Education Coordinating Board to fulfill the duties in Chapter 251, Laws of 2007 (Creating Health Sciences and Services Authorities). This funding was appropriated to the Department of Community, Trade and Economic Development in the biennial budget. This transfer aligns the funding with the statutory duties created by the legislation.