State of Washington
Office of Financial Management

Single Audit Report

For the Fiscal Year Ended June 30, 2008

May 2009

Single Audit Report

For the Fiscal Year Ended June 30, 2008

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Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

December 17, 2008

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of and for the fiscal year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Workers' Compensation Fund of the Department of Labor and Industries, Washington's Lottery, Department of Retirement Systems, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board. Those financial statements represent part or all of the total assets, net assets, and revenues or additions of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information as follows:

Opinion Unit	Percent of Total Assets	Percent of Net Assets	Percent of Total Revenues/ Additions
Governmental Activities	15.6%	23.0%	7.7%
Business-Type Activities	73.9%	100%	57.7%
Higher Education Special Revenue Fund	52.4%	43.9%	50.9%
Higher Education Endowment Fund	96.5%	96.6%	80.9%
Higher Education Student Services Fund	68.6%	74.0%	81.3%
Workers' Compensation Fund	100%	100%	100%
Aggregate Discretely Presented Component Units and Remaining Fund Information	90.2%	93.7%	64.5%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities and funds are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government*

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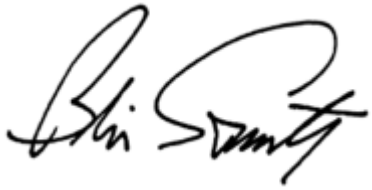
Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Workers' Compensation Fund of the Department of Labor and Industries, Washington's Lottery, Department of Retirement Systems, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2008, on our consideration of the State of Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the required supplementary information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have and the other auditors have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



BRIAN SONNTAG, CGFM

STATE AUDITOR

MD&A
Management's Discussion and Analysis

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MD&A

Management's Discussion & Analysis

As managers of the state of Washington, we offer this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. We present this information in conjunction with the information included in our letter of transmittal, which can be found preceding this narrative, and with the state's financial statements, which follow. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total assets of the state of Washington exceeded its liabilities by $21.8 billion (reported as net assets). Of this amount, $(5.7) billion was reported as "unrestricted (deficit) net assets." A negative balance indicates that no funds were available for discretionary purposes.

- The state of Washington's governmental funds reported a combined ending fund balance of $12.5 billion, an increase of 3.1 percent compared with the prior year.

- Unreserved fund balance for the General Fund was $677 million, or 3.3 percent of total General Fund expenditures.

- The state's capital assets increased by $2.0 billion while total bond debt increased by $1.5 billion during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the state of Washington's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The focus is on both the state as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the state's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the state of Washington's finances, in a manner similar to a private sector business.

Statement of Net Assets. The *Statement of Net Assets* presents information on all of the state of Washington's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the state of Washington is improving or deteriorating.

Statement of Activities. The *Statement of Activities* presents information showing how the state's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type, and component unit). This is intended to summarize and simplify the reader's analysis of the revenues and costs of various state activities and the degree to which activities are subsidized by general revenues.

Both of these government-wide financial statements distinguish functions of the state of Washington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the state of Washington include education, human services, transportation, natural resources, adult corrections, and general government.

The business-type activities of the state of Washington include the workers' compensation and unemployment compensation programs, as well as various higher education student services such as housing and dining.

The government-wide financial statements can be found on pages B-17 through B-19 of this report.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The state of Washington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the state can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for three major funds and an aggregate total for all nonmajor funds. The state's major governmental funds are the General Fund, Higher Education Special Revenue Fund, and the Higher Education Endowment Permanent Fund. Individual fund data for the state's nonmajor governmental funds are provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages B-22 through B-25 of this report.

Proprietary Funds. The state of Washington maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds represent an accounting device used to accumulate and allocate costs internally among the state of Washington's various functions. The state of Washington uses internal service funds to account for general services such as motor pool, central stores, data processing services, risk management, employee health insurance, and printing services. Because internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Workers' Compensation Fund, Unemployment Compensation Fund, and the Higher Education Student Services Fund, which are considered to be major funds, as well as an aggregated total for all nonmajor enterprise funds.

The internal service funds are combined for presentation purposes. Individual fund data for the state's nonmajor proprietary funds are provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements can be found on pages B-26 through B-31 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the state of Washington's own programs. Washington's fiduciary funds include state administered pension plans. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the state's fiduciary funds are provided in the form of combining statements elsewhere in this report.

The fiduciary fund financial statements can be found on pages B-32 through B-33 of this report.

Component Units. Component units that are legally separate from the state and primarily serve or benefit those outside the state are discretely presented. They are either financially accountable to the state, or have relationships with the state such that exclusion would cause the state's financial statements to be misleading or incomplete. The state discretely reports one major component unit, the Washington State Public Stadium Authority, and four nonmajor component units.

Refer to Note 1 on pages B-39 through B-40 for more detailed information. Individual fund data for the state's nonmajor component units are provided in the form of combining statements elsewhere in this report. The component unit financial statements can be found on pages B-34 through B-35 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-37 through B-122 of this report.

OTHER REQUIRED INFORMATION

In addition to this discussion and analysis, this report also presents required supplementary information on budgetary comparisons, pension plan and other post-employment benefits, funding progress, and infrastructure assets reported using the modified approach.

Required supplementary information can be found on pages B-125 through B-147 of this report.

The combining statements referred to earlier are presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 171-219 of the Comprehensive Annual Financial Report.

STATE OF WASHINGTON
Statement of Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
ASSETS						
Current and other assets	$ 19,620	$ 17,995	$ 21,665	$ 20,395	$ 41,285	$ 38,390
Capital assets	27,692	25,834	1,995	1,846	29,687	27,680
Total assets	47,312	43,829	23,660	22,241	70,972	66,070
LIABILITIES						
Current and other liabilities	5,201	3,920	2,973	2,441	8,174	6,361
Long-term liabilities outstanding	16,014	14,379	24,971	22,566	40,985	36,945
Total liabilities	21,215	18,299	27,944	25,007	49,159	43,306
NET ASSETS						
Invested in capital assets, net of related debt	17,029	16,189	521	598	17,550	16,787
Restricted	5,524	5,072	4,406	3,892	9,930	8,964
Unrestricted (deficit)	3,544	4,269	(9,211)	(7,256)	(5,667)	(2,987)
Total net assets	$ 26,097	$ 25,530	$ (4,284)	$ (2,766)	$ 21,813	$ 22,764

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the state of Washington, total assets exceed liabilities by $21.8 billion at June 30, 2008 as compared to $22.8 billion as reported at June 30, 2007.

The largest portion of the state's net assets (80.5 percent for Fiscal Year 2008 as compared to 73.7 percent for Fiscal Year 2007) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The state of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the state of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the state of Washington's net assets (45.5 percent for Fiscal Year 2008 as compared to 39.4 percent for Fiscal Year 2007) represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted (deficit) net assets. The state's overall negative balance is caused by the workers' compensation program that

provides time-loss, medical, disability and pension payments to qualifying individuals who sustain work-related injuries or develop occupational diseases as a result of their required work activities. The main benefit plans of the workers' compensation program are funded on rates that will keep the plans solvent in accordance with recognized actuarial principles.

The supplemental pension cost-of-living adjustments (COLAs) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

As previously mentioned, the state's activities are divided between governmental and business-type. The majority of support for governmental activities comes from taxes and intergovernmental grants, while business-type activities are supported primarily through user charges.

STATE OF WASHINGTON

Changes in Net Assets

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
REVENUES						
Program revenues:						
Charges for services	$ 3,912	$ 3,618	$ 5,364	$ 5,472	$ 9,276	$ 9,090
Operating grants and contributions	8,725	8,286	42	46	8,767	8,332
Capital grants and contributions	746	745	-	-	746	745
General revenues:						
Taxes	16,894	16,704	115	108	17,009	16,812
Interest and investment earnings	464	818	767	1,316	1,231	2,134
Total Revenues	30,741	30,171	6,288	6,942	37,029	37,113
EXPENSES						
General government	(1,609)	(1,525)	-	-	(1,609)	(1,525)
Education - K-12	(7,476)	(6,871)	-	-	(7,476)	(6,871)
Education - Higher education	(5,710)	(5,244)	-	-	(5,710)	(5,244)
Human services	(11,260)	(10,473)	-	-	(11,260)	(10,473)
Adult corrections	(1,020)	(811)	-	-	(1,020)	(811)
Natural resources and recreation	(931)	(983)	-	-	(931)	(983)
Transportation	(1,894)	(1,588)	-	-	(1,894)	(1,588)
Interest on long-term debt	(643)	(553)	-	-	(643)	(553)
Workers' compensation	-	-	(4,068)	(3,841)	(4,068)	(3,841)
Unemployment compensation	-	-	(791)	(697)	(791)	(697)
Higher education student services	-	-	(1,470)	(1,305)	(1,470)	(1,305)
Other business-type activities	-	-	(1,204)	(1,102)	(1,204)	(1,102)
Total Expenses	(30,543)	(28,048)	(7,533)	(6,945)	(38,076)	(34,993)
Excess (deficiency) of revenues over expenses before contributions to endowments, extraordinary loss, and transfers	198	2,123	(1,245)	(3)	(1,047)	2,120
Contributions to endowments	95	97	-	-	95	97
Transfers	272	204	(272)	(204)	-	-
Increase (decrease) in net assets	565	2,424	(1,517)	(207)	(952)	2,217
Net assets - July 1, as restated*	25,532	23,106	(2,767)	(2,559)	22,765	20,547
Net assets - June 30	$ 26,097	$ 25,530	$ (4,284)	$ (2,766)	$ 21,813	$ 22,764

* Fiscal Year 2008 beginning Net Assets balances were restated to reflect fund type reclassifications.

Governmental Activities. Governmental activities resulted in an increase in the state of Washington's net assets of $565 million. While the results of Fiscal Year 2008 governmental activities were positive overall, the increase was $1.9 million lower than the prior year's increase. A number of factors contributed to the decline:

- Tax revenues increased $189 million in Fiscal Year 2008 as compared to Fiscal Year 2007. While sales and use taxes reported a modest increase of $386 million, excise taxes were down $308 million. The decline in excise taxes reflects the decline in real estate activity both in number of transactions and in the average value per transaction.

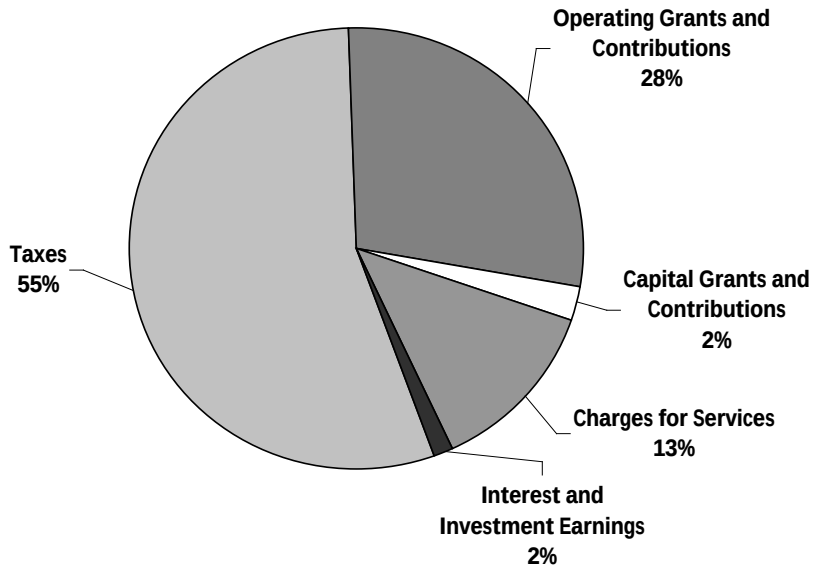
- Growth in expenses outpaced growth in revenues. Consistent with Fiscal Year 2007, the expenses for Human Services and Education comprised 80 percent of the total expenses for governmental activities. Human Services expenses grew by $787 million or 7.5 percent in Fiscal Year 2008 over Fiscal Year 2007. The increase relates to expanded access to health care for an additional 80,000 Washington children and increased levels of services for children and individuals with developmental disabilities. K-12 Education expenses grew by $605 million or 8.8 percent over the prior year. Contributing to the increase in expenses was an increase in K-12 funding of nearly $900 per student in Fiscal Year 2008. Additionally, Higher Education expenses grew by $466 million due to a number of factors including the addition of nearly 10,000 new slots for incoming students.

Business-Type Activities. Business-type activities decreased the state of Washington's net assets by $1.5 billion which included a $2.0 billion loss in the Workers' Compensation Fund. Key factors contributing to the operating results of business-type activities are:

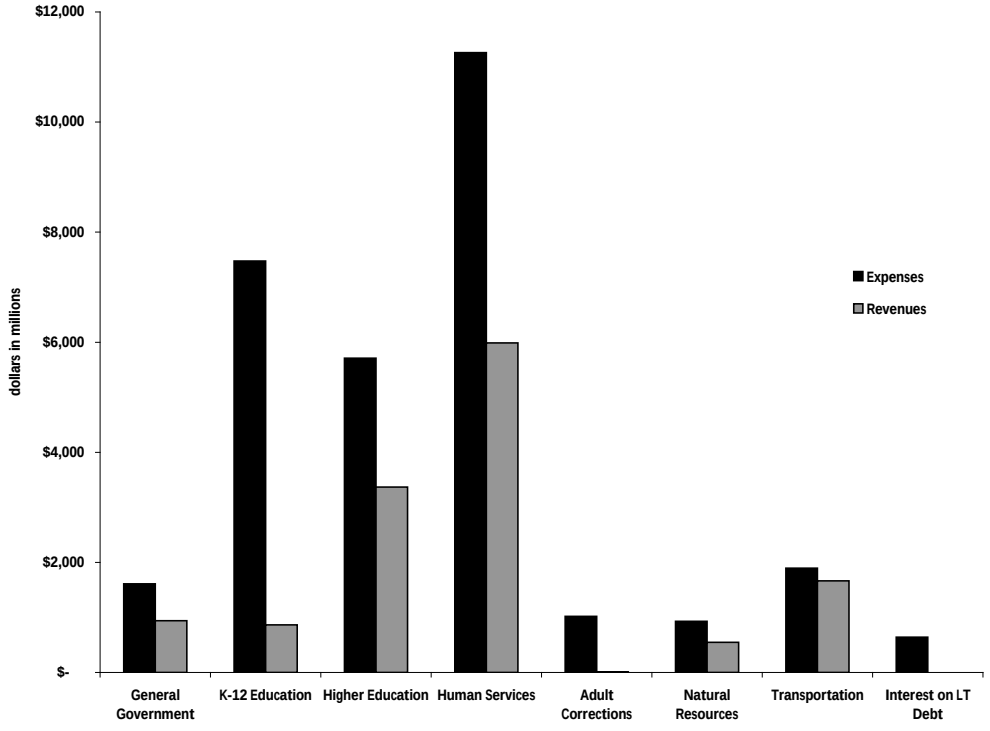
- The loss in the Workers' Compensation Fund in Fiscal Year 2008 was up $855 million over the loss in Fiscal Year 2007. A number of factors contributed to the increased loss including a decrease in premium revenue of $125 million, an increase in claims costs of $142 million, and a decrease in investment income of $514 million.

- While the Unemployment Compensation Fund reported an increase in net assets, the increase was $211 million less than the increase in Fiscal Year 2007. Washington's unemployment insurance program is an experience-based system. Since Washington has had relatively low unemployment in recent years, unemployment premium revenue has been declining. Fiscal Year 2008 premium revenues were $150 million less than Fiscal Year 2007. However, the softening of the state's unemployment rate at the end of Fiscal Year 2008 resulted in an increase in unemployment claims of $93 million compared to the prior year.

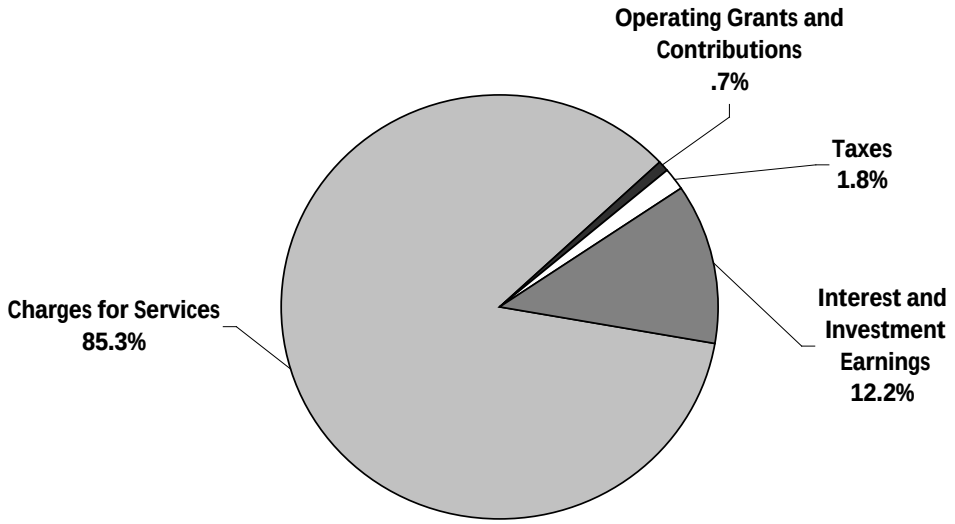
Revenues by Source: Governmental Activities



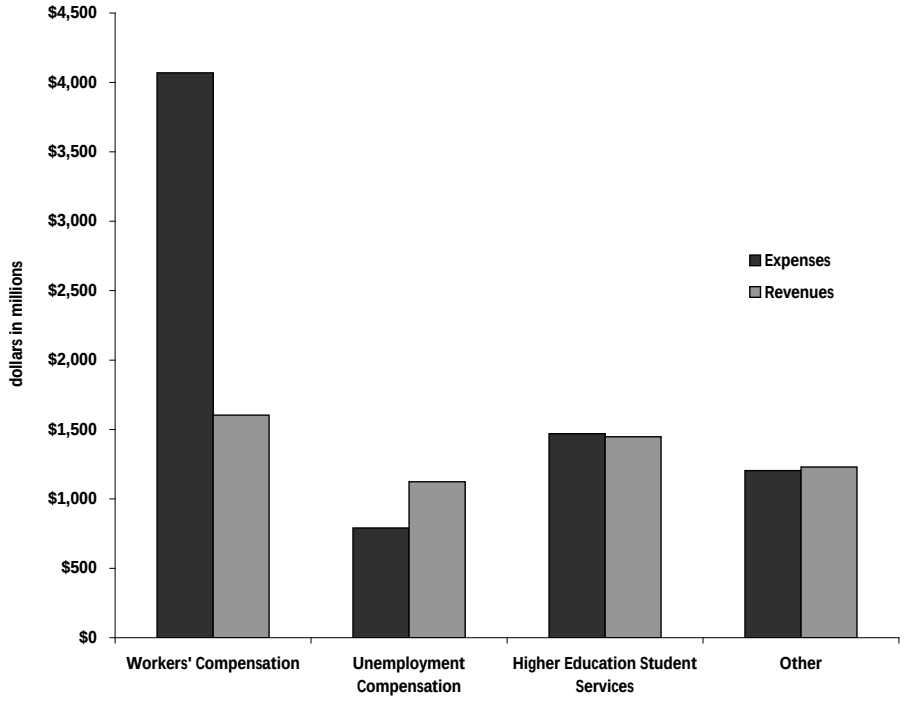
Program Revenues and Expenses: Governmental Activities



Revenues by Source: Business-Type Activities



Program Revenues and Expenses: Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the state of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. As previously discussed, the focus of the state of Washington's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the state of Washington's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the state of Washington. At the end of the fiscal year, total fund balance for the General Fund equaled $1.9 billion. Unreserved fund balance included $1.0 billion designated for working capital purposes. This amount relates to certain accrued revenues and is not considered by management to be available to spend.

The remaining unreserved fund balance of $677 million is undesignated and is considered available to spend. The fund balance of the state of Washington's General Fund increased by $16 million during Fiscal Year 2008.

STATE OF WASHINGTON
General Fund
(in millions of dollars)

	Fiscal Year 2008	Fiscal Year 2007	Difference Increase (Decrease)
REVENUES			
Taxes	$ 14,307	$ 14,097	$ 210
Federal grants	6,557	6,205	352
Investment revenue	123	106	17
Other	462	418	44
Total	21,449	20,826	623
EXPENDITURES			
Human services	10,921	10,191	730
Education	8,235	7,765	470
Other	1,144	1,134	10
Total	20,300	19,090	1,210
Net transfers in (out)	(1,145)	(1,715)	570
Other financing sources	12	5	7
Net increase (decrease) in fund balance	$ 16	$ 26	$ (10)

The moderation of growth in the state's economy is reflected in the modest growth in tax revenue collection. Expenditure growth continues to be concentrated in services and programs most vital to citizens – primarily human services, health care and public education. Overall revenues were up 3.0 percent while expenditures increased at a pace of 6.3 percent when compared to the prior year.

In addition to the General Fund, the state reports the Higher Education Special Revenue and Higher Education Endowment Funds as major governmental funds. The fund balance of the Higher Education Special Revenue Fund increased by $41 million in Fiscal Year 2008 as compared to $448 million in Fiscal Year 2007. The fund balance for the Higher Education Endowment Fund increased by $93 million.

The fund balance for nonmajor governmental funds increased by $227 million. The increase is due in part to other financing sources generated through bonds issued that exceeded capital outlays in Capital Projects Funds.

Proprietary Funds. The state of Washington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Workers' Compensation Fund, Unemployment Compensation Fund, and Higher Education Student Services Fund are major proprietary funds. The Workers' Compensation Fund reported a loss of $2.0 billion in Fiscal Year 2008. As noted previously, by state law, the supplemental pension cost-of-living adjustments (COLAs) granted for time-loss and disability payments are funded

on a pay-as-you-go basis. So, while claims are calculated and reported in accordance with recognized actuarial principles, the state is only allowed to collect enough revenue to fund current COLA payments.

The Unemployment Compensation Fund reported a 13 percent increase in unemployment compensation claims as compared to Fiscal Year 2007. This reflects the softening of the state's unemployment rate. Activity for the various nonmajor proprietary funds resulted in a decrease to net assets of $31 million. The largest component of the decrease is the loss of $57 million reported by the state's guaranteed college tuition program which is included in the Other Activities Fund. This loss was primarily caused by a reduction in investment earnings.

General Fund Budgetary Highlights

Differences between the original budget of the General Fund and the final amended budget reflect adjustments related to changes in the state's economy during the fiscal year ended June 30, 2008. While there were no significant increases or decreases to estimates during the year, changes to estimates are summarized as follows:

- Estimated resources decreased by $12 million over the course of the fiscal year. While federal grants-in-aid and other contracts and grants increased by a combined $234 million, taxes, charges for services and transfers reported decreases of $86 million, $59 million and $95 million respectively.
- Appropriated expenditure authority increased by $140 million over the course of the fiscal year. Increases were recorded in general government, human services and education of $123 million, $135 million and $72 million, respectively. The largest decrease was in transfers to other funds of $196 million.

The state did not overspend its legal spending authority for Fiscal Year 2008, the first year of the 2007-09 Biennium. Actual General Fund revenues and expenditures for Fiscal Year 2008 were 49 and 48 percent respectively of final budgeted revenues and appropriations for the 2007-09 Biennium.

Capital Assets, Infrastructure, Bond Debt Administration, and Economic Factors

Capital Assets. The state of Washington's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounted to $29.7 billion (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, museum and historical collections, buildings and other improvements, furnishings and equipment, as well as construction in progress.

Washington's Fiscal Year 2008 investment in capital assets, net of current year depreciation, was $2.0 billion, including increases to the state's transportation infrastructure of $1.4 billion and buildings of $341 million. The state's construction in progress includes both new construction and major improvements to state infrastructure and facilities including the state highway system, correctional facilities, ferry vessels and terminals, and buildings on the capitol and college and university campuses. Remaining commitments on these construction projects total $3.3 billion.

Additional information on the state of Washington's capital assets can be found in Note 6 beginning on page B- 72 of this report.

STATE OF WASHINGTON

Capital Assets - Net of Depreciation

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 1,051	$ 1,012	$ 136	$ 135	$ 1,187	$ 1,147
Transportation infrastructure and other assets not depreciated	17,021	15,657	-	-	17,021	15,657
Buildings	5,731	5,545	1,492	1,337	7,223	6,882
Furnishings, equipment, and collections	1,392	1,399	135	138	1,527	1,537
Other improvements and infrastructure	1,013	985	58	58	1,071	1,043
Construction in progress	1,484	1,236	174	178	1,658	1,414
Total	$ 27,692	$ 25,834	$ 1,995	$ 1,846	$ 29,687	$ 27,680

Infrastructure. The state of Washington first reported infrastructure under the requirements of the Governmental Accounting Standards Board in Fiscal Year 2002. Transportation infrastructure reported includes the state highway system, emergency airfields, and two short rail lines. While the rail lines are reported net of depreciation, the state highway system and emergency airfields are reported using the modified approach. Under the modified approach, rather than recording depreciation, asset condition is reported.

The condition of these assets, along with the rating scales for pavement, bridges, rest areas, and airfields, and additional detail comparing budget to actual preservation and maintenance spending are available in the Required Supplementary Information beginning on page B-139.

The Washington State Department of Transportation (WSDOT) accomplished a net addition of 78 lane miles and 7 bridges in Fiscal Year 2008. Amounts spent during Fiscal Year 2008 to maintain/preserve these infrastructure assets were not significantly different from estimated spending plans according to the biennial budget.

The state highway system and emergency airfields continue to meet established condition levels. No significant changes in condition levels were noted for pavements or bridges.

Detailed information about targeted and actual condition levels for roads, bridges, airfields and rest areas can be found in the Required Supplementary Information section of this report.

The safety of bridge structures is ensured through meticulous inspections and rating of the primary components of bridges by the WSDOT Bridge Preservation Office or local agency staff. The condition of all bridge decks, superstructures and substructures are rated based on these inspections. With the collapse of the I-35W bridge in Minnesota in the summer of 2007, much of the national discussion has focused on bridges being classified as structurally deficient. Structurally deficient means that a bridge requires repair or replacement of a certain component, such as cracked or spalled concrete or the entire bridge itself. If the condition is such that it no longer is able to carry its intended traffic loads, it may be weight restricted. No Washington bridges are rated unsafe for public travel.

Fiscal Year 2009 commitments made for ongoing infrastructure projects that extend beyond Fiscal Year 2008 amount to $1.8 billion representing 657 projects.

Bond Debt. At the end of Fiscal Year 2008, the state of Washington had general obligation bond debt outstanding of $13 billion, an increase of 11.4 percent over Fiscal Year 2007. This debt is secured by a pledge of the full faith and credit of the state. Additionally, the state had authorized $10.2 billion general obligation debt that remains unissued.

The state had revenue debt outstanding at June 30, 2008, of $1.6 billion, an increase of $142 million over Fiscal Year 2007. This increase is related to revenue bonds issued by state colleges and universities. Revenue bond debt is secured by specific sources of revenue.

STATE OF WASHINGTON

Bond Debt

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation (GO) bonds	$ 12,927	$ 11,573	$ 80	$ 101	$ 13,007	$ 11,674
Accreted interest on zero interest rate GO bonds	295	264	34	31	329	295
Revenue bonds	524	608	1,115	889	1,639	1,497
Total	$ 13,746	$ 12,445	$ 1,229	$ 1,021	$ 14,975	$ 13,466

During Fiscal Year 2008, the state issued general obligation debt, totaling $1.9 billion, for various capital and transportation projects. The state ranked 13th in a list of the top 100 state and local issuers ranked by amount financed by municipal issuers in calendar year 2007, according to The Bond Buyer's 2008 Yearbook.

The Washington State Constitution and the Revised Code of Washington limit the amount of general obligation (GO) debt that may be issued. The constraining limit for 2008 is the statutory limit. For the fiscal year ended June 30, 2008, the maximum GO debt authorized by the statutory debt limit was $10.1 billion.

This computation excludes specific bond issues and types that are not secured by general state revenues, such as motor vehicle fuel tax and reimbursable bonds. Of the $13 billion general obligation bond debt outstanding at June 30, 2008, $7.2 billion is subject to the limitation. Based on the debt limitation calculation, the debt service requirements as of June 30, 2008 did not exceed the authorized debt service limitation.

For further information on the debt limit, refer to the Certification of the Debt Limitation of the State of Washington, available from the Office of the State Treasurer or at: http://www.tre.wa.gov/BondDebt/csd-limit_FY2008.pdf.

By statutory provision, the State Finance Committee (SFC) is authorized to supervise and control the issuance of all state bonds, notes, or other evidences of indebtedness. The SFC is composed of the Governor, Lieutenant Governor, and State Treasurer, the latter serving as chairman.

As of June 30, 2008, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA+ by Standard & Poor's Rating Group (S & P), and AA by Fitch Ratings.

Additional information on the state's bond debt obligations is presented in Note 7 beginning on page B-76 of this report. Additional information on the state's legal debt limit is presented in the statistical section on page 254 of the CAFR.

Conditions with Expected Future Impact

Economic Factors. In the coming year, legislative leaders and management will be facing a number of challenges.

- Much slower economic growth is forecasted as the impacts of the financial crisis and recessionary national and international economics impact Washington. The slowing economy and slumping housing market will continue to have a negative effect on state revenue growth, particularly on retail sales and real estate excise taxes.

- Unemployment rates are expected to increase as non-farm payroll employment in Washington decreases in Fiscal Year 2009 by .04 percent, the first annual decline since 2003.

- Revenue growth is expected to be negatively impacted as economic changes to the tax system, including aerospace industry tax credits, take full effect by the end of the 2007-09 Biennium.

Financial Market Decline. Since June 30, 2008, the financial markets have declined significantly in response to the credit crisis that began with the sub-prime mortgagee collapse. The market turmoil has had a negative impact on the value of the state's investment portfolios. That said, state investors, in general, have long-term prudent investment strategies that incorporate high quality, well diversified investments. Historically, state investment portfolios have performed well over time, weathering market ups and downs.

New Financial Reporting Requirement. The state implemented the provisions of the Governmental Accounting Standards Board's Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for Fiscal Year 2008 reporting. The other postemployment benefits (OPEB) offered by the state are set each biennium as part of the budget process.

The state is not legally or contractually required to provide the OPEB and is funding them on a pay-as-you-go basis. The state's annual OPEB cost for Fiscal Year 2008 was $314 million and its OPEB contributions were $68 million, resulting in a net OPEB obligation at the end of the year of $246 million. As long as the state continues to offer OPEB and retains the pay-as-you-go funding strategy, the obligation will increase each year.

Rainy Day Fund. In November 2007, Washington State voters ratified Engrossed Substitute Senate Joint Resolution 8206, amending the state's Constitution and establishing the Budget Stabilization Account.

Beginning July 1, 2008, the state is required to transfer into the Budget Stabilization Account an amount equal to 1 percent of general state revenues for the fiscal year. Moneys may be withdrawn and appropriated in very limited circumstances that are detailed in the Constitution.

On July 1, 2008, the balance in the Emergency Reserve Fund of $303 million was transferred to the Budget Stabilization Account. It is estimated that $133 million will be transferred from the General Fund to the Budget Stabilization Account in Fiscal Year 2009 representing 1 percent of the year's general state revenues.

Requests for Information

This financial report is designed to provide a general overview of the state of Washington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Financial Management, PO Box 43113, Olympia, WA 98504-3113.

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Basic Financial Statements

Governmental-wide Financial Statements

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Statement of Net Assets

June 30, 2008

(expressed in thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and pooled investments	$ 7,849,675	$ 7,377,465	$ 15,227,140	$ 58,554
Taxes receivable (net of allowance)	2,988,925	5,072	2,993,997	-
Other receivables (net of allowance)	1,172,710	1,275,103	2,447,813	1,401
Internal balances (net)	45,620	(45,620)	-	-
Due from other governments	3,266,263	63,601	3,329,864	-
Inventories	97,091	73,510	170,601	-
Investments, noncurrent	4,035,851	12,547,911	16,583,762	22,041
Other assets	163,218	368,232	531,450	42,754
Capital assets (Note 6):				
Non-depreciable assets	19,556,275	309,902	19,866,177	34,767
Depreciable assets, net of depreciation	8,136,149	1,685,445	9,821,594	368,940
Total capital assets, net of depreciation	27,692,424	1,995,347	29,687,771	403,707
Total Assets	$ 47,311,777	$ 23,660,621	$ 70,972,398	$ 528,457
LIABILITIES				
Accounts payable	$ 1,393,881	$ 125,539	$ 1,519,420	$ 13,221
Contracts and retainage payable	156,124	20,087	176,211	2,908
Accrued liabilities	669,816	255,998	925,814	3,826
Obligations under security lending agreements	1,274,148	2,487,403	3,761,551	-
Due to other governments	777,673	28,928	806,601	-
Unearned revenue	929,866	55,199	985,065	2,487
Long-term liabilities (Note 7):				
Due within one year	1,037,879	2,152,083	3,189,962	-
Due in more than one year	14,975,785	22,819,321	37,795,106	34,934
Total Liabilities	21,215,172	27,944,558	49,159,730	57,376
NET ASSETS				
Invested in capital assets, net of related debt	17,028,412	520,998	17,549,410	365,180
Restricted for:				
Unemployment compensation	-	4,406,380	4,406,380	-
Other purposes	1,894,460	-	1,894,460	24,092
Capital projects	442,994	-	442,994	-
Expendable permanent fund principal	1,871,521	-	1,871,521	-
Nonexpendable permanent endowments	1,315,113	-	1,315,113	-
Unrestricted (deficit)	3,544,105	(9,211,315)	(5,667,210)	81,809
Total Net Assets	$ 26,096,605	$ (4,283,937)	$ 21,812,668	$ 471,081

The notes to the financial statements are an integral part of this statement.

Statement of Activities

For the Fiscal Year Ended June 30, 2008

(expressed in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General government	$ 1,609,142	$ 651,364	$ 288,126	$ 2,375
Education - elementary and secondary (K-12)	7,476,060	12,798	853,442	-
Education - higher education	5,709,645	1,718,092	1,636,376	12,568
Human services	11,259,878	250,623	5,735,256	-
Adult corrections	1,019,980	9,459	2,275	-
Natural resources and recreation	931,030	375,669	146,935	23,286
Transportation	1,894,289	894,379	62,981	708,041
Interest on long-term debt	642,914	-	-	-
Total Governmental Activities	30,542,938	3,912,384	8,725,391	746,270
Business-Type Activities:				
Workers' compensation	4,068,599	1,596,174	7,823	-
Unemployment compensation	790,538	1,093,586	30,070	-
Higher education student services	1,470,168	1,443,756	3,909	-
Other	1,203,546	1,230,461	16	-
Total Business-Type Activities	7,532,851	5,363,977	41,818	-
Total Primary Government	$ 38,075,789	$ 9,276,361	$ 8,767,209	$ 746,270
COMPONENT UNITS	$ 29,633	$ 16,055	$ 240	$ 829
Total Component Units	$ 29,633	$ 16,055	$ 240	$ 829

General Revenues:
- Taxes - sales and use
- Taxes - business and occupation
- Taxes - property
- Taxes - motor vehicle and fuel
- Taxes - excise
- Taxes - other
- Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before contributions to endowments, extraordinary loss, and transfers

Contributions to endowments

Transfers

Change in Net Assets

Net assets - Beginning, as restated

Net assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (667,277)	$ -	$ (667,277)	
(6,609,820)	-	(6,609,820)	
(2,342,609)	-	(2,342,609)	
(5,273,999)	-	(5,273,999)	
(1,008,246)	-	(1,008,246)	
(385,140)	-	(385,140)	
(228,888)	-	(228,888)	
(642,914)	-	(642,914)	
(17,158,893)	-	(17,158,893)	
-	(2,464,602)	(2,464,602)	
-	333,118	333,118	
-	(22,503)	(22,503)	
-	26,931	26,931	
-	(2,127,056)	(2,127,056)	
(17,158,893)	(2,127,056)	(19,285,949)	
			$ (12,509)
			$ (12,509)
8,341,000	-	8,341,000	-
2,850,548	-	2,850,548	-
1,741,739	-	1,741,739	-
1,169,900	-	1,169,900	-
780,953	61,507	842,460	-
2,009,002	53,278	2,062,280	-
463,899	766,644	1,230,543	6,519
17,357,041	881,429	18,238,470	6,519
198,148	(1,245,627)	(1,047,479)	(5,990)
94,900	-	94,900	-
271,600	(271,600)	-	-
564,648	(1,517,227)	(952,579)	(5,990)
25,531,957	(2,766,710)	22,765,247	477,071
$ 26,096,605	$ (4,283,937)	$ 21,812,668	$ 471,081

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Basic Financial Statements

Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2008
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS					
Cash and pooled investments	$ 1,185,063	$ 866,218	$ 689,597	$ 4,442,032	$ 7,182,910
Investments	36,772	806,581	2,903,090	241,263	3,987,706
Taxes receivable (net of allowance)	2,875,042	15,955	-	97,928	2,988,925
Other receivables (net of allowance)	355,105	295,832	41,988	618,372	1,311,297
Due from other funds	132,884	198,713	122	392,107	723,826
Due from other governments	899,570	130,566	-	2,119,069	3,149,205
Inventories	25,649	12,670	-	38,807	77,126
Total Assets	$ 5,510,085	$ 2,326,535	$ 3,634,797	$ 7,949,578	$ 19,420,995
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 878,994	$ 120,379	$ -	$ 335,096	$ 1,334,469
Contracts and retainages payable	29,655	2,824	3,089	102,947	138,515
Accrued liabilities	236,562	129,093	14,202	120,367	500,224
Obligations under security lending agreements	271,091	190,763	584,704	197,926	1,244,484
Due to other funds	274,994	127,300	2,078	334,624	738,996
Due to other governments	550,314	15,632	-	103,924	669,870
Deferred revenues	1,328,819	188,843	19,690	694,194	2,231,546
Claims and judgments payable	20,868	-	-	10,396	31,264
Total Liabilities	3,591,297	774,834	623,763	1,899,474	6,889,368
Fund Balances:					
Reserved for:					
Encumbrances	112,071	184,819	-	911,064	1,207,954
Inventories	19,044	12,670	-	38,807	70,521
Permanent funds	-	-	3,011,034	175,600	3,186,634
Other specific purposes	69,679	192,412	-	2,023,438	2,285,529
Unreserved, designated for, reported in:					
Working capital	1,040,563	-	-	-	1,040,563
Higher education	-	155,679	-	-	155,679
Special revenue funds	-	-	-	220	220
Debt service funds	-	-	-	362,122	362,122
Unreserved, undesignated	677,431	1,006,121	-	-	1,683,552
Unreserved, undesignated reported in:					
Special revenue funds	-	-	-	2,432,112	2,432,112
Capital project funds	-	-	-	106,741	106,741
Total Fund Balances	1,918,788	1,551,701	3,011,034	6,050,104	12,531,627
Total Liabilities and Fund Balances	$ 5,510,085	$ 2,326,535	$ 3,634,797	$ 7,949,578	$ 19,420,995

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet to the Statement of Net Assets
GOVERNMENTAL FUNDS

June 30, 2008
(expressed in thousands)

Total Fund Balances for Governmental Funds		$ 12,531,627
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Non-depreciable assets	$ 19,532,045	
Depreciable assets	13,265,636	
Less: Accumulated depreciation	(5,561,720)	
Total capital assets		27,235,961
Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,305,821
Unmatured interest on general obligation bonds is not recognized in the funds until due.		(280,610)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		163,558
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and other financing contracts payable	$ (13,673,474)	
Accreted interest on bonds	(295,056)	
Compensated absences	(497,558)	
Other postemployment obligations	(221,375)	
Unfunded pension obligation	(113,416)	
Claims and judgments	(28,278)	
Other obligations	(30,595)	
Total long-term liabilities		(14,859,752)
Net Assets of Governmental Activities		$ 26,096,605

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	$ 8,256,288	$ -	$ -	$ 84,712	$ 8,341,000
Business and occupation taxes	2,760,425	-	-	90,123	2,850,548
Property taxes	1,494,542	-	-	247,197	1,741,739
Excise taxes	707,272	-	-	73,681	780,953
Motor vehicle and fuel taxes	-	-	-	1,169,900	1,169,900
Other taxes	1,088,561	194,638	-	724,630	2,007,829
Licenses, permits, and fees	97,493	628	-	812,543	910,664
Timber sales	2,847	-	18,995	106,380	128,222
Other contracts and grants	162,238	613,894	-	25,510	801,642
Federal grants-in-aid	6,556,642	1,089,377	-	1,120,954	8,766,973
Charges for services	56,614	1,475,957	1	538,541	2,071,113
Investment income (loss)	123,303	108,416	58,857	173,323	463,899
Miscellaneous revenue	84,881	124,681	8,198	498,133	715,893
Escheated property	57,444	-	-	-	57,444
Contributions and donations	-	-	94,900	-	94,900
Total Revenues	21,448,550	3,607,591	180,951	5,665,627	30,902,719
EXPENDITURES					
Current:					
General government	662,824	-	-	590,857	1,253,681
Human services	10,921,497	-	-	1,193,810	12,115,307
Natural resources and recreation	336,242	-	-	561,162	897,404
Transportation	41,818	1,906	-	1,758,860	1,802,584
Education	8,234,996	3,571,524	413	1,053,428	12,860,361
Intergovernmental	30,697	-	-	348,524	379,221
Capital outlays	56,872	146,291	4,370	2,056,501	2,264,034
Debt service:					
Principal	15,014	10,070	-	561,264	586,348
Interest	330	7,812	2	580,510	588,654
Total Expenditures	20,300,290	3,737,603	4,785	8,704,916	32,747,594
Excess of Revenues Over (Under) Expenditures	1,148,260	(130,012)	176,166	(3,039,289)	(1,844,875)
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	-	1,891,150	1,891,150
Payments to refunded bond escrow agents	-	-	-	(58,125)	(58,125)
Other debt issued	12,084	6,154	-	867	19,105
Bond issue premium	-	-	-	123,487	123,487
Capital lease acquisitions	26	69	-	-	95
Transfers in	72,007	291,663	14,357	2,249,697	2,627,724
Transfers (out)	(1,216,749)	(127,062)	(97,145)	(940,546)	(2,381,502)
Total Other Financing Sources (Uses)	(1,132,632)	170,824	(82,788)	3,266,530	2,221,934
Net Change in Fund Balances	15,628	40,812	93,378	227,241	377,059
Fund Balances - Beginning, as restated	1,903,160	1,510,889	2,917,656	5,822,863	12,154,568
Fund Balances - Ending	$ 1,918,788	$ 1,551,701	$ 3,011,034	$ 6,050,104	$ 12,531,627

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds		$ 377,059
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays	$ 2,309,232	
Less: Depreciation expense	(462,485)	1,846,747
Some revenues in the Statement of Activities do not provide current financial resources, and therefore, are deferred in governmental funds. Also, revenues related to prior periods that became available during the current period are reported in governmental funds but are eliminated in the Statement of Activities. This amount is the net adjustment.		(61,435)
Accrued interest on general obligation bonds is reported as an expense in the Statement of Activities but does not use current financial resources and, therefore, is not recognized in governmental funds.		(54,369)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.		(8,403)
Bond proceeds and other financing contracts provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net assets. In the current period, these amounts consist of:		
Bonds and other financing contracts issued	$ (1,852,225)	
Principal payments on bonds and other financing contracts	586,348	
Accreted interest on bonds	(30,245)	(1,296,122)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in governmental funds. Also, some payments related to prior periods are recognized in governmental funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:		
Unfunded pension obligations	$ (16,701)	
Compensated absences	(14,455)	
Claims and judgments	3,963	
Other postemployment obligations	(221,375)	
Other obligations	9,739	(238,829)
Change in Net Assets of Governmental Activities		$ 564,648

The notes to the financial statements are an integral part of this statement.

Statement of Fund Net Assets
PROPRIETARY FUNDS
June 30, 2008
(expressed in thousands)

	Business-Type Activities Enterprise Funds					Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and pooled investments	$ 29,716	$ 4,019,881	$ 484,087	$ 294,216	$ 4,827,900	$ 620,253
Investments	2,152,094	-	2,996	394,475	2,549,565	30,075
Taxes receivable (net of allowance)	-	-	-	5,072	5,072	-
Other receivables (net of allowance)	714,033	385,380	135,751	39,939	1,275,103	18,411
Due from other funds	2,279	2,369	38,564	21,011	64,223	183,253
Due from other governments	899	14,777	33,470	3,650	52,796	7,283
Inventories	141	-	39,529	33,840	73,510	19,966
Prepaid expenses	7	-	14,205	350	14,562	4,449
Total Current Assets	2,899,169	4,422,407	748,602	792,553	8,862,731	883,690
Noncurrent Assets:						
Investments, noncurrent	11,019,221	-	176,584	1,352,106	12,547,911	64,582
Other noncurrent assets	131,542	-	53,224	168,904	353,670	129
Capital assets:						
Land and other non-depreciable assets	3,240	-	53,663	79,072	135,975	3,836
Buildings	62,705	-	1,626,261	407,397	2,096,363	123,257
Other improvements	1,638	-	41,453	15,516	58,607	17,923
Furnishings, equipment, and collections	63,057	-	338,787	63,413	465,257	746,364
Infrastructure	-	-	34,909	-	34,909	478
Accumulated depreciation	(67,435)	-	(758,064)	(144,192)	(969,691)	(455,791)
Construction in progress	4,188	-	132,774	36,965	173,927	20,395
Total Noncurrent Assets	11,218,156	-	1,699,591	1,979,181	14,896,928	521,173
Total Assets	14,117,325	4,422,407	2,448,193	2,771,734	23,759,659	1,404,863
LIABILITIES						
Current Liabilities:						
Accounts payable	6,809	-	80,809	37,921	125,539	59,410
Contracts and retainages payable	2,611	-	11,250	53,126	66,987	17,548
Accrued liabilities	157,093	6,072	76,932	131,541	371,638	32,653
Obligations under security lending agreements	2,152,094	-	-	335,309	2,487,403	29,662
Bonds and notes payable	3,625	-	37,405	54,838	95,868	22,094
Due to other funds	7,897	1,006	63,744	32,781	105,428	121,251
Due to other governments	-	8,949	9	13,583	22,541	21
Unearned revenues	20,338	-	34,765	96	55,199	4,141
Claims and judgments payable	1,890,542	-	-	3,130	1,893,672	164,851
Total Current Liabilities	4,241,009	16,027	304,914	662,325	5,224,275	451,631
Noncurrent Liabilities:						
Claims and judgments payable	19,996,606	-	-	4,572	20,001,178	602,359
Bonds and notes payable	25,930	-	1,131,383	254,403	1,411,716	157,097
Other long-term liabilities	19,177	-	28,377	1,358,873	1,406,427	30,218
Total Noncurrent Liabilities	20,041,713	-	1,159,760	1,617,848	22,819,321	789,674
Total Liabilities	24,282,722	16,027	1,464,674	2,280,173	28,043,596	1,241,305
NET ASSETS						
Invested in capital assets, net of related debt	37,838	-	300,996	182,164	520,998	277,271
Restricted for:						
Unemployment compensation	-	4,406,380	-	-	4,406,380	-
Unrestricted	(10,203,235)	-	682,523	309,397	(9,211,315)	(113,713)
Total Net Assets (Deficit)	$ (10,165,397)	$ 4,406,380	$ 983,519	$ 491,561	$ (4,283,937)	$ 163,558

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	Business-Type Activities Enterprise Funds					Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Sales	$ -	$ -	$ 115,182	$ 612,620	$ 727,802	$ 131,529
Less: Cost of goods sold	-	-	84,175	444,059	528,234	105,272
Gross profit	-	-	31,007	168,561	199,568	26,257
Charges for services	110	-	1,223,302	61,828	1,285,240	682,227
Premiums and assessments	1,563,953	1,081,019	-	-	2,644,972	1,182,926
Federal aid for unemployment insurance benefits	-	30,070	-	-	30,070	-
Lottery ticket proceeds	-	-	-	521,103	521,103	-
Miscellaneous revenue	32,150	12,567	100,866	8,655	154,238	46,126
Total Operating Revenues	1,596,213	1,123,656	1,355,175	760,147	4,835,191	1,937,536
OPERATING EXPENSES						
Salaries and wages	133,773	-	546,354	93,458	773,585	293,087
Employee benefits	46,911	-	123,304	36,336	206,551	83,434
Personal services	7,533	-	12,655	26,925	47,113	22,231
Goods and services	72,567	-	548,769	129,462	750,798	342,156
Travel	4,183	-	20,069	3,056	27,308	5,381
Premiums and claims	3,727,966	790,538	1	34	4,518,539	1,175,717
Lottery prize payments	-	-	-	314,923	314,923	-
Depreciation and amortization	10,281	-	67,868	16,201	94,350	68,286
Guaranteed education tuition expense	-	-	-	62,800	62,800	-
Miscellaneous expenses	63,442	-	12,861	288	76,591	828
Total Operating Expenses	4,066,656	790,538	1,331,881	683,483	6,872,558	1,991,120
Operating Income (Loss)	(2,470,443)	333,118	23,294	76,664	(2,037,367)	(53,584)
NONOPERATING REVENUES (EXPENSES)						
Earnings (loss) on investments	486,261	182,237	65,768	32,378	766,644	18,281
Interest expense	(1,942)	-	(54,114)	(37,328)	(93,384)	(8,948)
Distributions to other governments	-	-	-	(38,674)	(38,674)	-
Other revenue (expenses)	7,785	-	8,315	141,054	157,154	5,636
Total Nonoperating Revenues (Expenses)	492,104	182,237	19,969	97,430	791,740	14,969
Income (Loss) Before Contributions and Transfers	(1,978,339)	515,355	43,263	174,094	(1,245,627)	(38,615)
Capital contributions	-	-	-	-	-	4,834
Transfers in	21,453	-	69,544	23,241	114,238	107,894
Transfers (out)	(22,956)	-	(134,142)	(228,740)	(385,838)	(82,516)
Net Contributions and Transfers	(1,503)	-	(64,598)	(205,499)	(271,600)	30,212
Change in Net Assets	(1,979,842)	515,355	(21,335)	(31,405)	(1,517,227)	(8,403)
Net Assets (Deficit) - Beginning, as restated	(8,185,555)	3,891,025	1,004,854	522,966	(2,766,710)	171,961
Net Assets (Deficit) - Ending	$ (10,165,397)	$ 4,406,380	$ 983,519	$ 491,561	$ (4,283,937)	$ 163,558

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,399,135	$ 1,110,451	$ 1,362,333	$ 1,348,899
Payments to suppliers	(1,768,524)	(791,763)	(677,284)	(1,060,613)
Payments to employees	(174,539)	-	(650,947)	(124,403)
Other receipts (payments)	32,150	40,200	100,866	8,655
Net Cash Provided (Used) by Operating Activities	(511,778)	358,888	134,968	172,538
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	21,453	-	69,544	23,241
Transfers out	(22,956)	-	(134,142)	(228,740)
Operating grants and donations received	7,876	-	4,121	11
Taxes and license fees collected	4	-	-	142,218
Distributions to other governments	-	-	-	(38,674)
Other noncapital financing sources	-	-	-	4,464
Net Cash Provided (Used) by Noncapital Financing Activities	6,377	-	(60,477)	(97,480)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	(1,389)	-	(52,703)	(10,468)
Principal payments on long-term capital financing	(3,526)	-	(129,558)	(22,574)
Proceeds from long-term capital financing	-	-	223,054	23,220
Proceeds from sale of capital assets	35	-	14,752	1,516
Acquisitions of capital assets	(4,758)	-	(216,846)	(36,398)
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,638)	-	(161,301)	(44,704)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	923,614	182,237	19,849	113,589
Proceeds from sale of investment securities	6,873,370	-	104,600	574,760
Purchases of investment securities	(7,307,097)	-	(14,688)	(732,300)
Net Cash Provided (Used) by Investing Activities	489,887	182,237	109,761	(43,951)
Net Increase (Decrease) in Cash and Pooled Investments	(25,152)	541,125	22,951	(13,597)
Cash and Pooled Investments, July 1	54,868	3,478,756	461,136	307,813
Cash and Pooled Investments, June 30	$ 29,716	$ 4,019,881	$ 484,087	$ 294,216
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	$ (2,470,443)	$ 333,118	$ 23,294	$ 76,664
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	10,281	-	67,868	16,201
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	(108,875)	26,996	22,916	(21,170)
Inventories	27	-	(4,057)	11,944
Prepaid expenses	23	-	3,304	969
Change in Liabilities: Increase (Decrease)				
Payables	2,057,209	(1,226)	21,643	87,930
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	$ (511,778)	$ 358,888	$ 134,968	$ 172,538

The notes to the financial statements are an integral part of this statement.

Continued

	Governmental Activities
Total	Internal Service Funds
$ 5,220,818	$ 1,930,873
(4,298,184)	(1,542,042)
(949,889)	(374,448)
181,871	46,110
154,616	60,493
114,238	107,894
(385,838)	(82,516)
12,008	5,685
142,222	-
(38,674)	-
4,464	(3)
(151,580)	31,060
(64,560)	(8,957)
(155,658)	(26,920)
246,274	38,134
16,303	5,320
(258,002)	(79,957)
(215,643)	(72,380)
1,239,289	14,855
7,552,730	230,726
(8,054,085)	(228,437)
737,934	17,144
525,327	36,317
4,302,573	583,936
$ 4,827,900	$ 620,253
$ (2,037,367)	$ (53,584)
94,350	68,286
(80,133)	(65,414)
7,914	(1,297)
4,296	(968)
2,165,556	113,470
$ 154,616	$ 60,493

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets	$ -	$ -	$ -	$ -
Amortization of annuity prize liability	-	-	-	22,659
Increase (decrease) in fair value of investments	421,234	-	(1,795)	(79,982)
Refunding bonds issued	-	-	90,975	-
Refunded bonds redeemed	-	-	(91,540)	-
Amortization of debt premium (issue costs/discount)	-	-	361	-
Accretion of interest on zero coupon bonds	-	-	-	(3,825)
Increase in ownership of joint venture	-	-	48,242	-

The notes to the financial statements are an integral part of this statement.

Concluded

Total	Governmental Activities Internal Service Funds
$ -	$ 4,834
22,659	-
339,457	1,020
90,975	-
(91,540)	-
361	-
(3,825)	-
48,242	-

Statement of Fiduciary Net Assets
FIDUCIARY FUNDS
June 30, 2008
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS				
Current Assets:				
Cash and pooled investments	$ 9,031	$ 2,241,849	$ 336,581	$ 281,662
Investments	-	3,446,978	-	-
Receivables, pension and other employee benefit plans:				
Employers	-	-	112,936	-
Members (net of allowance)	-	-	3,056	-
Interest and dividends	-	-	189,361	-
Investment trades pending	-	-	372,817	-
Other receivables, all other funds	-	18,655	-	15,609
Due from other funds	-	-	46,251	2,583
Due from other governments	-	-	-	36,732
Total Current Assets	9,031	5,707,482	1,061,002	336,586
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	28,622,027	-
Fixed income	-	-	13,626,393	-
Private equity	-	-	13,837,207	-
Real estate	-	-	8,688,560	-
Security lending	-	-	3,979,830	-
Liquidity	-	-	1,612,050	-
Tangible asset	-	-	447,753	-
Other	-	-	422,013	-
Investments, noncurrent, all other funds	23,082	1,024,781	-	54,916
Other noncurrent assets	-	-	-	63,830
Capital assets:				
Furnishings, equipment, and collections	81	-	-	-
Accumulated depreciation	(81)	-	-	-
Total Noncurrent Assets	23,082	1,024,781	71,235,833	118,746
Total Assets	32,113	6,732,263	72,296,835	$ 455,332
LIABILITIES				
Accounts payable	121	-	-	$ 21,487
Contracts and retainages payable	-	-	-	39,466
Accrued liabilities	149	291	961,454	115,001
Obligations under security lending agreements	-	113,595	3,971,818	16,932
Due to other funds	-	46	47,647	6,768
Due to other governments	-	-	-	191,848
Unearned revenues	-	-	812	-
Other long-term liabilities	-	-	-	63,830
Total Liabilities	270	113,932	4,981,731	$ 455,332
NET ASSETS				
Net assets held in trust for:				
Pension benefits	-	-	64,880,910	
Deferred compensation participants	-	-	2,434,194	
Local government pool participants	-	6,618,331	-	
Individuals, organizations & other governments	31,843	-	-	
Total Net Assets	$ 31,843	$ 6,618,331	$ 67,315,104	

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Assets
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	$ -	$ -	$ 907,675
Members	-	-	907,231
State	-	-	60,546
Pool participants	-	14,895,563	188,735
Total Contributions	-	14,895,563	2,064,187
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	(2,958,775)
Interest and dividends	-	267,102	2,095,780
Less: Investment expenses	-	-	(246,356)
Net Investment Income	-	267,102	(1,109,351)
Other Additions:			
Escheated property	82,899	-	-
Transfers from other pension plans	-	-	330,005
Other contracts, grants and miscellaneous	43	1	835
Total Other Additions	82,942	1	330,840
Total Additions	82,942	15,162,666	1,285,676
DEDUCTIONS			
Pension benefits	-	-	2,502,419
Pension refunds	-	-	208,482
Transfers to other pension plans	-	-	330,005
Administrative expenses	3,057	3,897	3,797
Distributions to pool participants	-	14,349,674	135,876
Payments to or on behalf of individuals, organizations and other governments in accordance with trust agreements	101,373	-	-
Total Deductions	104,430	14,353,571	3,180,579
Net Increase (Decrease)	(21,488)	809,095	(1,894,903)
Net Assets - Beginning, as restated	53,331	5,809,236	69,210,007
Net Assets - Ending	$ 31,843	$ 6,618,331	$ 67,315,104

The notes to the financial statements are an integral part of this statement.

Statement of Fund Net Assets
COMPONENT UNITS
June 30, 2008
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
ASSETS			
Current Assets:			
Cash and pooled investments	$ 6,543	$ 10,881	$ 17,424
Investments	5,964	35,166	41,130
Other receivables (net of allowance)	583	818	1,401
Prepaid expenses	25	211	236
Total Current Assets	13,115	47,076	60,191
Noncurrent Assets:			
Investments, noncurrent	19,633	2,408	22,041
Other noncurrent assets	-	42,518	42,518
Capital assets:			
Land	34,677	-	34,677
Buildings	459,132	-	459,132
Furnishings and equipment	23,611	1,226	24,837
Accumulated depreciation	(113,999)	(1,030)	(115,029)
Construction in progress	90	-	90
Total Noncurrent Assets	423,144	45,122	468,266
Total Assets	$ 436,259	$ 92,198	$ 528,457
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 283	$ 12,938	$ 13,221
Contracts and retainages payable	2,908	-	2,908
Accrued liabilities	3,761	65	3,826
Unearned revenues	82	2,405	2,487
Total Current Liabilities	7,034	15,408	22,442
Noncurrent Liabilities:			
Other long-term liabilities	34,934	-	34,934
Total Noncurrent Liabilities	34,934	-	34,934
Total Liabilities	41,968	15,408	57,376
NET ASSETS			
Invested in capital assets, net of related debt	364,984	196	365,180
Restricted for deferred sales tax	23,592	-	23,592
Restricted for other purposes	-	500	500
Unrestricted	5,715	76,094	81,809
Total Net Assets (Deficit)	$ 394,291	$ 76,790	$ 471,081

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
OPERATING REVENUES			
Charges for services	$ 952	$ 15,103	$ 16,055
Total Operating Revenues	952	15,103	16,055
OPERATING EXPENSES			
Salaries and wages	379	4,515	4,894
Employee benefits	66	1,414	1,480
Personal services	160	1,425	1,585
Goods and services	2,526	2,344	4,870
Travel	4	26	30
Depreciation and amortization	16,200	124	16,324
Miscellaneous expenses	-	210	210
Total Operating Expenses	19,335	10,058	29,393
Operating Income (Loss)	(18,383)	5,045	(13,338)
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	3,404	3,115	6,519
Operating grants and contributions	-	240	240
Distributions of operating grants	-	(240)	(240)
Total Nonoperating Revenues (Expenses)	3,404	3,115	6,519
Income (Loss) Before Contributions and Transfers	(14,979)	8,160	(6,819)
Capital grants and contributions	829	-	829
Total Contributions and Transfers	829	-	829
Change in Net Assets	(14,150)	8,160	(5,990)
Net Assets - Beginning, as restated	408,441	68,630	477,071
Net Assets - Ending	$ 394,291	$ 76,790	$ 471,081

The notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2008

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Note 1
Summary of Significant Accounting Policies

The accompanying financial statements of the state of Washington have been prepared in conformity with generally accepted accounting principles (GAAP). The Office of Financial Management (OFM) is the primary authority for the state's accounting and reporting requirements. OFM has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles nationally. For government-wide and enterprise fund reporting, the state follows only those private-sector standards issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the pronouncements of the GASB. Following is a summary of the significant accounting policies:

A. REPORTING ENTITY

In defining the state of Washington for financial reporting purposes, management considers: all funds, organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government); organizations for which the state is financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete.

Financial accountability exists when the primary government appoints a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another government.

Based on these criteria, the following are included in the financial statements of the primary government:

State Agencies. Except as otherwise described herein, all state elected offices, departments, agencies, commissions, boards, committees, authorities, and councils (agencies) and all funds and subsidiary accounts of the state are included in the primary government. Executives of these agencies are either elected, directly appointed by the Governor, appointed by a board which is appointed by the Governor, or appointed by a board which is in part appointed by the Governor.

Additionally, a small number of board positions are established by statute or independently elected. The state Legislature creates these agencies, assigns their programs, approves operational funding, and requires financial accountability. The Legislature also authorizes all bond issuances for capital construction projects for the benefit of state agencies. The legal liability for these bonds and the ownership of agency assets resides with the state.

Colleges and Universities. The governing boards of the five state universities, the state college, and the 34 state community and technical colleges are appointed by the Governor. Each college's governing board appoints a president to function as chief administrator. The state Legislature approves budgets and budget amendments for the colleges' appropriated funds, which include the state's General Fund as well as certain capital projects funds. The state Treasurer issues general obligation debt for major campus construction projects. However, the colleges are authorized to issue revenue bonds for construction of facilities for certain revenue generating activities such as housing, dining, and parking. These revenue bonds are payable solely from, and secured by, fees and revenues derived from the operation of constructed facilities; the legal liability for the bonds and the ownership of the college assets reside with the state. Colleges do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges are legally part of the state, their financial operations, including their blended component units, are reported in the primary government financial statements using the fund structure prescribed by GASB.

Retirement Systems. The state of Washington, through the Department of Retirement Systems, administers eight retirement systems for public employees of the state and political subdivisions: the Public Employees' Retirement System, the Teachers' Retirement System, the School Employees' Retirement System, the Law Enforcement Officers' and Fire Fighters' Retirement System, the Washington State Patrol Retirement System, the Public Safety Employees Retirement System, the Judicial Retirement System, and the Judges' Retirement Fund. The director of the Department of Retirement Systems is appointed by the Governor.

There are two additional retirement systems administered outside of the Department of Retirement Systems. The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund is administered through the Board for Volunteer Fire Fighters, which is appointed by the Governor. The Judicial Retirement Account is administered through the Administrative Office of the Courts under the direction of the Board for Judicial Administration.

The state Legislature establishes laws pertaining to the creation and administration of all public retirement systems. The participants of the public retirement systems, together with the state, provide funding for all costs of the systems based upon actuarial valuations. The state establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

All ten of the aforementioned retirement systems are included in the primary government's financial statements.

Blended Component Units. Blended component units, although legally separate entities, are part of the state's operations in substance. Accordingly, they are reported as part of the state and blended into the appropriate funds. The following entities are blended in the state's financial statements:

Tobacco Settlement Authority (TSA): The TSA was created by the Washington State Legislature in March 2002 as a public instrumentality separate and distinct from the state. It is governed by a five-member board appointed by the Governor. It was created to issue bonds to securitize a portion of the state's future tobacco settlement revenue in order to generate funds for increased costs of health care, long-term care, and other programs of the state.

Financial reports for the TSA may be obtained from the authority at the following address:

Tobacco Settlement Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046

Other Blended Component Units: Tumwater Office Properties, The University of Washington Alumni Association, University of Washington Physicians, University of Washington Physicians Network, Community Development Properties C-D, Educational Research Properties, Radford Court Properties, Twenty-Fifth Avenue Properties, TSB Properties, and Washington Biomedical Research Properties I and II are blended component units in the state's financial statements. Financial information for these blended component units may be obtained from their respective administrative offices.

Discrete Component Units. Discretely presented component units are reported in a separate column in the government-wide financial statements. Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state, or have relationships with the state such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These entities are reported as discrete component units because state officials either serve on or appoint the members of the governing bodies of the authorities. The state also has the ability to influence the operations of the authorities through legislation. The following entities are discretely presented in the financial statements of the state in the component unit's column:

The Washington State Housing Finance Commission, the Washington Higher Education Facilities Authority, the Washington Health Care Facilities Authority, and the Washington Economic Development Finance Authority (financing authorities) were created by the state Legislature in a way that specifically prevents them from causing the state to be liable or responsible for their acts and obligations, including, but not limited to, any obligation to pay principal and interest on financing authority bonds. The financing authorities cannot obligate the state, either legally or morally, and the state has not assumed any obligation of, or with respect to, the financing authorities.

Financial reports of these financing authorities may be obtained from each authority at the following addresses:

Washington Health Care Facilities Authority
410 - 11th Avenue SE, Suite 201
PO Box 40935
Olympia, WA 98504-0935

Washington State Housing Finance Commission
Washington Higher Education Facilities Authority
Washington Economic Development Finance Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046

The Washington State Public Stadium Authority (PSA) was created by the state Legislature to acquire, construct, own, and operate a football/soccer stadium, exhibition center, and parking garage. Construction was completed in 2002. PSA capital assets, net of accumulated depreciation, total $404 million. The state issued general obligation bonds for a portion of the cost of the stadium construction. The total public share of the stadium and exhibition center cost did not exceed $300 million from all state and local government funding sources, as defined in statute.

Project costs in excess of $300 million were the responsibility of the project's private partner, First & Goal, Inc. The bonds are being repaid through new state lottery games, a state sales tax credit, extension of the local hotel/motel tax, and parking and admissions taxes at the new facility. Financial reports of the PSA may be obtained at the following address:

Washington State Public Stadium Authority
Qwest Field & Event Center
800 Occidental Avenue South, #700
Seattle, WA 98134

The state's component units each have a year-end of June 30 with the exception of the Washington Economic Development Finance Authority which has a December 31 year-end.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The state presents two basic government-wide financial statements: the Statement of Net Assets and the Statement of Activities. These government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. The financial information for the primary government is distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Statement of Net Assets. The Statement of Net Assets presents the state's non-fiduciary assets and liabilities. As a general rule, balances between governmental and business-type activities are eliminated.

Assets and liabilities are presented in a net assets format in order of liquidity. Net assets are classified into three categories:

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- Restricted net assets result when constraints are placed on net asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories.

Statement of Activities. The Statement of Activities reports the extent to which each major state program is supported by general state revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business-type activities, a major program is an identifiable activity.

Program revenues offset the direct expenses of major programs. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from the goods or services or is otherwise directly affected by the program, such as a state citizen or taxpayer, or other governments or nongovernmental entities.

- Amounts received from outside entities that are restricted to one or more specific programs. These amounts can be operating or capital in nature.

- Earnings on investments that are restricted to a specific program are also considered program revenues.

General revenues consist of taxes and other items not meeting the definition of program revenues.

Generally the effect of internal activities is eliminated. Exceptions to this rule include charges between the workers' compensation insurance programs and various other state programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved.

Fund Financial Statements

The state uses 647 accounts that are combined into 54 rollup funds. The state presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column regardless of fund type. Internal service and fiduciary funds are reported by fund type. Major funds include:

Major Governmental Funds:

- General Fund is the state's primary operating fund. This fund accounts for all financial resources and transactions not accounted for in other funds.

- Higher Education Special Revenue Fund primarily accounts for grants and contracts received for research and other educational purposes. This fund also accounts for charges for services by state institutions of higher education.

- Higher Education Endowment Permanent Fund accounts for gifts and bequests that the donors have specified must remain intact. Each gift is governed by various restrictions on the investment and use of the funds.

Major Enterprise Funds:

- Workers' Compensation Fund accounts for the workers' compensation program that provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

- Unemployment Compensation Fund accounts for the unemployment compensation program. It accounts for the deposit of funds, requisitioned from the Federal Unemployment Trust Fund, to provide services to eligible participants within the state and to pay unemployment benefits.

- Higher Education Student Services Fund is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.

The state includes the following governmental and proprietary fund types within nonmajor funds:

Nonmajor Governmental Funds:

- Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are legally restricted to expenditures for specific purposes. These include a variety of state programs including public safety and health assistance programs; natural resource and wildlife protection and management programs; the state's transportation programs which include the operation of the state's ferry system and maintenance and preservation of non-interstate highway system; K-12 school construction; and construction and loan programs for local public works projects.

- Debt Service Funds account for the accumulation of resources for, and the payment of, principal and interest on the state's bonds issued in support of governmental activities.

- Capital Projects Funds account for the acquisition, construction, or improvement of major capital facilities including higher education facilities.

- Common School Permanent Fund accounts for the principal derived from the sale of timber. Interest earned is used for the benefit of common schools.

Nonmajor Proprietary Funds:

- Enterprise Funds account for the state's business type operations for which a fee is charged to external users for goods or services including: the state lottery; state liquor stores; the guaranteed college tuition program; and the convention and trade center.

- Internal Service Funds account for the provision of legal, motor pool, data processing, risk management, health insurance, and other services by one department or agency to other departments or agencies of the state on a cost-reimbursement basis.

The state reports the following fiduciary funds:

- Pension (and other employee benefit) Trust Funds are used to report resources that are required to be held in trust by the state for the members and beneficiaries of defined benefit and defined contribution pension plans, and other employee benefit plans.

- Investment Trust Fund accounts for the external portion of the Local Government Investment Pool (LGIP), which is reported by the state as the sponsoring government.

- Private-Purpose Trust Fund is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments such as the administration of unclaimed property.

- Agency Funds account for resources held by the state in a custodial capacity for other governments, private organizations or individuals.

Operating and Nonoperating Revenues and Expenses. The state's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. For example, operating revenues for the state's workers' compensation and health insurance funds consist of premiums and assessments collected. Operating expenses consist of claims paid to covered individuals, claims adjustment expenses, costs of commercial insurance coverage and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating, including interest expense and investment gains and losses.

Application of Restricted/Unrestricted Resources. When both restricted and unrestricted resources are available for use, it is the state's policy to use restricted resources first and then use unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

For government-wide reporting purposes, the state uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

For fund statement reporting purposes, the state uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds. With the current financial resources measurement focus, generally only current assets and current liabilities are included on the governmental funds balance sheet. Operating statements for these funds present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, motor fuel taxes, federal grants-in-aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within one year. Revenue for timber cutting contracts is accrued when the timber is harvested. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the availability criteria is met. Expenditure-driven grant revenue is considered available if it can be collected by the state at the same time cash is disbursed to cover the associated grant expenditure. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collectible within 12 months.

Property taxes are levied in December for the following calendar year. The first half-year collections are due by April 30, and the second half-year collections are due by October 31. Since the state is on a fiscal year ending June 30, the first half-year collections are recognized as revenue, if collectible within 60 days of the fiscal year end. The second half-year collections are recognized as receivables offset by deferred revenue. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are generally recognized when the related liability is incurred. However, unmatured interest on general long-term debt is recognized when due, and certain compensated absences, other postemployment benefits, and claims and judgments are recognized when the obligations are expected to be liquidated with available expendable financial resources.

The state reports deferred revenues on its governmental fund balance sheet under certain conditions. Deferred revenues arise when a potential revenue does not meet both the "measurable" and the "available" criteria for revenue recognition in the current period. Deferred revenues also arise when resources are received by the state before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures/expenses.

All proprietary and trust funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on their respective statements of net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. Net assets in proprietary funds are segregated into three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Net assets for trust funds are held in trust for external individuals and organizations.

All proprietary and trust funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Cash and Investments

Investments of surplus or pooled cash balances are reported on the accompanying Statements of Net Assets, Balance Sheets and Statements of Cash Flows as "Cash and Pooled Investments." The Office of the State Treasurer invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. As a result, the cash balances of funds with surplus pooled balances are not reduced for these investments. For reporting purposes, investments are stated at fair value or amortized cost, which approximates

fair value. For purposes of reporting cash flows, the state considers cash and pooled investments to be cash equivalents. Pooled investments include short-term, highly-liquid investments that are both readily convertible to cash and are so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates.

The method of accounting for noncurrent investments varies depending upon the fund classification. Investments in the state's Local Government Investment Pool (LGIP), an external investment pool operated in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, are reported at amortized cost. The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, phone number (360) 902-9000 or TTY (360) 902-8963.

Long-term investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors. Additional disclosure describing investments is provided in Note 3.

2. Receivables and Payables

Receivables in the state's governmental fund type accounts consist primarily of taxes and federal revenues. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria (refer to Note 1.C) have been met. All receivables are reported net of an allowance for accounts estimated to be uncollectible.

For government-wide reporting purposes, amounts recorded as interfund/interagency receivables and payables are eliminated in the governmental and business-type activities columns on the Statement of Net Assets, except for the net residual balances due between the governmental and business-type activities, which are reported as internal balances. Amounts recorded in governmental and business-type activities as due to or from fiduciary funds have been reported as due to or from other governments.

Noncurrent receivables are recorded in the Workers' Compensation Fund representing estimated recoveries from third parties for a certain portion of claims expenses that are recorded as noncurrent claims payable. The accrued recoveries are computed using a variety of actuarial and statistical techniques and are discounted at assumed interest rates to arrive at the recorded value. Disclosures related to the Workers' Compensation Fund activities and claims payable are provided in Notes 1.E.1 and 7.C.

3. Inventories

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported in the state's financial statements if the fiscal year-end balance on hand within an agency is estimated to be $25,000 or more. Consumable inventories are generally valued at cost using the first-in, first-out method. Donated consumable inventories are recorded at fair market value.

All merchandise inventories are considered reportable for financial statement purposes. Merchandise inventories are generally valued at cost using the first-in, first-out method. Inventories of governmental funds are valued at cost and recorded using the consumption method. Proprietary funds expense inventories when used or sold.

For governmental fund financial reporting, inventory balances are also recorded as a reservation of fund balance indicating that they do not constitute "available spendable resources" except for $6.6 million in federally donated consumable inventories, which are offset by deferred revenues because they do not constitute an "available" resource until consumed.

4. Capital Assets

Except as noted below, it is the state's policy to capitalize:

- All land;
- All additions and improvements to the state highway system;
- Infrastructure, other than the state highway system, with a cost of $100,000 or more;
- Buildings, building improvements, and leasehold improvements with a cost of $100,000 or more;
- All other capital assets with a unit cost of $5,000 or more.

Capital assets acquired by capital leases with a net present value or fair market value, whichever is less, of less than $10,000 are not capitalized.

Purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Capital asset costs include the purchase price plus those costs necessary to place the asset in its intended location and condition for use. Normal maintenance and repair costs that do not materially add to the value or extend the life of the state's capital assets are not capitalized.

Donated capital assets are valued at their estimated fair market value on the date of donation, plus all appropriate ancillary costs. When the fair market value is not practically determinable due to lack of sufficient records, estimated cost is used. Where necessary, estimates of original cost and fair market value are derived by factoring price levels from the current period to the time of acquisition.

The value of assets constructed by agencies for their own use includes all direct construction costs and indirect costs that are related to the construction. In enterprise and trust funds, net interest costs (if material) incurred during the period of construction are capitalized.

Art collections, library reserve collections, and museum and historical collections, that are considered inexhaustible in that their value does not diminish over time, are not capitalized by the state if all of the following conditions are met:

- The collection is held for public exhibition, education or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to policy requirements that the proceeds from sales of collection items be used to acquire other items for the collection.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Generally, estimated useful lives are as follows:

Buildings & building components	5-50 years
Furnishings, equipment & collections	3-50 years
Other improvements	3-50 years
Infrastructure	20-50 years

The cost and related accumulated depreciation of disposed capital assets are removed from the accounting records.

The state capitalizes the state highway system as a network but does not depreciate it since the system is being preserved approximately at or above a condition level established by the state. That condition level is documented and disclosed. Additionally, the highway system is managed using an asset management system that includes:

- Maintenance of an up-to-date inventory of system assets,
- Performance of condition assessments of the assets at least every three years with summarization of the results using a measurement scale, and
- Annual estimation of the amount to maintain and preserve the assets at the condition level established and disclosed.

All state highway system expenditures that preserve the useful life of the system are expensed in the period incurred. Additions and improvements that increase the capacity or efficiency of the system are capitalized. This approach of reporting condition instead of depreciating the highway system is called the modified approach.

For government-wide financial reporting purposes, capital assets of the state are reported as assets in the applicable governmental or business-type activities column on the Statement of Net Assets. Depreciation expense related to capital assets is reported in the Statement of Activities. Capital assets and the related depreciation expense are also reported in the proprietary fund financial statements.

In governmental funds, capital assets are not capitalized in the accounts that acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the year acquired. No depreciation is reported.

5. Compensated Absences

State employees accrue vested vacation leave at a variable rate based on years of service. In general, accrued vacation leave cannot exceed 240 hours at the employee's anniversary date.

Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e., the state does not pay employees for unused sick leave upon termination except upon employee death or retirement. At death or retirement, the state is liable for 25 percent of the employee's accumulated sick leave. In addition, the state has a sick leave buyout option in which, each January, employees who accumulate sick leave in excess of 480 hours may redeem sick leave earned but not taken during the previous year at the rate of one day's pay in exchange for each four days of sick leave.

It is the state's policy to liquidate unpaid compensated absences outstanding at June 30 with future resources rather than advance funding it with currently available expendable financial resources.

For government-wide reporting purposes, the state reports compensated absences obligations as liabilities in the applicable governmental or business-type activities columns on the Statement of Net Assets.
For fund statement reporting purposes, governmental funds recognize an expenditure for annual and sick leave when it is payable, i.e., upon employee's use, resignation,

or retirement. Proprietary and trust funds recognize the expense and accrue a liability for annual leave and estimated sick leave buyout, including related payroll taxes and benefits as applicable, as the leave is earned.

6. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term obligations of the state are reported as liabilities on the Statement of Net Assets. Bonds payable are reported net of applicable original issuance premium or discount. When material, bond premiums, discounts, and issue costs are deferred and amortized over the life of the bonds.

For governmental fund financial reporting, the face (par) amount of debt issued is reported as other financing sources. Original issuance premiums and discounts on debt issuance are also reported as other financing sources and uses, respectively. Issue costs are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report the difference between fund assets and fund liabilities as "fund balance." Reserved fund balance represents that portion of fund balance that is (1) not available for appropriation or expenditure, and/or (2) legally segregated for a specific future use. Unreserved, designated fund balance indicates tentative plans for future use of financial resources. Unreserved, undesignated fund balance represents the amount available for appropriation.

In proprietary funds, fund equity is called net assets. Net assets are comprised of three components: invested in capital assets, net of related debt; restricted; and unrestricted.

E. OTHER INFORMATION

1. Insurance Activities

Workers' Compensation. Title 51 RCW establishes the state of Washington's workers' compensation program. The statute requires all applicable employers to insure payment of benefits for job-related injuries and diseases through the Workers' Compensation Fund or through self-insurance. Direct private insurance is not authorized, although self-insurers are permitted to reinsure up to 80 percent of their obligations through private insurers.

The Workers' Compensation Fund, an enterprise fund, is used to account for the workers' compensation program which provides time-loss, medical, disability, and pension payments to qualifying individuals sustaining work-related injuries. The main benefit plans of the workers' compensation program are funded based on rates that will keep these plans solvent in accordance with recognized actuarial principles. The supplemental pension cost-of-living adjustments (COLA) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

Premiums are based on individual employers' reported payroll hours and insurance rates based on each employer's risk classification(s) and past experience. In addition to its regular premium plans, the Workers' Compensation Fund offers a retrospective premium rating plan under which premiums are adjusted annually for up to three years following the plan year based on individual employers' loss experience. Initial adjustments to the standard premiums are paid to or collected from the employers approximately ten months after the end of each plan year.

The Workers' Compensation Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the benefit involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liabilities, claims adjudication, and judgments, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic, legal, and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Risk Management. Washington State operates a risk management liability program pursuant to RCW 4.92.130. The state manages its tort claims as an insurance business activity rather than a general governmental activity. The state's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead, the state's management believes it is more economical to manage its risks internally and set aside assets for claims settlement in the Risk Management Fund, an internal service fund. A limited amount of commercial insurance is purchased for employee bonds and to limit the exposure to catastrophic losses. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past six fiscal years. Otherwise, the risk management liability program services all claims against the state for injuries and property damage to third parties. The majority of state funds and agencies

participate in the risk management liability program in proportion to the anticipated exposure to liability losses.

Health Insurance. The state of Washington administers and provides medical, dental, basic life, and long-term disability insurance coverage for eligible state employees. In addition, the state offers coverage to K-12 school districts, educational service districts, political subdivisions and employee organizations representing state civil service workers. The state establishes eligibility requirements and approves plan benefits of all participating health care organizations. Because the state and its employees are the predominant participants in the employee health insurance program, it is accounted for in the Employee Insurance Fund, an internal service fund.

The state's share of the cost of coverage for state employees is based on a per capita amount determined annually by the Legislature and allocated to state agencies. The Health Care Authority, as administrator of the health care benefits program, collects this monthly "premium" from agencies for each active employee enrolled in the program. State employees self-pay for coverage beyond the state's contribution. Cost of coverage for non-state employees is paid by their respective employers. Most coverage is available on a self-paid basis to former employees and employees who are temporarily not in pay status.

Most coverage is also available on a self-paid basis to eligible retirees. In accordance with the provisions of GASB Statement No. 43, an agency fund, the Retiree Health Insurance Fund, is used to account for the retiree health insurance program. For additional information, refer to Note 12.

The state secures commercial insurance for certain coverage offered, but self-insures the risk of loss for the Uniform Medical Plan. The Uniform Medical Plan enrolled 62 percent of the eligible subscribers in Fiscal Year 2008. Claims are paid from premiums collected, and claims adjudication is contracted through a third-party administrator.

Considerations in calculating liabilities include frequency of claims, administrative costs, industry inflation trends, advances in medical technology, and other social and economic factors. Liabilities include an amount for claims incurred but not reported.

2. Postemployment Benefits

COBRA. In compliance with federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the state offers health and dental benefits on a temporary basis to qualified beneficiaries whose benefit coverage would otherwise end because of a qualifying event such as loss of employment. COBRA coverage is the same medical and dental coverage available to state employees, available on a self-paid basis.

Medical Expense Plan. As disclosed in Note 1.D, at the time of separation from state service due to retirement or death, the state offers a 25 percent buy-out of an employee's accumulated sick leave. Individual state agencies may offer eligible employees a medical expense plan that provides for reimbursement of medical expenses. Instead of cashing out sick leave at retirement, agencies may deposit equivalent funds in a medical expense plan that meets the requirements of the Internal Revenue Code.

Retirement Benefits. Refer to Note 11 Retirement Plans and Note 12 Other Postemployment Benefits.

3. Interfund/Interagency Activities

The state engages in two major categories of interfund/interagency activity: reciprocal and nonreciprocal.

Reciprocal interfund/interagency activity is the internal counterpart to exchange and exchange-like transactions and includes both interfund loans and services provided and used. Nonreciprocal activity is nonexchange in nature and includes both transfers and reimbursements.

4. Donor-restricted Endowments

The state reports endowments in higher education endowment permanent accounts. These accounts are established outside of the state treasury for use by the higher education institutions. State law permits the governing boards of the institutions to appropriate for expenditure as much of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund as is deemed prudent under the facts and circumstances prevailing at the time.

Generally, the institutions use a 5 percent spending rate policy for authorizing and spending investment income. The net appreciation available for authorization for expenditure by governing boards totaled $204.8 million and is reported in the nonexpendable portion of the reserve for permanent funds.

Note 2
Accounting and Reporting Changes

Reporting Changes. Effective for Fiscal Year 2008 reporting, the state implemented the following new standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* GASB Statement No. 45 requires the state to disclose information about the state's other postemployment benefits (OPEB) including plan description, accounting policies, contributions and reserves, and funded status and funding progress (refer to Note 12 and the Required Supplementary Information). Additionally, the state is required to report the annual cost of the OPEB and the outstanding obligations related to OPEB consistent with pension reporting.

Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.* Statement No. 48 requires the state to present disclosures of the revenues pledged to collateralize debt (refer to Note 7.A).

Statement No. 50, *Pension Disclosures - an amendment of GASB Statements 25 and 27.* Statement No. 50 replicates the reporting requirements for other postemployment benefits by requiring disclosure for pension plans of funded status information (refer to Note 11.E).

Fund Reclassifications. During Fiscal Year 2008, it was determined that a certain Nonmajor Governmental Fund was incorrectly being reported as a nonmajor Special Revenue Fund. To correct this situation, beginning fund balances were restated to effect its proper fund classification as a Higher Education Endowment Permanent Fund.

It was also discovered that the activity of a certain Nonmajor Fiduciary Fund was incorrectly being reported as a Private Purpose Trust Fund. To correct this situation, beginning fund balances were restated to effect its proper fund classification as a nonmajor Special Revenue Fund.

Prior Period Adjustments. The state recorded prior period adjustments in two Nonmajor Enterprise Funds to correct capital asset and compensated absence balances for errors that occurred in prior years. One of the adjustments had an offsetting effect on capital assets and long-term obligations of governmental activities. The state also corrected beginning balances in the Pooled Investment Agency Fund by transferring non-pooled investment related balances to the Other Agency Fund.

Fund equity at July 1, 2007, has been restated as follows (expressed in thousands):

	Fund equity at June 30, 2007, as previously reported	Fund Reclassification	Prior Period Adjustment	Fund equity as restated, July 1, 2007
Governmental Funds:				
General	$ 1,903,160	$ -	$ -	$ 1,903,160
Higher Education Special Revenue	1,510,889	-	-	1,510,889
Higher Education Endowment	2,886,505	31,151	-	2,917,656
Nonmajor Governmental	5,852,765	(29,902)	-	5,822,863
Proprietary Funds:				
Enterprise Funds:				
Workers' Compensation	(8,185,555)	-	-	(8,185,555)
Unemployment Compensation	3,891,025	-	-	3,891,025
Higher Education Student Services	1,004,854	-	-	1,004,854
Nonmajor Enterprise	523,200	-	(234)	522,966
Internal Service Funds	171,961	-	-	171,961
Fiduciary Funds:				
Private Purpose Trust	54,580	(1,249)	-	53,331
Local Government Investment Pool	5,809,236	-	-	5,809,236
Pension and Other Employee Benefit Plans	69,210,007	-	-	69,210,007
Component Units:				
Public Stadium	408,441	-	-	408,441
Nonmajor Component Units	68,630	-	-	68,630

Note 3
Deposits and Investments

A. DEPOSITS

Custodial Credit Risk. Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the state would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

The state minimizes custodial credit risk by restrictions set forth in state law. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Washington unless otherwise expressly permitted by statute and authorized by the Washington Public Deposit Protection Commission (PDPC). The PDPC (established under Chapter 39.58 of the Revised Code of Washington) constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool.

At June 30, 2008, $2.5 billion of the state's deposits with financial institutions were either insured or collateralized, with the remaining $32.4 million uninsured/ uncollateralized. The Federal Deposit Insurance Corporation (FDIC) covers the state's insured deposits and the PDPC provides collateral protection.

B. INVESTMENTS – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS (PENSION TRUST FUNDS)

1. Summary of Investment Policies

The Washington State Investment Board (WSIB) has been authorized by statute as having the investment management responsibility for the pension trust funds. The WSIB manages pension fund assets to maximize return at a prudent level of risk (RCW 43.33A.110). The WSIB establishes asset allocation targets that must be considered at all times when making investment decisions.

Eligible Investments. Pension trust funds are invested in the Commingled Trust Fund (CTF). The CTF is comprised of public market equities, fixed income securities, private equity investments, real estate and tangible assets. The CTF's performance benchmark objective is to exceed the return of a policy benchmark consisting of public market indices weighted according to asset allocation targets. The asset allocation for the CTF is formally reviewed at least every four years.

The public markets equity portion of the retirement fund includes strategies in the U.S., developed international and emerging markets. Since the U.S. equity markets are generally efficient, the domestic equity portfolio is 75 percent passively managed with the rest in an active enhanced strategy. Over time, the domestic equity portfolio should track the return of a broad U.S. market benchmark, the Dow Jones Wilshire 5000 Index. Non-U.S. markets and emerging markets are generally less efficient than the U.S. market; therefore, more active management will be included in the approach taken with these markets. The weightings of the elements of the developed markets and emerging markets of the non-U.S. equity program are similar to the weightings of the MSCI All Country World ex. U.S. Index which serves as the benchmark for the WSIB's entire non-U.S. program.

The portfolio is constrained by policy from investing more than 1 percent of the portfolio's par holdings in any single issuer with a quality rating below investment grade, and from having a duration (the sensitivity of the portfolio's fair value to changes in the level of interest rates) that is more than 20 percent different than the duration of the Lehman Universal Index. In addition, the major sector allocations are limited to the following ranges: U.S Treasuries and government agencies – 10 percent to 45 percent, credit bonds – 10 percent to 60 percent, asset backed securities – 0 percent to 10 percent, commercial mortgage-backed securities – 0 percent to 10 percent, mortgage-backed securities – 5 percent to 45 percent and below investment grade credit bonds – 0 percent to 15 percent.

Pension trust funds can be invested in any appropriate private equity investment opportunity that has the potential for returns superior to traditional investment opportunities and which is not prohibited by the WSIB's policies or by law. These investment types include venture capital investments, corporate finance (including leveraged, management and employee buyouts), distressed, international and mezzanine investments. Private equity investments are made through limited partnership vehicles. The private equity portfolio has diversified investments in companies in a variety of stages of growth. The portfolio also includes a broad cross-section of opportunities in different industries, and geographic regions. In 2007 the WSIB approved the following changes to the asset allocation of the Retirement Funds: A new asset class, tangible assets, was added, the U.S. and international equity portfolio were combined and the targets changed to market weighting, and the private equity and real estate allocations were increased. The tangible asset portfolio invests in sectors such as infrastructure, timber, agriculture, natural resource rights, commodities, or other sectors consistent with the goals of the asset class.

The WSIB's real estate program is an externally managed pool of selected partnership investments, intended to

provide alternative portfolio characteristics when compared to traditional stock and bond investments.

The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of commercial real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the Board's long-term return expectations for the asset class.

The WSIB's real estate partnerships typically invest in private real estate assets that are held for long-term income and appreciation. Many of the WSIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to liquidation, acquisition, and ongoing operational decisions like annual capital expenditures.

2. Unfunded Commitments

The WSIB has entered into a number of agreements that commit the Retirement Funds, upon request, to make additional investment purchases up to predetermined amounts. As of June 30, 2008, the Retirement Funds had unfunded commitments of $8.4 billion, $7.7 billion and $137.1 million in private equity, real estate and tangible assets, respectively.

3. Securities Lending

State law and Board policy permit the WSIB to participate in securities lending programs to augment investment income. The Board has entered into an agreement with JP Morgan to act as agent for the WSIB in securities lending transactions. As JP Morgan is the custodian bank for the WSIB, it is counterparty to securities lending transactions.

In accordance with GASB Statement No. 28, the WSIB reports securities lent (the underlying securities) as assets in the statement of net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets.

Securities received as collateral are reported as assets if the WSIB has the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are reported in the statement of net assets. Securities lending transactions collateralized by securities that the WSIB does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Securities were loaned (consisting of fixed income and equities) and collateralized by the WSIB's agent with cash and U.S. government securities (exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities had collateral denominated in the same currency the collateral requirement was 102 percent of the fair value, including accrued interest, of the securities loaned. All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities. The collateral held and fair value of securities on loan at June 30, 2008 were $4.0 billion and $3.9 billion respectively. At year-end, the amounts the WSIB owed the borrowers exceeded the amounts the borrowers owed WSIB, resulting in no credit risk exposure to borrowers.

During Fiscal Year 2008, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of overall loans was 21 days.

Cash collateral was invested by the WSIB's agents in securities issued or guaranteed by the U.S. government, the WSIB's short-term investment pool (average final maturity of 136 days) or term loans. Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold absent borrower default. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. JP Morgan indemnified the WSIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. JP Morgan's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2008, there were no significant violations of legal or contractual provisions, or failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the WSIB incurred no losses during Fiscal Year 2008 resulting from a default by either the borrowers or the securities lending agents.

4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The pension fixed income investments are actively managed to exceed the return of the Lehman Universal Index, with volatility as measured by duration to be similar to or less than the index. Pension trust funds are invested in U.S. agencies and corporate debt variable-rate securities, most of which reset periodically to the market interest rate. Because these securities frequently reprice to prevailing market rates, interest rate risk is substantially reduced at each periodic reset date.

The following schedule presents the pension fund investments by type and provides information about the interest rate risks associated with the pension trust funds investments as of June 30, 2008. The schedule displays various asset classes held by maturity in years and credit ratings. Variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

Pension Trust Funds
June 30, 2008
(expressed in thousands)

		Maturity				
Investment Type	**Fair Value**	**Less than 1 year**	**1-5 years**	**6-10 years**	**More than 10 years**	**Credit Rating**
Asset Backed Securities	$ 8,290	$ -	$ 611	$ -	$ 7,679	Multiple
Mortgages:						
Collateralized mortgage obligations	1,787,756	4,083	586,200	1,082,038	115,435	Aaa
Pass throughs	2,710,005	261	1,706,519	906,172	97,053	Multiple
Commercial mortgage backed securities	566,007	20,829	268,853	275,136	1,189	Multiple
Corporate bonds - domestic	6,765,029	346,569	2,112,167	3,065,125	1,241,168	Multiple
Corporate bonds - foreign	385,893	-	165,153	111,431	109,309	Multiple
Government securities - domestic:						
US government treasuries	78,143	-	26,264	51,879	-	Aaa
Treasury inflation protected securities	1,489,766	-	1,019,000	470,766	-	Aaa
Variable rate notes	520,164	15,119	72,539	24,806	407,700	Multiple
	14,311,053	$ 386,861	$ 5,957,306	$ 5,987,353	$ 1,979,533	
Corporate stock - foreign	8,478,993					
Commingled index funds - domestic	9,445,627					
Commingled index funds - foreign	5,216,260					
Money market funds	1,056,971					
Cash overlay	287,383					
Private equity	13,837,207					
Real estate	8,688,560					
Innovation	555,605					
Tangible assets	447,753					
Currencies	132,867					
Securities lending collateral balances	3,963,758					
Defined contribution plans assets:						
Short-Horizon	74,248					
Mid-Horizon	193,474					
Long-Horizon	194,005					
Mutual funds:						
Domestic equity passive	1,257,938					
Non-US passive developed	914,575					
Domestic equity active	321,081					
Non-US active developed	141,587					
Washington State bond fund	403,561					
Savings pool	825,670					
Money market mutual funds	400,342					
Total	$ 71,148,518					

Investments with multiple credit ratings are presented using the Moody's rating scale as follows:

Pension Trust Funds
Investments with Multiple Credit Ratings
June 30, 2008
(expressed in thousands)

	Investment Type						
Moody's Equivalent Credit Rating	**Asset-backed Securities**	**Corporate Bonds - Domestic**	**Corporate Bonds - Foreign**	**Variable Rate Notes**	**Pass Throughs**	**Commercial Mortgage Backed Securities**	**Total**
Aaa	$ 5,245	$ 770,039	$ 145,463	$ 251,716	$ 2,675,301	$ 544,499	$ 4,392,263
Aa1	-	168,073	25,080	-	-	21,508	214,661
Aa2	-	504,221	-	2,641	-	-	506,862
Aa3	-	741,566	-	11,903	-	-	753,469
A1	-	558,004	41,285	8,273	-	-	607,562
A2	-	647,139	-	30,061	-	-	677,200
A3	-	580,517	28,166	7,887	-	-	616,570
Baa1	-	591,619	-	5,958	-	-	597,577
Baa2	-	1,103,673	24,308	18,013	-	-	1,145,994
Baa3 & Lower	3,045	1,097,893	121,540	183,712	34,704	-	1,440,894
NR	-	2,285	51	-	-	-	2,336
Total	$ 8,290	$ 6,765,029	$ 385,893	$ 520,164	$ 2,710,005	$ 566,007	$10,955,388

5. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Rated debt investments of the pension trust funds as of June 30, 2008, were rated by Moody's and/or an equivalent national rating organization.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The WSIB policy states no corporate fixed income issue shall exceed 3 percent of cost at the time of purchase or 6 percent of fair value thereafter of the fund, and no high yield issues shall exceed 1 percent of cost or 2 percent of fair value of the fund. There was no concentration of credit risk exceeding these policy guidelines as of June 30, 2008.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the WSIB would not be able to recover the value of investments that are in the possession of an outside party. The WSIB does not have a policy specifically for custodial credit risk. The securities lending collateral balances are from securities required to be listed under GASB Statement No. 3 Category 3 – Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the WSIB's name. (This includes the amount of any repurchase agreement that exceeds the fair value of the underlying securities.)

6. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The WSIB does not have a formal policy to limit foreign currency risk. The WSIB manages their exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios by sector and by issuer to limit foreign currency and security risk.

The following schedule presents the exposure of pension fund investments to foreign currency risk. The schedule provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars. The pension trust funds also had $5.2 billion invested in an international commingled equity index fund. As such, these currency denominations are not presented in the following schedule.

Pension Trust Funds
Foreign Currency Risk
June 30, 2008
(expressed in thousands)

	Investment Type					
Foreign Currency Denomination	**Liquidity**	**Fixed Income**	**Equity**	**Private Equity**	**Real Estate**	**Total**
Australia-Dollar	$ 13,913	$ 109,213	$ 433,233	$ -	$ 39,303	$ 595,662
Brazil-Real	1,469	192,354	100,226	-	-	294,049
Britain-Pound	6,217	-	1,555,625	27,369	58,046	1,647,257
Canada-Dollar	19,686	-	582,542	-	2,009	604,237
China-Renminbi	-	-	-	-	79,976	79,976
Denmark-Krone	694	-	88,039	-	-	88,733
E.M.U.-Euro	43,296	51	2,702,575	1,397,083	748,369	4,891,374
Egypt-Pound	-	-	16,161	-	-	16,161
Hong Kong-Dollar	11,591	-	189,925	-	39,840	241,356
Hungary-Forint	-	-	29,773	-	7,961	37,734
Indonesia-Rupiah	-	-	7,722	-	7,718	15,440
Israel-Shekel	89	-	6,498	-	-	6,587
Japan-Yen	9,361	-	1,499,236	-	518,385	2,026,982
Lithuania-Litas	161	-	-	-	-	161
Malaysia-Ringgit	26	-	8,615	-	-	8,641
Mexico-Peso	31	31,744	10,756	-	3,320	45,851
New Zealand-Dollar	183	-	18,464	-	-	18,647
Norway-Krone	4,005	-	110,929	-	-	114,934
Pakistan-Rupee	58	-	8,584	-	-	8,642
Philippines-Peso	31	-	-	-	-	31
Poland-Zloty	134	-	36,870	-	1,880	38,884
Singapore-Dollar	464	-	133,423	299	(41)	134,145
South Africa-Rand	25	-	36,673	-	-	36,698
South Korea-Won	220	-	39,898	-	219,084	259,202
Sweden-Krona	8,583	-	97,934	46,168	-	152,685
Switzerland-Franc	3,100	-	523,676	-	-	526,776
Taiwan-Dollar	-	-	-	-	(139)	(139)
Thailand-Baht	16	-	4,932	-	(137)	4,811
Turkey-Lira	12	52,531	36,981	-	-	89,524
Total	$ 123,365	$ 385,893	$ 8,279,290	$ 1,470,919	$ 1,725,574	$ 11,985,041

7. Derivatives

The WSIB is authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps, and options to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. The WSIB mitigates market risks arising from derivative transactions by requiring collateral in cash and investments to be maintained equal to the securities positions outstanding, and thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the WSIB authority to invest in derivatives, international and domestic active equity managers may make limited investments in financial futures, forward contracts or other derivative securities to equitize excess cash holdings. At June 30, 2008, the WSIB held swap contracts, consisting of credit default swaps and interest rate swaps. The unrealized loss for the swap contracts amounted to $0.5 million and $1.4 million respectively, at June 30, 2008. The credit default swap contracts are used to mitigate credit risk and the interest rate swap contract is used to mitigate interest rate risk. At June 30, 2008, the WSIB held derivative securities consisting of collateralized mortgage obligations (CMOs) of $1.8 billion.

8. Reverse Repurchase Agreements

State law permits the WSIB to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the state or provide securities or cash of equal value, the WSIB would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no reverse repurchase agreements during the year and there were no liabilities outstanding as of June 30, 2008.

C. INVESTMENTS – WORKERS' COMPENSATION FUND

1. Summary of Investment Policies

Under RCW 43.33A.030, trusteeship over the investment of the workers' compensation fund investments is vested in the WSIB. The Legislature established a standard of care for investment of these funds in RCW 43.33A.140. Additionally, the WSIB must comply with other state laws, such as the Ethics in Public Service Act, RCW 42.52, as it makes investment decisions and seeks to meet its investment objectives.

In accordance with state laws, workers' compensation fund investments are to be managed to limit fluctuations in the industrial insurance premiums, and subject to this purpose, achieve a maximum return at a prudent level of risk. Based on this requirement, the order of the objectives is:

- Maintain the solvency of the funds.
- Maintain premium rate stability.
- Ensure sufficient assets are available to fund the expected liability payments.
- Subject to those above, achieve a maximum return at a prudent level of risk.

Eligible Investments. Eligible investments are securities and deposits that are in accordance with the WSIB's investment policy and RCW 43.33A.110. Eligible investments include:

- U.S. Equities.
- International Equities.
- U.S. Treasuries and Government Agencies.
- Credit Bonds.
- Mortgage-Backed Securities rated BBB- or higher by Standard & Poor's and Baa3 or higher by Moody's Investor's Service (Moody's).
- Asset-Backed Securities rated BBB- or higher by Standard & Poor's and Baa3 or higher by Moody's.
- Commercial Mortgage-Backed Securities rated BBB- or higher by Standard & Poor's and Baa3 or higher by Moody's.
- Investment Grade Non-U.S. Dollar Bonds.

Investment Restrictions. To meet stated objectives, investments of workers' compensation funds are subject to the following constraints:

- All assets under the management of the WSIB are to be invested to maximize return at a prudent level of risk in accordance with RCW 43.33A.110.

- Asset allocation will be reviewed every three to four years or sooner if there are significant changes in funding levels or the liability durations. Assets will be rebalanced across asset classes when the fair value of the assets falls outside the policy ranges. The timing of any rebalancing will be based on market opportunities, cash flows, and the consideration of transaction costs; therefore, they need not occur immediately.

- No corporate fixed income issue cost shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time.

- The benchmark and structure for U.S. equities will be the broad U.S. stock market as defined by the Dow Jones-Wilshire 5000. The benchmark and structure for international equities will be the Morgan Stanley Capital All Country World Ex US Investable Market Index (MSCI ACW Ex US IMI). Both portfolios will be 100 percent passively managed in commingled index funds. The commingled funds may use futures for hedging or establishing a long position.

- The fixed income portfolios' structure varies depending upon the required duration target. The duration targets are reviewed every three years, or sooner, if there are significant changes in the funding levels or the liability durations.

- Sector allocation of fixed income investments must be managed within the following prescribed ranges: U.S. Treasuries and government agencies – 5 percent to 25 percent, credit bonds – 20 percent to 70 percent, asset backed securities – 0 percent to 10 percent, commercial mortgage backed securities – 0 percent to 10 percent and mortgage backed securities – 0 percent to 25 percent. These targets are long-term in nature. Deviations may occur in the short-term as a result of interim market conditions. However, if a range is exceeded the portfolios must be rebalanced as soon as it is practical to the target allocations.

- Total holdings of below investment grade credit bonds (as defined by Lehman Brothers Global Family of Fixed Income Indices)) should not exceed 5 percent of total fixed income holdings.

2. Securities Lending

State law and Board policy permit the WSIB to participate in securities lending programs to augment investment income. The Board has entered into an agreement with JP Morgan to act as agent for the WSIB in securities lending transactions. As JP Morgan is the custodian bank for the WSIB, it is counterparty to securities lending transactions.

In accordance with GASB Statement No. 28, the WSIB reports securities lent (the underlying securities) as assets in the statement of net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are reported as assets if the WSIB has the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are reported in the statement of net assets. Securities lending transactions collateralized by securities that the WSIB does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Fixed income securities were loaned and collateralized by the WSIB's agent with cash and U.S. government securities (exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102 percent of the fair value, including accrued interest, of the securities loaned. was All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities. The collateral held and fair value of securities on loan at June 30, 2008 was $2.2 billion and $2.1 billion respectively. At year-end, the amounts the WSIB owed the borrowers exceeded the amounts the borrowers owed the WSIB, resulting in no credit risk exposure to borrowers.

During Fiscal Year 2008, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The average weighted maturity of overall loans was 21 days.

Cash collateral was invested by the WSIB's agents in securities issued or guaranteed by the U.S. government, the WSIB's short-term investment pool (average final maturity of 136 days) or term loans. Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold absent borrower default. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. JP Morgan indemnified the WSIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. JP Morgan's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2008, there were no significant violations of legal or contractual provisions, no failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the WSIB incurred no losses during Fiscal Year 2008 resulting from a default by either the borrowers or the securities lending agents.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The workers' compensation fixed income investments are actively managed to exceed the return of the Comparable Market Index, with volatility as measured by duration to be similar to or less than the index. As of June 30, 2008, the durations of the various fixed income classes were within the duration targets of the Comparable Market Index.

The workers' compensation fund investments include both U.S. agencies and corporate debt variable-rate securities, most of which reset periodically to the market interest rate. Because these securities frequently reprice to prevailing market rates, interest rate risk is substantially reduced at each periodic reset date.

The following schedule presents the workers' compensation fund investments by type and provides information about the interest rate risks associated with the investments as of June 30, 2008. The schedule displays various asset classes held by maturity in years and credit ratings. Variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

Workers' Compensation Fund
June 30, 2008
(expressed in thousands)

		Maturity				
Investment Type	**Fair Value**	**Less than 1 year**	**1-5 years**	**6-10 years**	**More than 10 years**	**Credit Rating**
Mortgages:						
Collateralized mortgage obligations	$ 1,751,792	$ 175	$ 226,682	$ 330,563	$ 1,194,372	Aaa
Pass throughs	1,620	22	1,598	-	-	Aaa
Commercial mortgage backed securities	619,962	25,976	234,718	358,214	1,054	Multiple
Corporate bonds-domestic	5,128,611	138,985	1,447,294	1,469,347	2,072,985	Multiple
Government securities-domestic:						
US government treasuries	422,431	61,506	360,925	-	-	Aaa
Treasury inflation protected securities	1,583,736	-	413,038	648,540	522,158	Aaa
	9,508,152	$ 226,664	$ 2,684,255	$ 2,806,664	$ 3,790,569	
Commingled index funds-domestic	807,227					
Commingled index funds-foreign	527,822					
Money market funds	176,006					
Securities lending collateral balances	2,151,635					
Total	$ 13,170,842					

Investments with multiple credit ratings are presented using the Moody's rating scale as follows:

Workers' Compensation Fund
Investments with Multiple Credit Ratings
June 30, 2008
(expressed in thousands)

Moody's Equivalent Credit Rating	Investment Type: Corporate Bonds - Domestic	Investment Type: Commercial Mortgage Backed Securities	Total
Aaa	$ 564,147	$ 557,966	$ 1,122,113
Aa1	51,286	61,996	113,282
Aa2	256,431	-	256,431
Aa3	666,720	-	666,720
A1	615,433	-	615,433
A2	666,720	-	666,720
A3	615,433	-	615,433
Baa1	461,575	-	461,575
Baa2	820,577	-	820,577
Baa3	410,289	-	410,289
Total	$ 5,128,611	$ 619,962	$ 5,748,573

4. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The rated debt investments of the workers' compensation funds as of June 30, 2008, were rated by Moody's and/or an equivalent national rating organization.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The WSIB policy states that the cost of no corporate fixed income issue shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time. There was no concentration of credit risk as of June 30, 2008.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the WSIB would not be able to recover the value of investments that are in the possession of an outside party. The WSIB does not have a policy specifically for custodial credit risk. The securities lending collateral balances are from securities required to be listed under GASB Statement No. 3 Category 3 – Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the WSIB's name. (This includes the amount of any repurchase agreement that exceeds the fair value of the underlying securities).

5. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The WSIB does not have a formal policy to limit foreign currency risk. The workers' compensation funds had $527.8 million invested in an international commingled equity index fund. As such, no currency denomination risk is presented.

6. Derivatives

The WSIB is authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate and equity swaps, and options to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. The WSIB mitigates market risks arising from derivative transactions by requiring collateral in cash and investments to be maintained equal to the securities positions outstanding, and thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the WSIB authority to invest in derivatives, international active equity managers may make limited investments in financial futures, forward contracts or other derivative securities to manage exposure to currency rate risk and equitize excess cash holdings. No such derivative securities were held as of June 30, 2008. Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative securities by passive equity index fund managers is unavailable. At June 30, 2008, the only derivative

securities held directly by the WSIB were collateralized mortgage obligations (CMOs) of $1.8 billion.

7. Reverse Repurchase Agreements

State law permits the WSIB to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the state or provide securities or cash of equal value, the WSIB would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no reverse repurchase agreements during Fiscal Year 2008 and there were no liabilities outstanding as of June 30, 2008.

D. INVESTMENTS – LOCAL GOVERNMENT INVESTMENT POOL (LGIP)

1. Summary of Investment Policies

The LGIP is managed and operated by the Office of the State Treasurer (OST). The OST is responsible for establishing the investment policy for the pool. It is reviewed annually by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

Investment Objectives. The LGIP is comparable to a Rule 2a-7 money market fund recognized by the Securities and Exchange Commission (17CFR.270.2a-7). Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk.

The objectives of the LGIP investment policy, in priority order, are safety, liquidity, and return on investment. To provide for the safety and liquidity of funds deposited in the LGIP, the state treasurer and designated investment officers shall:

- Adhere to all restrictions on the investment of funds established by law and by the policy.
- Limit the purchase of investments in securities so that the weighted average maturity of the portfolio, as defined in Section VI of the policy, does not exceed 90 days.
- Limit the purchase of investments to securities that have a maximum final maturity of 397 days, with the exceptions listed in section VI of the policy.
- Limit the purchase of investments in securities other than those issued by the U.S. government or its agencies.
- Prepare regular reports of portfolio activity.

The primary objective of safety will be measured in cash, as opposed to accounting terms, where different, and in terms of the portfolio, as a whole, as opposed to the terms of any individual transaction. This means, for example, that a single transaction that generated an accounting loss but actually increased the amount of cash received in the portfolio would be considered to have increased capital, and not decreased it.

Within the restrictions necessary to ensure the safety and liquidity of funds, the investment portfolio of the LGIP will be structured to attain a market rate of return throughout an economic cycle.

Eligible Investments. Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.84.080 and 43.250). Eligible investments include:

- Obligations of the U.S. government.
- Obligations of U.S. government agencies, or of corporations wholly owned by the U.S. government.
- Obligations of government sponsored corporations that are, or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all of the organizations.
- Commercial paper provided that the OST adheres with policies and procedures of the WSIB regarding commercial paper (RCW 43.84.080(7)).
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Obligations of the state of Washington or its political sub-divisions.

Investment Restrictions. To provide for the safety and liquidity of LGIP Funds, the investment portfolio will be subject to the following restrictions:

- All money market securities are required to be rated A-1 by Standard and Poor's Corporation and P-1 by Moody's Investors Services, Inc.

- Investments are restricted to fixed rate securities that mature in 397 days or less, and floating and variable rate securities that mature in 762 days or less.

- The weighted average maturity of the portfolio may not exceed 90 days.

- Cash generated through securities lending or reverse repurchase agreement transactions will not increase the dollar amount of specified investment types beyond stated limits.

2. Securities Lending

The LGIP investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the LGIP. During Fiscal Year 2008, the LGIP had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the LGIP. Furthermore, the contract with the lending agent requires them to indemnify the LGIP if the borrowers fail to return the securities (and if collateral is inadequate to replace the securities lent) or if the borrower fails to pay the LGIP for income distribution by the securities' issuers while the securities are on loan.

The LGIP cannot pledge or sell collateral securities received unless the borrower defaults. The LGIP investment policy limits the amount of reverse repurchase agreements and securities lending to 30 percent of the total portfolio. There were neither violations of legal or contractual provisions nor any losses resulting from a default of a borrower or lending agent during the year.

State statutes permit the LGIP to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The LGIP, which has contracted with a lending agent to lend securities in the LGIP, earns a fee for this activity. The lending agent lends securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent.

The cash is invested by the lending agent in repurchase agreements or money market instruments, in accordance with investment guidelines approved by the LGIP. The securities held as collateral and the securities underlying the cash collateral are held by the LGIP's custodian.

At June 30, 2008, all LGIP securities on loan were collateralized by cash and other securities and the average life of both the loans and the investment of cash received as collateral was one day.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The portfolio is managed in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940, i.e., money market funds. Much of the Rule 2a-7 investment guidelines are directed towards limiting interest rate risk, in order to maintain a stable net asset value.

The LGIP policy places a 90-day maximum on the weighted average maturity. Further, the maximum maturity of any security will not exceed 397 days, except securities utilized in repurchase agreements and U.S. Agency floating or variable rate notes may have a maximum maturity of 762 days, provided that they have reset dates within one year and which on any reset date can reasonably be expected to have a market value that approximates its amortized cost. As of June 30, 2008, the LGIP had a weighted average maturity of 39 days.

The following schedule presents the LGIP investments by type and provides information about the interest rate risks associated with the LGIP investments as of June 30, 2008.

Local Government Investment Pool (LGIP)
June 30, 2008
(expressed in thousands)

		Maturity	
Investment Type	**Fair Value**	**Less than 1 year**	**1-5 years**
U.S. agency obligations	$ 5,624,473	$ 4,599,692	$ 1,024,781
Certificates of deposit	1,027,460	1,027,460	-
Repurchase agreements	215,768	215,768	-
Securities lending collateral	113,595	113,595	-
Total	$ 6,981,296	$ 5,956,515	$ 1,024,781

4. Credit Risk

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counter party, the LGIP will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The LGIP investment policy requires that securities purchased by the office be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. All securities held as collateral were rated AAA. The market value of securities held for collateral must be at least 102 percent of the value of the repurchase agreement.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The LGIP mitigates concentration of credit risk by limiting the percentage of the portfolio invested with any one issuer.

5. Foreign Currency Risk - None.

6. Derivatives - None.

7. Reverse Repurchase Agreements

State law also permits the LGIP to enter into reverse repurchase agreements, which are, by contract, sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest.

The fair value of the securities pledged as collateral by the LGIP underlying the reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in the fair value of the securities.

If the dealers default on their obligations to resell these securities to the LGIP or to provide equal value in securities or cash, the LGIP would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest.

Repurchase agreements are collateralized at 102 percent. The collateral is priced daily and held by the LGIP's custodian in the state's name. Collateral for mortgage-backed repurchase agreements with a maturity date longer than seven days will be priced at 105 percent of the value of the repurchase agreement. Collateralized Mortgage Obligations (CMOs) used as collateral for repurchase agreements must pass the Federal Financial Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency.

During the Fiscal Year 2008, the LGIP did not enter into any reverse repurchase agreements and there were no obligations under reverse repurchase agreements outstanding at year-end.

E. INVESTMENTS – HIGHER EDUCATION SPECIAL REVENUE AND ENDOWMENT FUNDS

1. Summary of Investment Policies

The investments of the University of Washington represent 65 percent of the total investments in Higher Education Special Revenue and Endowment Funds.

The Board of Regents of the University of Washington is responsible for the management of the University's investments. The Board establishes investment policy, which is carried out by the Chief Investment Officer. The University of Washington Investment Committee (UWINCO) comprised of Board members and investment professionals advise on matters relating to the management of the University's investment portfolios. The majority of the University's investments are insured, registered, and held by the University's custodial bank as an agent for the University. Investments not held by the custodian include lent securities, mutual funds, venture capital, private equity, distressed, marketable alternatives, mortgages, real estate, and miscellaneous investments.

The University combines most short-term cash balances in the Invested Funds Pool. At June 30, 2008, the Invested Funds Pool totaled $868.6 million. The fund also owns units in the Consolidated Endowment Fund valued at $446 million on June 30, 2008. By University policy, departments with qualifying funds in the Invested Funds Pool receive distributions based on their average balances and on the type of balance. Campus depositors received 4.25 percent for Fiscal Year 2008. The difference between the actual earnings of the Invested Funds Pool and the calculated distributions is used to support activities benefiting all University departments.

The majority of the endowed funds are invested in a pooled fund called the Consolidated Endowment Fund (CEF). Individual endowments subscribe to or purchase units in the pool on the basis of a per unit valuation of the CEF at fair value on the last business day of the calendar quarter. Income is distributed based on the number of units held. The CEF income distribution is 5 percent of the average fair value of the CEF for the previous three years. State law allows for the spending of appreciation in the CEF.

The University records its permanent endowments at the lower of original value or current market value in the Restricted Nonexpendable Net Assets category. Of the total of approximately $1.3 billion permanent endowment funds (at fair value) as of June 30, 2008, the aggregate amount of the deficiencies for all funds for which the fair

value of the assets is less than the original gifts is $3.3 million.

Funds in irrevocable trusts managed by trustees other than the University are not reported in the financial statements. The fair value of these funds was approximately $53.2 million at June 30, 2008. Income received from these trusts was $2 million for the year ended June 30, 2008.

2. Unfunded Commitments

The University enters into contracts with investment managers to fund alternate investments. As of June 30, 2008, the University had unfunded commitments in the amount of $312.2 million.

3. Securities Lending

The University's investment policies permit it to lend its securities to broker dealers and other entities. The University's custodian lends securities for collateral in the form of cash or other securities, with the simultaneous agreement to return the collateral for the same securities in the future. U.S. securities are loaned and secured by collateral valued at 102 percent of the fair value of the securities plus any accrued interest.

Non-U.S. securities are loaned and secured by collateral valued at 105 percent of the fair value of the securities plus any accrued interest. At year-end, the University had no credit risk exposure to borrowers because the amounts the University owes the borrowers exceed the amounts the borrowers owe the University.

The contract with the custodian requires it to indemnify the University if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the University for income distributions by the securities' issuers while the securities are on loan.

Either the University or the borrower can terminate all securities loans on demand, although the average term of overall loans is 105 days. Cash collateral is invested in a short-term investment pool that had an average weighted maturity of 42 days as of June 30, 2008.

The relationship between the maturities of the investment pool and the University's loans is affected by the maturities of the securities loaned by other entities that use the custodian's pool. The University cannot determine the maturities of these loaned securities. The University cannot sell or pledge non-cash collateral unless the borrower defaults. Non-cash collateral at June 30, 2008, was $13.6 million.

Securities on loan at June 30, 2008, totaled $626 million, and are presented by investment type in the following schedule. The securities lending program resulted in net revenues of $3 million for the year ended June 30, 2008.

The following schedule presents the fair value of the University of Washington's investments by type at June 30, 2008.

University of Washington
June 30, 2008
(expressed in thousands)

Investment Type	Fair Value
Cash equivalents	$ 163,725
Cash equivalents - loaned	77,383
Domestic fixed income	475,958
Domestic fixed income - loaned	465,144
Foreign fixed income	34,117
Domestic equity	561,295
Domestic equity - loaned	59,491
Foreign equity	171,330
Foreign equity - loaned	24,024
Non-marketable alternatives	758,043
Marketable alternatives	497,332
Real estate	8,313
Miscellaneous	5,742
Total investments	3,301,897
Collateral from securities lending - cash	628,279
Total	$ 3,930,176

4. Interest Rate Risk

The University manages interest rate risk through its investment policies and the investment guidelines established with each manager. Each fixed income manager is assigned a maximum boundary for duration as compared to the manager's relevant benchmark index. The goal is to allow ample freedom for the manager to perform, while controlling the interest rate risk in the portfolio.

Modified duration, which estimates the sensitivity of a bond's price to interest rate changes, is based on Macaulay duration.

Macaulay duration is the basic calculation developed for a portfolio of bonds assembled to fund a fixed liability. Macaulay duration is calculated as follows: sum of discounted time-weighted cash flows divided by the bond price. Modified duration is calculated using the following formula:

Macaulay duration divided by (one plus yield-to-maturity divided by the number of coupon payments per year).

The Interest Rate Risk Schedule presents the modified duration of the University's investments for which duration is measured.

Approximately $181.4 million of additional domestic fixed income securities (including loaned) and $3.8 million of additional foreign fixed income securities, which in total makeup 5.6 percent of the University's investments, are not included in the duration figures below.

These investments, which are managed by the University or by the University's affiliates, are not invested under the same investment strategy or with the same custodian as those detailed in the following schedule.

University of Washington
Interest Rate Risk
Duration as of June 30, 2008
(expressed in thousands, modified duration in years)

	Consolidated Endowment Fund		Invested Funds Pool	
	Asset Value	Duration	Asset Value	Duration
Domestic Fixed Income				
Asset backed securities	$ 4,151	2.74	$ 39,457	1.40
Cash equivalents (Short-term money market)	20,996	0.04	135,280	0.01
Corporate bonds	17,585	8.28	7,288	1.95
Government & agencies	53,175	4.39	468,864	3.11
Mortgage related	37,087	4.71	216,936	2.95
Subtotal	132,994	4.26	867,825	2.50
Foreign Fixed Income				
International cash equivalents	82	4.05	-	-
International fixed	29,522	4.04	727	3.03
Total	$ 162,598	4.22	$ 868,552	2.50

5. Credit Risk

The University investment policies limit fixed income exposure to investment grade assets. The investment policy for the University's operating funds cash pool requires each manager to maintain a specific average AA rating as issued by a nationally recognized rating organization. The operating funds liquidity pool requires each manager to maintain an average quality rating of "A" and to have 50 percent of the assets invested in government and government agency issues.

The investment policy for the CEF reflects its long-term nature by specifying average quality rating levels by individual manager, but still restricting investments to investment grade credits.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University does not have a formal policy regarding custodial credit risk. However, all University assets are held in the name of the University of Washington and are not subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University mitigates concentration of credit risk by maintaining a portfolio of investment grade assets and by the due diligence of each manager.

6. Foreign Currency Risk

The University's investment policies permit investments in international equity and other asset classes that can include foreign currency exposure.

The University's investment strategy within the Invested Funds Pool is to hedge exposure to foreign currency. Within this pool, the University enters into foreign currency forward contracts, futures contracts, and options to hedge the foreign currency exposure.

At June 30, 2008, the University had net outstanding forward commitments to sell foreign currency with a total fair value of $19.1 million, which equals 0.58 percent of the total portfolio.

The following schedule details the market value of foreign denominated securities by currency type in the Consolidated Endowment Fund.

University of Washington
Consolidated Endowment Fund
Foreign Currency Risk
June 30, 2008
(expressed in thousands)

Foreign Currency	Market Value
Brazil-Real	$ 19,799
Britain-Pound	49,498
Canada-Dollar	30,936
China-Renminbi	32,173
E.M.U.-Euro	149,730
India-Rupee	22,274
Japan-Yen	58,160
Russia-Ruble	25,986
Taiwan-Dollar	14,849
Other (less than 3% each)	96,520
Total	$ 499,925

7. Derivatives

The University's investments include certain derivative instruments and structured notes that derive their value from a security, asset, or index. Such investments are governed by the University's investment policies and guidelines, which effectively constrain their use by establishing (a) duration parameters which limit price sensitivity to interest rate fluctuations (market risk), (b) minimum quality ratings at both the security and portfolio level, and (c) a market index as a performance benchmark.

8. Reverse Repurchase Agreements – None

F. INVESTMENTS - OFFICE OF THE STATE TREASURER (OST) CASH MANAGEMENT ACCOUNT

1. Summary of Investment Policies

The OST operates the state's Cash Management Account for investing Treasury/Trust Funds in excess of daily requirements.

The overall objective of the OST investment policy is to construct, from eligible investments noted below, an investment portfolio that is optimal or efficient. An optimal or efficient portfolio is one that provides the greatest expected return for a given expected level of risk, or the lowest expected risk for a given expected return.

The emphasis on "expected" is to recognize that investment decisions are made under conditions of risk and uncertainty. Neither the actual risk nor return of any investment decision is known with certainty at the time the decision is made.

Eligible Investments. Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.84.080 and 43.250). Eligible investments include:

- Obligations of the U.S. government.
- Obligations of U.S. government agencies, or of corporations wholly owned by the U.S. government.
- Obligations of government sponsored corporations that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all of the organizations.
- Commercial paper, provided that the State Treasurer adheres with policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7).
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Local Government Investment Pool, for proceeds of bonds or other debt obligations, when the investments are made in order to comply with the Internal Revenue Code of 1986, as amended.
- Obligations of the state of Washington or its political sub-divisions.

Investment Restrictions. To provide for the safety and liquidity of Treasury/Trust Funds, the Cash Management Account investment portfolio is subject to the following restrictions:

- The final maturity of any security will not exceed ten years.
- Purchase of collateralized mortgage obligations (CMO) requires prior approval from the treasurer or assistant treasurer; CMO securities must pass the Federal Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency.

- The allocation to investments subject to high sensitivity or reduced marketability will not exceed 15 percent of the daily balance of the portfolio.

Additionally, investments in non-government securities, excluding collateral of repurchase agreements, must fall within prescribed limits.

2. Securities Lending

State statutes permit the OST to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST, which has contracted with a lending agent to lend securities, earns a fee for this activity.

The OST lending agent lends U.S. Government and U.S. Agency securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent. The cash is invested by the lending agent in repurchase agreements or money market instruments, in accordance with investment guidelines approved by the OST.

The securities held as collateral and the securities underlying the cash collateral are held by the custodian. The contract with the lending agent requires them to indemnify the OST if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or if the borrower fails to pay the OST for income distribution by the securities' issuers while the securities are on loan. The OST cannot pledge or sell collateral securities received unless the borrower defaults. At June 30, 2008, securities on loan approximated $507 million. All OST securities on loan were collateralized by cash and other securities and the average life of both the loans and the investment of cash received as collateral was one day.

The OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During Fiscal Year 2008, the OST had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST. There were no violations of legal or contractual provisions or any losses resulting from a default of a borrower or lending agent during the fiscal year.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of the investment. The Treasury/Trust investments are separated into portfolios with objectives based primarily on liquidity needs.

The OST's investment policy limits the weighted average maturity of its investments based on cash flow expectations. Policy also directs due diligence to be exercised with timely reporting of material deviation from expectations and actions taken to control adverse developments as may be possible.

The following schedule presents the fair value of the OST's investments by type at June 30, 2008.

Office of the State Treasurer (OST)
Cash Management Account
June 30, 2008
(expressed in thousands)

		Maturity		
Investment Type	**Fair Value**	**Less than 1 year**	**1-5 years**	**6-10 years**
U.S. government obligations	$ 153,322	$ -	$ 153,322	$ -
U.S. agency obligations	4,016,808	1,379,601	2,214,883	422,324
Certificates of deposit	858,969	858,969	-	-
Repurchase agreements	730,000	730,000	-	-
Securities lending collateral	518,782	518,782	-	-
Total	$ 6,277,881	$ 3,487,352	$ 2,368,205	$ 422,324

4. Credit Risk

The OST limits credit risk by adhering to the OST investment policy which restricts the types of investments the OST can participate in, such as: U.S. government and agency securities, banker's acceptances, commercial paper, and certificates of deposit with qualified public depositories.

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The OST investment policy requires that securities purchased by the office to be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the OST's exposure to risk and insure the safety of the investment.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. For non-governmental securities, the OST limits its exposure to concentration of credit risk by restricting the amount of investments to no more than 5 percent of the portfolio to any single issuer. During Fiscal Year 2008, the non-governmental securities of a single issuer held by the Cash Management Account did not exceed 5 percent of the total portfolio.

5. Foreign Currency Risk - None.

6. Derivatives - None.

7. Reverse Repurchase Agreements

State law also permits the OST to enter into reverse repurchase agreements, which are, by contract, sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities pledged as collateral by the OST underlying the reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in the fair value of the securities. If the dealers default on their obligations to resell these securities to the OST or to provide equal value in securities or cash, the OST would suffer an economic loss equal to the differences between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. The OST investment policy limits the amount of reverse repurchase agreements to 30 percent of the total portfolio.

The market value, plus accrued income, of mortgage-backed securities utilized in repurchase agreements with more than seven days remaining until maturity will be 105 percent of the value of the repurchase agreement. The market value, plus accrued income, of securities utilized in all other repurchase agreements will be 102 percent of the value of the repurchase agreement. The securities utilized in repurchase agreements are priced daily and held by the Treasury/Trust custodian in the state's name. Collateralized Mortgage Obligations (CMO) utilized in repurchase agreements must pass the Federal Financial Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency.

During the Fiscal Year 2008, the OST did not enter into any reverse repurchase agreements and there were no obligations under reverse repurchase agreements outstanding at year-end.

Note 4
Receivables and Deferred/Unearned Revenues

A. GOVERNMENTAL FUNDS

Taxes Receivable

Taxes receivable at June 30, 2008, consisted of the following (expressed in thousands):

Taxes Receivable	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property	$ 908,574	$ -	$ -	$ 288	$ 908,862
Sales	1,515,413	4,037	-	17,428	1,536,878
Business and occupation	475,041	-	-	-	475,041
Estate	6,242	11,918	-	-	18,160
Fuel	-	-	-	79,860	79,860
Other	4,838	-	-	400	5,238
Subtotals	2,910,108	15,955	-	97,976	3,024,039
Less: Allowance for uncollectible receivables	35,066	-	-	48	35,114
Total Taxes Receivable	$ 2,875,042	$ 15,955	$ -	$ 97,928	$ 2,988,925

Other Receivables

Other receivables at June 30, 2008, consisted of the following (expressed in thousands):

Other Receivables	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Public assistance (1)	$ 1,097,155	$ -	$ -	$ -	$ 1,097,155
Accounts receivable	21,048	148,902	1,784	81,012	252,746
Interest	26,532	12,610	3,962	19,221	62,325
Loans (2)	3,047	130,867	-	312,998	446,912
Long-term contracts (3)	2,093	-	19,326	123,647	145,066
Miscellaneous	152,165	21,324	16,916	112,886	303,291
Subtotals	1,302,040	313,703	41,988	649,764	2,307,495
Less: Allowance for uncollectible receivables (1)	946,935	17,871	-	31,392	996,198
Total Other Receivables	$ 355,105	$ 295,832	$ 41,988	$ 618,372	$ 1,311,297

Notes:

(1) Public assistance receivables mainly represent amounts owed the state as a part of the Support Enforcement Program at the Department of Social and Health Services for the amounts due from persons required to pay support for individuals currently on state assistance, and have a low realization expectation. Accordingly, the receivable is offset by a large allowance for uncollectible receivables.

(2) Significant long-term portions of loans receivable include $108 million in the Higher Education Special Revenue Fund for student loans and $305 million in Nonmajor Governmental Funds for low income housing, public works, and economic development/revitalization loans.

(3) Long-term contracts in Nonmajor Governmental Funds are for timber sales contracts.

Deferred Revenues

Deferred revenues at June 30, 2008, consisted of the following (expressed in thousands):

Deferred Revenues	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property taxes	$ 889,373	$ -	$ -	$ 99	$ 889,472
Other taxes	359,518	9,892	-	116	369,526
Timber sales	2,093	-	19,326	123,647	145,066
Charges for services	22,855	170,323	364	49,066	242,608
Donable goods	6,605	-	-	-	6,605
Miscellaneous	48,375	8,628	-	521,266	578,269
Total Deferred Revenues	$ 1,328,819	$ 188,843	$ 19,690	$ 694,194	$ 2,231,546

B. PROPRIETARY FUNDS

Taxes Receivable

Taxes receivable at June 30, 2008, consisted of $5.1 million in liquor taxes reported in Nonmajor Enterprise Funds.

Other Receivables

Other receivables at June 30, 2008, consisted of the following (expressed in thousands):

	Business-Type Activities Enterprise Funds					Governmental Activities
Other Receivables	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Accounts receivable	$ 130,305	$ -	$ 209,102	$ 34,283	$ 373,690	$ 5,334
Interest	98,868	-	1,438	4,019	104,325	2,741
Loans	-	-	5	-	5	-
Miscellaneous	602,587	478,182	2,523	1,708	1,085,000	10,531
Subtotals	831,760	478,182	213,068	40,010	1,563,020	18,606
Less: Allowance for uncollectible receivables	117,727	92,802	77,317	71	287,917	195
Total Other Receivables	$ 714,033	$ 385,380	$ 135,751	$ 39,939	$ 1,275,103	$ 18,411

Unearned Revenues

Unearned revenues at June 30, 2008, consisted of the following (expressed in thousands):

	Business-Type Activities Enterprise Funds					Governmental Activities
Unearned Revenues	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Charges for services	$ 5	$ -	$ 34,060	$ 93	$ 34,158	$ 2,504
Other taxes	8,055	-	-	-	8,055	-
Miscellaneous	12,278	-	705	3	12,986	1,637
Total Unearned Revenues	$ 20,338	$ -	$ 34,765	$ 96	$ 55,199	$ 4,141

C. FIDUCIARY FUNDS

Other Receivables

Other receivables at June 30, 2008, consisted of the following (expressed in thousands):

Other Receivables	Local Government Investment Pool	Agency Funds
Accounts receivable	$ -	$ 7,634
Interest	18,655	1,896
Miscellaneous	-	7,024
Subtotals	18,655	16,554
Less: Allowance for uncollectible receivables	-	945
Total Other Receivables	$ 18,655	$ 15,609

Unearned Revenues

Unearned revenues at June 30, 2008, consisted of $.8 million for service credit restorations reported in Pension and Other Employee Benefit Plans Funds.

Note 5
Interfund Balances and Transfers

A. INTERFUND BALANCES

Interfund balances as reported in the financial statements at June 30, 2008, consisted of the following (expressed in thousands):

	Due From				
Due To	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Workers' Compensation
General	$ -	$ 2,062	$ -	$ 79,306	$ 217
Higher Educ. Special Revenue	40,382	-	-	24,655	265
Higher Education Endowment	23	-	-	9	-
Nonmajor Governmental Funds	189,428	2,535	2,078	174,263	2,120
Workers' Compensation	31	-	-	19	-
Unemployment Compensation	783	773	-	479	19
Higher Educ. Student Services	395	17,846	-	19,066	137
Nonmajor Enterprise Funds	6,905	461	-	2,769	710
Internal Service Funds	24,020	85,923	-	21,812	4,051
Fiduciary Funds	13,027	17,700	-	12,246	378
Totals	$ 274,994	$ 127,300	$ 2,078	$ 334,624	$ 7,897

Except as noted, all interfund balances are expected to be paid within one year from the date of the financial statements. These balances resulted from the time lag between the dates that (1) interfund goods and services were provided and when the payments occurred, and (2) interfund transfers were accrued and when the liquidations occurred.

Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Totals
$ -	$ -	$ 12,265	$ 5,321	$ 33,713	$ 132,884
1	59,721	2,109	71,086	494	198,713
-	-	-	-	90	122
1,002	3	6,534	4,519	9,625	392,107
-	-	98	2,097	34	2,279
-	6	32	52	225	2,369
-	-	-	133	987	38,564
3	9	9,842	300	12	21,011
-	4,001	1,649	37,742	4,055	183,253
-	4	252	1	5,226	48,834
$ 1,006	$ 63,744	$ 32,781	$ 121,251	$ 54,461	$ 1,020,136

B. INTERFUND TRANSFERS

Interfund transfers as reported in the financial statements for the year ended June 30, 2008, consisted of the following (expressed in thousands):

	Transferred To				
Transferred From	**General**	**Higher Education Special Revenue**	**Higher Education Endowment**	**Nonmajor Governmental Funds**	**Workers' Compensation**
General	$ -	$ 163,397	$ 75	$ 1,033,483	$ -
Higher Educ. Special Revenue	-	-	12,967	44,691	-
Higher Education Endowment	-	66,583	-	30,366	-
Nonmajor Governmental Funds	19,385	21,826	1,315	857,056	15,287
Workers' Compensation	-	-	-	22,956	-
Higher Educ. Student Services	-	38,160	-	95,871	-
Nonmajor Enterprise Funds	52,622	-	-	159,245	-
Internal Service Funds	-	1,697	-	6,029	6,166
Totals	$ 72,007	$ 291,663	$ 14,357	$ 2,249,697	$ 21,453

Additionally, there were transfers of $330 million within the state's Pension Trust Funds. Transfers are used to 1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, 2) move receipts designated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 4) move profits from the Liquor Revolving Account and the State Lottery Account as required by law, and 5) transfer amounts to and from the General Fund as required by law. In Fiscal Year 2008, there were no significant transfers of a non-routine nature.

Higher Education Student Services	Nonmajor Enterprise Funds	Internal Service Funds	Totals
$ -	$ 6,368	$ 13,426	$ 1,216,749
67,038	-	2,366	127,062
196	-	-	97,145
2,257	-	23,420	940,546
-	-	-	22,956
-	-	111	134,142
-	16,873	-	228,740
53	-	68,571	82,516
$ 69,544	$ 23,241	$ 107,894	$ 2,849,856

Note 6
Capital Assets

Capital assets at June 30, 2008, are reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

A. GOVERNMENTAL CAPITAL ASSETS

The following is a summary of governmental capital asset activity for the year ended June 30, 2008 (expressed in thousands):

Capital Assets	Balances July 1, 2007	Additions	Deletions	Balances June 30, 2008
Capital assets, not being depreciated:				
Land	$ 1,012,060	$ 50,463	$ (11,473)	$ 1,051,050
Transportation infrastructure	15,548,209	1,361,493	-	16,909,702
Construction in progress	1,236,361	771,035	(523,753)	1,483,643
Art collections, library reserves, and museum and historical collections	109,490	2,762	(372)	111,880
Total capital assets, not being depreciated	17,906,120			19,556,275
Capital assets, being depreciated:				
Buildings	8,311,322	440,798	(29,935)	8,722,185
Accumulated depreciation	(2,766,197)	(233,333)	7,950	(2,991,580)
Net buildings	5,545,125			5,730,605
Furnishings, equipment, and collections*	3,611,073	278,775	(213,774)	3,676,074
Accumulated depreciation*	(2,212,296)	(235,266)	163,741	(2,283,821)
Net furnishings, equipment and collections	1,398,777			1,392,253
Other improvements*	1,002,996	111,817	(49,502)	1,065,311
Accumulated depreciation*	(388,435)	(38,715)	1,390	(425,760)
Net other improvements	614,561			639,551
Infrastructure (other)	662,920	27,169	-	690,089
Accumulated depreciation	(292,891)	(23,458)	-	(316,349)
Net infrastructure (other)	370,029			373,740
Total capital assets, being depreciated, net	7,928,492			8,136,149
Governmental Activities Capital Assets, Net	$ 25,834,612			$ 27,692,424

*Beginning balances restated to reflect change in fund reclassification.

B. BUSINESS-TYPE CAPITAL ASSETS

The following is a summary of business-type capital asset activity for the year ended June 30, 2008 (expressed in thousands):

Capital Assets	Balances July 1, 2007	Additions	Deletions	Balances June 30, 2008
Capital assets, not being depreciated:				
Land	$ 135,319	$ 621	$ -	$ 135,940
Construction in progress	177,670	129,772	(133,515)	173,927
Art collections	35	-	-	35
Total capital assets, not being depreciated	313,024			309,902
Capital assets, being depreciated:				
Buildings	1,892,987	206,795	(3,419)	2,096,363
Accumulated depreciation	(556,364)	(48,340)	904	(603,800)
Net buildings	1,336,623			1,492,563
Furnishings, equipment, and collections*	433,226	43,406	(11,375)	465,257
Accumulated depreciation*	(295,688)	(42,464)	7,872	(330,280)
Net furnishings, equipment, and collections	137,538			134,977
Other improvements*	56,266	2,477	(136)	58,607
Accumulated depreciation*	(19,025)	(2,558)	134	(21,449)
Net other improvements	37,241			37,158
Infrastructure (other)	34,247	662	-	34,909
Accumulated depreciation	(13,174)	(988)	-	(14,162)
Net infrastructure (other)	21,073			20,747
Total capital assets, being depreciated, net	1,532,475			1,685,445
Business-Type Activities Capital Assets, Net	$ 1,845,499			$ 1,995,347

*Beginning balances restated to reflect change in fund reclassification and prior period error correction.

C. DEPRECIATION

Depreciation expense for the year ended June 30, 2008, was charged to functions of the primary government as follows (expressed in thousands):

	Amount
Governmental Activities:	
General government	$ 61,106
Education - elementary and secondary (K-12)	3,768
Education - higher education	280,768
Human services	29,852
Adult corrections	30,708
Natural resources and recreation	38,192
Transportation	86,378
Total Depreciation Expense - Governmental Activities*	$ 530,772
Business-Type Activities:	
Workers' compensation	$ 10,281
Unemployment compensation	-
Higher education student services	67,868
Other	16,201
Total Depreciation Expense - Business-Type Activities	$ 94,350

*Includes $68 million internal service fund depreciation that was allocated to functions as a part of the net internal service fund activity.

D. CONSTRUCTION IN PROGRESS

Major construction commitments of the state at June 30, 2008, are as follows (expressed in thousands):

Agency / Project Commitments	Construction In Progress June 30, 2008	Remaining Project Commitments
Office of Financial Management:		
CRMS, CSI, GCLM, and TEMS Projects	$ 2,806	$ 6,855
Department of General Administration:		
Legislative and other buildings rehab., repairs and expansion, and other projects	240,357	144,915
Liquor Control Board:		
Distribution Center expansion project	15,970	135
Washington State Patrol:		
Academy rehab., repairs, and other projects	2,071	2,608
Department of Labor and Industries:		
Claim and account center, express filing, and other projects	5,052	4,132
Military Department:		
Renovation and remodeling of readiness facilities and other projects	2,391	2,002
Department of Social and Health Services:		
State hospital and juvenile rehab construction and renovations, and other projects	126,830	31,735
Department of Corrections:		
Correctional centers construction, improvements, and other projects	359,259	186,488
School for the Blind:		
Physical education building	4,764	4,236
Department of Transportation:		
State highway office and maintenance facilities, and ferry vessels and terminals	161,450	409,367
Transportation infrastructure	-	1,810,725
Parks and Recreation Commission:		
State park facilities projects	9,867	3,114
Department of Fish and Wildlife:		
Hatchery, region office, and wildlife area renovations, and other projects	3,389	9,430
Department of Natural Resources:		
Webster Green House	2,546	14
State Convention and Trade Center:		
MOHAI Property	20,995	37,005
Higher Education Facilities:		
University of Washington	145,449	76,594
Washington State University	205,319	163,788
Eastern Washington University	9,907	6,350
Central Washington University	29,194	34,500
The Evergreen State College	18,528	4,622
Western Washington University	61,232	20,608
Community and Technical Colleges	226,932	345,218
Other Agencies Miscellaneous Projects	3,262	6,045
Total Construction in Progress	$ 1,657,570	$ 3,310,486

Note 7
Long-Term Liabilities

A. BONDS PAYABLE

Bonds payable at June 30, 2008, are reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

The State Constitution and enabling statutes authorize the incurrence of state general obligation debt, to which the state's full faith, credit, and taxing power are pledged, either by the State Legislature or by a body designated by statute (presently the State Finance Committee). Legislative authorization arises from an affirmative vote of 60 percent of both legislative houses without voter consent, or from an affirmative vote of more than 50 percent of both legislative houses and a majority of the voters voting thereon. The State Finance Committee debt authorization does not require voter approval; however, it is limited to providing for: (1) temporary deficiencies in the state treasury (must be discharged within 12 months of the date of incurrence); for appropriations already made by the Legislature; or (2) refunding of outstanding obligations of the state.

Legal Debt Limitation

The State Constitution and current statutes generally limit debt authorized in the preceding procedures. The limitations prohibit the issuance of new debt if it would cause the maximum annual debt service, on all thereafter-outstanding general obligation debt, to exceed a specified percentage of the arithmetic mean of general state revenues for the preceding three fiscal years. These limitations are on the incurrence of new debt, not on the amount of debt service that may be paid by the state in future years.

As certified by the State Treasurer, the maximum debt authorization subject to limitation for Fiscal Year 2008 was $10.1 billion, under the statutory limitation. This computation excludes specific bond issues and types, which are not secured by general state revenues. Of the $13 billion general obligation bond debt outstanding at June 30, 2008, $7.2 billion is subject to the limitation. Based on the debt limitation calculation, the debt service requirements as of June 30, 2008, did not exceed the authorized debt service limitation.

For further information on the debt limit refer to the Certification of the Debt Limitation of the State of Washington available from the Office of the State Treasurer or at: http://tre.wa.gov/BondDebt/csd-limit_FY2008.pdf.

Authorized But Unissued

The state had a total of $10.2 billion in general obligation bonds authorized but unissued as of June 30, 2008, for the purpose of public building and schools construction and renovation, higher education purposes, and highways construction and improvement.

Interest Rates

Interest rates on fixed rate general obligation bonds ranged from 2.84 to 7.75 percent. Variable rate demand obligations (VRDO) of $147.2 million as of June 30, 2008, are remarketed on a weekly basis. Interest rates on revenue bonds range from 2 to 7.38 percent.

Debt Service Requirements to Maturity

General Obligations Bonds

General obligation bonds have been authorized and issued primarily to provide funds for:

- Acquisition and construction of capital facilities for public and common schools, higher education, public and mental health, corrections, natural resource conservation;
- Construction and improvements of highways, roads, bridges, ferries, and other transit improvements;
- Assistance to municipalities for construction of water and sewage treatment facilities and corrections facilities; and
- Refunding of general obligation bonds outstanding.

Outstanding general obligations bonds are presented in the Washington State Treasurer's Annual Report for 2008. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington, 98504-0200, phone number (360) 902-9000 or TTY (360) 902-8963.

Total debt service requirements to maturity for general obligation bonds as of June 30, 2008, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
General Obligation Bonds	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2009	$ 580,855	$ 617,560	$ 11,265	$ 4,897	$ 592,120	$ 622,457
2010	567,346	597,626	8,912	4,481	576,258	602,107
2011	552,678	573,492	8,196	4,140	560,874	577,632
2012	547,745	551,878	7,484	3,767	555,229	555,645
2013	573,887	523,265	7,081	3,480	580,968	526,745
2014-2018	3,194,091	2,294,691	28,017	33,887	3,222,108	2,328,578
2019-2023	2,969,230	1,612,875	9,114	23,411	2,978,344	1,636,286
2024-2028	2,505,525	922,692	-	-	2,505,525	922,692
2029-2033	1,435,948	276,894	-	-	1,435,948	276,894
Total Debt Service Requirements	$ 12,927,305	$ 7,970,973	$ 80,069	$ 78,063	$ 13,007,374	$ 8,049,036

Revenue Bonds

Revenue bonds are authorized under current state statutes, which provide for the issuance of bonds that are not supported, or not intended to be supported, by the full faith and credit of the state. These bonds pledge income derived from acquired or constructed assets for retirement of the debt and payment of the related interest.

Total debt service requirements for revenue bonds to maturity as of June 30, 2008, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
Revenue Bonds	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2009	$ 11,087	$ 32,796	$ 25,565	$ 54,283	$ 36,652	$ 87,079
2010	10,456	32,473	29,416	52,582	39,872	85,055
2011	14,223	31,943	31,128	51,208	45,351	83,151
2012	15,417	31,080	32,631	49,819	48,048	80,899
2013	8,879	30,249	34,493	48,338	43,372	78,587
2014-2018	82,055	138,871	183,496	219,048	265,551	357,919
2019-2023	109,843	111,406	219,346	174,685	329,189	286,091
2024-2028	151,213	70,320	168,750	126,546	319,963	196,866
2029-2033	121,207	18,374	153,663	81,418	274,870	99,792
2034-2038	-	-	236,969	41,852	236,969	41,852
Total Debt Service Requirements	$ 524,380	$ 497,512	$ 1,115,457	$ 899,779	$ 1,639,837	$ 1,397,291

Governmental activities include revenue bonds outstanding at June 30, 2008, of $467.6 million issued by the Tobacco Settlement Authority (TSA), which is a blended component unit of the state. In November 2002, the TSA issued $517 million in bonds and transferred $450 million to the state to be used for increased health care, long-term care, and other programs. These bonds do not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. The bonds are obligations of the TSA and are secured solely by the TSA's right to receive 29.2 percent of the state's tobacco settlement revenues, restricted investments of the TSA, undistributed TSA bond proceeds, and the earnings thereon held under the indenture authorizing the bonds. Total principal and interest remaining on the bonds is $924.2 million, payable through 2032. For the current year, pledged revenue and debt service were $54.5 million and $53.9 million, respectively.

Governmental activities also include revenue bonds outstanding at June 30, 2008, of $56.8 million issued by the Tumwater Office Properties (TOP), which is a blended component unit of the state. The bonds, issued in 2004, are payable solely from the trust estate pledged under the indenture, including rental payments. The bonds were used to construct an office building in Tumwater, Washington which the state occupied beginning in Fiscal Year 2006. The bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on the bonds is $97.7 million, payable through 2028. For the current year, pledged revenue and debt service were $5.1 million and $3.8 million, respectively.

The state's colleges and universities issue revenue bonds for the purpose of housing, dining, parking, and student facilities construction. These bonds are reported within business-type activities.

The University of Washington has issued general revenue bonds that are payable from general revenues, including student tuition and fees, grant indirect cost recovery, sales and services revenue, and investment income. General revenue bonds outstanding as of June 30, 2008, were $890.3 million.

The state's colleges and universities also issue bonds that are secured by a pledge of specific revenues. Total pledged revenues for the state's colleges and universities to repay the principal and interest of revenue bonds as of June 30, 2008, are as follows (expressed in thousands):

Source of Revenue Pledged	Housing and Dining Revenues (Net of Operating Expenses)	Student Facilities Fees and Earnings on Invested Fees	Parking Revenues (Net of Operating Expenses)	Bookstore Revenues **
Current revenue pledged	$ 44,218	$ 32,823	$ 10,110	$ -
Current year debt service	21,616	19,212	2,109	228
Total future revenues pledged *	535,320	541,799	41,852	5,938
Description of debt	Housing and dining bonds, issued in 1996-2008	Student facilities bonds, issued in 1998-2007 and refunding revenue bonds, issued in 2002-2006	Parking system and refunding revenue bonds, issued in 1999-2005	Student union and recreation center bonds issued in 2004
Purpose of debt	Construction and renovation of student housing projects	Construction, renovation and improvements to student activity facilities and sports stadium	Construction of parking garage and improvements	Construct new bookstore as part of new student union and recreation center building
Term of commitment	2013-2038	2019-2038	2024-2030	2034
Percentage of debt service to pledged revenues (current year)	48.9%	58.5%	20.9%	0.0%

* Total future principal and interest payments.

** Construction in-progress.

Debt Refundings

When advantageous and permitted by statute and bond covenants, the State Finance Committee authorizes the refunding of outstanding bonds and certificates of participation. Colleges and universities may also refund revenue bonds.

When the state refunds outstanding bonds, the net proceeds of each refunding issue are used to purchase U.S. government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the government-wide statement of net assets.

Current Year Defeasances

Business-Type Activities

On May 6, 2008, the University of Washington refunded revenue bonds totaling $91.5 million with new bond issuances totaling $91 million. The refunded bonds had average interest rates ranging from 3.77 percent to 5.15 percent, and the new bonds have an average interest rate of 4.52 percent. The refunding decreased the total debt service payments to be made over the next 29.5 years by $1.1 million and resulted in an economic gain of $471 thousand.

Prior Year Defeasances

In prior years, the state defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the prior bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the state's financial statements.

General Obligation Bond Debt

On June 30, 2008, $742.8 million of general obligation bonded debt outstanding is considered defeased.

Revenue Bond Debt

On June 30, 2008, $94.2 million of revenue bonded debt outstanding is considered defeased.

B. CERTIFICATES OF PARTICIPATION

Certificates of participation at June 30, 2008, are reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

Current state law authorizes the state to enter into long-term financing contracts for the acquisition of real or personal property and for the issuance of certificates of participation in the contracts. These certificates of participation do not fall under the general obligation debt limitations and are generally payable only from annual appropriations by the Legislature.

Other specific provisions could also affect the state's obligation under certain agreements. The certificates of participation are recorded for financial reporting purposes if the possibility of the state not meeting the terms of the agreements is considered remote.

Total debt service requirements for certificates of participation to maturity as of June 30, 2008, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
Certificates of Participation	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2009	$ 49,792	$ 22,532	$ 53,306	$ 16,007	$ 103,098	$ 38,539
2010	42,708	13,792	24,658	10,076	67,366	23,868
2011	37,541	12,108	23,388	9,042	60,929	21,150
2012	34,012	10,573	22,488	8,033	56,500	18,606
2013	32,679	9,120	22,778	7,029	55,457	16,149
2014-2018	136,006	24,589	73,556	19,520	209,562	44,109
2019-2023	38,611	7,245	31,539	5,938	70,150	13,183
2024-2028	11,534	1,060	9,466	870	21,000	1,930
Total Debt Service Requirements	$ 382,883	$ 101,019	$ 261,179	$ 76,515	$ 644,062	$ 177,534

C. CLAIMS AND JUDGMENTS

Claims and judgments are materially related to three activities: workers' compensation, risk management, and health insurance. Workers' compensation is a business-type activity, and risk management and health insurance are governmental activities. A description of the risks to which the state is exposed by these activities, and the ways in which the state handles the risks, is presented in Note 1.E.

Workers' Compensation

At June 30, 2008, $36.0 billion of unpaid claims and claim adjustment expenses are presented at their net present and settlement value of $21.9 billion. These claims are discounted at assumed interest rates of 2.5 percent (time loss and medical) to 6.5 percent (pensions) to arrive at a settlement value.

The claims and claim adjustment liabilities of $21.9 billion as of June 30, 2008, include $12.0 billion for supplemental pension cost of living adjustments (COLAs) that by statute are not to be fully funded.

These COLA payments are funded on a pay-as-you-go basis, and the Workers' Compensation actuaries have indicated that future premium payments will be sufficient to pay these claims as they come due.

The remaining claims liabilities of $9.9 billion are fully funded by long-term investments, net of obligations under securities lending agreements.

Changes in the balances of workers' compensation claims liabilities during Fiscal Years 2007 and 2008 were as follows (expressed in thousands):

Workers' Compensation Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2007	$ 17,755,101	3,721,024	(1,729,633)	$ 19,746,492
2008	$ 19,746,492	4,022,871	(1,882,215)	$ 21,887,148

Risk Management

Risk Management reports liabilities when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. It also includes an actuarial estimate of loss adjustment expenses for tort defense.

Because actual liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, it should be recognized that future loss emergence will likely deviate, perhaps materially, from the actuarial estimates. Liabilities are re-evaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic or social factors. The state is a defendant in a significant number of lawsuits pertaining to general and automobile liability matters.

As of June 30, 2008, outstanding and actuarially determined claims against the state and its agencies including actuarially projected defense costs were $649.8 million for which the state has recorded a liability. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined liabilities.

At June 30, 2008, the Risk Management Fund held $141.8 million in cash and pooled investments designated for payment of these claims under the state's Self Insurance Liability Program.

Changes in the balances of risk management claims liabilities during Fiscal Years 2007 and 2008 were as follows (expressed in thousands):

Risk Management Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Tort Defense Payments	Balances End of Fiscal Year
2007	$ 527,198	102,693	(36,057)	(17,271)	$ 576,563
2008	$ 576,563	137,753	(44,906)	(19,649)	$ 649,761

Health Insurance

The Health Insurance Fund establishes a liability when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on various complex factors, the process used in computing claims liabilities does not always result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

At June 30, 2008, health insurance claims liabilities totaling $69.9 million are fully funded with cash and investments, net of obligations under securities lending agreements.

Changes in the balances of Health Insurance claim liabilities during Fiscal Years 2007 and 2008 were as follows (expressed in thousands):

Health Insurance Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2007	$ 53,584	503,994	(501,260)	$ 56,318
2008	$ 56,318	604,294	(590,678)	$ 69,934

D. LEASES

Leases at June 30, 2008, are reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

The state leases land, office facilities, office and computer equipment, and other assets under a variety of agreements. Although lease terms vary, most leases are subject to appropriation from the state Legislature to continue the obligation. If the possibility of receiving no funding from the Legislature is remote, leases are considered noncancelable for financial reporting purposes. Leases that represent acquisitions are classified as capital leases, and the related assets and liabilities are recorded in the financial records at the inception of the lease. Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease. Certain operating leases are renewable for specified periods. In most cases, management expects that the leases will be renewed or replaced by other leases.

Land, buildings and equipment under capital leases as of June 30, 2008, include the following (expressed in thousands):

	Governmental Activities	Business-Type Activities
Land (non-depreciable)	$ 1,918	$ -
Buildings	14,041	1,759
Equipment	33,983	60,760
Less: Accumulated depreciation	(41,146)	(25,260)
Totals	$ 8,796	$ 37,259

The following schedule presents future minimum payments for capital and operating leases as of June 30, 2008 (expressed in thousands):

	Capital Leases		Operating Leases	
Capital and Operating Leases	**Governmental Activities**	**Business-Type Activities**	**Governmental Activities**	**Business-Type Activities**
By Fiscal Year:				
2009	$ 6,534	$ 6,273	$ 97,562	$ 27,314
2010	3,690	4,019	88,079	27,002
2011	2,502	2,538	74,039	26,509
2012	1,349	984	60,085	25,202
2013	1,249	389	53,186	23,155
2014-2018	942	1,925	149,300	23,975
2019-2023	402	1,588	80,162	23,684
2024-2028	-	-	55,483	24,868
2029-2033	-	-	54,947	26,111
2034-2038	-	-	36,541	27,417
Total Future Minimum Payments	16,668	17,716	749,384	255,237
Less: Executory Costs and Interest Costs	(1,444)	(2,314)	-	-
Net Present Value of Future Minimum Lease Payments	$ 15,224	$ 15,402	$ 749,384	$ 255,237

The total operating lease rental expense for Fiscal Year 2008 for governmental activities was $168.1 million, of which $343 thousand was for contingent rentals. The total operating lease rental expense for Fiscal Year 2008 for business-type activities was $53.2 million.

E. LONG-TERM LIABILITY ACTIVITY

Long-term liability activity at June 30, 2008, is reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

Long-term liability activity for governmental activities for the Fiscal Year 2008 (expressed in thousands) is as follows:

Governmental Activities:	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008	Amounts Due Within One Year
Long-Term Debt:					
GO Bonds Payable:					
General obligation (GO) bonds	$ 10,783,100	$ 1,891,150	$ 515,085	$ 12,159,165	$ 551,435
GO - zero coupon bonds (principal)	789,421	-	21,281	768,140	29,420
Subtotal - GO bonds payable	11,572,521	1,891,150	536,366	12,927,305	580,855
Accreted interest - GO - zero coupon bonds	264,811	30,245	-	295,056	-
Revenue bonds payable	607,720	-	83,340	524,380	11,087
Less: Deferred amounts for issuance discounts	(10,711)	-	(998)	(9,713)	-
Total Bonds Payable	12,434,341	1,921,395	618,708	13,737,028	591,942
Other Liabilities:					
Certificates of participation	381,950	43,016	42,083	382,883	49,792
Claims and judgments	740,610	960,148	874,005	826,753	201,615
Installment contracts	2,968	-	94	2,874	-
Leases	20,350	1,158	6,284	15,224	5,930
Compensated absences *	516,354	339,549	323,603	532,300	52,822
Unfunded pension obligations	96,715	17,304	603	113,416	-
Other postemployment benefits obligation	-	221,375	-	221,375	-
Other **	188,160	952,858	959,207	181,811	135,778
Total Other Liabilities	1,947,107	2,535,408	2,205,879	2,276,636	445,937
Total	$ 14,381,448	$ 4,456,803	$ 2,824,587	$ 16,013,664	$ 1,037,879

* Beginning balance has been restated to reflect the transfer of residual liability balances upon abolishment of a certain nonmajor enterprise fund.

** Beginning balance has been restated to reflect reclassification.

For Governmental Activities, payments on the certificates of participation are being repaid directly from various governmental funds. The compensated absences liability will be liquidated approximately 52.8 percent by the General Fund, 23.4 percent by the Higher Education Special Revenue Funds, and the balance by various other governmental funds. The claims and judgments liability will be liquidated primarily through the risk management fund, an internal service fund. Leases, installment contract obligations, and other liabilities will be repaid from various other governmental funds.

Long-term liability activity for business-type activities for the Fiscal Year 2008 (expressed in thousands) is as follows:

Business-Type Activities	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008	Amounts Due Within One Year
Long-Term Debt:					
GO Bonds Payable:					
General obligation (GO) bonds	$ 71,500	$ -	$ 20,690	$ 50,810	$ 11,265
GO - zero coupon bonds (principal)	29,259	-	-	29,259	-
Subtotal - GO bonds payable	100,759	-	20,690	80,069	11,265
Accreted interest - GO - zero coupon bonds	30,617	3,712	-	34,329	-
Revenue bonds payable	889,222	293,230	66,995	1,115,457	25,565
Less: Deferred gain/loss on bond refunding	(8,520)	2,183	1,878	(8,215)	-
Plus: Unamortized amounts issuance premiums	4,814	8,308	750	12,372	-
Less: Deferred amounts for issuance discounts	(1,793)	-	(97)	(1,696)	-
Total Bonds Payable	1,015,099	307,433	90,216	1,232,316	36,830
Other Liabilities:					
Certificates of participation	245,572	26,509	10,902	261,179	53,306
Less: Deferred amounts for issuance discounts	(1,460)	147	-	(1,313)	-
Claims and judgments	19,752,945	2,283,767	141,862	21,894,850	1,893,672
Lottery prize annuities payable	388,709	104,846	146,960	346,595	57,923
Tuition benefits payable	930,400	173,600	-	1,104,000	46,900
Leases	21,038	5,607	11,243	15,402	5,732
Compensated absences *	52,133	26,357	23,261	55,229	23,007
Other postemployment benefits obligation	-	24,480	-	24,480	-
Other	165,495	429,323	556,152	38,666	34,713
Total Other Liabilities	21,554,832	3,074,636	890,380	23,739,088	2,115,253
Total	$ 22,569,931	$ 3,382,069	$ 980,596	$ 24,971,404	$ 2,152,083

* Beginning balance has been restated to reflect the abolishment of a certain Nonmajor Enterprise Fund. Residual liability balances are reflected in governmental activities beginning balances.

Note 8
No Commitment Debt

The Washington State Housing Finance Commission, Washington Higher Education Facilities Authority, Washington Health Care Facilities Authority, and Washington Economic Development Finance Authority (financing authorities) were created by the state Legislature. For financial reporting purposes, they are discretely presented as component units. These financing authorities issue bonds for the purpose of making loans to qualified borrowers for capital acquisitions, construction, and related improvements. These bonds do not constitute either a legal or moral obligation of the state or these financing authorities, nor does the state or these financing authorities pledge their faith and credit for the payment of such bonds. Debt service on the bonds is payable solely from payments made by the borrowers pursuant to loan agreements. Due to their no commitment nature, the bonds issued by these financing authorities are excluded from the state's financial statements.

The table below presents the June 30, 2008, balances for the "No Commitment" debt of the state's financing authorities (expressed in thousands):

Financing Authorities	Principal Balance
Washington State Housing Finance Commission	$ 3,961,472
Washington Higher Education Facilities Authority	579,164
Washington Health Care Facilities Authority	4,300,000
Washington Economic Development Finance Authority	685,154
Total No Commitment Debt	$ 9,525,790

Note 9
Fund Balances Reserved for Other Specific Purposes

The nature and purposes of fund balances reserved for other specific purposes as of June 30, 2008, are listed below (expressed in thousands):

Fund Balances	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Totals
Reserved for Other Specific Purposes:					
Long-term student loans	$ -	$ 100,810	$ -	$ -	$ 100,810
Investments with trustees	679	-	-	513	1,192
Long-term receivables	68,327	1,393	-	1,716,440	1,786,160
Long-term investments	-	82,547	-	2,472	85,019
Emergency reserve	-	-	-	303,216	303,216
Petty cash	673	7,662	-	797	9,132
Total Reserved for Other Specific Purposes	$ 69,679	$ 192,412	$ -	$ 2,023,438	$ 2,285,529

Note 10
Deficit Net Assets

The Risk Management Fund, an internal service fund, had deficit net assets of $512.8 million at June 30, 2008. The Risk Management Fund is used to account for the claims, torts, and judgments generally arising from automobile and general government operations, and loss adjustment expenses for tort defense. These costs are supported by premium assessments to state agencies that are designed to cover current and future claim losses. Outstanding and incurred but not reported claims are actuarially determined and accrued, resulting in the deficit net assets.

The Self Insurance Liability Program, initiated in 1990, is intended to provide funds for the payment of all claims and loss adjustment expenses for tort defense.

The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined claims.

The following schedule details the changes in net assets for the Risk Management Fund during the fiscal year ended June 30, 2008 (expressed in thousands):

Risk Management Fund	Net Assets (Deficit)
Balance, July 1, 2007	$ (446,871)
Fiscal Year 2008 activity	(65,953)
Balance, June 30, 2008	$ (512,824)

Note 11
Retirement Plans

A. GENERAL

The state of Washington, through the Department of Retirement Systems, the Board for Volunteer Fire Fighters, and the Administrative Office of the Courts, administers 13 defined benefit retirement plans, three combination defined benefit/defined contribution retirement plans, and one defined contribution retirement plan covering eligible employees of the state and local governments.

Basis of Accounting

Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

Investments

Pension plan investments are presented at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors. The pension funds have no investments of any commercial or industrial organization whose market value exceeds 5 percent of each plan's net assets. Additional disclosure describing investments is provided in Note 3.

Department of Retirement Systems. As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems comprising 12 defined benefit pension plans and three combination defined benefit/defined contribution plans as follows:

- Public Employees' Retirement System (PERS)
  - Plan 1 - defined benefit
  - Plan 2/3 - defined benefit
  - Plan 3 - defined contribution
- Teachers' Retirement System (TRS)
  - Plan 1 - defined benefit
  - Plan 2/3 - defined benefit
  - Plan 3 - defined contribution
- School Employees' Retirement System (SERS)
  - Plan 2/3 - defined benefit
  - Plan 3 - defined contribution
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
- Washington State Patrol Retirement System (WSPRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
- Public Safety Employees Retirement System (PSERS)
  - Plan 2 - defined benefit
- Judicial Retirement System (JRS)
  - Defined benefit plan
- Judges' Retirement Fund (Judges)
  - Defined benefit plan

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, SERS, LEOFF, WSPRS, and PSERS systems and plans was funded by an employer rate of 0.16 percent of employee salaries. Administration of the JRS and Judges plans is funded by means of legislative appropriations.

The Department of Retirement Systems prepares a stand-alone financial report. Copies of the report that include financial statements and required supplementary information may be obtained by writing to Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or by visiting their website at: http:\\www.drs.wa.gov.

Board for Volunteer Fire Fighters. As established in chapter 41.24 RCW, the Washington Board for Volunteer Fire Fighters' administers the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF), a defined benefit plan. Administration of VFFRPF is funded through legislative appropriation.

Administrative Office of the Courts. As established in chapter 2.14 RCW, the Administrative Office of the Courts administers the Judicial Retirement Account (JRA), a defined contribution plan. Administration of JRA is funded through member fees.

Higher Education. In addition to the retirement plans administered by the state of Washington, eligible higher education state employees may participate in privately administered Higher Education Retirement defined contribution plans.

Plan descriptions, funding policies, a table of employer contributions required and paid for defined benefit plans, schedules of funded status and funding progress, defined benefit pension plans valuations, annual pension cost, and three year trend information follow at Note 11.B through G, respectively. Information related to changes in actuarial assumptions and methods, and changes in benefit provisions are provided in Note 11.H and I. For information related to defined contribution plans, refer to Note 11.J. Details on plan net assets and changes in plan net assets of pension plans and other employee benefit funds administered by the state are presented at Note 11.K.

Membership of each state administered plan consisted of the following at June 30, 2007, the date of the latest actuarial valuation for all plans:

Number of Participating Members

Plans Administered by the State	Retirees and Beneficiaries Receiving Benefits	Terminated Members Entitled To But Not Yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total Members
PERS 1	54,686	2,656	12,097	878	70,317
PERS 2	15,959	21,343	84,435	36,190	157,927
PERS 3	599	2,584	8,915	15,507	27,605
TRS 1	35,384	2,036	6,239	92	43,751
TRS 2	1,664	2,624	6,403	349	11,040
TRS 3	1,043	4,768	27,352	24,504	57,667
SERS 2	2,026	3,993	16,066	1,701	23,786
SERS 3	1,115	3,681	15,004	18,054	37,854
LEOFF 1	8,161	4	513	-	8,678
LEOFF 2	924	629	12,391	3,708	17,652
WSPRS 1	821	112	881	4	1,818
WSPRS 2	-	1	16	136	153
PSERS 2	-	-	-	2,755	2,755
JRS	130	1	11	-	142
Judges	15	-	-	-	15
JRA	2	198	11	-	211
VFFRPF	3,437	3,211	4,415	6,797	17,860
Total	125,966	47,841	194,749	110,675	479,231

Following is a summary of the number of government employers participating in state administered retirement plans as of June 30, 2008.

Number of Participating Employers

Plan	State Agencies	School Districts	Counties/ Municipalities	Other Political Subdivisions
PERS 1	147	239	173	202
PERS 2	176	-	272	475
PERS 3	162	-	199	265
TRS 1	63	276	-	-
TRS 2	22	277	-	-
TRS 3	30	302	-	-
SERS 2	-	299	-	-
SERS 3	1	303	-	-
LEOFF 1	-	-	71	16
LEOFF 2	7	-	219	148
WSPRS 1	1	-	-	-
WSPRS 2	1	-	-	-
PSERS 2	9	-	62	-
JRS	3	-	-	-
Judges	-	-	-	-
JRA	3	-	-	-
VFFRPF	-	-	-	650

Employers can participate in multiple systems and/or plans.

B. PLAN DESCRIPTIONS

Public Employees' Retirement System (PERS)

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by either, February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees, have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill with less than five years to live.

PERS is comprised of and reported as three separate plans: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PERS Plan 1 and 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in PERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from PERS-covered employment.

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments. The Higher Education Retirement Plans are not administered by DRS. Approximately 52 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

PERS Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Benefits are also actuarially reduced when a Plan 1 member chooses a survivor option. The annual benefit is 2 percent of the average final compensation (AFC) per year of service (AFC is based on the greatest compensation during any 24 eligible consecutive compensation months), capped at 60 percent. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Effective June 7, 2006, PERS Plan 3 members may be vested either after ten years of service or after five years of service, as long as 12 consecutive months of service were accrued after attainment of age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. Refer to section J of this note for a description of the defined contribution component of PERS Plan 3.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is $350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any worker's compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of membership service is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. To offset the costs of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3 the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index) capped at 3 percent annually.

Beneficiaries of a PERS Plan 2 or 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of Labor and Industries.

In addition, a $150,000 death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, if found eligible by the Department of Labor and Industries.

PERS Plan 2 and Plan 3 members can purchase service credit for military service that interrupts employment. Additionally, PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

PERS Plan 2 and Plan 3 members can purchase up to 24 months of service credit lost because of an on-the-job injury. PERS Plan 2 and Plan 3 members who apply for early retirement may, at the time of retirement, purchase up to five years of additional service credit. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Beginning January 1, 2007 through December 31, 2007 judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices or judges in PERS Plans 1 and 2 were able to maker a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average final compensation. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average final compensation.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75 percent of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e. 1 percent, 2 percent, or 3 percent).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM program.
- Continue to pay contributions at the regular PERS rate.

Newly elected justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM program. Members required to join the JBM program would:

- Return to prior PERS Plan if membership had previously been established.
- Be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 1, 2007, PERS Plan 1 retirees, after being retired one year, will receive the annual COLA adjustment in July if they turn 66 years of age any time in the calendar year in which the COLA is given (Chapter 89, Laws of 2007).

Effective July 22, 2007, the portability of retirement benefits is changed for PERS members, allowing compensation that is reportable in all dual members systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan (Chapter 207, Laws of 2007).

Effective July 22, 2007, the $150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness. Also, the refund provided to survivors of PERS Plan 2 members that leave eligible employment after earning ten years of service credit and are subsequently killed in uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom is increased from 100 to 200 percent of the accumulated contributions in the member's account (Chapter 487, Laws of 2007).

Effective July 22, 2007, for judges and justices who are members of PERS, the formula for calculation of the amount at which they may purchase prior judicial service for a higher multiplier at retirement is changed. Any justice or judge who purchased prior service before the passage of this bill may have the cost recalculated with the new formula and have any excess payment returned (Chapter 123, Laws of 2007).

Effective after the January 2008 distribution, gain sharing for PERS Plan 1 and Plan 3 members is discontinued. Additional cost of living adjustments are provided to PERS Plan 1 retirees in July 2009 and new alternative early retirement provisions are created for PERS Plan 2 and Plan 3 members (Chapter 491, Laws of 2007).

Effective June 12, 2008, judges and justices who are members of PERS may purchase prior judicial service credit at a higher multiplier at retirement. During the period of January 1, 2009 – June 30, 2009, active and inactive PERS members who are not then serving at justices or judges, but who have served as such in the past, may request an increase in their benefit multiplier for past periods of judicial service and pay a cost that is the actuarial equivalent of the increase (Chapter 300, Laws of 2008).

There were no other material changes in PERS benefit provisions for the Fiscal Year ended June 30, 2008. PERS pension benefit provisions are established by chapter 41.40 and 41.34 RCW.

Teachers' Retirement System (TRS)

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. TRS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS participants joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3. TRS members hired on or after July 1, 2007 have 90 days to make an irrevocable choice to enroll in either plan 2 or Plan 3. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to TRS Plan 3.

Notwithstanding, TRS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

TRS is comprised of and reported as three separate plans: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the TRS Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in TRS Plan 1 and 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment. TRS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in TRS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from TRS-covered employment.

TRS was legislatively established in 1938. Eligibility for membership requires service as a certificated public school employee in an instructional, administrative or supervisory capacity. TRS is comprised principally of non-state employees. TRS retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

TRS Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation (AFC) per year of service (AFC is based on the greatest compensation during the highest of any consecutive two compensation contract years), capped at 60 percent. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount, increased by 3 percent annually. Plan 1 members may also elect to receive an additional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006, TRS Plan 3 members may be vested either after ten years of service or after five years of service, as long as 12 consecutive months of service were accrued after attainment of age 44. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. Refer to section J of this note for a description of the defined contribution component of TRS Plan 3.

TRS Plan 1 provides death and temporary disability benefits. TRS Plan 1 members receive the following additional lump sum death benefits: retired members- $400 (if retired with ten years of full-time membership), $400 (if inactive with ten years of membership), active members $600 (if employed full-time at time of death). Members on temporary disability receive a monthly payment of $180 payable for up to two years, for the same occurrence. After five years of service, members on a disability retirement receive an allowance based on their salary and service to date of disability. Members enrolled in TRS prior to April 25, 1973, may elect a benefit based on the formula in effect at that time.

TRS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3, the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

Beneficiaries of a TRS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

TRS members can purchase service credit for military service that interrupts employment. Additionally, TRS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

TRS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance. Active TRS Plan 2 and Plan 3 members may also make a one-time purchase of up to seven years of service credit for education experience earned in a state or federal public school outside the state of Washington. Completion of at least five years of service under TRS is required.

In addition, a $150,000 death benefit is provided to the estate (or duly designated nominee) of a TRS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, if found eligible by the Department of Labor and Industries.

Beginning January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices or judges in TRS Plan 1 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average final compensation.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75 percent of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e. 2 percent).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM program.
- Continue to pay contributions at the regular TRS rate.

Newly elected justices and judges who chose to become TRS members on or after January 1, 2007, or who had not previously opted into TRS membership, were required to participate in the JBM program. Members required to join the JBM program would:

- Return to prior TRS Plan if membership had previously been established.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 1, 2007, retirees of TRS Plan 1 will receive the annual COLA adjustment in July if they turn 66 years of age any time in the calendar year in which the COLA is given (Chapter 89, Laws of 2007).

Effective July 22, 2007, TRS members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability (Chapter 49, Laws of 2007).

Effective July 22, 2007, the TRS Plan 1 post-retirement employment program was amended to be more consistent with the PERS Plan 1 program (Chapter 50, Laws of 2007).

Effective July 22, 2007, the portability of retirement benefits is changed for TRS members, allowing compensation that is reportable in all dual members systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan (Chapter 207, Laws of 2007).

Effective July 22, 2007, the $150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness (Chapter 487, Laws of 2007).

Effective July 22, 2007, for judges and justices who are members of TRS, the formula for calculation of the amount at which they may purchase prior judicial service for a higher multiplier at retirement is changed. Any justice or judge who purchased prior service before the passage of this bill may have the cost recalculated with the new formula and have any excess payment returned (Chapter 123, Laws of 2007).

Effective after the January 2008 distribution, gain sharing for TRS Plan 1 and Plan 3 members is discontinued. Additional cost of living adjustments are provided to TRS Plan 1 retirees in July 2009 and new alternative early retirement provisions are created for TRS Plan 2 and Plan 3 members (Chapter 491, Laws of 2007).

Effective June 12, 2008, TRS Plan 2 and Plan 3 members who work for at least five months of a six-month period, from September through August, and earn 630 hours or more within that six-month period now receive six months of service credit (Chapter 204, Laws of 2008).

Effective June 12, 2008, TRS Plan 2 and Plan 3 members need now have only two years of service credit in order to be eligible to purchase up to seven years of service credit for public education experience earned in another state or with the federal government (Chapter 101, Laws of 2008).

Effective June 12, 2008, the definition of "earnable compensation" for TRS members no longer excludes bonuses paid to teachers certified by the National Board of Professional Teaching Standards (Chapter 175, Laws of 2008).

There were no other material changes in TRS benefit provisions for the Fiscal Year ended June 30, 2008. TRS pension benefit provisions are established by chapters 41.32 and 41.34 RCW.

School Employees' Retirement System (SERS)

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes: Plan 2 is a defined benefit plan and Plan 3 is a combination defined benefit/defined contribution plan. As of September 1, 2000, the membership of classified school employees in PERS Plan 2 was transferred to SERS Plan 2. Those who joined on or after October 1, 1977, and by August 31, 2000, are SERS Plan 2 members unless they exercised an option to transfer their membership to Plan 3. SERS participants joining the system on or after September 1, 2000, and those who exercised their transfer option, are members of SERS Plan 3. SERS members hired on or after July 1, 2007 have 90 days to make an irrevocable choice to enroll in either Plan 2 or Plan 3. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to SERS Plan 3. Notwithstanding, SERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

SERS is comprised of and reported as two separate plans: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

SERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the SERS Plan 2 defined benefit plan accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment. SERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in SERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from SERS-covered employment.

The Legislature established SERS in 2000. Membership in the system includes all classified employees of school districts or educational service districts. SERS is comprised principally of non-state employees. SERS retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

SERS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the average final compensation (AFC) per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There

is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Effective June 7, 2006, SERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after 5 years of service if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by September 1, 2000. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at the age of 65. SERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. Refer to section J of this note for a description of the defined contribution component of SERS Plan 3.

SERS Plan 2 and Plan 3 members can purchase service credit for military service that interrupts employment. Additionally, SERS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

SERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3 the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

Beneficiaries of a SERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

SERS Plan 2 and Plan 3 members who apply for early retirement may, at the time of retirement, purchase up to five years of additional service credit. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit. SERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

In addition, a $150,000 death benefit is provided to the estate (or duly designated nominee) of a SERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, if found eligible by the Department of Labor and Industries.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 22, 2007, SERS members may purchase up to 24 consecutive months of service credits (up from 12 months) for each period of temporary duty disability (Chapter 40, Laws of 2007).

Effective July 22, 2007, the portability of retirement benefits is changed for SERS members, allowing compensation that is reportable in all dual members systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan (Chapter 207, Laws of 2007).

Effective July 22, 2007, the $150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness (Chapter 487, Laws of 2007).

Effective after the January 2008 distribution, gain sharing for SERS Plan 3 members is discontinued. New alternative early retirement provisions were created for SERS Plan 2 and Plan 3 members (Chapter 491, Laws of 2007).

Effective June 12, 2008, SERS Plan 2 and Plan 3 members who work for at least five months of a six-month period, from September through August, and earn 630 hours or more within that six-month period now receive six months of service credit (Chapter 204, Laws of 2008).

There were no other material changes in SERS benefit provisions for the Fiscal Year ended June 30, 2008. SERS pension benefit provisions are established by chapter 41.35 and 41.34 RCW.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977, are Plan 2 members.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in LEOFF Plan 1 and 2 can elect to withdraw total employee contributions and interest earnings thereon upon separation from LEOFF-covered employment.

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement officers and firefighters, and as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included prospectively effective July 27, 2003, being a major exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan. LEOFF retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

LEOFF Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of FAS
20+	2.0%
10-19	1.5%
5-9	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at age 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service (FAS is based on the highest consecutive 60 months). Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of the FAS and 2 percent per year of service beyond 5 years. The first 10 percent of FAS is not subject to federal income tax.

LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of substantial gainful employment in any capacity in the future, can receive a catastrophic disability benefit from LEOFF Plan 2 equal to 70 percent of their final average salary subject to offsets for workers' compensation and Social Security disability benefits received.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

Beneficiaries of a LEOFF Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applied to any member killed in the course of employment, or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

In addition, a $150,000 death benefit is provided to the estate (or duly designated nominee) of a LEOFF member who dies as a result of injuries sustained in the course of employment or dies from occupational disease or duty-related illness such as an infectious disease or cancer resulting from a job-related exposure, if found eligible by the Department of Labor and Industries.

Eligible survivors of LEOFF Plan 2 members who are killed in the line of duty are reimbursed for the cost of on-going health care insurance coverage.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance. LEOFF Plan 2 members may purchase up to five years of additional service credit at retirement.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 22, 2007, LEOFF Plan 2 members may purchase up to 24 consecutive months of service credit (up from 12 months) for each period of temporary duty disability (Chapter 40, Laws of 2007).

Effective July 22, 2007, the portability of retirement benefits is changed for LEOFF Plan 2 members, the LEOFF Plan 2 system is added to those plans which are able to combine service under portability for indexing purposes, allowing compensation that is reportable in all dual members systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan (Chapter 207, Laws of 2007).

Effective July 22, 2007, the $150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness (Chapter 487, Laws 2007).

Effective July 22, 2007, terms of the employer representatives on the LEOFF Plan 2 Board are now staggered, so that no more than one position expires in the same year. Legislative terms are now two years and run from January through December. After January 1, 2008, one member of the Board must be a retired LEOFF Plan 2 participant (Chapter 303, Laws of 2007).

Effective July 22, 2007, an exception is made to the five-year waiting period required before transferring prior PERS service credit for those Emergency Medical Technicians who joined LEOFF Plan 2 as a result of legislation passed in 2003 and 2005 and retire due to disability, or die (Chapter 304, Laws of 2007).

Effective June 12, 2008, active LEOFF members can choose whether or not to obtain and pay for Medicare coverage through a "divided referendum" process (Chapter 142, Laws of 2008).

Beginning in 2011, when state General Fund revenues increase by at least 5 percent over the prior biennium's revenues, the State Treasurer will transfer, subject to legislative appropriation, specific amounts into a Local Public Safety Enhancement Account. Half of this transfer will be proportionately distributed to all jurisdictions with LEOFF Plan 2 members. The other

half will be transferred to a LEOFF Retirement System Benefits Improvement Account to fund benefit enhancements for LEOFF Plan 2 members (Chapter 99, Laws of 2008).

There were no other material changes in LEOFF benefit provisions for the Fiscal Year ended June 30, 2008. LEOFF pension benefit provisions are established by chapter 41.26 RCW.

Washington State Patrol Retirement System (WSPRS)

WSPRS is a single-employer defined benefit retirement system. WSPRS participants who joined the system by December 31, 2002, are Plan 1 members. Those who joined on or after January 1, 2003, are Plan 2 members. For financial reporting and investment purposes, however, both plans are accounted for in the same pension fund.

WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.364 percent annually, compounded monthly. Employees in WSPRS can elect to withdraw total employee contributions and interest earnings thereon upon separation from WSPRS-covered employment.

WSPRS was established by the Legislature in 1947. Any commissioned employee of the Washington State Patrol is eligible to participate. WSPRS benefits are established in state statute and may be amended only by the state Legislature.

There is no vesting requirement for active WSPRS members. Inactive WSPRS members are vested after the completion of five years of eligible service. Members are eligible for retirement at the age of 55 with five years of service, or after 25 years of service. The annual pension is 2 percent of the average final salary (AFS), capped at 75 percent, per year of service. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

WSPRS benefit provisions include death benefits; however, the system provides no disability benefits. Disability benefits may be available from the Washington State Patrol. If disability benefits are received, the member may be eligible to acquire service credit for the period of disability. In addition, a duty death benefit of $150,000 is provided to all WSPRS members.

For WSPRS Plan 1 members, AFS is based on the average of the two highest-paid service credit years and excludes voluntary overtime. Death benefits for Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the AFS, plus 5 percent of the AFS for each surviving child, with a limitation on the combined allowances of 60 percent of the AFS; or (2) If no eligible spouse, 30 percent of AFS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of AFS.

For WSPRS Plan 2 members, AFS is based on the average of the five consecutive highest-paid service credit years and excludes both voluntary overtime and cash-outs of annual and holiday leave. At retirement, Plan 2 members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits. Death benefits for active-duty Plan 2 members consist of the following: (1) If the member is single or has less than ten years of service, the return of the member's accumulated contributions; or (2) If the member is married, has an eligible child, or has completed ten years of service, a reduced benefit allowance reflecting a joint and 100 percent survivor option or 150 percent of the member's accumulated contributions, at the survivor's option.

WSPRS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, WSPRS Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

Beneficiaries of a WSPRS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not of normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

WSPRS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 1, 2007, WSPRS member contribution rates will be no more than 7 percent of pay plus half the cost of any future benefit improvements. Employers will pay the contribution rate required to cover all system

costs that are not covered by the member contribution rate. Also a minimum total contribution rate is established for WSPRS, beginning July 1, 2009 (Chapter 300, Laws of 2007).

Effective July 1, 2007, the WSPRS mandatory retirement age is changed from 60 to 65, but does not apply to the member serving as chief of the Washington State Patrol (Chapter 87, Laws of 2007).

Effective July 22, 2007, the $150,000 duty related death benefit is extended to include death from occupational disease or duty-related illness (Chapter 487, Laws of 2007).

Effective July 22, 2007, the spouse and dependent children of a WSPRS member who is killed in the course of employment will be reimbursed for any payments of medical premiums to the Washington State Health Care Authority (Chapter 488, Laws of 2007).

There were no other material changes in WSPRS benefit provisions for the Fiscal Year ended June 30, 2008. WSPRS pension benefit provisions are established by chapter 43.43 RCW.

Public Safety Employees' Retirement System (PSERS)

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 Legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes:

- Full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and,
- Full-time employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A "covered employer" is one that participates in PSERS. Covered employers include:

- State of Washington agencies: Department of Corrections, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, and Liquor Control Board;
- Washington state counties; and,
- Washington cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job: or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PSERS Plan 2 defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2008, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

PSERS Plan 2 benefits are vested after an employee completes five years of eligible service. PSERS Plan 2 members may retire at the age 65 with five years of service, or at the age of 60 with at least ten years of PSERS service credit, with an allowance of 2 percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

PSERS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, PSERS Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

PSERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2 percent of the average final compensation (AFC) for each year of service. AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of Labor and Industries.

In addition, a $150,000 death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, if found eligible by the Department of Labor and Industries.

Legislation passed in recent sessions effective in Fiscal Year 2008:

Effective July 22, 2007, PSERS members may purchase up to 24 consecutive months of service credit (up from 12 months) for each period of temporary duty disability (Chapter 40, Laws of 2007).

Effective July 22, 2007, the portability of retirement benefits is changed for PSERS Plan 2 members, allowing compensation that is reportable in all dual members systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan (Chapter 207, Laws of 2007).

Effective July 22, 2007, the $150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness (Chapter 487, Laws of 2007).

There were no other material changes to PSERS benefit provisions for the Fiscal Year ended June 30, 2008. PSERS pension benefit provisions have been established by chapter 41.37 RCW.

Judicial Retirement System (JRS)

JRS is an agent multiple-employer retirement system comprised of a single defined benefit plan. JRS retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings, employer contributions, employee contributions, and a special funding situation in which the state pays the remaining contributions.

During Fiscal Year 2008, the DRS established rate on employee contributions was 5.5 percent, compounded quarterly. JRS employees who are vested in the plan may not elect to withdraw their contributions upon termination. However, any JRS member that left the system before July 1, 1988, or his/her spouse, who was ineligible to receive a benefit at that time, may apply and receive a refund of such contributions from DRS, if said contributions have not been already refunded via a sundry claims appropriation from the state Legislature.

JRS was established by the Legislature in 1971. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971. The system was closed to new entrants on July 1, 1988, with new judges joining PERS Plan 2. JRS retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

JRS members are eligible for retirement at the age of 60 with 15 years of service, or at the age of 60 after 12 years of service (if the member left office involuntarily) with at least 15 years after beginning judicial service.

The benefit per year of service calculated as a percent of average final compensation (AFC) is the table below. This benefit is capped at 75 percent of AFC, exclusive of cost of living increases.

Term of Service	Percent of AFC
15+	3.5%
10-14	3.0%

Death and disability benefits are also provided. Eligibility for death benefits while on active duty requires ten or more years of service. A monthly spousal benefit is provided which is equal to 50 percent of the benefit a member would have received if retired. If the member is retired, the surviving spouse receives the greater of 50

percent of the member's retirement benefit or 25 percent of the AFC. For members with ten or more years of service, a disability benefit of 50 percent of AFC is provided.

There were no material changes in JRS benefit provisions for the Fiscal Year ended June 30, 2008. JRS pension benefit provisions are established by chapter 2.10 RCW.

Judges' Retirement Fund (Judges)

The Judges' Retirement Fund is an agent multiple-employer retirement system comprised of a single defined benefit plan. There are currently no active members in this plan. Retirement benefits were financed on a pay-as-you-go basis from a combination of past employee contributions, past employer contributions, and a special funding situation in which the state paid the remaining contributions. Retirees did not earn interest on their contributions, nor could they elect to withdraw their contributions upon termination.

The Judges' Retirement Fund was created by the Legislature on March 22, 1937, pursuant to RCW 2.12, to provide retirement benefits to judges of the Supreme Court, Court of Appeals, or Superior Courts of the state of Washington. Subsequent legislation required that all judges first appointed or elected to office on or after August 9, 1971, enter the Judicial Retirement System. Judges' retirement benefit provisions are established in state statute and may be amended only by the state Legislature.

Judges' members are eligible for retirement at the age of 70 with ten years of service, or at any age with 18 years of service. Members are eligible to receive a partial retirement allowance after 12 years of credited service as a judge. With the exception of a partial retirement allowance, the member receives a benefit equal to one-half of the monthly salary being received as a judge at the time of retirement, or at the end of the term immediately prior to retirement if retirement occurs after the expiration of the member's term in office. A partial retirement allowance is based on the proportion of the member's 12 or more years of service in relation to 18 years of service. There were no material changes in Judges' benefit provisions for the Fiscal Year ended June 30, 2008. Judges' pension benefit provisions are established by chapter 2.12 RCW.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF)

VFFRPF is a cost-sharing multiple-employer retirement system that provides death and active duty disability benefits to all members, and optional defined benefit pension plan payments. VFFRPF retirement benefits are financed from a combination of investment earnings, member contributions, municipality contributions, and a special funding situation where the state pays the remaining contributions. VFFRPF members accrue no interest on contributions and may elect to withdraw their contributions upon termination.

The Volunteer Fire Fighters' Relief Act was created by the Legislature in 1935 and the pension portion of the act was added in 1945. Membership in the system requires volunteer firefighter service with a fire department of an electing municipality of Washington State, emergency work as an emergency medical technician with an emergency medical service district, or work as a commissioned reserve law enforcement officer.

Retirement benefits are established in state statute and may be amended only by the state Legislature. Since retirement benefits cover volunteer service, benefits are paid based on years of service not salary. Members are vested after ten years of service.

After 25 years of active membership, members having reached the age of 65 and who have paid their annual retirement fee for 25 years are entitled to receive a monthly benefit of $50 plus $10 per year of service. The maximum monthly benefit is $300. Reduced pensions are available for members under the age of 65 or with less than 25 years of service.

Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of $152,000. Funeral and burial expenses are also paid in a lump sum of $2,000 for members on active duty. Members receiving disability benefits at the time of death shall be paid $500. Members on active duty shall receive disability payments of $2,550 per month for up to six months; thereafter, payments are reduced. Disabled members receive $1,275 per month, their spouse $255, and dependent children $110. Benefit provisions for VFFRPF are established under the authority of chapter 41.24 RCW.

Effective July 1, 2001, the disability income benefits and the maximum survivor benefits under the Relief Plan are increased for increases in the Consumer Price Index. There were no material changes in VFFRPF benefit provisions for the Fiscal Year ended June 30, 2008.

C. FUNDING POLICIES

The Legislature provided for minimum contribution rates (Chapter 365, Laws of 2006 and Chapter 300, Laws of 2007). The LEOFF 2 Board also provided for minimum contribution rates. These minimum rates will go into effect beginning with the 2009-11 biennium.

Public Employees' Retirement System (PERS)

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3

employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials.

The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employer and employee rates were developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. These new higher rates are detailed below.

Required employer contribution rates:

- PERS employer of Supreme Court justices – PERS contribution rate plus 2.5 percent of pay.
- PERS employer of Court of Appeals and Superior Court judges – PERS contribution rate only (member pays the 2.5 percent difference).

Required member contribution rates:

- PERS 1 Supreme Court justices – PERS contribution rate of 6 percent plus 3.76 percent.
- PERS 1 Court of Appeals and Superior Court judges – PERS 1 rate of 6 percent plus 3.76 percent, plus the difference of 2.5 percent from employer listed above.
- PERS 2 Supreme Court justices – 250 percent of the PERS 2 member contribution rate less 2.5 percent of pay.
- PERS 2 Court of Appeals and Superior Court judges – 250 percent of the PERS 2 member contribution rate.
- PERS 3 Supreme Court justices, Court of Appeals and Superior Court judges – variable based on member's selection, subject to a 7.5 percent minimum.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW. Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2008 were as follows:

PERS Actual Contribution Rates

	Plan 1	Plan 2	Plan 3
Members Not Participating in JBM			
Employer Rates:			
State agencies*	6.13%	6.13%	6.13%**
Local governmental units*	6.13%	6.13%	6.13%**
State gov't elected officials*	9.12%	6.13%	6.13%
Employee Rates:			
State agencies	6.00%	4.15%	***
Local governmental units	6.00%	4.15%	***
State gov't elected officials	7.50%	4.15%	***
Members Participating in JBM:			
Employer Rates:			
State agencies*	8.63%	8.63%	8.63%
Local governmental units*	6.13%	6.13%	6.13%
Employee Rates:			
State agencies	9.76%	7.88%	7.50%****
Local governmental units	12.26%	10.38%	7.50%****

* Includes an administrative expense rate of 0.16%.

** Plan 3 defined benefit portion only.

***Variable from 5% to 15% based on rate selected by the member.

**** Minimum rate.

Teachers' Retirement System (TRS)

Each biennium the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature.

Under TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.32 and 41.45 RCW.
As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier

of employee rates were developed to fund, along with investment earnings, the increased retirement benefits of those judges that participate in the program.

The required employer contribution rate for a TRS employer of Supreme Court Justices, Court of Appeals Judges and Superior Court Judges equals the TRS contribution rate. The required member contribution rate of TRS 1 Supreme Court Justices, Court of Appeals Judges and Superior Court Judges is the TRS 1 rate of 6 percent plus 3.76 percent of pay. These higher rates, along with investment earnings, are intended to fund the increased retirement benefits of those judges that choose to participate in the JBM program.

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2008 were as follows:

TRS Actual Contribution Rates

	Plan 1	Plan 2	Plan 3
Members Not Participating in JBM			
Employer Rates*	5.82%	5.82%	5.82% **
Employee Rates:			
State agencies	6.00%	2.90%	***
Local governmental units	6.00%	2.90%	***
State gov't elected officials	7.50%	2.90%	***
Members Participating in JBM:			
Employer Rates*	5.82%	n/a	n/a
Employee Rates:			
State agencies	9.76%	n/a	n/a

* Includes an administrative expense rate of 0.16%.

** Plan 3 defined benefit portion only.

***Variable from 5% to 15% based on rate selected by the member.

School Employees' Retirement System (SERS)

Each biennium the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under SERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

The methods used to determine the contribution requirements are established under state statute in chapters 41.35 and 41.45 RCW. Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2008 were as follows:

SERS Actual Contribution Rates

	Plan 2	Plan 3
Employer Rates:		
State agencies*	5.88%	5.88%**
Local governmental units*	5.88%	5.88%**
Employee Rates:		
State agencies	3.90%	***
Local governmental units	3.90%	***

* Includes an administrative expense rate of 0.16%.

** Plan 3 defined benefit portion only.

***Variable from 5% to 15% based on rate selected by the member.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

Beginning July 1, 2000, Plan 1 employers and employees contribute 0 percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF 2 Board. All employers are required to contribute at the level required by state statute.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2008 were as follows:

LEOFF Actual Contribution Rates

	Plan 1	Plan 2
Employer Rates:		
Ports and Universities*	n/a	8.80%
Local governmental units* (cities, counties, fire districts, etc)	0.16%	5.35%
Employee Rates:		
Ports and Universities	n/a	8.64%
Local governmental units* (cities, counties, fire districts, etc)	n/a	8.64%
State of Washington	n/a	3.45%

* Includes an administrative expense rate of 0.16%.

The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 1 and Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF 2 Board. However, this special funding situation is not mandated by the State Constitution and this funding requirement could be returned to the employers by a change of statute. For Fiscal Year 2008, the state contributed $45.9 million to LEOFF Plan 2.

Washington State Patrol Retirement System (WSPRS)

Each biennium, the state Pension Funding Council adopts the employee and the state contribution rates. The employee and the state contribution rates are developed by the Office of the State Actuary to fully fund the plan. State statute also requires employees to contribute at a rate of at least 2 percent. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 43.43 and 41.45 RCW.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2008 were as follows:

WSPRS Actual Contribution Rates

	Plan 1	Plan 2
Employer Rates*	7.86%	7.86%
Employee Rates	6.65%	6.65%

* Includes an administrative expense rate of 0.16%.

Public Safety Employees' Retirement System (PSERS)

Each biennium the state Pension Funding Council adopts Plan 2 employers and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in chapters 41.37 and 41.45 RCW.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2008 were as follows:

PSERS Actual Contribution Rates

	Plan 2
Employer Rates:	
State agencies*	8.55%
Local governmental units*	8.55%
Employee Rates:	
State agencies	6.57%
Local governmental units	6.57%

* Includes an administrative expense rate of 0.16%.

Judicial Retirement System (JRS)

Contributions made are based on rates set in chapter 2.10 RCW. By statute, employees are required to contribute 7.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the JRS on a pay-as-you-go basis. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2008, the state contributed $ 9.6 million.

Judges' Retirement Fund (Judges)

Contributions made are based on rates set in chapter 2.12 RCW. By statute, employees are required to contribute 6.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the Judges' Retirement Fund on a pay-as-you-go basis. As of June 30, 2008, there are no active members remaining in the Judges Retirement Fund and member contributions are no longer collected. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2008, however, no appropriations or contributions were made.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF)

The retirement provisions of VFFRPF is funded through member contributions of $30 per year, employer contributions of $30 per year, and 40 percent of the Fire Insurance Premium Tax, as per chapter 41.24 RCW. VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination.

Administrative expenses are funded through fire insurance premium taxes and are maintained in a separate fund. Amounts not needed for administrative expenses are transferred to VFFRPF.

D. EMPLOYER CONTRIBUTIONS REQUIRED AND PAID

The following table presents the state of Washington's required contributions in millions of dollars to cost-sharing plans in accordance with the funding policy. All contributions required by the funding method were paid.

	2008	2007	2006
PERS Plan 1	$115.5	$59.9	$15.0
PERS Plan 2/3	159.6	118.3	73.1
TRS Plan 1	4.3	2.1	0.5
TRS Plan 2/3	0.5	0.6	0.5
SERS Plan 2/3	0.0	0.0	0.0
PSERS Plan 2	5.9	2.8	n/a
LEOFF Plan 1	0.0	0.0	0.0
LEOFF Plan 2	45.9	38.6	31.7
VFFRPF	5.0	6.0	4.6

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

E. FUNDED STATUS AND FUNDING PROGRESS

The funded status of each plan as of June 30, 2007, the most recent actuarial valuation date, is as follows (amounts in millions):

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PERS Plan 1	$ 9,715.0	$ 13,740.0	$ 4,025.0	71%	$ 676.0	595%
PERS Plan 2/3*	14,888.0	14,661.0	(227.0)	102%	7,157.0	0%
TRS Plan 1	8,302.0	10,826.0	2,524.0	77%	426.0	592%
TRS Plan 2/3*	5,277.0	4,682.0	(594.0)	113%	3,318.0	0%
SERS Plan 2/3*	2,133.0	1,998.0	(136.0)	107%	1,283.0	0%
LEOFF Plan 1	5,298.0	4,340.0	(958.0)	122%	43.0	0%
LEOFF Plan 2*	4,360.0	3,626.0	(734.0)	120%	1,234.0	0%
WSPRS 1/2*	800.0	702.0	(98.0)	114%	72.0	0%
PSERS 2*	14.0	12.0	(1.0)	117%	134.0	0%
JRS	1.0	85.0	85.0	1%	1.3	6,538%
Judges	4.0	3.9	(0.1)	103%	N/A	N/A
VFFRPF	151.0	136.0	(15.0)	111%	N/A	N/A

N/A indicates data not applicable

* These plans use the aggregate actuarial cost method which does not identify or separately amortize unfunded actuarial liabilities. For this reason, the information shown above has been prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress of these plans.

Source: Washington State Office of the State Actuary

The Schedules of Funding Progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs (Actuarial Accrued Liability) for benefits.

Additional information for the state's defined benefit plans as of the latest valuation date is presented on the following page.

Defined Benefit Pension Plans Administered by the State

For the Fiscal Year Ended June 30, 2008

The information was determined as part of the actuarial valuations at the dates indicated below. Additional information as of the latest valuation follows.

	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Valuation date	6/30/2007	6/30/2007	6/30/2007	6/30/2007
Actuarial cost method	Frozen Initial Liability[1]	Aggregate[2]	Frozen Initial Liability[1]	Aggregate[2]
Amortization method				
Funding	Level %[4]	N/A	Level %[4]	N/A
GASB	Level $	N/A	Level $	N/A
Remaining amortization period (closed)	7/01/2008 - 6/30/2024	N/A	7/01/2008 - 6/30/2024	N/A
Asset valuation method	8-year Graded Smoothed Fair Value[6]	8-year Graded Smoothed Fair Value[6]	8-year Graded Smoothed Fair Value[6]	8-year Graded Smoothed Fair Value[6]
Actuarial assumptions				
Investment rate of return	8.00%	8.00%	8.00%	8.00%
Projected salary increases				
Salary inflation at 4.5%, plus the merit increases described below:				
Initial salary merit (grades down to 0%)	6.1%	6.1%	5.8%	5.8%
Merit period (years of service)	17 yrs	17 yrs	26 yrs	26 yrs
Includes inflation at	N/A	3.50%	N/A	3.50%
Cost of living adjustments	Uniform COLA[7]	CPI Increase, Maximum 3%	Uniform COLA[7]	CPI Increase, Maximum 3%

N/A indicates data not applicable.

[1] Based on a variation of the Frozen Initial Liability (FIL) cost method.

[2] The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

[3] Pay As You Go basis for funding.

[4] Level percent of payroll, including system growth.

[5] LEOFF Plan 2 assumes 4.5% of Salary Inflation

[6] Asset Valuation Method (8 year smoothed fair value): The actuarial value of assets is calculated under an adjusted market value method by starting with the market value of assets. For subsequent years the actuarial value of assets is determined by adjusting the market value of assets to reflect the difference between the actual investment return and the expected investment return during each of the last 8 years or, if fewer, the completed years since adoption, at the following rates per year (annual recognition). We set the VFFRPF Annual Gain/Loss around their 7% expected rate of return instead of 8%.

Annual Gain/Loss			Annual Gain/Loss		
Rate of Return	Smoothing Period	Annual Recognition	Rate of Return	Smoothing Period	Annual Recognition
15% and up	8 years	12.50%	6-7%	2 years	50.00%
14-15%	7 years	14.29%	5-6%	3 years	33.33%
13-14%	6 years	16.67%	4-5%	4 years	25.00%
12-13%	5 years	20.00%	3-4%	5 years	20.00%
11-12%	4 years	25.00%	2-3%	6 years	16.67%
10-11%	3 years	33.33%	1-2%	7 years	14.29%
9-10%	2 years	50.00%	1% and lower	8 years	12.50%
7-9%	1 year	100.00%			

The actuarial value of assets is subject to a 30% market value corridor, so it will lie between 70% and 130% of the market value of assets.

SERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2	VFFRPF[8]
6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
Aggregate[2]	Frozen Initial Liability[1]	Aggregate[2]	Aggregate[2]	Entry Age[3]
N/A	Level %[4]	N/A	N/A	Level $
N/A	Level $	N/A	N/A	Level $
N/A	7/01/2008 - 6/30/2024	N/A	N/A	15 - Year Rolling
8-Year Graded Smoothed Fair Value[6]	8-Year Graded Smoothed Fair Value[6]	8-Year Graded Smoothed Fair Value[6]	8-Year Graded Smoothed Fair Value[6]	8-Year Smoothed Fair Value[6]
8.00%	8.00%	8.00%	8.00%	7.00%
6.9%	11.0%	11.0%	6.1%	N/A
17 yrs	21 yrs	21 yrs	17 yrs	N/A
3.50% CPI Increase, Maximum 3%	3.50% CPI Increase	3.50% CPI Increase, Maximum 3%	3.50% CPI Increase, Maximum 3%	N/A None

[7] The Uniform COLA

Generally, all retirees over age 66 receive an increase in their monthly benefit at least once a year.

The Uniform COLA amount is calculated as the last unrounded Uniform COLA amount increased by 3%, rounded to the nearest penny.

These are some historical monthly COLA amounts per year of service

Date	Uniform COLA
7/1/2002	$1.14
7/1/2003	$1.18
7/1/2004	$1.21
7/1/2005	$1.25
7/1/2006	$1.29
7/1/2007	$1.33
7/1/2008	$1.73

[8] VFFRPF uses the Entry Funding Method for Pensions, and the Pay-As-You-Go Method for the Relief Costs

F. ANNUAL PENSION COST AND OTHER RELATED INFORMATION

Current year annual pension cost, net pension obligation (NPO) and related information for the current year for the state's single employer and agent multiple-employer defined benefit plans are as follows (amounts in millions):

	WSPRS	JRS	Judges
Annual Pension Cost and Net Pension Obligation:			
Annual required contribution	$ 6.8	$ 26.6	$ -
Interest on NPO	(1.1)	4.9	(0.2)
Adjustment to annual required contribution	1.8	(19.3)	0.6
Annual pension cost	7.5	12.2	0.5
Less: Contributions made	6.1	9.6	-
Increase (decrease) in NPO	1.4	2.5	0.5
NPO at beginning of year	(14.1)	72.3	(2.0)
NPO at end of year	$(12.7)	$74.8	$(1.5)
Actuarial assumptions:			
Valuation date	6/30/07	6/30/07	6/30/07
Actuarial cost method	Aggregate*	Entry age	Entry age
Amortization method	n/a	Level $	Level $
Remaining amortization Period (closed)	n/a	12/31/08	12/31/08
Asset valuation method	8 year graded smoothed fair value	Market	Market
Investment rate of return	8%	8%	8%
Projected salary increases	4.25%**	4.5%	N/A
Includes inflation at	3.5%	3.5%	3.5%
cost-of-living adjustments	CPI increase, max. 3%	3.0%	none

* The aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

** WSPRS also assumes a variable salary merit increase for a merit period of 20 years.

G. THREE YEAR HISTORICAL TREND INFORMATION

The following table presents three-year trend information in millions for the plans listed:

	2008	2007	2006
WSPRS			
Annual pension cost	$ 7.5	$ 5.3	$ 7.1
% of APC contributed	89.2	61.8	44.0
NPO	$(12.7)	$(14.1)	$(16.2)
JRS			
Annual pension cost	$ 12.2	$ 13.9	$ 13.3
% of APC contributed	79.5	69.1	50.5
NPO	$ 74.8	$ 72.3	$ 68.0
Judges			
Annual pension cost	$ 0.5	$ 0.5	$ 0.7
% of APC contributed	0.0	60.0	42.9
NPO	$ (1.5)	$ (2.0)	$ (2.2)

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

H. CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

The demographic assumptions were updated as a result of the 2001 – 2006 Experience study. For details refer to the experience study available at: http://osa.leg.wa.gov/Actuarial_Services/Publications/experience_studies.htm.

The salary growth economic assumption for all retirement plans (except LEOFF 2) was decreased by the Pension Funding Council from 4.50 percent to 4.25 percent. The projected mortality tables were modified to recognize the fact that people are living longer.

I. CHANGES IN BENEFIT PROVISIONS

Pension funding legislation was adopted during the 2005 legislative session (Chapter 370, Laws of 2005), which created a short-term change in funding policy. The policy is to adopt annual contribution rates over a four-year "phase-in" period from 2005-2009, to suspend payments on the Plan 1 Unfunded Actuarial Accrued Liability (UAAL) in PERS and TRS during the 2005-07 biennium and to delay recognition of the cost of future gain-sharing benefits until the 2007-09 biennium. Legislation adopted during the 2007 legislative session (Chapter 491, Laws of 2007) repealed gain-sharing after the 2008 event. Additional legislation adopted a phase-in period to smooth the Plan 1 UAAL contribution rate increases from 2006-2009 (Chapter 56, Laws of 2006).

Legislation for 2006 and 2007 provided for target funding ratios and contribution rate floors for PERS, TRS, SERS, and WSPRS (Chapter 365, Laws of 2006 and Chapter 300, Laws of 2007). The LEOFF 2 Board in 2006 provided for minimum contribution rates. These changes will become effective July 1, 2009.

J. DEFINED CONTRIBUTION PLANS

Public Employees' Retirement System Plan 3 (PERS 3)

The Public Employees' Retirement System (PERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Eligible employees include: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS participants who joined on or after October 1, 1977, and by either, February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants who joined the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Refer to section B of this note for PERS plan descriptions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For Fiscal Year 2008, employee contributions required and made were $82.7 million, and plan refunds paid out were $38.3 million.

Teachers' Retirement System Plan 3 (TRS 3)

The Teachers' Retirement System (TRS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity. TRS participants who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS participants joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3. Refer to section B of this note for TRS plan descriptions.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

TRS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, TRS Plan 3 investments are made in the same portfolio as that of the TRS 2/3 defined benefit plan.

For Fiscal Year 2008, employee contributions required and made were $234.7 million and plan refunds paid out were $84.8 million.

School Employees' Retirement System Plan 3 (SERS 3)

The School Employees' Retirement System (SERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Eligible employees include classified employees of school districts and educational service districts who joined PERS Plan 2 on or after October 1, 1977, and by August 31, 2000, and were transferred to SERS Plan 2 on September 1, 2000. Members transferred from PERS Plan 2 to SERS Plan 2 may exercise an option to transfer their membership to SERS Plan 3. SERS participants joining the system on or after September 1, 2000, and before July 1, 2007, are also members of SERS Plan 3. SERS members hired on or after July 1, 2007 have 90 days to choose between SERS Plan 2 and SERS Plan 3. Individuals who fail to make a choice will default to SERS Plan 3. Refer to section B of this note for SERS plan descriptions.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of SERS Plan 3.

SERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, SERS Plan 3 investments are made in the same portfolio as that of the SERS 2/3 defined benefit plan.

For Fiscal Year 2008, employee contributions required and made were $58.4 million and plan refunds paid out were $39.8 million.

Judicial Retirement Account (JRA)

The Judicial Retirement Account Plan was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state Administrative Office of the Courts, under the direction of the Board for Judicial Administration. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts, and who are members of PERS for their services as a judge. Vesting is full and immediate. There are three participating employers in JRA.

Member contributions equal 2.5 percent of covered salary and the state, as employer, matches this amount. Contributions are collected by the Administrative Office of the Courts. The employer and employee obligations to contribute are established per chapter 2.14 RCW. Plan provisions and contribution requirements are established in state statute and may be amended only by the State Legislature.

Beginning January 1, 2007 through December 31, 2007 any judicial members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) eligible to participate in JRA were able to make a one-time irrevocable election to discontinue future contributions to JRA, in lieu of prospective contributions to the Judicial Benefit Multiplier Program

(JBM). Beginning January 1, 2007 any newly elected or appointed Supreme Court justice, Court of Appeals judge or Superior Court judge is no longer able to participate in JRA and is enrolled in the Judicial Benefit Multiplier Program (enacted in 2006). As of June 30, 2008, 189 JRA member judges have elected to enroll in JBM.

Current-year covered payroll for JRA employees was $4.3 million for the Fiscal Year ended June 30, 2008. For Fiscal Year 2008, the contribution requirement for JRA was $140 thousand. Actual employer and employee contributions were $70 and $70 thousand respectively. Plan benefits paid out for Fiscal Year 2008 totaled $6.5 million.

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. The administrator of JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death shall be paid to the member's estate, or such person or persons, trust or organization as the member has nominated by written designation.

The Administrator of JRA has entered an agreement with DRS for accounting and reporting services, and the Washington State Investment Board (SIB) for investment services. DRS is responsible for all record keeping, accounting, and reporting of member accounts. As of April 2006, DRS also became responsible for collection of JRA contributions. The SIB has the full power to establish investment policy, develop participant investment options, and manage the investment funds from the JRA plan, consistent with the provisions of RCW 2.14.080 and RCW 43.84.150.

Higher Education Retirement Plans

The Higher Education Retirement Plans are privately administered defined contribution plans with a supplemental plan component. As authorized by RCW 28B.10, the plans cover higher education faculty and other positions as designated by each institution. The state and regional universities, the state college, and the state community and technical colleges each participate in a plan. Contributions to the plans are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have at all times a 100 percent vested interest in their accumulations. RCW 28.B.10.400 et. seq. assigns the authority to establish and amend benefit provisions to: the board of regents of the state universities, the boards of trustees of the regional universities and the state college, and the state board for community colleges.

Employee contribution rates, based on age, range from 5 to 10 percent of salary. The employers match the employee contributions. The employer and employee obligations to contribute are established per chapter 28B.10 RCW. For Fiscal Year 2008, covered payroll was $1.7 billion. Employer and employee contributions were $141.7 million each, for a total of $141.6 million. These contribution amounts represent approximately 8 percent each of covered payroll for employers and employees.

The plans have a supplemental payment component which guarantees a minimum retirement benefit based upon a one-time calculation at each employee's retirement date. Institutions make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals. The supplemental component is financed on a pay-as-you-go basis.

An actuarial valuation of the supplemental component of the Higher Education Retirement plans was done at the end of Fiscal Year 2007. The previous valuation was performed in 2004. The Unfunded Actuarial Accrued Liability (UAAL) calculated as of June 30, 2007 and 2004 was $120.2 million and $48.1 million, respectively, and is amortized over a 16.5-year period. The Annual Required Contribution (ARC) of $16.6 million consists of amortization of the UAL ($8.3 million) and normal cost (or current cost) ($7.8 million). The UAL and ARC were established using the entry age normal cost method. The actuarial assumptions included an investment rate of return of 6 to 8 percent and projected salary increases ranging from 2 to 4 percent. Approximately $1.5 billion and $1.1 billion of payroll were covered under these plans during 2007 and 2004, respectively.

The following table reflects the activity in the Net Pension Obligation for the years ended June 30 (in millions):

	2008	2007	2006
Annual required contribution	$16.6	$16.6	$5.1
Payments to beneficiaries	(1.9)	(1.9)	(1.6)
Increase (decrease) in NPO	14.6	14.7	3.5
NPO at beginning of year	24.0	9.3	5.8
NPO at end of year	$38.6	$24.0	$9.3

K. PLAN NET ASSETS AND CHANGES IN PLAN NET ASSETS

The Combining Statement of Plan Net Assets that follows presents the principal components of receivables, investments, and liabilities. The Combining Statement of Changes in Plan Net Assets presents the additions and deductions to plan net assets.

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds

June 30, 2008
(expressed in thousands)

continued

	PERS Plan 1	PERS Plan 2/3 Defined Benefit	PERS Plan 3 Defined Contribution	TRS Plan 1	TRS Plan 2/3 Defined Benefit	TRS Plan 3 Defined Contribution
ASSETS						
Cash and pooled investments	$ 48,196	$ 84,341	$ 121	$ 40,564	$ 40,943	$ 5,172
Receivables:						
Employer accounts receivable	5,230	39,367	4,004	3,317	13,091	20,452
Member accounts receivable (net of allowance)	586	158	-	359	5	-
Due from other funds	964	-	10,991	725	5,167	19,874
Interest and dividends	32,436	53,472	2,580	27,172	17,939	8,016
Investment trades pending	63,757	108,034	2,545	53,229	43,275	7,903
Total Receivables	102,973	201,031	20,120	84,802	79,477	56,245
Investments, Noncurrent:						
Public equity	4,073,647	7,286,706	326,779	3,400,955	2,302,282	2,513,777
Fixed income	2,331,202	3,856,179	187,004	1,946,245	1,317,513	553,749
Private equity	2,366,373	3,914,357	189,825	1,975,608	1,337,391	562,103
Real estate	1,485,876	2,457,875	119,194	1,240,509	839,765	352,952
Security lending	678,991	1,121,731	54,377	566,783	383,898	161,018
Liquidity	234,117	-	563,869	245,159	144,115	59,259
Tangible assets	76,573	126,663	6,142	63,928	43,276	18,189
Other	95,018	23,650	7,622	79,328	53,701	22,570
Total Investments, Noncurrent	11,341,797	18,787,161	1,454,812	9,518,515	6,421,941	4,243,617
Total Assets	$ 11,492,966	$ 19,072,533	$ 1,475,053	$ 9,643,881	$ 6,542,361	$ 4,305,034
LIABILITIES						
Obligations under security lending agreements	$ 678,991	$ 1,121,987	$ 54,121	$ 566,783	$ 376,862	$ 168,053
Accrued liabilities	167,954	276,723	6,600	140,608	109,696	20,490
Due to other funds	98	12,351	120	65	20,963	5,172
Unearned revenues	127	379	-	171	37	-
Total Liabilities	847,170	1,411,440	60,841	707,627	507,558	193,715
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 149)	10,645,796	17,661,093	1,414,212	8,936,254	6,034,803	4,111,319
Deferred compensation participants	-	-	-	-	-	-
Total Net Assets	$ 10,645,796	$ 17,661,093	$ 1,414,212	$ 8,936,254	$ 6,034,803	$ 4,111,319

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds

June 30, 2008
(expressed in thousands)

continued

	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	PSERS Plan 2
ASSETS						
Cash and pooled investments	$ 16,705	$ 1,501	$ 27,234	$ 24,534	$ 5,080	$ 450
Receivables:						
Employer accounts receivable	5,984	5,030	-	14,466	488	1,498
Member accounts receivable (net of allowance)	4	-	38	25	117	-
Due from other funds	1,513	6,898	4	7	2	1
Interest and dividends	7,396	2,585	18,374	16,064	2,828	101
Investment trades pending	17,125	2,547	36,181	31,674	5,574	194
Total Receivables	32,022	17,060	54,597	62,236	9,009	1,794
Investments, Noncurrent:						
Public equity	929,459	594,022	2,311,730	2,023,728	356,106	12,384
Fixed income	531,896	187,388	1,322,921	1,158,107	203,786	7,087
Private equity	539,920	190,215	1,342,879	1,175,579	206,861	7,194
Real estate	339,023	119,439	843,211	738,161	129,890	4,517
Security lending	155,019	54,488	385,067	336,902	59,384	2,089
Liquidity	65,891	15,981	127,349	128,381	20,163	3,180
Tangible assets	17,471	6,155	43,454	38,040	6,694	233
Other	21,679	7,638	53,921	47,203	8,307	289
Total Investments, Noncurrent	2,600,358	1,175,326	6,430,532	5,646,101	991,191	36,973
Total Assets	$ 2,649,085	$ 1,193,887	$ 6,512,363	$ 5,732,871	$ 1,005,280	$ 39,217
LIABILITIES						
Obligations under security lending agreements	$ 155,337	$ 54,170	$ 385,066	$ 336,902	$ 59,383	$ 2,089
Accrued liabilities	43,460	6,604	92,118	80,348	14,315	495
Due to other funds	7,133	1,501	16	145	7	76
Unearned revenues	30	-	-	68	-	-
Total Liabilities	205,960	62,275	477,200	417,463	73,705	2,660
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 149)	2,443,125	1,131,612	6,035,163	5,315,408	931,575	36,557
Deferred compensation participants	-	-	-	-	-	-
Total Net Assets	$ 2,443,125	$ 1,131,612	$ 6,035,163	$ 5,315,408	$ 931,575	$ 36,557

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds
June 30, 2008
(expressed in thousands)

concluded

	JRS	JRA	Judges	VFFRPF	Deferred Compensation	Total
ASSETS						
Cash and pooled investments	$ 344	$ 8	$ 3,617	$ 36,969	$ 802	$ 336,581
Receivables:						
Employer accounts receivable	9	-	-	-	-	112,936
Member accounts receivable (net of allowance)	-	-	4	-	1,760	3,056
Due from other funds	1	-	10	93	1	46,251
Interest and dividends	4	-	-	394	-	189,361
Investment trades pending	-	-	-	779	-	372,817
Total Receivables	14	-	14	1,266	1,761	724,421
Investments, Noncurrent:						
Public equity	-	13,023	-	45,787	2,431,642	28,622,027
Fixed income	-	-	-	23,316	-	13,626,393
Private equity	-	-	-	28,902	-	13,837,207
Real estate	-	-	-	18,148	-	8,688,560
Security lending	46	1	332	19,626	78	3,979,830
Liquidity	625	-	5	3,955	1	1,612,050
Tangible assets	-	-	-	935	-	447,753
Other	-	-	-	1,087	-	422,013
Total Investments, Noncurrent	671	13,024	337	141,756	2,431,721	71,235,833
Total Assets	$ 1,029	$ 13,032	$ 3,968	$ 179,991	$ 2,434,284	$ 72,296,835
LIABILITIES						
Obligations under security lending agreements	$ 46	$ -	$ 332	$ 11,617	$ 79	$ 3,971,818
Accrued liabilities	30	-	3	1,999	11	961,454
Due to other funds	-	-	-	-	-	47,647
Unearned revenues	-	-	-	-	-	812
Total Liabilities	76	-	335	13,616	90	4,981,731
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 149)	953	13,032	3,633	166,375	-	64,880,910
Deferred compensation participants	-	-	-	-	2,434,194	2,434,194
Total Net Assets	$ 953	$ 13,032	$ 3,633	$ 166,375	$ 2,434,194	$ 67,315,104

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

continued

	PERS Plan 1	PERS Plan 2/3 Defined Benefit	PERS Plan 3 Defined Contribution	TRS Plan 1	TRS Plan 2/3 Defined Benefit	TRS Plan 3 Defined Contribution
ADDITIONS						
Contributions:						
Employers	$ 221,787	$ 318,740	$ -	$ 113,088	$ 109,522	$ -
Members	50,949	278,445	82,707	30,794	15,631	234,661
State	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Total Contributions	272,736	597,185	82,707	143,882	125,153	234,661
Investment Income:						
Net appreciation (depreciation) in fair value	(425,711)	(713,629)	(74,910)	(355,165)	(238,142)	(256,969)
Interest and dividends	353,150	554,915	32,613	296,470	186,703	91,247
Less: investment expenses	(42,149)	(66,215)	(3,984)	(35,384)	(22,132)	(11,923)
Net investment income (loss)	(114,710)	(224,929)	(46,281)	(94,079)	(73,571)	(177,645)
Transfers from other pension plans	343	316	68,408	5	339	168,817
Other additions	-	-	-	-	-	-
Total Additions	158,369	372,572	104,834	49,808	51,921	225,833
DEDUCTIONS						
Pension benefits	1,027,934	170,317	22	844,986	36,016	45
Pension refunds	5,573	26,575	38,291	1,000	2,190	84,776
Transfers to other pension plans	62	70,761	262	-	168,770	513
Administrative expenses	530	2,567	-	114	116	-
Distributions to participants	-	-	-	-	-	-
Total Deductions	1,034,099	270,220	38,575	846,100	207,092	85,334
Net Increase (Decrease)	(875,730)	102,352	66,259	(796,292)	(155,171)	140,499
Net Assets - Beginning	11,521,526	17,558,741	1,347,953	9,732,546	6,189,974	3,970,820
Net Assets - Ending	$ 10,645,796	$ 17,661,093	$ 1,414,212	$ 8,936,254	$ 6,034,803	$ 4,111,319

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

continued

	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	PSERS Plan 2
ADDITIONS						
Contributions:						
Employers	$ 52,139	$ -	$ 8	$ 73,363	$ 6,064	$ 11,700
Members	20,911	58,381	927	116,441	5,345	11,740
State	-	-	-	45,926	-	-
Participants	-	-	-	-	-	-
Total Contributions	73,050	58,381	935	235,730	11,409	23,440
Investment Income:						
Net appreciation (depreciation) in fair value	(97,536)	(55,130)	(242,251)	(215,478)	(37,472)	(1,435)
Interest and dividends	76,711	30,780	197,810	165,778	30,063	748
Less: investment expenses	(9,135)	(3,620)	(23,676)	(20,615)	(3,594)	(78)
Net investment income (loss)	(29,960)	(27,970)	(68,117)	(70,315)	(11,003)	(765)
Transfers from other pension plans	2,118	89,449	-	117	90	3
Other additions	-	-	-	-	-	-
Total Additions	45,208	119,860	(67,182)	165,532	496	22,678
DEDUCTIONS						
Pension benefits	22,628	8	313,530	27,505	32,963	-
Pension refunds	2,044	39,815	150	7,639	268	152
Transfers to other pension plans	89,448	183	4	-	-	2
Administrative expenses	64	-	174	198	23	11
Distributions to participants	-	-	-	-	-	-
Total Deductions	114,184	40,006	313,858	35,342	33,254	165
Net Increase (Decrease)	(68,976)	79,854	(381,040)	130,190	(32,758)	22,513
Net Assets - Beginning	2,512,101	1,051,758	6,416,203	5,185,218	964,333	14,044
Net Assets - Ending	$ 2,443,125	$ 1,131,612	$ 6,035,163	$ 5,315,408	$ 931,575	$ 36,557

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

concluded

	JRS	JRA	Judges	VFFRPF	Deferred Compensation	Total
ADDITIONS						
Contributions:						
Employers	$ 112	$ 70	$ -	$ 1,082	$ -	$ 907,675
Members	112	70	-	117	-	907,231
State	9,600	-	-	5,020	-	60,546
Participants	-	-	-	-	188,735	188,735
Total Contributions	9,824	140	-	6,219	188,735	2,064,187
Investment Income:						
Net appreciation (depreciation) in fair value	1	(1,311)	13	(5,097)	(238,553)	(2,958,775)
Interest and dividends	99	426	171	5,671	72,425	2,095,780
Less: investment expenses	(2)	(20)	(6)	(559)	(3,264)	(246,356)
Net investment income (loss)	98	(905)	178	15	(169,392)	(1,109,351)
Transfers from other pension plans	-	-	-	-	-	330,005
Other additions	-	6	-	-	829	835
Total Additions	9,922	(759)	178	6,234	20,172	1,285,676
DEDUCTIONS						
Pension benefits	9,514	6,540	545	9,866	-	2,502,419
Pension refunds	-	-	-	9	-	208,482
Transfers to other pension plans	-	-	-	-	-	330,005
Administrative expenses	-	-	-	-	-	3,797
Distributions to participants	-	-	-	-	135,876	135,876
Total Deductions	9,514	6,540	545	9,875	135,876	3,180,579
Net Increase (Decrease)	408	(7,299)	(367)	(3,641)	(115,704)	(1,894,903)
Net Assets - Beginning	545	20,331	4,000	170,016	2,549,898	69,210,007
Net Assets - Ending	$ 953	$ 13,032	$ 3,633	$ 166,375	$ 2,434,194	$ 67,315,104

Note 12
Other Postemployment Benefits

Plan Description and Funding Policy

In addition to pension benefits as described in Note 11, the state, through the Health Care Authority (HCA), administers an agent multiple-employer other postemployment benefit plan (OPEB). Per RCW 41.05.065, the Public Employees Benefits Board (PEBB) created within the Health Care Authority, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. PEBB programs include medical, dental, life and long-term disability.

Employers participating in the PEBB plan include the state (which includes general government agencies and higher education institutions), 52 of the state's K-12 schools and educational service districts (ESDs) and 200 political subdivisions. Additionally, the PEBB plan is available to the retirees of the remaining 249 K-12 schools and ESDs. As of June 2008, membership in the PEBB plan consisted of the following:

	Active Employees	Retirees[1]	Total
State	111,681	24,963	136,644
K-12 schools and ESDs[2]	2,132	26,013	28,145
Political subdivisions	11,393	900	12,293
Total	125,206	51,876	177,082

[1]Retirees include retired employees, surviving spouses, and terminated members entitled to a benefit.
[2]In Fiscal Year 2008, there were 100,208 full-time equivalent active employees in the 249 K-12 schools and ESDs that elected to limit participation in PEBB only to their retirees.

For Fiscal Year 2008, the estimated monthly cost for PEBB benefits for active employees (average across all plans and tiers) is as follows:

Required Premium[3]	
Medical	$694
Dental	71
Life	5
Long-term disability	2
Total	$772
Employer contribution	$697
Employee contribution	75
Total	$772

[3]Per 2008 Collective Bargaining Model 4.0.

The relationship between the PEBB OPEB plan and its member employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs.

The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees' access to PEBB plans depends on the retirement eligibility of their respective retirement system. PEBB members are covered in the following retirement systems: PERS, PSERS, TRS, SERS, WSPRS, and Higher Education.

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's Non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the Non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other Non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. In Calendar Year 2007, the average weighted implicit subsidy was valued at $250 per member per month, and in Calendar Year 2008, the average weighted implicit subsidy is projected to be $253 per member per month.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the Health Care Authority administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. In Calendar Year 2007, the explicit subsidy was $150 per member per month, and in Calendar Year 2008, the explicit subsidy is $164 per member per month.

Retirees participating in the PEBB life insurance program received an explicit subsidy of $5 per member per month in Calendar Year 2007. The explicit subsidy is also $5 per member per month in Calendar Year 2008.

Administrative costs as well as implicit and explicit subsidies are funded by required contributions from participating employers. The subsidies provide monetary assistance for medical and life insurance benefits.

Contributions are set each biennium as part of the budget process. In Fiscal Year 2008, the cost of the subsidies was approximately 6.8 percent of the cost of benefits for active employees. The benefits are funded on a pay-as-you-go basis.

Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employers individual plan and actuarial methods and assumptions used.

The PEBB OPEB plan is accounted for as an agency fund on an accrual basis. The plan has no investments or other assets. The PEBB OPEB plan does not issue a publicly available financial report.

For information on the results of an actuarial valuation of the employer provided subsidies associated with the PEBB plan, refer to: http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm.

Annual OPEB Cost and Net OPEB Obligation

The state's (general government agencies and higher education institutions) annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the state as the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following tables show the components of the state's annual OPEB cost for Fiscal Year 2008, the amount actually contributed to the plan, and changes in the state's net OPEB obligation (NOO) (expressed in thousands):

Annual required contribution	$313,970
Interest on NOO	-
Amortization of NOO	-
Annual OPEB cost	$313,970

NOO beginning of year	$ -
Annual OPEB cost	313,970
Contributions made	(68,115)
NOO end of year	$245,855

The state's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Year 2008 was as follows (expressed in thousands):

Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
$313,970	21.69%	$245,855

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows (expressed in thousands):

Actuarial accrued liability (AAL)	$3,799,530
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$3,799,530

Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$5,427,219
UAAL as a percentage of covered payroll	70.01%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial valuation date	January 1, 2007
Actuarial cost method	Projected Unit Credit (PUC)
Amortization method	Closed, level percentage of projected payroll amortization method
Remaining amortization period	30 years
Asset valuation method	n/a - no assets
Actuarial assumptions:	
Investment rate of return	4.5%
Projected salary increases	4.5%
Health care inflation rate	11% initial rate, 5% ultimate rate in 2015
Inflation rate	3.5%

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents the results of the OPEB valuation for the fiscal year ending June 30, 2008. Looking forward, the schedule will provide additional multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 13
Commitments and Contingencies

A. CONSTRUCTION AND OTHER COMMITMENTS

Outstanding commitments related to state infrastructure and facility construction, improvement, and/or renovation totaled $3.3 billion at June 30, 2008.

B. SUMMARY OF SIGNIFICANT LITIGATION

Pending Litigation

The state and its agencies are parties to numerous routine legal proceedings that normally occur in governmental operations. At any given point, there may be numerous lawsuits involving the implementation of specific state programs that could significantly impact expenditures and potentially have future budgetary impact.

The state is the defendant in a number of cases seeking damages in excess of $60 million involving claims of inadequate funding for care of the disabled and elderly. The state is also defending a number of cases alleging inadequacies and inequities in K-12 funding. Adverse rulings in these cases could result in significant future costs.

The Department of Revenue routinely has claims for refunds in various stages of administrative and legal review. Claims for refunds are approximately $117 million.

The Washington State Department of Transportation (WSDOT) is a defendant in a number of lawsuits related to environmental clean-up and habitat restoration/enhancement associated with highway construction projects and storm water discharge from state highways. While estimates are not available for all lawsuits, claims for damages exceed $35 million. If the efforts of the plaintiffs are successful, the financial impact could be significant and would need to be addressed in future budgets. The WSDOT also faces a lawsuit related to the state's procurement of four new ferry boats.

The state is the defendant in numerous lawsuits by employees accusing the state of various infractions of law or contract. These suits claim back pay and damages in excess of $15 million. The state is also defending complaints by the United States Department of Labor claiming the state violated the Fair Labor Standards Act. Total monetary damages sought in these actions are approximately $65 million. Additionally, the state is being sued as a result of the recent legislative repeal of the gain sharing provision associated with select state pension plans. No estimate of damage is currently available.

The state is contesting these lawsuits and the outcomes are uncertain at this time.

Tobacco Settlement

In November 1998, Washington joined 45 other states in a Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers to provide restitution for monies spent under health care programs for the treatment of smoking-related illnesses. Washington's share of the settlement is expected to be approximately $138 million in Fiscal Year 2008 and is subject to various offsets, reductions, and adjustments. Beginning in 2008, Washington received the first of ten "strategic contribution payments" under the MSA. This payment, which is subject to the same offsets, reductions, and adjustments as are applicable to the base payment, is estimated to be approximately $48-$49 million.

In 2006, 2007, and 2008, determinations were made under a process established by the MSA that disadvantages experienced as a result of participating in the MSA were a significant factor contributing to the market share loss by manufacturers. These determinations related to sales data for the years 2003, 2004, and 2005. Washington faces a potential "NPM adjustment" of between $0 and $130 million for the year 2003, $0 and $137 million for the year 2004, and $0 and $131 million for the year 2005.

Washington and 37 other states each filed court actions seeking a declaration that they had diligently enforced their escrow statutes. In the Consent Decree, the King County Superior Court retained jurisdiction to enforce and interpret the MSA as to Washington. The participating manufacturers oppose having the diligent enforcement issue decided by numerous state courts. They believe the issue is governed by an arbitration clause in the MSA that they claim requires a panel of arbitrators to decide, in a single national proceeding, whether individual states diligently enforced their own statutes.

The King County Superior Court heard Washington's motion and, in late September 2006, entered an order compelling arbitration and dismissing the state's action. Washington's appeal was dismissed and the trial court's order compelling arbitration is now final. The vast majority of states have final orders compelling them to arbitrate. It appears likely that a substantial number of disputes will be resolved through a multistate arbitration. It is uncertain when such arbitration would commence, but a decision on the merits of the disputes is not likely until 2010.

C. FEDERAL ASSISTANCE

The state has received federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the state. The state does estimate and recognize a claims and judgments liability for disallowances when determined by the grantor agency or for probable disallowances based on experience pertaining to these grants; however, these recognized liabilities and any unrecognized disallowances are considered immaterial to the state's overall financial condition.

D. ARBITRAGE REBATE

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. State agencies and universities responsible for investments from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and therefore limit any state arbitrage liability. The state estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

E. OTHER COMMITMENTS AND CONTINGENCIES

School Bond Guarantee Program

Washington voters passed a constitutional amendment in November 1999, creating the Washington State School Bond Guarantee Program. The program's purpose is to provide savings to state taxpayers by pledging the full faith and credit of the state of Washington to the full and timely payment of voter-approved school district general obligation bonds in the event a school district is unable to make a payment. The issuing school district remains responsible for the repayment of the bonds, including any payment the state makes under the guarantee.

The State Treasurer introduced the School Bond Guarantee Program in March 2000. At the end of Fiscal Year 2008 the state had guaranteed 199 school districts' voter-approved general obligation debt with a total outstanding principal of $7.3 billion. The state estimates that school bond guarantee liability, if any, will be immaterial to its overall financial condition.

Local Option Capital Asset Lending Program (LOCAL)

On September 1, 1998, the state lease-purchase program was extended to local governments seeking low cost financing of essential equipment. The program allows local governments to pool their financing requests together with Washington State agencies in Certificates

of Participation (COPs). Refer to Note 7.B for the state's COP disclosure. These COP's do not constitute a debt or pledge of the faith and credit of the state, rather local governments pledge their full faith and credit in a general obligation pledge. In the event that any local government fails to make any payment, the state is obligated to withhold an amount sufficient to make such payment from the local government's share, if any, of state revenues or other amounts authorized or required by law to be distributed by the state to such local government, if otherwise legally permissible.

Upon failure of any local government to make a payment, the state is further obligated, to the extent of legally available appropriated funds to make such payment on behalf of such local government. The local government remains obligated to make all COP payments and reimburse the state for any conditional payments.

As of June 30, 2008, outstanding certificates of participation notes totaled $77.7 million for 185 local governments participating in LOCAL. The state estimates that LOCAL program liability, if any, will be immaterial to its overall financial condition.

Note 14
Subsequent Events

A. BOND ISSUES

In July 2008, the state issued $492.5 million in Various Purpose General Obligation Bonds, Series 2009A, $260 million in Motor Vehicle Fuel Tax General Obligation Bonds, Series 2009B, and $70.6 million in General Obligation Taxable Bonds, Series 2009T.

B. CERTIFICATES OF PARTICIPATION

In September 2008, the state issued $11.8 million in Certificates of Participation for various state and local government equipment purchases, Series 2008D.

In December 2008, the state plans to issue $14 million in Certificates of Participation for various state and local government equipment purchases, Series 2008E.

C. FINANCIAL MARKET LOSSES

Subsequent to June 30, 2008, the Washington State Investment Board (WSIB), which manages the state's pension trust, workers' compensation, and certain permanent fund investments, realized investment losses upon the failures of Lehman Brothers Holdings, Inc., Washington Mutual, Inc., and American International Group, Inc. Overall losses of $225 million were realized, allocated 79 percent, 18 percent and 3 percent to pension trust, workers' compensation and permanent funds, respectively. These losses are not reflected in the accompanying financial statements since the losses arose subsequent to June 30, 2008.

Also, subsequent to June 30, 2008, the state sustained other unrealized losses on investments due to turmoil within the capital markets. These losses are deemed temporary in nature and, given that they occurred after June 30, 2008, are not reflected in the accompanying financial statements.

RSI
Required Supplementary Information

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Budgetary Comparison Schedule

Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	General Fund			
	Original Budget 2007-09 Biennium	Final Budget 2007-09 Biennium	Actual 2007-09 Biennium	Variance with Final Budget
Budgetary fund balance, July 1	$ 780,510	$ 780,510	$ 780,510	$ -
RESOURCES				
Taxes	29,144,057	29,058,120	14,276,390	(14,781,730)
Licenses, permits, and fees	181,346	189,991	97,493	(92,498)
Other contracts and grants	288,705	395,920	162,238	(233,682)
Timber sales	6,657	6,697	2,847	(3,850)
Federal grants-in-aid	12,347,165	12,474,335	5,871,839	(6,602,496)
Charges for services	123,032	63,764	56,614	(7,150)
Interest income	143,544	154,270	113,034	(41,236)
Miscellaneous revenue	126,270	100,384	69,358	(31,026)
Escheated property	-	-	89,727	89,727
Transfers from other funds	512,072	417,434	72,007	(345,427)
Total Resources	43,653,358	43,641,425	21,592,057	(22,049,368)
CHARGES TO APPROPRIATIONS				
General government	2,982,113	3,104,985	1,637,339	1,467,646
Human services	21,186,368	21,321,458	10,276,682	11,044,776
Natural resources and recreation	704,224	714,456	326,277	388,179
Transportation	86,584	80,967	42,609	38,358
Education	17,229,757	17,301,727	8,387,898	8,913,829
Capital outlays	216,104	217,599	41,676	175,923
Transfers to other funds	571,900	375,793	71,421	304,372
Total Charges To Appropriations	42,977,050	43,116,985	20,783,902	22,333,083
Excess Available For Appropriation Over (Under) Charges To Appropriations	676,308	524,440	808,155	283,715
RECONCILING ITEMS				
Changes in reserves (net)	-	-	(10,076)	(10,076)
Entity adjustments (net)	-	-	(8,577)	(8,577)
Total Reconciling Items	-	-	(18,653)	(18,653)
Budgetary fund balance, June 30	$ 676,308	$ 524,440	$ 789,502	$ 265,062

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Budgetary Comparison Schedule - Budget to GAAP Reconciliation
General Fund
For the Fiscal Year Ended June 30, 2008
(expressed in thousands)

	General Fund
SOURCES / INFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	$ 21,592,057
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(72,007)
Budgetary fund balance at the beginning of the biennium	(780,510)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	643,995
Unanticipated receipts	8,823
Noncash revenues	23,706
Revenues collected for other governments	32,486
Total Revenues (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 21,448,550
USES / OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule.	$ 20,783,902
Differences - budget to GAAP:	
Budgeted expenditure transfers are recorded as expenditures in the budget statement but are recorded as other financing sources (uses) for financial reporting purposes.	(1,145,328)
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes.	
Transfers to other funds	(71,421)
Loan disbursements	3,440
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes.	
Noncash commodities and electronic food stamp benefits	676,278
Expenditures related to unanticipated receipts	8,823
Capital lease acquisitions	12,110
Distributions to other governments	32,486
Total Expenditures (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 20,300,290

BUDGETARY INFORMATION

Notes to RSI

Required Supplementary Information

GENERAL BUDGETARY POLICIES AND PROCEDURES

The Governor is required to submit a budget to the state Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature. The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year within the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying budgetary schedules are not presented at the legal level of budgetary control. This is due to the large number of appropriations within individual agencies that would make such a presentation in the accompanying financial schedules extremely cumbersome. Section 2400.121 of the GASB Codification of Governmental Accounting and Financial Reporting Standards provides for the preparation of a separate report in these extreme cases. For the state of Washington, a separate report has been prepared for the 2007-09 Biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds at agency and appropriation level are presented in Report CAF1054 for governmental funds. A copy of this report is available at the Office of Financial Management, 6639 Capitol Boulevard, PO Box 43113, Olympia, Washington 98504-3113.

Legislative appropriations are strict legal limits on expenditures/expenses, and over-expenditures are prohibited. All appropriated and certain nonappropriated funds are further controlled by the executive branch through the allotment process. This process allocates the expenditure/expense plan into monthly allotments by program, source of funds, and object of expenditure. According to statute RCW 43.88.110(2), except under limited circumstances, the original allotments are approved by the Governor and may be revised on a quarterly basis and must be accompanied by an explanation of the reasons for significant changes. Because allotments are not the strict legal limit on expenditures/expenses, the budgetary schedules presented as required supplementary information (RSI) are shown on an appropriation versus actual comparison rather than an allotment versus actual comparison.

Proprietary funds typically earn revenues and incur expenses (i.e., depreciation or budgeted asset purchases) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. OFM is authorized to make expenditure/expense allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year. State law does not preclude the over-expenditure of allotments, although RCW 43.88.110(3) requires that the Legislature be provided an explanation of major variances.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances outstanding against continuing appropriations at fiscal year end are reported as reservations of fund balance.

Budgetary Reporting vs. GAAP Reporting

Governmental funds are budgeted materially in conformance with GAAP. However, the presentation in the accompanying budgetary schedules is different in certain respects from the corresponding Statements of Revenues, Expenditures, and Changes in Fund Balance (governmental operating statement). In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities. Expenditures are classified based on whether the appropriation is from the operating or capital budget. Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These activities include activities designated as nonappropriated by the Legislature, such as the Higher Education Special Revenue Fund, Higher Education Endowment Fund, Tobacco Settlement Securitization Bond Debt Service Fund, federal surplus food commodities, electronic food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments.

Further, certain expenditures are appropriated as operating transfers. These transfers are reported as operating transfers on the budgetary schedules and as expenditures on the governmental operating statements. The factors contributing to the differences between the Budgetary Comparison Schedule and the Statement of Revenues, Expenditures, and Changes in Fund Balance are noted in the previous Budget to GAAP reconciliation.

Budgetary Fund Balance includes the following as reported on the Governmental Funds Balance Sheet: Unreserved, undesignated fund balance; and Reserved for encumbrances.

continued

Schedule of Funding Progress
Public Employees' Retirement System - Plan 1
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	9/30/2006	9/30/2005	9/30/2004	9/30/2003	9/30/2002
Actuarial value of plan assets	$ 9,715	$ 9,591	$ 9,707	$ 9,928	$ 10,227	$ 10,757
Actuarial accrued liability	13,740	13,129	13,704	12,855	12,692	12,560
Unfunded actuarial liability	4,025	3,538	3,997	2,927	2,465	1,803
Percentage funded	71%	73%	71%	77%	81%	86%
Covered payroll	676	725	786	863	945	1,023
Unfunded actuarial liability as a percentage of covered payroll	595%	488%	509%	339%	261%	176%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Public Employees' Retirement System - Plan 2/3
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 14,888	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	14,661	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability	(227)	N/A	N/A	N/A	N/A	N/A
Percentage funded	102%	N/A	N/A	N/A	N/A	N/A
Covered payroll	7,157	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

PERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

continued

Schedule of Funding Progress
Teachers' Retirement System - Plan 1
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	9/30/2006	9/30/2005	9/30/2004	9/30/2003	9/30/2002
Actuarial value of plan assets	$ 8,302	$ 8,275	$ 8,450	$ 8,728	$ 9,086	$ 9,365
Actuarial accrued liability	10,826	10,359	10,894	10,401	10,325	10,235
Unfunded actuarial liability	2,524	2,084	2,444	1,673	1,239	870
Percentage funded	77%	80%	78%	84%	88%	91%
Covered payroll	426	478	546	616	692	741
Unfunded actuarial liability as a percentage of covered payroll	592%	436%	448%	272%	179%	117%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Teachers' Retirement System - Plan 2/3
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 5,277	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	4,682	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability	(595)	N/A	N/A	N/A	N/A	N/A
Percentage funded	113%	N/A	N/A	N/A	N/A	N/A
Covered payroll	3,318	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

TRS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

continued

Schedule of Funding Progress
School Employees' Retirement System - Plan 2/3
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 2,133	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	1,998	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability	(135)	N/A	N/A	N/A	N/A	N/A
Percentage funded	107%	N/A	N/A	N/A	N/A	N/A
Covered payroll	1,283	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

SERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	9/30/2006	9/30/2005	9/30/2004	9/30/2003	9/30/2002
Actuarial value of plan assets	$ 5,298	$ 5,018	$ 4,800	$ 4,666	$ 4,803	$ 5,095
Actuarial accrued liability	4,340	4,309	4,243	4,266	4,275	4,259
Unfunded (assets in excess of) actuarial liability	(958)	(709)	(557)	(400)	(528)	(836)
Percentage funded	122%	116%	113%	109%	112%	120%
Covered payroll	43	48	56	64	71	80
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

continued

Schedule of Funding Progress
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 4,360	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	3,626	N/A	N/A	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(734)	N/A	N/A	N/A	N/A	N/A
Percentage funded	120%	N/A	N/A	N/A	N/A	N/A
Covered payroll	1,234	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

LEOFF Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Washington State Patrol Retirement System - Plan 1/2
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 800	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	702	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability	(98)	N/A	N/A	N/A	N/A	N/A
Percentage funded	114%	N/A	N/A	N/A	N/A	N/A
Covered payroll	72	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

WSPRS Plan 1/2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

continued

Schedule of Funding Progress
Public Safety Employees' Retirement System - Plan 2
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	N/A	N/A	N/A	N/A	N/A
Actuarial value of plan assets	$ 14	N/A	N/A	N/A	N/A	N/A
Actuarial accrued liability	12	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability	(2)	N/A	N/A	N/A	N/A	N/A
Percentage funded	117%	N/A	N/A	N/A	N/A	N/A
Covered payroll	134	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	N/A	N/A	N/A	N/A	N/A

PSERS Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Judicial Retirement System
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	9/30/2006	9/30/2005	9/30/2004	9/30/2003	9/30/2002
Actuarial value of plan assets	$ 1	$ 0.3	$ 2	$ 4	$ 6	$ 8
Actuarial accrued liability	85	88	89	89	91	92
Unfunded actuarial liability	84	88	87	85	85	84
Percentage funded	1%	0%	2%	4%	7%	9%
Covered payroll	1.3	1.4	1.7	2.4	2.6	3
Unfunded actuarial liability as a percentage of covered payroll	6462%	6286%	5118%	3542%	3269%	2800%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Judges' Retirement Fund
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	9/30/2006	9/30/2005	9/30/2004	9/30/2003	9/30/2002
Actuarial value of plan assets	$ 4.0	$ 4.1	$ 4.2	$ 4.4	$ 4.5	$ 4.7
Actuarial accrued liability	3.9	4.0	4.5	4.7	5.2	5.5
Unfunded (assets in excess of) actuarial liability	(0.1)	(0.1)	0.3	0.3	0.7	0.8
Percentage funded	103%	103%	93%	94%	87%	85%
Covered payroll	-	-	-	-	-	0.1
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund
Valuation Years 2007 through 2002
(dollars in millions)

	2007	2006	2005	2004	2003	2002
Actuarial valuation date	6/30/2007	12/31/2006	12/31/2005	12/31/2004	12/31/2003	12/31/2002
Actuarial value of plan assets	$ 151	$ 140	$ 127	$ 120	$ 120	$ 124
Actuarial accrued liability	136	142	140	115	112	110
Unfunded (assets in excess of) actuarial liability	(15)	2	13	(5)	(8)	(14)
Percentage funded	111%	99%	91%	104%	107%	113%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* Pension plan liability only - excludes relief benefits.

**Covered Payroll is not presented because it is not applicable since this is a volunteer organization.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities

For the Fiscal Years Ended June 30, 2008 through 2003

(expressed in millions)

	2008	2007	2006	2005	2004	2003
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 1						
Employers' annual required contribution	$ 453.1	$ 397.3	$ 438.5	$ 340.3	$ 295.1	$ 228.9
Employers' actual contribution	221.8	118.7	29.6	22.4	22.8	56.6
Percentage contributed	49%	30%	7%	7%	8%	25%
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 363.3	$ 331.3	$ 307.6	$ 227.7	$ 192.6	$ 141.7
Employers' actual contribution	318.7	242.5	149.6	74.7	69.4	38.2
Percentage contributed	88%	73%	49%	33%	36%	27%
TEACHERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	$ 294.7	$ 249.8	$ 287.5	$ 224.3	$ 185.7	$ 153.4
Employers' actual contribution	113.1	60.5	15.1	8.8	11.4	20.4
Percentage contributed	38%	24%	5%	4%	6%	13%
TEACHERS' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 208.9	$ 167.7	$ 166.4	$ 117.4	$ 96.2	$ 79.5
Employers' actual contribution	109.5	102.2	75.4	33.8	29.9	18.2
Percentage contributed	52%	61%	45%	29%	31%	23%
SCHOOL EMPLOYEES' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 75.8	$ 71.5	$ 81.4	$ 64.0	$ 52.3	$ 44.2
Employers' actual contribution	52.1	45.9	30.4	10.2	9.1	6.2
Percentage contributed	69%	64%	37%	16%	17%	14%

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities
For the Fiscal Years Ended June 30, 2008 through 2003
(expressed in millions)

	2008	2007	2006	2005	2004	2003
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	$ -	$ 0.1	$ -	$ -	$ -	$ -
Employers' actual contribution	-	0.1	0.1	-	-	0.1
Percentage contributed	N/A	100%	N/A	N/A	N/A	N/A
State annual required contribution	-	-	-	-	-	-
State actual contribution	-	-	-	-	-	-
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 2						
Employers' annual required contribution*	$ 61.3	$ 56.9	$ 60.8	$ 48.5	$ 41.5	$ 34.1
Employers' actual contribution	73.4	58.2	48.5	32.8	30.8	25.6
Percentage contributed	120%	102%	80%	68%	74%	75%
State annual required contribution*	40.8	38.0	40.5	32.3	27.7	22.7
State actual contribution	45.9	37.9	31.7	21.3	20.2	16.4
Percentage contributed	N/A	100%	78%	66%	73%	72%
WASHINGTON STATE PATROL RETIREMENT SYSTEM						
Employers' annual required contribution	$ 6.8	$ 5.3	$ 6.1	$ 3.4	$ 2.6	$ -
Employers' actual contribution	6.1	3.3	3.1	-	-	-
Percentage contributed	90%	62%	51%	0%	0%	N/A

N/A indicates data not available.

*The Annual Required Contribution (ARC) for the LEOFF Plan 2 presented is the Office of the State Actuary's recommended figure; the LEOFF Plan 2 board has proposed a higher ARC of $113.5 Million.

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

Schedules of Contributions from Employers and Other Contributing Entities (concl'd)

Schedules of Contributions from Employers and Other Contributing Entities
For the Fiscal Years Ended June 30, 2008 through 2003
(expressed in millions)

	2008	2007	2006	2005	2004	2003
PUBLIC SAFETY EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2						
Employers' annual required contribution	$ 12.4	$ 7.1	$ -	$ -	$ -	$ -
Employers' actual contribution	11.7	6.6	-	-	-	-
Percentage contributed	94%	93%	N/A	N/A	N/A	N/A
JUDICIAL RETIREMENT SYSTEM						
Employers' annual required contribution	$ 26.6	$ 37.3	$ 27.7	$ 21.7	$ 18.5	$ 16.2
Employers' actual contribution	9.6	9.6	6.7	6.2	6.2	6.2
Percentage contributed	36%	26%	24%	29%	34%	38%
JUDGES' RETIREMENT FUND						
Employers' annual required contribution	$ -	$ -	$ 0.1	$ 0.1	$ 0.2	$ 0.1
Employers' actual contribution	-	0.3	0.3	0.5	0.5	0.3
Percentage contributed	N/A	N/A	300%	500%	250%	300%
VOLUNTEER FIRE FIGHTERS' AND RESERVE OFFICERS' RELIEF AND PENSION FUND						
Employers' annual required contribution	$ 1.0	$ 1.0	$ 1.0	$ 0.7	$ 0.8	$ 0.8
Employers' actual contribution	1.0	1.0	1.0	0.7	0.8	0.8
Percentage contributed	100%	100%	100%	100%	100%	100%
State annual required contribution	0.9	2.0	3.6	1.8	1.5	0.7
State actual contribution	5.0	6.0	4.6	4.4	4.4	3.3
Percentage contributed	556%	300%	128%	244%	293%	471%

N/A indicates data not available.

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

Schedule of Funding Progress

Schedule of Funding Progress
Other Postemployment Benefits
Valuation Years 2007 through 2005
(dollars in millions)

	2007	2006	2005
Actuarial valuation date	1/1/2007	N/A	N/A
Actuarial value of plan assets	$ -	N/A	N/A
Actuarial accrued liability (AAL)*	3,800	N/A	N/A
Unfunded actuarial accrued liability (UAAL)	3,800	N/A	N/A
Funded ratio	0%	N/A	N/A
Covered payroll	5,427	N/A	N/A
UAAL as a percentage of covered payroll	70.01%	N/A	N/A

* Based on projected unit credit actuarial cost method.

N/A indicates data not available.

Source: Washington State Office of the State Actuary

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Condition Assessment

The state's highway system is divided into three main categories: pavement, bridges and rest areas. Condition information about each as well as the state's emergency airfields follows.

Pavement Condition

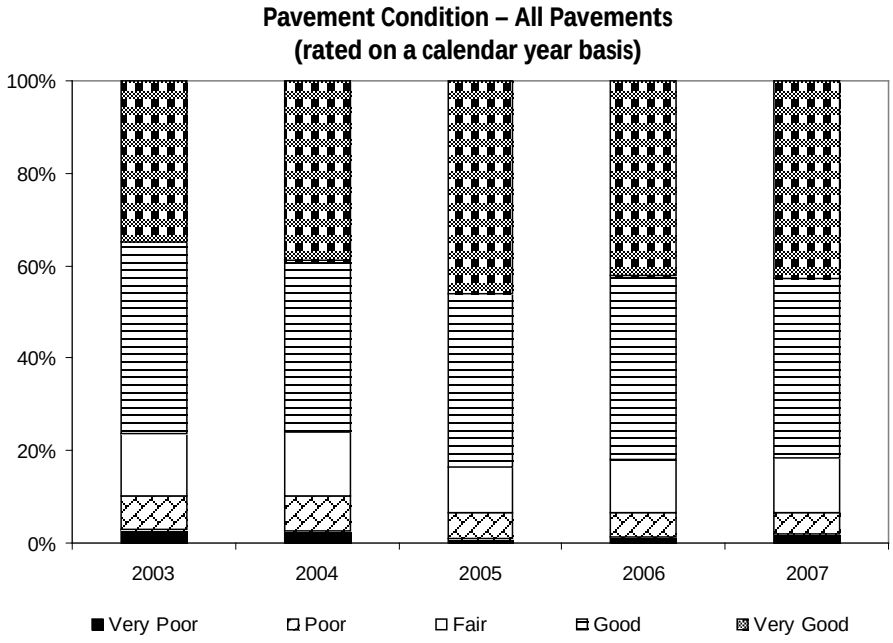
The Washington State Department of Transportation (WSDOT) owns and maintains 20,251 lane miles of highway, including ramps, collectors and special use lanes. Special use lanes include High Occupancy Vehicle (HOV), climbing, chain-up, holding, slow vehicle turnout, two-way turn, weaving/speed change, bicycle, transit, truck climbing shoulder, turn and acceleration lanes. Special use and ramp/collector lane miles make up 1,816 of the total lane miles.

WSDOT has been rating pavement condition since 1969. Pavement rated in good condition is smooth and has few defects. Pavement in poor condition is characterized by cracking, patching, roughness and rutting. Pavement condition is rated using three factors: Pavement Structural Condition (PSC), International Roughness Index (IRI), and Rutting.

In 1993 the Legislature required WSDOT to rehabilitate pavements at the Lowest Life Cycle Cost (LLCC), which has been determined to occur at a PSC range between 40 and 60, or when triggers for roughness or rutting are met. The trend over the last five years has shown that the percent of pavements in poor or very poor condition was fairly stable at 7 percent - 10 percent, with an improvement to 6 percent - 7 percent in 2005 through 2007. WSDOT uses LLCC analysis to manage its pavement preservation program. The principles behind LLCC are basic – if rehabilitation is done too early, pavement life is wasted; if rehabilitation is done too late, very costly repair work may be required, especially if the underlying structure is compromised. WSDOT continually looks for ways to best strike the balance between these two basic principles.

While the goal for pavements is zero miles in 'poor' condition, marginally good pavements may deteriorate into poor condition during the lag time between assessment and actual rehabilitation. As a result, a small percentage of marginally good pavements will move into the 'poor' condition category for any given assessment period.

WSDOT manages state highways targeting the LLCC per the Pavement Management System due date. While the department has a long-term goal of no pavements in poor condition (a pavement condition index less than 40, on a 100 point scale), the current policy is to maintain 90 percent of all highway pavement types at a pavement condition index of 40 or better with no more than 10 percent of its highways at a pavement condition below 40. The most recent assessment found that state highways were within the prescribed parameters with only 7 percent of all pavement types with a pavement condition index below 40.



WSDOT uses the following scale for Pavement Structural Condition (PSC):

Category	PSC Range	Description
Very Good	80 – 100	Little or no distress. Example: Flexible pavement with 5 percent of wheel track length having "hairline" severity alligator cracking will have a PSC of 80.
Good	60 – 80	Early stage deterioration. Example: Flexible pavement with 15 percent of wheel track length having "hairline" alligator cracking will have a PSC of 70.
Fair	40 – 60`	This is the threshold value for rehabilitation. Example: Flexible pavement with 25 percent of wheel track length having "hairline" alligator cracking will have a PSC of 50.
Poor	20 – 40	Structural deterioration. Example: Flexible pavement with 25 percent of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 30.
Very Poor	0 – 20	Advanced structural deterioration. Example: Flexible pavement with 40 percent of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The PSC is a measure based on distresses such as cracking and patching, which are related to the pavement's ability to carry loads. Pavements develop structural deficiencies due to truck traffic and cold weather. WSDOT attempts to program rehabilitation for pavement segments when they are projected to reach a PSC of 50. A PSC of 50 can occur due to various amounts and severity of distress. For rigid pavements (such as Portland cement concrete), a PSC of 50 represents 50 percent of the concrete slabs exhibiting joint faulting with a severity of 1/8 to 1/4 inch (faulting is the elevation difference at slab joints and results in a rough ride – particularly in large trucks). Further, a PSC of 50 can also be obtained if 25 percent of concrete slabs exhibit two to three cracks per panel.

The International Roughness Index (IRI) uses a scale in inches per mile. WSDOT considers pavements with a ride performance measure of greater than 220 inches per mile to be in poor condition. For example, new asphalt overlays typically have ride values below 75 inches per mile, which is very smooth.

Rutting is measured in millimeters: a pavement with more than 12 millimeters of rutting is considered in poor condition. The three indices (PSC, IRI, and Rutting) are combined to rate a section of pavement, which is assigned the lowest category of any of the three ratings.

The following table shows the combined explanatory categories and the ratings for each index.

Category	PSC	IRI	Rutting
Very Good	100 – 80	< 95	< 4
Good	80 – 60	95 – 170	4 – 8
Fair	60 – 40	170 – 220	8 – 12
Poor	40 – 20	220 – 320	12 – 16
Very Poor	0 – 20	> 320	> 16

Since 1999, WSDOT has used an automated pavement distress survey procedure. In the automated survey, high-resolution video images are collected at highway speed and these video images are then rated on special workstations at 3-6 mph speed. This change has also resulted in a more detailed classification and recording of various distresses that are rated.

Pavement condition surveys are generally conducted in the fall of each year and analyzed during the winter and spring, with the previous year's results available in July each year. Years indicated are when the physical assessment was done.

In 2007, WSDOT rated pavement condition on 17,323 of the 20,251 lane miles of highway. The following chart shows recent pavement condition ratings for the State Highway System, using the combination of the three indices described on the preceding page.

Percentage of Pavement in Fair or Better Condition					
	2007*	2006*	2005*	2004*	2003*
Statewide - Chip seals	91%	91%	91%	86%	86%
Statewide - Asphalt	94%	94%	95%	92%	91%
Statewide - Concrete	93%	93%	91%	85%	92%
Statewide - All pavements	93%	94%	93%	90%	90%

Percentage of Pavement in Poor or Very Poor Condition					
	2007*	2006*	2005*	2004*	2003*
Statewide - Chip seals	9%	9%	9%	14%	14%
Statewide - Asphalt	6%	6%	5%	8%	9%
Statewide - Concrete	7%	7%	9%	15%	8%
Statewide - All pavements	7%	6%	7%	10%	10%

*Calendar year data. Assessments are typically made in the summer and fall of each year, and processed during the winter and spring, with final results released in July. Years indicated are when the physical assessment was done in the summer and fall.

Note: The All Pavements percentages are calculated from total database averages, not a statistical average of the three pavement type percentages. IRI or rutting is not used for sections identified as under construction in rating distress.

More information about pavement management at the Department of Transportation may be obtained at: http://www.wsdot.wa.gov/biz/mats/pavement/.

Bridge Condition

During Fiscal Year 2008 there were 3,140 state-owned vehicular structures over 20 feet in length with a total area of 45,691,819 square feet. In addition to bridges, the 3,140 structures include 91 culverts and 54 ferry terminal structures. (While ferry terminals are included in a depreciable asset category, they are included here with bridge condition information since they are evaluated by the WSDOT Bridge Office on a periodic basis.) The fiscal year increase of 23 ferry terminal structures reflects a change in inventory detail which separated some structures that were previously reported as one structure. There were 7 bridge structures added in Fiscal Year 2008. All bridges are inspected every two years. Divers inspect underwater bridge components at least once every five years in accordance with Federal Highway Administration requirements. Special emphasis is given to the ongoing inspection and maintenance of major bridges representing a significant public investment due to size, complexity or strategic location.

Information related to public bridges is maintained in the Washington State Bridge Inventory System (WSBIS). This system is used to develop preservation strategies and comprehensive recommendations for maintenance and construction, and for reporting to the Federal Highway Administration (FHWA).

WSDOT's policy is to maintain 95 percent of its bridges at a structural condition of at least fair, meaning that all primary structural elements are sound. The most recent assessment found that state-owned bridges were within the prescribed parameters with 97 percent having a condition rating of fair or better and only 3 percent of bridges having a condition rating of poor. Bridges rated as poor may have structural deficiencies that restrict the weight and type of traffic allowed. No bridges that are currently rated as poor are unsafe for public travel. Any bridges determined to be unsafe are closed to traffic. WSDOT had one closed bridge at June 30, 2008 where US97 crosses the Columbia River in south central Washington. The bridge deck is undergoing replacement.

WSDOT's Bridge Seismic Retrofit Program prioritizes state bridges for seismic retrofit, and performs these retrofits as funding permits. Retrofit priorities are based on seismic risk of a site, structural detail deficiencies, and route importance. The Seismic Retrofit Program includes 922 bridges that have been classified as needing retrofitting. WSDOT has fully or partially retrofitted 370 bridges. Of those, 217 are completely retrofitted, 153 are partially retrofitted. Seismic Analysis has determined that 12 bridges do not require a retrofit. There are 19 bridges currently under contract to be retrofitted.

The following condition rating data is based on the structural sufficiency standards established in the FHWA "Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges." This structural rating relates to the evaluation of bridge superstructure, deck, substructure, structural adequacy and waterway adequacy. Three categories of condition were established in relation to the FHWA criteria as follows:

Category	National Bridge Inventory Code	Description
Good	6, 7, or 8	A range from no problems noted to some minor deterioration of structural elements.
Fair	5	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour or seriously affected primary structural components.

Note: Bridges rated in poor condition may be restricted for the weight and type of traffic allowed.

Condition rating of WSDOT's bridges:

Percentage of Bridges in Fair or Better Condition					
Bridge Type	**2008**	**2007**	**2006**	**2005**	**2004**
Reinforced concrete (1,289 bridges in FY 2008)	98.0%	98.3%	98.6%	98.6%	98.0%
Prestressed concrete (1,325 bridges in FY2008)	98.9%	99.3%	99.3%	99.5%	99.5%
Steel (356 bridges* in FY 2008)	93.9%	94.7%	94.1%	94.3%	93.5%
Timber (76 bridges in FY 2008)	71.7%	66.3%	68.1%	69.2%	70.0%
Statewide - All bridges (3,046 out of 3,140 bridges in FY 2008)	97.0%	97.4%	97.5%	97.6%	97.4%

Percentage of Bridges in Poor Condition					
Bridge Type	**2008**	**2007**	**2006**	**2005**	**2004**
Reinforced concrete (26 bridges in FY 2008)	2.0%	1.7%	1.4%	1.4%	2.0%
Prestressed concrete (15 bridges in FY 2008)	1.1%	0.7%	0.7%	0.5%	0.5%
Steel (23 bridges* in FY 2008)	6.1%	5.3%	5.9%	5.7%	6.5%
Timber (30 bridges in FY 2008)	28.3%	33.7%	31.9%	30.8%	30.0%
Statewide - All bridges (94 out of 3,140 bridges in FY 2008)	3.0%	2.6%	2.5%	2.4%	2.6%

*The steel bridge ratings for Fiscal Year 2008 include 51 ferry terminal structures rated as fair or better and three ferry terminal structures rated as poor.

Note: Bridges rated as poor may have structural deficiencies that restricted the weight and type of traffic allowed. WSDOT currently has 14 posted bridges and 152 restricted bridges. Posted bridges have signs posted which inform of legal weight limits. Restricted bridges are those where overweight permits will not be issued for travel by overweight vehicles. This is one additional posted bridge in 2008 as compared to 2007. The number of restricted bridges did not change in the last year.

Refer to http://www.wsdot.wa.gov/commercialVehicle/Restrictions/ for more information on overweight restrictions. Any bridges determined to be unsafe are closed to traffic. WSDOT has one closed bridge as of June 30, 2008.

Additional information regarding the Department of Transportation's bridge inspection program may be obtained at: http://www.wsdot.wa.gov/eesc/bridge/index.cfm.

Safety Rest Area Condition

The WSDOT owns, operates, and maintains 46 developed safety rest area (SRA) facilities, an increase of four sites in Fiscal Year 2008. Within these facilities, the department manages the following assets: 92 buildings, 692 acres, 29 on-site public drinking water systems, 36 on-site sewage pre-treatment/treatment systems, and 19 recreational vehicle sanitary disposal facilities.

In 2007, WSDOT performed the third round of Safety Rest Area building and site condition assessments to determine the facility deficiencies. This biennial process, which began in 2003, helps prioritize renovation and replacement projects. Sites and buildings are divided into functional components that are assessed with a numerical rating of 1 to 5 based on guideline criteria (1 meets current standards, 5 is poor).

In addition, a weighting multiplier is applied based on the criticality of the individual component. For instance, a safety deficiency adds a weighting multiplier of ten while a department image deficiency has a weighting multiplier of two. The combined total building and site ratings are used to determine each facility's overall condition, and fall into one of five categories. WSDOT will conduct the next condition assessment in 2009.

WSDOT SRA condition assessment rating parameters are not based on other state or national guidelines for safety rest areas. The model used is based on the capital facility program software already in use, with minor modifications to the rating parameters to better match the unique needs of SRA facilities. The SRA Program goal is to have no more than 5 percent of the facilities rated Poor.

Condition rating of Washington State rest areas:

Category	2007	2005	2003
Percentage of facilities in fair or good condition	95.3%	95.2%	95.2%
Percentage of facilities in poor condition	4.7%	4.8%	4.8%

Category	Description	Number of Safety Rest Areas in Category		
		2007	2005	2003
Good Condition	Facility is new construction and/or meets current standards.	8	11	11
Fair-High Condition	Facility meets current standards and/or is in adequate condition with minimal component deficiencies.	6	2	4
Fair-Mid Condition	Facility is functional, and in adequate condition with minor component deficiencies.	6	9	20
Fair-Low Condition	Facility has multiple system deficiencies.	20	18	6
Poor	Facility is at or beyond its service life, with multiple major deficiencies.	2	2	2
	Total	*42	42	43

*Four sites were not included in the condition assessment process for 2007: Iron Goat, Mader, Price Creek, and Traveler's Rest.

Emergency Air Field Condition

The WSDOT, through its Aviation Division is authorized by RCW 47.68.100 to acquire and maintain airports.

Under this authority, WSDOT owns eight emergency airfields and leases several others. Most of the airfields are located near or adjacent to state highways and range in character from paved to gravel or turf. The primary purpose for the airports is to provide emergency facilities in remote locations. They serve as landing sites for medical evacuations, forest firefighting operations, and search and rescue. In addition, they allow access to local communities and recreation areas. Two airfields are in operational condition 12 months of the year, with five operational from June to October each year. One is only available for emergency search and rescue use. In accordance with WSDOT policy, maintenance is done on each airfield annually to keep it at its existing condition of use. Each airfield is inspected a minimum of three times per year.

The definitions below form the rating criteria for the current airfield condition ratings that follow.

Category	Definition
General use community airport	An airport with a paved runway capable of handling aircraft with a maximum gross certificated takeoff weight of 12,500 pounds.
Limited use community airport	An airport with an unpaved runway capable of handling aircraft with a maximum gross certificated takeoff weight of 12,500 pounds.
General recreational use airport	An airport with a turf (unpaved) runway near access to recreational opportunities with capacity for aircraft less than 12,500 pounds.
Limited search and rescue forward operating location	An airport with a landing pad only capable of accommodating rotorcraft.

Condition rating of Washington State emergency airfields:

Number of Airports						
Owned Airports						
Acceptable for general use as a community airport	1					
Acceptable for limited use as a community airport	1					
Acceptable for general recreation use	5					
Limited search and rescue forward operating location	1					
Total Owned Airports	8					
		2008	2007	2006	2005	2004
Percentage of airports acceptable for general recreational use or better		88%	88%	88%	88%	88%
Percentage of airports not acceptable for general recreational use or better		12%	12%	12%	12%	12%

Note: One airport is open only as a limited search and rescue operating location and is expected to remain in that status. For pictures of specific airfields, refer to the Department of Transportation's website at: http://www.wsdot.wa.gov/aviation/Airports/.

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Comparison of Budgeted-to-Actual Preservation and Maintenance

For the Fiscal Years Ended June 30, 2008 through 2004
(expressed in thousands)

	2008			2007		
Highway System						
PAVEMENT	**Budget**	**Actual**	**Variance**	**Budget***	**Actual**	**Variance**
Preservation	$ 118,886	$ 130,375	$ (11,489)	$ 111,195	$ 99,416	$ 11,779
Maintenance	18,329	16,994	1,335	19,152	16,255	2,897
Total	$ 137,215	$ 147,369	$ (10,154)	$ 130,347	$ 115,671	$ 14,676
BRIDGES						
Preservation	$ 11,260	$ 23,407	$ (12,147)	$ 21,055	$ 20,138	$ 917
Maintenance	12,427	12,601	(174)	11,553	11,051	502
Total	$ 23,687	$ 36,008	($ 12,321)	$ 32,608	$ 31,189	$ 1,419
REST AREAS						
Preservation	$ 77	$ 77	$ -	$ 188	$ 173	$ 15
Maintenance	5,590	5,778	(188)	5,056	5,359	(303)
Total	$ 5,667	$ 5,855	$ (188)	$ 5,244	$ 5,532	$ (288)
Emergency Air Fields						
Preservation & maintenance	$ 146	$ 134	$ 12	$ 83	$ 200	$ (117)

In addition to increasing and improving the state highway system, WSDOT places a high priority on preserving and maintaining the current highway system. WSDOT breaks out preservation and maintenance into two separate functions. Preservation can be described as projects that maintain the structural integrity of the existing highway system including roadway pavements, safety features, bridges, and other structures/facilities. The Maintenance function handles the day-to-day needs that occur such as guardrail replacement, patching pot holes, installing signs, vegetation control, etc.

In 1996, WSDOT embarked on an initiative to use outcome based performance measures for evaluating the effectiveness of the Maintenance Program. The Maintenance Accountability Process (MAP) is a comprehensive planning, measuring and managing process that provides a means for communicating the impacts of policy and budget decisions on program service delivery. WSDOT uses it to identify investment choices and affects of those choices in communicating with the Legislature and other stakeholders. The MAP measures and communicates the outcomes of 32 distinct highway maintenance activities. Maintenance results are measured via field condition surveys and reported as Level of Service (LOS) ratings, which range from A to F. LOS targets are defined in terms of the condition of various highway features (i.e. percent of guardrail on the highway system that is damaged) and are set commensurate with the level of funding provided for the WSDOT highway maintenance program. More information about MAP may be obtained at: http://www.wsdot.wa.gov/maintenance/mgmt/accountability.htm.

Notes: Numbers for the Pavement and Bridges budget amounts are calculated based on biennial plans as shown in the WSDOT Monthly Financial Report for subprograms P1 (Roadway Preservation), P2 (Structures Preservation), and M2 (Roadway, Bridge & Tunnel Maintenance). For Fiscal Year 2008, the annual budget was calculated as half the biennial amount. This results in the biennial budget being distributed 50 percent in each fiscal year in anticipation of an even spending pattern. The spending pattern for subprogram P2, Bridges, was not approximately 50 percent in each year.

2006			2005			2004		
Budget*	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
$ 108,409	$ 130,340	$ (21,931)	$ 118,055	$ 122,868	$ (4,813)	$ 116,902	$ 107,229	$ 9,673
19,219	18,586	633	20,657	18,715	1,942	21,254	18,064	3,190
$ 127,628	$ 148,926	$ (21,298)	$ 138,712	$ 141,583	$ (2,871)	$ 138,156	$ 125,293	$ 12,863
$ 8,434	$ 20,338	$ (11,904)	$ 16,768	$ 14,332	$ 2,436	$ 30,637	$ 24,780	$ 5,857
11,552	11,820	(268)	11,159	11,151	8	11,292	11,267	25
$ 19,986	$ 32,158	$ (12,172)	$ 27,927	$ 25,483	$ 2,444	$ 41,929	$ 36,047	$ 5,882
$ 188	$ 129	$ 59	$ 381	$ 333	$ 48	$ 331	$ 222	$ 109
5,021	5,187	(166)	4,268	5,527	(1,259)	4,268	4,833	(565)
$ 5,209	$ 5,316	$ (107)	$ 4,649	$ 5,860	$ (1,211)	$ 4,599	$ 5,055	$ (456)
$ 83	$ 67	$ 16	$ 108	$ 129	$ (21)	$ 70	$ 71	$ (1)

*The Bridge Preservation budget has been restated to reflect the approximately one-third, two-thirds expenditure pattern for Fiscal Year 2006 and Fiscal Year 2007 respectively.

The Preservation budgeted and actual amounts were adjusted for capitalized infrastructure and equipment in each fiscal year.

The Rest Areas Preservation budget is part of the P3 subprogram and consists of programmed rest area preservation projects of a non-capitalized nature. The Rest Areas Maintenance budget is based on the biennial plan as shown in the WSDOT Monthly Financial Report for subprogram M2 under maintenance group "Rest Area Maintenance."

The Emergency Airfields (program F3, State Airport Construction and Maintenance) budget amount came from the same sources as for pavements and bridges described above but is only one-fourth of the biennial total because the budget is split evenly between state owned and leased airports.

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Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 17, 2008

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 17, 2008. Our report was modified to include a reference to other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Workers' Compensation Fund of the Department of Labor and Industries, Washington's Lottery, Department of Retirement Systems, Local Government Investment Pool, University of Washington, Western Washington University and the funds managed by the State Investment Board, as described in our report on the State of Washington's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Workers' Compensation Fund of the Department of Labor and Industries, Washington's Lottery, Department of Retirement Systems, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the State's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State's financial statements that is more than inconsequential will not be prevented or detected by the State's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

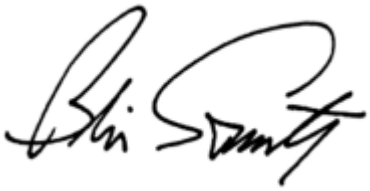
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted certain matters that we have reported to the management of the State of Washington in separate letters issued at the state agency level.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of the State's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we have reported to the management of the State of Washington in separate letters issued at the state agency level.

This report is intended for the information and use of management of the State and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM

STATE AUDITOR

Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 30, 2009

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

Compliance

We have audited the compliance of the State of Washington with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State's compliance with those requirements.

As described in Finding 08-16 in the accompanying Schedule of Federal Audit Findings and Questioned Costs, the State did not comply with requirements regarding *earmarking* that are applicable to the Child Welfare Services program. Compliance with such requirements is necessary, in our opinion, for the State to comply with requirements applicable to the program.

In our opinion, except for the noncompliance described in the preceding paragraph, the State complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. The results of our auditing procedures also disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Federal Audit Findings and Questioned Costs as Findings 08-01, 08-2, 08-4, 08-5, 08-10, 08-11, 08-12, 08-14, 08-16, 08-17, 08-27, 08-35, and 08-37.

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Internal Control Over Compliance

The management of the State is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Federal Audit Findings and Questioned Costs as Findings 08-06, 08-07, 08-08, 08-09, 08-13, 08-15, 08-16, 08-17, 08-18, 08-20, 08-21, 08-22, 08-23, 08-24, 08-25, 08-26, 08-27, 08-28, 08-29, 08-30, 08-31, 08-32, 08-33, 08-34, 08-36 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Federal Audit Findings and Questioned Costs, we consider Findings 08-06, 08-07, 08-08, 08-09, 08-13, 08-15, 08-16, and 08-17 to be material weaknesses.

The State's responses to the findings identified in our audit are described in the accompanying Schedule of Federal Audit Findings and Questioned Costs. We did not audit the State's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of and for the year ended June 30, 2008, and have issued our report thereon dated December 17, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Washington's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of State management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM

STATE AUDITOR

Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results

Financial Statements

An unqualified opinion was issued on the financial statements of the governmental activities, business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the state of Washington.

Internal Control over financial reporting:

- *Significant Deficiencies* - We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.

- *Material Weaknesses* - We identified no significant deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the State.

Federal Awards

Internal Control over major programs:

- *Significant Deficiencies* - We identified deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.

- *Material Weaknesses* - We identified significant deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the State's compliance with requirements applicable to its major federal programs, with the exception of the Child Welfare Services program on which we issued a qualified opinion.

We reported findings that are required to be disclosed under OMB Circular A-133.

Identification of major programs:

The following were major programs during the period under audit:

CFDA	PROGRAM
10.551 10.561	Food Stamp Cluster Food Stamp Program State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program
14.239	Home Investment Partnerships Program
16.575	Crime Victim Assistance
17.207 17.801 17.804	Employment Services Cluster Employment Service/Wagner-Peyser Funded Activities Disabled Veterans' Outreach Program (DVOP) Local Veterans' Employment Representative Program
17.225	Unemployment Insurance
20.205	Highway Planning and Construction
20.218	National Motor Carrier Safety
64.015	Veterans State Nursing Home Care
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.605	Performance Partnership Grants
84.048	Career and Technical Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States

84.287	Twenty-First Century Community Learning Centers
84.365	English Language Acquisition Grants
93.389	National Center for Research Resources
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.566	Refugee and Entrant Assistance – State Administered Programs
93.575 93.596	Child Care and Development Fund Cluster Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.645	Child Welfare Services-State Grants
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.775 93.776 93.777 93.778	Medicaid Cluster State Medicaid Fraud Control Units Hurricane Katrina Relief State Survey and Certification of Health Care Providers and Suppliers Medical Assistance Program (Medicaid: Title XIX)
93.917	HIV Care Formula Grants
96.001 96.006	Disability Insurance/SSI Cluster Social Security—Disability Insurance (DI) Supplemental Security Income (SSI)
97.008	Urban Area Security Initiative
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

	Student Financial Aid Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program – Federal Capital Contributions
84.063	Federal Pell Grant Program – Federal Capital Contributions
84.268	Federal Direct Student Loan Program
84.375	Academic Competiveness Grants
84.376	National Science and Math Access to Retain Talent (SMART)
93.342	Health Professional Student Loans
93.364	Nursing Student Loans
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was $30,000,000.

The State did not qualify as a low-risk auditee under OMB Circular A-133.

Section II – Financial Statement Findings

None reported. However, we do report instances of noncompliance with state laws and regulations that are not material to the state's basic financial statements in separate agency accountability reports. These reports are available on our internet site at www.sao.wa.gov/.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2008

Summary of Federal Findings

Finding Number	Finding
08-01	The Department of Social and Health Services does not ensure that retroactive Food Assistance payments to clients are calculated correctly as prescribed by state and federal law.
08-02	Food Assistance public funds were misappropriated at the Department of Social and Health Services' Economic Services Administration.
08-03	The Department of Social and Health Services, Economic Services Administration, did not comply with documentation requirements for its Random Moment Time Sample to ensure administrative costs was properly charged to federal and state funds.
08-04	The Department of Social and Health Services is not complying with federal requirements for allocating employee salaries and wages in accordance with its Public Assistance Agency Cost Allocation Plan.
08-05	The Department of Social and Health Services did not comply with federal requirements for time and effort documentation for the Medical Assistance and Food Stamps Employment and Training programs.
08-06	The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring.
08-07	The Department of Community, Trade, and Economic Development did not comply with federal performance reporting requirements.
08-08	The Department of Community, Trade, and Economic Development did not comply with federal suspension and debarment requirements for subrecipients.
08-09	The Washington State Patrol did not comply with federal requirements for suspension and debarment for the National Motor Carrier Safety program.
08-10	Federal funds were misappropriated at the Department of Social and Health Services' Division of Children and Family Services.
08-11	The Department of Social and Health Services does not ensure that Temporary Assistance to Needy Families payments are reduced for clients who do not participate in WorkFirst activities as required by state and federal law.
08-12	The Department of Social and Health Services is not reimbursing the federal government its proper share of child support collections.
08-13	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
08-14	Child Care public funds were misappropriated at the Department of Social and Health Service's Economic Services Administration.
08-15	The Department of Early Learning does not have adequate controls to ensure that contractors have not been suspended or debarred from working on federally funded programs.
08-16	The Department of Social and Health Services does not have internal controls to ensure Child Welfare Services complies with earmarking compliance requirements.
08-17	The Department of Social and Health Services, Children's Administration, is not following established internal controls over the eligibility of clients receiving adoption assistance payments.
08-18	The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have internal controls to ensure that interest penalty collections are refunded to the federal government.
08-19	Public funds were misappropriated at the Department of Social and Health Services' Division of Developmental Disabilities.
08-20	The Department of Social and Health Services did not have adequate internal controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government.

08-21	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are inadequate to identify and recover Medicaid overpayments to pharmaceutical providers made when billing codes are used inappropriately.
08-22	The Department of Social and Health Services does not have adequate internal controls to ensure new applicants meet federal citizenship requirements before receiving Medicaid benefits.
08-23	The Department of Social and Health Services does not have adequate internal controls to ensure people receiving Medicaid benefits have valid Social Security numbers.
08-24	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
08-25	The Department of Social and Health Services, Health and Recovery Services Administration, does not comply with the state law (RCW 74.09A) and the federal Deficit Reduction Act of 2005 to identify all third parties liable for payment of Medicaid services.
08-26	The Department of Social and Health Services does not have adequate internal controls to ensure non-emergency medical transportation expenditures are allowable and adequately supported.
08-27	The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services division, does not have internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.
08-28	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure all controlled substances prescribed for Medicaid clients are authorized and allowable.
08-29	The Department of Social and Health Services, Health and Recovery Services Administration, does not perform a quarterly retrospective drug use review as required by federal law.
08-30	The Department of Social and Health Services, Economic Services Administration, Medicaid Eligibility Quality Control Unit (MEQC), did not retain documentation to support the results of its federally required audits of Medicaid client eligibility.
08-31	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all assets applicants own are counted when Medicaid eligibility is determined.
08-32	The Department of Social and Health Services does not have internal controls in place to ensure errors identified by the Medical Eligibility Quality Control Unit (MEQC) are reviewed adequately and in a timely manner.
08-33	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure its verification process complies with federal intent.
08-34	The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls in place to ensure Medicaid recipients have received the services for which Medicaid is being billed.
08-35	The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure evaluations or re-evaluations of level of care for clients receiving in-home care services have been performed at least once every 12 months.
08-36	Department of Social and Health Service, Health and Recovery Services Administration, does not have adequate controls to ensure providers meet ongoing eligibility requirements to participate in the Medicaid program.
08-37	The University of Washington was reimbursed by its Vision Research Program for unallowable charges.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2008

Summary of Questioned Costs

Federal Grantor	State Agency	CFDA No.	Federal Program	Questioned Costs	Finding No.
U.S. Department of Health and Human Services	Department of Social and Health Services	10.551, 10.561	Food Stamps Cluster	$ 23,814.03	08-01, 08-02, 08-04, 08-05
U.S. Department of Health and Human Services	Department of Social and Health Services	93.558	Temporary Assistance to Needy Families	$ 5,029.21	08-10, 08-11
U.S. Department of Health and Human Services	Department of Social and Health Services	93.563	Child Support Enforcement	$ 1,007,261.00	08-04, 08-12
U.S. Department of Health and Human Services	Department of Social and Health Services	93.575, 93.596	Child Care Cluster	$ 66,304.57	08-14
U.S. Department of Health and Human Services	Department of Social and Health Services	93.645	Child Welfare Services	$ 847,751.58	08-16
U.S. Department of Health and Human Services	Department of Social and Health Services	93.658	Foster Care - Title IV-E	$ 2,777.78	08-04, 08-10
U.S. Department of Health and Human Services	Department of Social and Health Services	93.659	Adoption Assistance	$ 163,998.04	08-10, 08-17
U.S. Department of Health and Human Services	Department of Social and Health Services	93.667	Social Services Block Grant	$ 2,838.94	08-04, 08-10
U.S. Department of Health and Human Services	Department of Social and Health Services	93.775, 93.777, 93.778	Medicaid Cluster	$ 671,671.36	08-04, 08-05, 08-10, 08-27, 08-35
U.S. Department of Health and Human Services	University of Washington	93.867	Vision Research	$ 20,864.00	08-37
			TOTAL	$ 2,812,310.51	

Federal Findings and Questioned Costs

08-01 The Department of Social and Health Services does not ensure that retroactive Food Assistance payments to clients are calculated correctly as prescribed by state and federal law.

Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	None
CFDA Number and Title:	10.551, 10.561 Food Stamps
Federal Award Number:	
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$13,995

Background

The Economic Services Administration at the Department of Social and Health Services administers the Food Stamp program for the state. The objective of the program is to help low-income households buy the food they need for good health. The program serves approximately 315,000 households each month and spent more than $650 million in federal money in fiscal year 2008.

Federal law requires the Department to restore benefits to households that were underpaid or denied due to Department error or court action. The client is eligible for restoration of underpaid benefits for any of the 12 months prior to the month that the client requests restoration or the month that the Department discovers the underpayment. The underpayment is issued in a retroactive allotment equal to the amount of benefits lost during that time regardless of whether the household is eligible or ineligible. Approximately 2,100 retroactive benefit payments totaling $538,973 were made in fiscal year 2008.

Description of Condition

We initially selected the 20 largest retroactive food assistance benefit payments made during the fiscal year for review. We identified six payments in which caseworkers calculated the total retroactive payment going back further than 12 months, resulting in total unallowable payments of $5,990.

Based on our results, we expanded our audit work and identified all payments (134) that appeared to have been made for more than 12 months. Of those, we selected the remaining 18 largest for additional review. In each of the 18, we found retroactive benefit payment calculations that included time periods in excess of the 12 months prior as allowed by law. Unallowable payments associated with these totaled $8,005. The 24 payments we reviewed represent 64 percent of the dollars at risk.

Cause of Condition

Department staff responsible for issuing these types of benefits have not been properly trained in the criterion used to calculate them.

Effect of Condition and Questioned Costs

Some Department clients received food stamp benefits they were not entitled to. Benefit payments related to the files we reviewed totaled $13,995. Federal auditing requirements state a finding must be reported when the auditor identifies $10,000 or more in questioned costs for a particular program. We are questioning these costs.

Recommendation

We recommend the Department ensure staff is adequately trained how to calculate retroactive food stamp benefits. Additionally, we recommend the Department consult with the grantor to determine what questioned costs should be repaid.

Department's Response

The Department concurs with the finding.

The Community Services Division (CSD) will re-train field staff on the proper calculation of retroactive payments. Training will focus on both the circumstances when a retroactive payment is indicated and allowed, and the time limitations required by law.

CSD will complete the review of cases cited in this audit to determine the correct supplement amount for which each client was eligible. Nineteen of the cases identified with potential error have been reviewed by headquarters. Nine of the 19 cases required no additional work. Ten of the cases reviewed were sent to the field and have already been corrected. For the remaining cases where the issued amount is incorrect, the Department will continue to follow established rules and policies for establishing an overpayment

ESA will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will follow up during our next audit.

Applicable Laws and Regulation

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Washington Administrative Code 388-410-0040 states:

> "All food assistance benefits underpaid are restored when:
> (a) An underpayment was caused by department error;
> (b) An administrative disqualification for intentional program violation was reversed;
> (c) A rule or instruction specifies restoration of unpaid benefits; or
> (d) A court action finds benefits were wrongfully withheld.
> (3) A client is eligible for restoration of underpaid benefits for any of the twelve months prior to:
> (a) The month the client requests restoration;
> (b) The month the department discovers an underpayment;
> (c) The date the household makes a fair hearing request when a request for restoration of benefits was not received; or
> (d) The date court action was started when the client has taken no other action to obtain restoration of benefits."

08-02 Food Assistance public funds were misappropriated at the Department of Social and Health Services' Economic Services Administration.

Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	None
CFDA Number and Title:	10.551, 10.561 Food Stamps
Federal Award Number:	2006IS251447
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$3,795.03

Background

The Department of Social and Health Services, Economic Services Administration, provides cash assistance, work-focused services, food benefits, and social services to help individuals and families meet basic needs and achieve economic independence. The Administration oversees more than 25 federal and state programs aimed at reducing poverty, and promoting parental responsibility and self-sufficiency. Two of these programs are the General Assistance Unemployable (GAU) program and the federal Food Assistance program.

GAU is a state-funded program that provides monthly cash grants to clients who are poor, do not have dependent children and are unable to work because of the effects of a physical or mental disorder. The state pays approximately 50,000 clients a total of approximately $100 million in general assistance each year. The federal Food Stamp Program provides benefits to individuals and families whose income is below 130 percent of the federal poverty level. The program serves approximately 315,000 households per month and spent more than $650,000,000 in federal funding in fiscal year 2008. Both of these programs are operated through the Department's 57 Community Services Offices (CSO) located around the state.

In documentation of an investigation done by the Department, we found that in September, 2006, it was reported to Lynnwood CSO management that an employee was conducting illegal activity with former DSHS clients.

The documentation showed CSO management reported the incidents to the Lynnwood Police Department on September 13, 2006. On September 18, 2006, management completed an internal audit of the former clients' cases and found the employee had authorized them to receive financial assistance benefits without requiring documentation to show they were eligible for benefits.

After identifying the questionable activity, management expanded the preliminary investigation to all cases processed by the employee. The original estimate of suspected misappropriations from the expanded investigation was $68,957 in GAU benefits and $2,428 in Food Stamp benefits. A more comprehensive review indicated 11 improperly authorized clients were issued $70,680 in GAU benefits and $3,919 in Food Stamp benefits in December 2005 through September 2006. The employee was placed on home assignment beginning September 19, 2006 and resigned on November 2, 2006.

The Department of Social and Health Services did not report the suspected loss to the State Auditor's Office as directed by state law (RCW 43.09.185). The State Auditor's Office became aware of the suspected loss through a newspaper article published on April 18, 2008.

Description of Condition

A computer system is used to open benefits' accounts for DSHS clients. The employee manipulated the computer system, making it possible for 11 clients to obtain electronic benefits transfer (EBT) cards and personal identification numbers in order to access those benefits. The employee then used the EBT cards to misappropriate benefits.

We reviewed the Department's investigation and determined the total unauthorized GAU funds deposited on EBT accounts was $70,680, of which $70,665.18 was misappropriated through ATM withdrawals, purchases and purchases with cash back. The remaining $14.82 was left on the EBT account. The employee also authorized $3,919 in food assistance benefits, of which $3,795.03 was misappropriated through food purchases. The remaining $123.97 was left on the EBT account.

The $70,665.18 in GA benefits was state funds and the $3,795.03 in food assistance benefits was federal funds.

Cause of Condition

The Department does not have adequate internal controls to ensure all benefits issued to EBT accounts are properly authorized and for legitimate client use.

Effect of Condition and Questioned Costs

Money was misappropriated and the Department was deprived of using it to benefit legitimate recipients. Because this involved federal money, the state may be required to reimburse the federal government its share of the loss.

Recommendation

We recommend the Department establish and follow controls that will ensure all benefits issued to clients are authorized and legitimate. We recommend the Department consult with its grantor to determine what costs need to be repaid.

The Department should seek recovery of $74,460.21 in misappropriated public funds plus $4,070.46 in related audit/investigation costs from the former employee. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by state law (RCW 43.09.330). Assistant Attorney General Marta DeLeon is the contact person for the Attorney General's Office and she can be reached at 360-753-3168 or martad@atg.wa.gov. The contact for the State Auditor's Office is Jan Jutte, Director of Legal Affairs and she can be reached at 360-902-0363 or juttej@sao.wa.gov.

We further recommend the Department promptly notify the State Auditor's Office of any suspected loss of public funds as directed by state law (RCW 43.09.185).

Insurance coverage for employees is as follows:

Insurance Company:	Traveler's
Policy Number:	104238506
Policy Type:	Commercial Crime Policy
Amount of Coverage:	$10,000,000
Coverage Period:	August 1, 2004 until cancelled
Deductible Amount:	$500,000

Department's Response

The Department concurs with the finding that there are not adequate internal controls to ensure all benefits issued to EBT accounts are properly authorized for client use.

To ensure correct issuance of benefits, the Department:

- *Relies on program requirements that a client must meet in order to be eligible for the benefits*
- *Trains employees on program requirements, rules, and regulations*

- *Provides staff with the EAZ manual for guidance on the various program rules and regulations to determine eligibility correctly*
- *Requires monthly mandatory supervisory audits be completed*
- *Incorporates stringent design security rules into the system*

Even with all these precautions in place, as with any complex automated business application, there is always a possibility that a worker, intent on engaging in illegal behavior, can work outside the rules to carry out fraudulent activities. In this case, the worker intentionally authorized benefits without going through the proper procedures or following eligibility requirements. To mitigate this incident from happening again, the department has or will take the following actions:

- *In the initial stages of the internal investigation, the Economic Services Administration (ESA) ran a query that included characteristics of the misappropriated cases. No additional cases were identified from the report.*

- *ESA will require supervisors to run and review a monthly barcode processed date report to see if there are any questionable timeframes, in addition to mandatory monthly random supervisory audits or the Basic Food Program Management Evaluation audits. The Alderwood Community Service Office has implemented this action and has been reviewing the information monthly.*

- *The Department will work closely with the Attorney General and the State Auditors Office on guidance on pursuing recoupment of the misappropriated public funds.*

- *The Department will send a reminder to all administrations reminding them to promptly notifying the State Auditor's Office of any suspected loss of public funds as directed by RCW43.09.185 and the DSHS Administrative Policy 16.10.*

Auditor's Concluding Remarks

We thank the Department for its response, and the steps it is taking to prevent future occurrences. We look forward to reviewing these improvements during our next audit.

Applicable Laws and Regulations

Section 20.20.20a of the State Administrative and Accounting Manual states, in part:

> Each agency director is responsible for establishing and maintaining an effective system of internal control throughout the agency.

Section 43.09.185 of the Revised Code of Washington states:

> State agencies and local governments shall immediately report to the state auditor's office known or suspected loss of public funds or assets or other illegal activity.

08-03 The Department of Social and Health Services, Economic Services Administration, did not comply with documentation requirements for its Random Moment Time Sample to ensure administrative costs was properly charged to federal and state funds.

Federal Awarding Agency:	U.S. Department of Agriculture U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	10.561 Food Stamp Cluster 93.778 Medical Assistance Program 93.558 Temporary Assistance to Needy Families 93.667 Social Services Block Grant 93.596 Child Care Mandatory and Matching Funds 93.566 Refugee and Entrant Assistance – State Programs
Federal Award Number:	Multiple
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Agencies receiving federal grant money must take reasonable measures to ensure costs charged to federal grants are commensurate with administrative and overhead resources received by those programs.

The Department of Social and Health Services administers many federally funded programs. In order to equitably allocate the costs of administration and overhead to these grants, the Department uses 12 cost allocation methods in its federally approved Public Assistance Cost Allocation Plan. One method it uses is known as the Random Moment Time Sample (RMTS). RMTS is a monthly survey of how a selected sample of how much time administrative and other staff spend working on these programs. The survey results are tabulated and used by the Department to allocate administrative costs.

During the monthly RMTS process, Department "coordinators" are to distribute and gather documents that ask selected staff to provide information describing the services they are performing at the time the survey is done. This data is entered into a computer program that uses the information to allocate administrative costs to federal and state programs for a future month. The federal government must approve the RMTS process before it can be used to compile and allocate charges to the grant programs.

The most recent federally approved RMTS Program Instructions state:

1) The actual sample time must be filled in. Samples **must** be completed up to 5 minutes before and up to one hour after the requested sample time to be considered valid.
2) In the worker activity section, workers may only complete section A **or** Section B but not both. Section A is to be completed when the work being completed benefits more than one program. Section B is only completed when the work being completed benefits only one program.
3) The signature of the worker is required on the bottom of the form, as well as the date completed if in work status. If the employee was on leave or out of the office on an alternate work schedule, the supervisor may sign the form.

These instructions must be followed to make certain the statistical sample is valid and accurate results are entered into the allocation program. If the data is invalid, the accuracy of the allocation cannot be assured.

The Economic Services Administration uses RMTS to allocate administrative costs to the Temporary Assistance to Needy Families, Refugee Cash Medical, Childcare and Development Fund, Social Service Block Grant, Medicaid and Food Stamps programs.

Description of Condition

We visited five field offices, which represented approximately 20 percent of all RMTS samples completed from December 2007 through February 2008. We found many survey documents were not completed as required by the instructions, invalidating the data. We reviewed 863 of 4,458 survey documents completed during the three-month period and found 100 errors, or an 11.59 percent error rate. All of these errors affected the allocation of costs to the federal programs. Further, we noted most of the errors occurred at two field offices. One field office had an error rate of 7 percent and the largest field office in the state had an error rate of 31 percent. The remaining three offices visited had maintained an acceptable error rate of less than 5%.

The errors noted were:

- Forty-seven sample forms did not have a sample time recorded as required, invalidating the samples.
- Twenty-seven sample forms had items marked in both sections A and B. These errors were not corrected prior to entering into the system.
- Twelve sample forms were not dated, or had dates different than sample date because the sample was completed through e-mail on a later date. In all of these cases, the RMTS coordinator recorded the original sample date in the computer, rather than the date the sample was completed.
- Ten samples were completed outside of the allowable window but entered into the system as if they had been completed at the originally requested sample time.
- Three sample forms had no employee signatures.
- One form was signed by the RMTS coordinator when the employee was in work status.

Cause of Condition

Department management did not ensure all RMTS Coordinators responsible for reviewing surveys for compliance with approved instructions understood the RMTS Instructions. Further, not all Coordinators were adequately trained and their work was not monitored to ensure federal requirements were followed.

Effect of Condition

Six federal programs in the Administration rely on the RMTS process for the allocation of administrative charges. If samples are not completed in a manner approved by the federal government, then the amount of administrative costs claimed under each of the federal programs could be reallocated or disallowed.

For the three-month period we audited, the RMTS results were used to allocate the following program expenditures from April through June 2008. The amounts allocated to each program (federal share) for the period were:

CFDA No.	Federal Program Name	Amount Allocated
93.778	Medical Assistance Program	$ 9,696,921
10.561	Food Stamp Cluster	$ 8,108,352
93.558	Temporary Assistance to Needy Families	$ 3,102,873
93.667	Social Services Block Grant	$ 2,370,188
93.596	Child Care Mandatory & Matching Funds	$ 2,289,408
93.566	Refugee and Entrant Assistants – State Programs	$ 58,055
Total		$ 25,625,797

Because of the complexity of the cost allocation process, we determined it would not be an effective use of audit resources to attempt to establish the portion of these costs which should be questioned.

Recommendation

We recommend the Department ensure all staff responsible for administration and coordination of the RMTS process understand and comply with the survey requirements. This would include training for all RMTS coordinators to ensure they understand the approved process and their responsibilities for reviewing all samples for compliance and correction prior to recording them and using them for allocating costs.

Additionally, we recommend the Department consult with the U.S. Department of Health and Human Services, which is responsible for approving the Department's cost allocation methods, to determine what if any of the costs affected by this compliance issue should be repaid.

Department's Response

The Economic Services Administration (ESA) concurs with the State Auditors Office audit findings for the Random Moment Time Sample (RMTS) and will continue to work with staff on compliance.

Several measures have already been taken to educate staff on RMTS requirements, processes and responsibilities for reviewing samples:

1. *In October 2008, the RMTS form and the RMTS-Barcode instructions were sent to RMTS Coordinators to ensure that all RMTS Coordinators have a copy to review and refer to.*
2. *In December 2008, an iESA news article, directed to field staff, was published describing the RMTS process and how to properly complete the forms.*
3. *The ESA Operations Support Division (OSD) identified members of a workgroup to update the current RMTS instructions and develop training materials for Community Service Office RMTS Coordinators.*

Upon completion of the updated instructions, the ESA OSD Budget Chief will attend a Regional Administrator (RA) meeting to discuss RMTS requirements and brief RAs on next steps, which will include annual training of Community Service Office Administrators and RMTS Coordinators.

ESA will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

Title 45 Code of Federal Regulations, Subtitle A (10-1-03 Edition)

Section 95.507 - Plan Requirements, sub-section (b.8) states in part:

> . . . an adequate accounting and statistical system exists to support claims that will be made under the cost allocation plan.

Section 95.517 - Claims for Federal Financial Participation, sub-section (a) states in part:

> A State must claim FFP for costs associated with a program only in accordance with its approved cost allocation plan.

The U.S. Office of Management and Budget's Circular A-87, Attachment B, (11.h) - Support of Salaries and Wages, states:

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Aid to Families with Dependent Children (AFDC), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

The Implementation Guide for Circular A-87, ASMB C-10, (http://www.hhs.gov/grantsnet/state/asmbc10.pdf), issued on April 8, 1997 by the U.S. Department of Health and Human Services, subsection 3-21, states in part:

. . . a statistical reporting system (e.g. random moment sampling) should be considered for employees working in dynamic situations (performing many different types of activities on a variety of programs over a short period of time).

08-04 The Department of Social and Health Services is not complying with federal requirements for allocating employee salaries and wages in accordance with its Public Assistance Agency Cost Allocation Plan.

Federal Awarding Agency:	U.S. Department of Agriculture U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	10.561 Food Stamp Cluster 93.563 Child Support Enforcement 93.658 Foster Care Title IV-E 93.667 Social Services Block Grant 93.775 Medical Assistance
Federal Award Number:	Multiple
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	$23,394

Background

Federal regulations require the Department of Social and Health Services to prepare and administer a Public Assistance Cost Allocation Plan. The plan must provide a description of procedures the Department uses to identify, measure and allocate all direct and indirect costs to each program its administers. The Plan must be approved by the grantors.

Agency costs charged to federal awards, except those for financial assistance to recipients, medical vendor payments and costs for services and goods provided directly to program recipients must be included in the Plan.

Cost allocation bases are used to accumulate and distribute administrative costs to the benefitting federal programs. These distributions may be based on caseloads, number of employees, employee time and activity reports, or other reasonable criteria.

An administrative cost is eligible for federal reimbursement only if the methodology used to account for and claim the cost is clearly identified as part of an approved Plan.

The Department's Financial Services Administration, Office of Accounting Services is responsible for developing and administering the Plan. In 2007, the agency submitted amendments to its plan that were approved by grantors for use in fiscal year 2008.

Description of Condition

The Department claimed federal reimbursement for employee salaries and benefits that did not comply with the methodologies described in its approved Plan and did not comply with federal Office of Management and Budget (OMB) Circular A-87 requirements regarding documentation for support of wages and benefits charged to federal awards. Circular A-87 requires monthly personnel activity reports such as timesheets when employees work on more than one federal program. This applies whether salary costs are charged directly to a grant, indirectly through a cost allocation process, or through a combination of methods.

For fiscal year 2008, we examined the allocation of $17.3 million in payroll costs charged during March of that year for compliance with the plan and Circular. We found 12 employees whose salaries were distributed using an unapproved allocation base and whose salaries were charged directly or indirectly to federal grant programs without adequate timesheets or other documentation.

Financial Services Administration

We noted the salaries of two employees were not allocated as required by the plan. The incorrect allocations resulted in $4,130 being incorrectly charged to the Medical Assistance program.

Social Service Payment System

We noted four employees working on the Social Service Payment System whose costs were allocated using four different methods, however the plan provides that these staff should have been allocated using one specific method. The incorrect allocation resulted in:

- $10,289 being incorrectly charged to the Medical Assistance program,
- $1,094 being incorrectly charged to the Social Services Block Grant,
- $1,718 being incorrectly charged to the Foster Care program, and
- $1,175 being incorrectly charged to the Food Stamp program.

Economic Services Administration (ESA)

We found six ESA staff members whose salary allocations were inconsistent with the plan. In addition, none of these staff maintain time and effort or alternative documentation to support the allocation of their salaries. The incorrect allocations and lack of adequate support resulted in:

- $1,280 being incorrectly charged to the Foster Care program.
- $672 being incorrectly charged to the Social Services Block Grant.
- $488 being incorrectly charged to the Medical Assistance program.
- $1,333 being incorrectly charged to the Food Stamp program.
- $1,215 being incorrectly charged to the Child Support Enforcement Program.

Cause of Condition

Staff responsible for establishing how these positions will be allocated in the Department's payroll system were not aware of federal regulations regarding allocation under the plan and documentation for employees whose positions are paid through these grants.

Effect of Condition and Questioned Costs

When a public assistance agency charges federal programs outside of the methods approved in the Plan, federal grantors cannot be assured costs allocated to their programs are accurate and valid.

Further, without adequate time and effort documentation, federal grantors cannot be assured salaries and wages charged to their programs are accurate and valid. This could jeopardize future federal funding.

We are questioning the following costs because they were allocated directly to federal programs or they were allocated through cost allocation bases that were not approved in the Plan and were charged without adequate time and effort documentation.

Questioned Costs by Division for March 2008:

	ESA	FSA	SSPS	Totals
Medicaid Cluster				
Federal	$ 244	$ 2,065	$ 5,144	**$ 7,453**
State Match	244	2,065	5,145	**7,454**
Social Services Block Grant				
Federal				
State Match	$ 672		$ 1,094	**$ 1,766**
Child Support Enforcement				
Federal				
State Match	$ 802			**$ 802**
	413			**413**
Foster Care Title IV-E				
Federal	$ 640		$ 859	**$ 1,499**

State Match	640		859	**1,499**
Food Stamp Cluster				
Federal	$ 1,137		$ 588	**$ 1,725**
State Match	196		587	**783**
				$ 23,394

Our audit examined payroll costs allocated in March 2008. However, we believe if these costs were allocated in the same manner for the entire fiscal year likely questioned costs will approximate $280,728.

Recommendations

We recommend that DSHS:

- Establish procedures to ensure salary allocation is consistent with the approved Public Assistance Cost Allocation Plan.
- Comply with time and effort standards contained in OMB Circular A-87 for payroll costs.

The Department should consult with its federal grantors to determine if questioned costs should be repaid.

Department's Response

Financial Services Administration

The Financial Services Administration (FSA), Office of Financial Recovery (OFR) and Information Technology Office (ITO) do not concur with the FY08 SAO audit findings that staff are incorrectly charged to the Medical Assistance program. Although the department does concur that it does not have sufficient documentation to support the allocation of costs.

In the Office of Financial Recovery, Base 531 was established for the OFR Estate Recovery Unit. The Enforcement Manager's position was charged to base 531 at a higher percentage due to the greater amount of work effort necessary in estate recovery collections. The manager spends a disproportionate amount of time on estate cases due to: the higher dollar amounts per case, the legal proceedings and the numerous people involved in each case. We will improve the documentation on how the position is charged to the benefiting funding sources as described in Public Assistance Cost Allocation Plan's base (ICP) 531 methodology.

In the Information Technology Office, the staff attributed to the cost allocation finding spends 100% of their time solely for the administration and maintenance of the Purchasing Management Extra (PMX) system. At the end of the year, the ITO staff generates PMX reports to calculate the dollar value of the consumable inventory at each warehouse or institution. This ITO staff time is then allocated to each of the programs operating institutions and/or warehouse based upon its proportion of the inventory. ITO will maintain and provide documentation on how the position is charged to the benefiting funding sources as described in Public Assistance Cost Allocation Plan.

Social Service Payment System

The Social Service Payment System (SSPS) concurs with the FY08 SAO audit finding concerning the allocation of staff time related to four (4) SSPS positions. The coding for the four positions in question will be changed to charge directly to the SSPS Project effective April 1, 2009. The Administrative Services Division will work with the Children's Administration, Developmental Disabilities, Long Term Care Services, and the Economic Services Administration to seek reimbursement of the charges via a Memorandum of Understanding that will detail the cost recovery methodology. The Public Assistance Cost Allocation Plan will be updated to reflect this methodology.

Economic Services Administration (ESA)

The Economic Services Administration (ESA) concurs with the FY08 SAO audit findings for Cost Allocation and will continue to work towards compliance. The ESA Operations Support Division (OSD)

will contact each respective region regarding employees identified in the audit to determine the appropriate course of action. If necessary, account coding and/or the written Public Assistance Cost Allocation Plan will be updated. Cost Allocation will continue to be discussed at the quarterly Regional Business Manager meetings and the ESA OSD will attend a Regional Administrator meeting to discuss Cost Allocation requirements.

Auditor's Concluding Remarks

We thank the Department for its response, and follow up on this issue during our next audit.

Applicable laws and Regulations

Title 45 Code of Federal Regulations, Subtitle A (10-1-03 Edition), Section 95.507 - Plan Requirements, sub-section (b.8) states in part:

> . . . an adequate accounting and statistical system exists to support claims that will be made under the cost allocation plan.
>
> Plan requirements.
>
> (a) The State shall submit a cost allocation plan for the State agency as required below to the Director, Division of Cost Allocation (DCA), in the appropriate HHS Regional Office. The plan shall:
>
> > (1) Describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the State agency…
> >
> > (4) The procedures used to identify, measure, and allocate all costs to each benefiting program and activity (including activities subject to different rates of FFP).

Section 95.517 - Claims for Federal Financial Participation, sub-section (a) states in part:

> A State must claim FFP for costs associated with a program only in accordance with its approved cost allocation plan.

The U.S. Office of Management and Budget's Circular A-87, Cost Principles for State, Local and Indian Tribal governments provides in:

Attachment A, Section C.3 of the Circular requires allocable costs to be chargeable or assignable in accordance with the relative benefits received.

Attachment B, Section 8(h) of the Circular states in part:

> Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.
>
> > 1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
> >
> > (2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
> >
> > (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications

that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or
(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:
(a) They must reflect an after the fact distribution of the actual activity of each employee,
(b) They must account for the total activity for which each employee is compensated,
(c) They must be prepared at least monthly and must coincide with one or more pay periods, and
(d) They must be signed by the employee.
(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

…(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal award.

08-05 The Department of Social and Health Services did not comply with federal requirements for time and effort documentation for the Medical Assistance and Food Stamps Employment and Training programs.

Federal Awarding Agency:	U.S. Department of Agriculture U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	10.561 Food Stamp Cluster 93.775 Medical Assistance Cluster
Federal Award Number:	Multiple
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	$141,515

Background

State agencies may claim reimbursement from federal programs in one of two ways. Costs may be directly charged to a specific grant based on the benefits received or may be allocated through the use of an indirect cost base to multiple programs or funding sources.

Cost allocation bases are used to accumulate and distribute administrative costs to multiple benefitting state and/or federal programs. These distributions may be based on caseloads, number of employees, employee time and effort reports, or other reasonable criteria.

Federal requirements specify how employee salaries and wages charged to federal programs are to be documented. Salaries of employees who charge to multiple funding sources are to be supported by monthly personnel activity reports or equivalent documentation, such as time sheets.

The personnel activity reports are to reflect the actual hours employees work on each program and are used as a basis for requesting federal funds. Budget estimates are allowable on an interim basis if adjustments to actual costs are made at least quarterly.

We have reported findings in this area at Department in each of the preceding three years.

Description of Condition

The Department's Economic Services Administration (ESA) claimed federal reimbursement for employee salaries and benefits that did not comply with federal Office of Management and Budget Circular A-87 requirements regarding documentation for support of salaries and wages charged to federal awards.

Specifically, we examined the allocation of 2,130 staff salaries during March 2008. We found 66 employees whose salaries were charged both directly to a federal grant program and indirectly allocated without adequate timesheets or other documentation to support the split between the two different funding sources.

We found:

- Sixty-four ESA social workers or financial services specialists working in Community Services Offices who charged 10 percent to 90 percent of their salaries to the Medical Assistance Program without adequate time and effort documentation. The remainder of their salaries was allocated correctly through an approved method. We are questioning $137,216 in unsupported salaries charged to the Medical Assistance Program in March of 2008. Since these questioned costs are based on review of one month, it is likely that questioned costs for the entire fiscal year could be in excess of $1.6 million.

- Two ESA staff in a Community Service Office, who were partially allocated and partially direct charged to the Food Stamps Employment and Training Program without adequate time and effort documenation. We are questioning $4,299 charged directly to the Food Stamps Employment and Training Program without adequate support. Likely questioned cost for the entire fiscal year were $51,591.

Cause of Condition

In response to prior findings, the DSHS has updated its Federal Compliance with Time Certification policy, which requires monthly time reporting for employees who work directly on federal programs and who also charge indirectly through a cost allocation. Once a quarter, employees are required to review monthly documentation of hours spent on each program or activity and sign a certification that contains the following wording:

> "I certify the account coding was reviewed and determined to be accurate for the work being performed and that this position works on multiple activities, **which are supported by personnel activity reports or equivalent documentation** (emphasis added) and are correctly charged to the applicable federal program. Certification of this form ensures DSHS complies with SAAM 50.20.40 and OMB Circular A-87."

We found 64 of the 66 employees had completed a quarterly certification of salary charges but did not prepare personnel activity reports upon which to base it. ESA staff maintained the policy is confusing and may be misleading staff into believing they comply with federal regulations by signing the quarterly certification.

Without adequate time and effort documentation, federal grantors cannot be assured that salaries and benefits charged to programs are accurate and valid. This could jeopardize future federal funding to the state. We are questioning unsupported salary costs of $141,515.

Recommendations

We recommend the Department:

- Consult with the federal grantor to determine whether questioned costs should be repaid.
- Ensure its policy clearly communicates the federal requirements for documentation of salaries and wages for staff who charge more than one federal grant.
- Provide training to regional staff responsible for monitoring compliance with time and effort requirements.

Department's Response

The Economic Services Administration (ESA) concurs with the State Auditors Office audit findings for Time and Effort and will continue to work with staff on compliance. The following measures have already been taken to educate staff on these requirements:

1. *In January 2008, the DSHS Office of Accounting Services presented Time and Effort training to fiscal staff at the Regional Business Manager (RBM) meeting.*
2. *In June and August 2008, the DSHS Administrative Policies regarding Time and Effort (19.50.01.A & 19.50.01.B) were updated and sent to the RBMs giving staff a clearer understanding of applicable state and federal requirements*
3. *The Community Services Division Director has followed-up by requiring the RBMs to train all appropriate staff in the field.*

Time and Effort will continue to be discussed at the quarterly Regional Business Manager meetings to ensure RBMs have the most accurate information, provide an opportunity to discuss questions, and to share best practices. Additionally, the ESA Operations Support Division (OSD) Budget Chief will attend a Regional Administrator meeting to discuss Time and Effort requirements. ESA OSD Fiscal Services Office, in conjunction with a recently formed RMTS Workgroup, will evaluate the Random Moment Time Sample (RMTS) process to determine if additional programs can be included in the sample as a means to automate the reporting functionality and decrease the need for time sheets.

ESA will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable laws and Regulations

The U.S. Office of Management and Budget's *Cost Principles for State, Local and Indian Tribal Governments*, Circular A-87:

Attachment A, Section C.3 of the Circular requires allocable costs to be chargeable or assignable in accordance with the relative benefits received.

Attachment B, Section 8(h) of the Circular states in part:

> Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.
>
> (1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
>
> (2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
>
> (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
>
> (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
>
> (a) More than one Federal award,
> (b) A Federal award and a non Federal award,
> (c) An indirect cost activity and a direct cost activity,
> (d) Two or more indirect activities which are allocated using different allocation bases, or
>
> (5) Personnel activity reports or equivalent documentation must meet the following standards:
>
> (a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,
(c) They must be prepared at least monthly and must coincide with one or more pay periods, and
(d) They must be signed by the employee.
(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

08-06 The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring.

Federal Awarding Agency:	U.S. Department of Commerce
Pass-Through Entity:	Washington State Recreation and Conservation Office
CFDA Number and Title:	11.438 Pacific Coast Salmon Recovery
Federal Award Number:	NA16FP2596, NA03NMF4380227, NA04NMF4380260, NA05NMF4381269, NA06NMF4380091 and NA07NMF4380301
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Recreation and Conservation Office received over $19 million in federal grants from the U.S. Department of Commerce for salmon recovery efforts during fiscal year 2008. Approximately 97 percent of this money is passed on to sub-recipients such as cities, towns, counties, state agencies, special-purpose districts, non-profit organizations, Indian tribes and private landowners. Projects frequently take several years to complete. Federal regulations require the Office to monitor sub-recipients to ensure they are complying with grant requirements.

During our fiscal year 2007 audit, we reported the Office did not adequately monitor sub-recipients.

Description of Condition

We reviewed the Office's corrective action plan and improvements that had been made since our last audit. While we found some issues had been resolved, we found sub-recipient monitoring still is inadequate.

Allowable costs/cost principles
Pass-through entities are to provide reasonable assurance that the costs of goods and services charged to federal awards are allowable and charged in accordance with regulations. While the Office reviews sub-recipients' costs for allowability prior to reimbursement, it does not require supporting documentation such as receipts, invoices or timesheets. Although certain costs are allowable, the Office requires only a check number or a term such as "payroll" as documentation for reimbursement.

We also found compensating controls were not operating as designed. The Office does not regularly inspect project sites or review sub-recipients' financial records. As a result of the prior year finding, the Office stated it would use a risk analysis to help determine the level of monitoring required. The Office has not implemented these compensating controls.

Earmarking
Sub-recipients are allowed to use a percentage of grant funds for administrative costs related to the grant. Pass-through entities are to provide reasonable assurance that only allowable costs that are properly calculated and valued are included in these costs. We could not determine whether these requirements were met due to the inadequacy of supporting documentation.

Cause of Condition

Office management believed the documentation it receives on sub-recipient costs was sufficient evidence of allowability. In addition, Office management did not allocate adequate resources to review sub-recipients' financial records or conduct risk assessments of sub-recipients prior to funding.

Effect of Condition

The Office cannot ensure that costs reimbursed to sub-recipients are accurate or allowable. Because the Office distributes grant money to non-profits, tribes and private landowners who are not required to have an

audit unless their federal expenditures are more than $500,000, the risk of non-compliance is increased. In calendar year 2007, the Office provided federal funding to at least 45 sub-recipients who were not required to have an audit.

The Office spent more than $19 million of Pacific Coast Salmon Recovery grant funds in fiscal year 2008. Due to the lack of supporting documentation, it was not possible to determine if these costs were allowable.

Recommendations

We recommend the Office establish and follow policies and procedures to effectively monitor sub-recipients' use of federal funds. The Office should require supporting documentation such as receipts and invoices, or establish adequate compensating controls to ensure all costs are allowable and were made in accordance with federal restrictions.

Office's Response

We thank the auditor for their review of RCO processes and files. RCO takes the stewardship of any funds very seriously. Review of RCO accounting practices by the SAO is just one way we ensure that the agency is appropriately using grant funds.

We have made important progress since the last audit when we indicated that our updated controls would be in place by June, 2009. RCO continues to develop compensating controls. This will include a risk assessment tool, sub-recipient fiscal review (both in person and through the mail), and A-133 audit review. We are still on target to fully implement by June 2009.

We appreciate the State Auditor's guidance as RCO moves to updating our grant reimbursement process to allow electronic billing and performance-based contracting. We need to work together to finding new ways to maintain our financial stewardship obligations while continuing our efforts to implement the state's goals on sustainability. Requiring sub-recipients to copy and mail thousands of individual receipts, invoices and timesheet wastes funds and natural resources. As we implement a risk-based approach to sub-recipient monitoring, RCO does not anticipate requiring all sub-recipients to provide all supporting documents.

Allowable costs/cost principles
RCO is working on compensating controls. Finalizing and implementing the compensating controls has been a work in progress. RCO is working with OFM and agency staff. Major compensating controls will include:

- *Risk Assessment*
- *Sub-Recipient Monitoring*
- *A-133 Audit Review*
- *Grant Management and Fiscal Site Visits*

Earmarking
It is unclear why this finding has a heading of "Earmarking". The explanation provided by the SAO does not seem to relate the finding to the category of earmarking. RCO believes the system of reimbursement is adequate for capturing administrative and direct project charges. However, we will use our reviews and risk management tool to ensure sub-recipients are capturing this information correctly.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws & Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, outlines responsibilities for pass-through entities receiving federal funds and states in part:

> Subsection D – Federal Agencies and Pass-Through Entities
> 400(d) Pass-through entity responsibilities:
> A pass-through entity shall perform the following for the Federal awards it makes:
> (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
> (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
> (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and those performance goals are achieved.
> (4) Ensure that subrecipients expending $300,000 ($500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
> (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
> (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
> (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.
>
> Subsection B – Audits
> 210(a) General:
> An auditee may be a recipient, a subrecipient, and a vendor. Federal awards expended as a recipient or a subrecipient would be subject to audit under this part. The payments received for goods or services provided as a vendor would not be considered Federal awards.

08-07 The Department of Community, Trade, and Economic Development did not comply with federal performance reporting requirements.

Federal Awarding Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	None
CFDA Number and Title:	14.239 Home Investment Partnerships Program
Federal Award Number:	M03-SG-53-0100, M04-SG-53-0100, M05-SG-53-0100, M06-SG-53-0100, M07-SG-53-0100
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The federal Home Investment Partnership Program (HOME) is administered in this state by the Housing Division at the Department of Community, Trade, and Economic Development. Grant funds may be used for housing rehabilitation, tenant-based rental assistance, assistance to homebuyers, acquisition of housing, and construction of housing. Funding also may be used for other necessary and reasonable activities related to the development of non-luxury housing, such as site acquisition, site improvements, demolition and relocation.

The grant program is designed to expand the supply of affordable housing, particularly rental housing, for low- and very low income Americans; to strengthen the abilities of state and local governments to design strategies to develop and achieve adequate supplies of decent, affordable housing; to provide financial and technical assistance to participating jurisdictions, including the development of affordable low-income housing programs; and to extend and strengthen partnerships among governments and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

The Department spent $8,684,190 in grant money during fiscal year 2008. Nearly 95 percent was paid to grant subrecipients.

Federal regulations require the Department to submit an annual performance report on the program. The format and content of this report is specified by the grantor.

Description of Condition

We determined the Department did not submit the required performance report during state fiscal year 2008. The Department further stated it has never submitted this report.

Cause of Condition

Program management was aware of the reporting requirement but stated that the grantor had never directed it to submit the report.

Effect of Condition

The required performance report summarizes economic opportunities for low- and very low-income individuals. Non-compliance with this requirement prevents the grantor from monitoring local economic development, neighborhood economic improvement and economic self-sufficiency.

Recommendations

We recommend the Department work with the grantor to define performance reporting requirements. The Department should build these performance reporting requirements into subrecipient contract, update policies and procedures to include these requirements, and submit the report annually.

Department's Response

We concur with the finding. As stated in the finding, the U.S. Department of Housing and Urban Development (HUD) has not provided clear direction on the scope of the report or made an issue of the fact that the report has not been submitted. The Section 3 reporting issue was not raised during several program reviews conducted by HUD personnel at CTED. HUD programs in many other states are also currently affected by this issue.

CTED's Housing Division has determined what it believes are the performance reporting requirements and will file the required report by the due date of March 31, 2009.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

March 2008 OMB Circular A-133 Compliance Supplement, chapter 4-14.239-6 states in part:

2. Performance Reporting

HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons* (*OMB No. 2529-0043*) – For each grant over $200,000 that involves housing rehabilitation, housing construction, or other public construction, the prime recipient must submit Form HUD 60002 (24 CFR sections 135.3(a) and 135.90).

Key Line Items –
a. 3. Dollar Amount of Award

b. 8. Program Code

c. Part I, Column C – Total Number of New Hires that are Sec. 3 Residents

d. Part II, Contracts Awarded, 1. Construction Contracts

(1) A. Total dollar amount of construction contracts awarded on the project

(2) B. Total dollar amount of construction contracts awarded to Section 3 businesses

(3) D. Total number of Section 3 businesses receiving construction contracts

e. Part II, Contracts Awarded, 2. Non-Construction Contracts

(1) A. Total dollar amount of all non-construction contracts awarded on the project/activity

(2) B. Total dollar amount of non-construction contracts awarded to Section 3 businesses

(3) D. Total number of Section 3 businesses receiving non-construction contracts

08-08 The Department of Community, Trade, and Economic Development did not comply with federal suspension and debarment requirements for subrecipients.

Federal Awarding Agency:	U.S. Department of Justice
Pass-Through Entity:	None
CFDA Number and Title:	16.575 Crime Victim Assistance
Federal Award Number:	2008-VA-GX-0012
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The Victims of Crime Act (VOCA) is the primary source of federal financial support for direct services to crime victims. The Department of Community, Trade, and Economic Development is the designated VOCA assistance agency for the state. This money is used to administer programs for victims of sexual assault; crime victim service centers; and domestic violence. In fiscal year 2007, the Department received $7.6 million in VOCA money.

The state uses 5 percent of the award to administer the programs. The remainder, approximately $7.2 million, is allocated to the three programs. The Department subcontracts for services to domestic violence victims with the Department of Social and Health Services and with private organizations to provide the other services.

The Department is responsible for ensuring subrecipients are not suspended or debarred from participating in federally funded programs by doing one of the following: obtaining a signed certification from each subrecipient; adding a clause or condition in each contract that contains appropriate suspension and debarment language; or checking the Excluded Parties List System on the Internet.

Description of Condition

The Department includes all of the appropriate language pertaining to suspension and debarment in the General Terms and Conditions agreements with the subrecipients. However, a disclaimer at the beginning of the suspension and debarment statement states: "This section applies to contractors receiving an award of $100,000 or more". No suspension and debarment dollar threshold for subrecipient agreements is included in federal regulations.

Cause of Condition

The Department was following inaccurate guidance provided on the grantor's Web site. The Web site stated the suspension and debarment threshold for all agreements was $100,000.

Effect of Condition and Questioned Costs

Without adequate suspension and debarment contract language, the Department may be held liable for any amounts paid to subrecipients that have been suspended or debarred from receiving federal funds.

We found the Department awarded four VOCA subrecipients for amounts that were less than $100,000 in state fiscal year 2008.

Recommendation

We recommend the Department update its contract General Terms and Conditions document to reflect current federal suspension and debarment regulations.

Department Response

We concur with the finding. The Office of Crime Victims Advocacy section of the agency followed contract language recommended by the Office of Justice Programs Financial Guide located on their website. We now understand that the guidance was inaccurate. This contract language issue was not raised during a program review by the Department of Justice, Office of Justice Programs, Office for Victims of Crime conducted within the past year.

All new contracts effective July 1, 2009 will have the required suspension and debarment language as found in the agency's standard contract template.

Auditor's Concluding Response

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

28 Code of Federal Regulations
PART 66_UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE

Subpart C_Post-Award Requirements

Sec. 66.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

08-09 The Washington State Patrol did not comply with federal requirements for suspension and debarment for the National Motor Carrier Safety program.

Federal Awarding Agency:	U.S. Department of Transportation
Pass-Through Entity:	None
CFDA Number and Title:	20.218 National Motor Carrier Safety
Federal Award Number:	
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The Federal National Motor Carrier Safety Program is administered in the state by the Washington State Patrol.

The program's objective is to reduce the number and severity of accidents and hazardous material incidents involving commercial motor vehicles by substantially increasing the level and effectiveness of enforcement activity and the likelihood that safety defects, driver deficiencies, and unsafe carrier practices will be detected and corrected. Total expenditures in fiscal year 2008 were approximately $4.6 million.

Federal regulations prohibit recipients of federal awards from contracting with vendors suspended or debarred from doing business with the federal government. The federal government may debar a party for fraud convictions, anti-trust violations, forgery or other offenses indicating a lack of business integrity or honesty, a history of failure to perform agreements or a failure to pay a substantial debt.

For any purchase contract that exceeds or is expected to exceed $25,000, grantees must verify the contractor has not been suspended or debarred by doing one of three things: checking the federal Excluded Parties List; collecting a certification from the vendor; or adding a clause or condition to the contract.

Description of Condition

We noted the Patrol makes most of its large purchases for this program, such as vehicles and computer equipment, through use of state master contracts, which are negotiated and established by the state Department of General Administration. The master contract process allows multiple agencies to participate in the contract, and receive the generally favorable terms which had been negotiated for the state as a whole. Since General Administration does not know the funding sources various agencies may use to purchase goods or services through a master contract, it does not include compliance with federal suspension and debarment requirements as part of its process unless specifically requested by an agency. We reviewed six master contracts, with related purchases totaling over $283,000. For the contracts we reviewed, no suspension and department certifications or clauses were included, and neither General Administration nor the State Patrol checked the Excluded Parties List.

Cause of Condition

The State Patrol relied on the master contract procurement process. The Patrol was unaware that it was responsible for ensuring compliance with suspension and debarment requirements when participating in state master contracts.

Effect of Condition

The State Patrol cannot ensure federal funds are paid to vendors that are eligible to participate in federal programs. Any payments made to an ineligible party are unallowable and would be subject to recovery by the funding agency. However, we were able to verify that the vendors had not been suspended nor debarred and we are not questioning these costs.

Recommendation

We recommend the State Patrol establish and follow internal controls over suspension and debarment requirements to ensure vendors receiving $25,000 or more are eligible to participate in federal programs.

Agency's Response

We concur with the finding and recommendation of the State Auditor's Office that the State Patrol did not insure compliance with federal suspension and disbarment certifications for purchases made off of master state contracts awarded by the state Department of General Administration. We have implemented procedures to insure that the federal suspension and disbarment certifications are completed for all future purchases.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

Title 49 of the Code of Federal Regulations, Section 18.35 states:

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for Participation in Federal assistance programs under Executive Order 12549, ``Debarment and Suspension."

08-10 Federal funds were misappropriated at the Department of Social and Health Services' Division of Children and Family Services.

Federal Awarding Agency:	U.S Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.658 Foster Care – Title IV-E 93.667 Social Services Block Grant 93.558 Temporary Assistance for Needy Families 93.777 Medicaid 93.659 Adoption Assistance
Federal Award Number:	Foster Care Title IV; G-0801WA1401, G0701WA1401 Social Services Block Grant; G-0701WASOSR, G-0801WASOSR Temporary Assistance for Needy Families; G-0702WATANF, G-0802WATANF Medicaid; 5-0805WA5028, 5-0805W5048, 5-0705WA5028, 5-0705W5048 Adoption Assistance; G-0801WA1407, G-0701WA1407
Applicable Compliance Component:	Allowable Cost; Activities Allowed
Questioned Cost Amount:	$1,278.78 Foster Care Title IV $1,072.94 Social Services Block Grant $ 910.01 Temporary Assistance for Needy Families $ 355.30 Medicaid $ 166.04 Adoption Assistance

Background:

The Department of Social and Health Services' Children's Administration Division of Children and Family Services (DCFS) is located in regional field offices. It works to provide services to children and families experiencing family conflict or who have abuse and/or neglect issues.

In May 2008, questionable overtime by a social worker prompted Division management to review the employee's time and travel.

Management contacted Department clients to confirm the social worker had made the visits he reported. The clients informed management the employee did not make on-site visits on days for which he requested and received travel reimbursements. Management contacted the Washington State Patrol on May 13, 2008 and requested an administrative investigation.

The State Auditor's Office received a loss report from the Department on July 29, 2008 stating the employee submitted mileage reimbursements for home visits with foster children that did not occur.

The Washington State Patrol (WSP) conducted an administrative investigation of this matter (Case No. D08-211). The Department promptly notified the State Auditor Office about a suspected loss of public funds as required by RCW 43.09.185.

Description of Condition:

Social workers document their interactions with their clients in a database. Social workers submit travel reimbursement requests to their immediate supervisor for review and approval. To ensure each request is accurate, the supervisor will often compare the request to documentation in the database.

To create the appearance each falsified travel voucher request was legitimate, the employee documented in the database that he visited clients and interviewed children and families. When the employee's supervisor compared the travel reimbursement requests to the database, the supervisor observed documentation of site

visits performed. During the WSP investigation, the employee stated documentation was falsified and visits were never performed.

The Department uses a federally approved method for allocating administrative costs, including payroll and travel, amongst various federal funding sources, including Foster Care Title IV, Social Services Block Grant, Temporary Assistance for Needy Families and Medicaid. The Department does not have documentation to show the employee did not actually work his required hours, and so does not question his wages earned. However, the travel cost reimbursements received by the employee for the trips that did not occur are considered a misappropriation of funds. The total amount of suspected loss was $6,152.84. Of this amount, the State Auditor's Office estimates $3,783.08 was paid with federal dollars from the following programs:

- $1,278.78 for Foster Care Title IV; CFDA 93.658
- $1,072.94 for the Social Services Block Grant (SSBG); CFDA 93.667
- $910.01 for Temporary Assistance for Needy Families (TANF); CFDA 93.558
- $355.30 for Medicaid; CFDA 93.777
- $166.04 for Adoption Assistance; CFDA 93.659

Cause of condition:

A social worker falsified documentation and submitted reimbursement requests based on that documentation.

Effect of condition:

The misappropriation of $6,152.84 by the social worker deprived the Department of the use of these funds. Because $3,783.08 of the misappropriation was federal money, the state may be required to reimburse the federal government its share of the loss.

Recommendation:

We recommend the Department consult with its grantor to determine what costs need to be repaid.

In addition, we recommend the Department seek recovery of $6,152.84 in misappropriated mileage reimbursements plus an additional $1,530 in audit cost from the former social worker. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by state law (RCW 43.09.330). Assistant Attorney General Marta DeLeon is the contact person for the Attorney General's Office and she can be reached at 360-753-3168 or martad@atg.wa.gov. The contact for the State Auditor's Office is Jan Jutte, Director of Legal Affairs and she can be reached at 360-902-0363 or juttej@sao.wa.gov.

Department Response:

The Department concurs with the findings of this investigation and appreciates the help of the Washington State Patrol and the State Auditors Office. The $7,682.84 loss, which includes the $1530, is being referred to the department's Office of Financial Recovery, (OFR) for collection. The federal share of the loss will be appropriately refunded to the federal government. Disciplinary action, initiated as a result of the investigation, resulted in the employee's termination.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Section 43.09.185 of the Revised Code of Washington states:

> State agencies and local governments shall immediately report to the state auditor's office known or suspected loss of public funds or assets or other illegal activity.

08-11 The Department of Social and Health Services does not ensure that Temporary Assistance to Needy Families payments are reduced for clients who do not participate in WorkFirst activities as required by state and federal law.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.558 Temporary Assistance for Needy Families
Federal Award Number:	
Applicable Compliance Component:	Special Test and Provision N3- Penalty for Refusal to Work
Questioned Cost Amount:	$4,119.20

Background

The Department of Social and Health Services Economic Services Administration administers the Temporary Assistance to Needy Families (TANF) program for the state to provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives. The program served approximately 52,000 households each month and spent more than $540 million in fiscal year 2008.

Federal law requires the Department to submit a state plan, which outlines the rules, policies and procedures the Department states it will follow in its administration of the program. The state plan in place during the audit period requires TANF clients, beginning at age 16, to participate in WorkFirst, a program designed to help low-income families prepare for and find work. In Washington, WorkFirst participation by clients between 16 and 19 is defined as being enrolled in and attending school or actively pursuing a high school diploma equivalent. Clients who are 18 or 19 must participate in job search activities if they have a high school diploma or equivalent. There are approximately 10,000 clients in Washington between 16 and 19 whose families or custodians receive TANF benefits each month. Progress and participation in WorkFirst activities is recorded in the electronic Jobs Automated System.

Department case workers are required to ensure WorkFirst participation by clients. An Individual Responsibility Plan is developed with each child and his or her parent or guardian. Non-compliance with the plan would result in a reduction of benefits up to 40 percent.

Description of Condition

We initially selected a random sample of 30 TANF clients for review, including seven clients between 16 and 19. We found the Department had no documentation to show the 16-19 year olds were participating in the WorkFirst program. Benefits had not been reduced for these clients.

Based on these results, we expanded our review to focus on clients between 16 and 19 years old. We used a statistically valid sampling plan to select 45 case files for review. Of those, we found 23 did not have a current Individual Responsibility Plan or evidence of school attendance. None of these clients' benefits were reduced.

Cause of Condition

Department staff responsible for monitoring the cases for these particular clients has not been properly trained in the use of Department tracking systems or the WorkFirst requirements.

Effect of Condition and Questioned Costs

The lack of oversight of WorkFirst participation results in client benefits not being reduced for non-participation as required. Benefit payments related to the exceptions we noted equaled $10,297 for the month we examined. Based on a benefit reduction rate of 40 percent, we are questioning $4,119 of that amount.

Use of the sampling plan allows us to project the questioned costs associated with known instances of non-compliance across all clients ages 16-19. By extrapolating the results of our testing to the entire population of 10,520 clients ages 16-19, the likely questioned costs associated with the Department's non-compliance approaches $1 million per month.

Our audit work was designed to determine if the Department could demonstrate it complied with federal requirements for ensuring client participation in the WorkFirst program, and for reducing benefits for non-participation. It was not designed to determine if those clients were in school or otherwise meeting participation requirements.

Recommendation

We recommend the Department ensure staff responsible for monitoring of TANF clients are adequately trained in federal and state requirements. Particular attention should be paid to client populations with higher risks of potential non-compliance.

We further recommend the Department consult with its federal grantor to determine what questioned costs should be repaid.

Department's Response

The Department agrees it is out of compliance with the current documentation standards for dependent teen school attendance as defined in the WorkFirst Handbook.

The Department agrees that training regarding this requirement may be an issue but believes the problem is more likely the result of excessive caseloads where competing demands for eligibility related to federal work participation, payment accuracy, and timely benefit issuance may take precedence in the field. Dependent teen Individual Responsibility Plan requirements are not a federal requirement and as such, may be viewed as a lesser priority.

The Department disagrees with the audit finding that these families have been incorrectly paid. The state WorkFirst policies are state options and failure to attend high school or to complete an Individual Responsibility Plan (IRP) by a dependent teen is not a violation of federal TANF regulations. As such, these families have not been incorrectly paid federal TANF funds. WorkFirst policy requires that families must be contacted and given an opportunity to comply with the school attendance policy. If they fail to do so, the family must be given adequate and advance notice of the grant reduction. Until these actions are taken, we are required to continue including the dependent teen in the calculation of the TANF benefit.

1. *There is no federal law which mandates participation by TANF recipients beginning at age 16.*

    a. *Work participation requirements apply to families that contain an adult or minor child head of household. [Ref: 42 USC 607(b)(1)(B)(i)]*

    b. *Activities such as school attendance and maintenance of grade levels and attendance are optional activities which states may impose as part of the development of an individual responsibility plan. [Ref: 42 USC 608(b)(2)(A)(ii)]*

2. *There is no federal law which mandates the development of an Individual Responsibility Plan.*

    a. *Development of an IRP is a state option under the TANF regulations. [Ref: 42 USC 608(b)(2)]*

The Department will review the cases cited in this audit to determine if the children are in school. For cases where they are not in school, appropriate actions will be taken to follow state policy and pursue the sanction process.

As a result of this finding, the department's further review of applicable state statutes has clarified that the state statutes governing teen education requirements apply to teens who are themselves parents and not teens in general. The Department will amend the TANF State Plan to eliminate the requirement to sanction dependent children (16 and 17 years of age) who are not in school. In addition, the Department will revise the WAC and WorkFirst Handbook to eliminate documentation of dependent teen school attendance as a program requirement

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Washington Administrative Code 388-310-0200 states:

> "(a) You are required to participate in WorkFirst activities, and become what is called a "mandatory participant," if you:
> (i) Receive TANF or SFA cash assistance; and
> (ii) Are a custodial parent or age sixteen or older; and
> (iii) Are not exempt."

Washington Administrative Code 388-310-0900 states:

> "(c) You will be required to be in high school or a GED certification program if you are a mandatory participant, sixteen or seventeen years old and you do not have a high school diploma or GED certificate."

Washington Administrative Code 388-310-1600 states:

> "When you are a mandatory WorkFirst participant, you must follow WorkFirst requirements to qualify for your full grant. If you or someone else on your grant doesn't comply and you can't prove that you had a good reason, you do not qualify for your full grant. This is called being in WorkFirst sanction status.
>
> (a) When someone in your household is in sanction status, we impose penalties. The penalties last until you or the household member meet WorkFirst requirements.
>
> (b) Your grant is reduced by the person(s) share or forty percent, whichever is more."

08-12 The Department of Social and Health Services is not reimbursing the federal government its proper share of child support collections.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.563 Child Support Enforcement
Federal Award Number:	N/A
Applicable Compliance Component:	Matching
Questioned Cost Amount:	$1,006,459

Background

The Department of Social and Health Services (DSHS) Division of Child Support administers the Child Support Enforcement program in the state. The objective of the program is to collect child support for children receiving public assistance and children who have a parent or parents who do not live with the child. The program has approximately 382,000 open cases and spent more than $167 million in federal and state funds in fiscal year 2008.

The program collects child support primarily from non-custodial parents; these collections generally are passed on to the custodial parent or guardian. However, if the child has received assistance from the Temporary Assistance for Needy Families (TANF) program, Medicaid or Foster Care Assistance, federal law requires the Department to retain part of the support payment collected to reimburse those programs. Since those programs are partially funded by federal dollars, the state is required to reimburse the federal government its share of program costs. The federal share of these programs is set by the grantor, and may change each year. Therefore, the percentage of support collections to be refunded must also change to correspond to the new rate.

The amount of child support collections retained as reimbursement for payments made under TANF, Medicaid, or foster care for State Fiscal Year 2008 was approximately $79.9 million.

Description of Condition

The federal reimbursement percentages in effect during fiscal year 2008 were 50.12 percent for the first quarter, and 51.52 percent for the remaining three quarters. The Department incorrectly calculated the Federal share of support collections at 50 percent throughout fiscal year 2008.

Cause of Condition

Department staff members responsible for ensuring compliance with the federal reimbursement rate for child support collections were not aware the federal participation rate changed. The Department did not have adequate controls to ensure changes in these rates were identified and used.

Effect of Condition and Questioned Costs

The Department failed to calculate and remit the correct amount of support collections to the federal government. By applying the incorrect percentages during the fiscal year, the amount remitted by the Department was $1,006,459 less than it should have been. We are questioning that amount.

Recommendation

We recommend the Department establish controls to ensure the correct amount of support collections are remitted to the federal government. Additionally, we recommend the Department consult with its grantor to determine what costs need to be repaid.

Department Response

The Department partially concurs with the finding. The DSHS Office of Accounting Services (OAS) requests Title IV-D grant draws from the federal government twice a month on behalf of the Division of Child Support (DCS) based on expenditures exported from the Agency Financial Reporting System (AFRS) for that period of time. The department confirmed that AFRS was not updated to reflect the correct Federal Medical Assistance Percentage (FMAP) rate for State Fiscal Year 2008 (SFY08).

DCS submits a quarterly expenditure report (Federal Form 396-A) to the federal government, and the federal government automatically adjusts DCS's grant award amount to match DCS's quarterly report. The expenditure report generated using data from the DCS Support Enforcement Management System (SEMS), accurately reflects the FMAP rate for the respective time period. Since DCS's quarterly report is based on SEMS, which contained the correct FMAP rate, the federal quarterly expenditure report did not need to be revised.

AFRS contained incorrect expenditure data for SFY08. The DCS Accounting Unit completed a correction journal voucher in October, 2008 moving $1,006,459.14 from federal expenditures to state expenditures, thereby, reducing the subsequent federal draw. When the department creates a JV that increases state expenditures, and reduces federal expenditures, the federal funds are reduced on the next federal draw because it reduces the amount of federal funds we would normally have drawn.

Only OAS has the ability to change the FMAP rate in AFRS. To ensure the correct FMAP rate is reflected in AFRS in the future, the DCS Accounting Unit will incorporate a review of the FMAP rate associated with the AFRS edits in the administration's annual cost allocation review process to ensure AFRS was updated with the correct rate. Based upon the results of that review, ESA will notify the OAS of any changes needed.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Code of Federal Regulations Title 45, Section 304.26 states in part:

> (a) From the amounts of support collected by the State and retained as reimbursement for title IV-A payments and foster care maintenance payments under title IV-E, the State shall reimburse the Federal government the Federal share of the support collections. In computing the Federal share of support collections for assistance payments made under titles IV-A and IV-E, the State shall use the ***Federal medical assistance percentage*** in effect for the fiscal year in which the amount is distributed.

08-13 The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Child Care and Development Cluster 93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Federal Award Number:	G-0801WACCDF
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	None

Background

The Washington Department of Early Learning (DEL) administers the federal Child Care and Development program. The program is designed to assist eligible working families in paying for child care. In fiscal year 2008 approximately $260 million was paid to child care centers and providers through the Working Connections Child Care Program.

The Department of Social and Health Services (DSHS) performs many functions related to the grant under an agreement it has with DEL, including processing payments to child care providers.

Our audits of fiscal years 2005-2007 reported the Departments did not adequately monitor direct payments made to child care providers. Payments are made through the Social Services Payment System (SSPS) maintained by DSHS. Monitoring is critical to ensure payments are allowable.

Description of Condition

In response to the prior year audit finding, the Departments stated they would develop and follow a process to audit the reconciliation of child care payments with attendance record documentation in addition to providing training to care providers on proper billing procedures. The Departments agreed that program integrity could be improved and that they would formalize each Department's roles and responsibilities in a signed agreement.

During our audit, we found the Departments had made a number of improvements, including the performing federally-mandated audits of child care authorizations. However, they still do not have a process to reconcile child care payments to attendance records in order to determine if the payments were fully supported.

The inadequate monitoring of direct payments, specifically the lack of reconciliation between child attendance records and payment requests submitted by providers, has not been resolved.

Cause of Condition

The Departments did not reach an agreement regarding the roles and responsibilities of each as they relate to child care payment reconciliations.

Effect of Condition

The lack of controls over payments to providers results in a high risk that overpayments to providers will be made and not identified or recovered. The Departments are aware of overpayments made to licensees, and are aware that the licensees are claiming more than authorized amounts.

While we recognize the improvements both Departments have made over the monitoring of child care payments, having no system in place for reconciling payments to source documentation is a significant control weakness that leaves the program vulnerable to abuse. We performed a detailed review of a small sample of payments and attendance records during our fiscal year 2006 audit and found more than $55,000 in overpayments. Since the Departments had not implemented a reconciliation process, and because of the time and effort involved in detailed testing of Child Care attendance records, we determined that re-performing this testing would not be an effective use of our resources.

Recommendation

We recommend the Departments establish and follow adequate monitoring procedures for provider payments to include reconciliation of provider attendance records to payments made to ensure expenditures are allowable.

Departments' Response

The departments concur with the auditor's assessment that the corrective action plan identified in response to the 2007 audit finding was not implemented at the time of auditor's 2008 review. The departments did come to agreement on the specific areas of responsibility in implementing that plan and reflected their respective responsibilities in the Service Level Agreement (SLA).

In July, 2008, the Department of Early Learning and the Department of Social and Health Services (DSHS) implemented the process to reconcile child care payment to child care provider attendance records to determine if the payments were supported by appropriate documentation. As stated above, the respective responsibilities for each agency were documented in the SLA signed on October 8, 2008.

On a monthly basis, licensed child care center and child care licensed family home payment files are randomly selected from the Social Service Payment System (SSPS) and by DSHS. DEL sends a written request to the providers to obtain attendance records from providers and provides them to DSHS to reconcile with the SSPS payment files. If a discrepancy is found, DSHS follows DEL policy to write the overpayment. If a provider fails to provide DEL with the requested attendance records, DSHS finds the case in error and establishes an Overpayment.

Auditor's Concluding Remarks

We thank the Departments for their responses and will review the status of the corrective action during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment A, Section C, Basic Guidelines, states in part:

> Factors affecting allowability of costs.
>
> 1. To be allowable under Federal awards, costs must meet the following general criteria: …
> j. Be adequately documented.

Washington Administrative Code 170-295-7030 states:

> (3) Attendance records and invoices for state paid children must be kept on the premises for at least five years after the child leaves your care.

Washington Administrative Code 170-296-0520 states:

> (3) Daily attendance records, listing the dates and hours of attendance of each child must be kept up-to date and maintained in the licensed space of the family home child care for five years.
>
> (4) When a child is no longer enrolled, the date of the child's withdrawal must be recorded in the child's file. You must maintain the child's file for at least five years from the child's last date of attendance. After five years the file may be destroyed or returned to the parent. The child's file must be made available for review by the child's parents and us during this period.

Washington Administrative Code 388-290-0138 states in part:

> What responsibilities does my eligible in-home/relative provider have?
> Your in-home/relative provider must:
>
> (6) Keep correct attendance records. Records must:
> (a) Show both days and times the care was provided;
> (b) Be kept for five years; and
> (c) Be given to us, within fourteen consecutive calendar days, if we ask for them.

08-14 Child Care public funds were misappropriated at the Department of Social and Health Service's Economic Services Administration.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	Department of Early Learning
CFDA Number and Title:	Child Care and Development Cluster 93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Federal Award Number:	G-0801WACCDF
Applicable Compliance Component:	N/A
Questioned Cost Amount:	$66,304.57

Background

The Department of Early Learning administers the child care program in the state. The Department contracts with the Department of Social and Health Services (DSHS) to determine program eligibility and approve child care provider payments for families applying for and receiving Working Connections Child Care assistance. In fiscal year 2008, DSHS paid $276 million to child care providers.

On January 2, 2008, a DSHS manager on special assignment at the North King County Community Service Office received an anonymous written complaint that stated an employee of that office was involved in a misappropriation of child care money. The following day, a second concern was raised by a lead worker about a suspected misappropriation on a separate child care case, involving the same employee. An internal investigation lead to the discovery of 22 suspect payments to in-home child care providers starting in May 2007 involving three employees**.**

On January 15, 2008, after the internal investigation was complete, DSHS referred the incident to Washington State Patrol. The Patrol forwarded the criminal investigations for one permanent employee and two non-permanent employees to the Seattle Police Department on February 4, 2008. On October 8, 2008, Seattle Police Department closed the investigation for the permanent employee because they were unable to find sufficient evidence to charge the employee with a crime. On October 30, 2008, the United States Attorney filed charges against the two non-permanent employees. The State Patrol closed the investigations for the non-permanent employees on October 31, 2008 and the permanent employee on January 9, 2009.

Description of Condition

We reviewed DSHS' internal investigation and agreed with its conclusion that $130,376.76 in public funds was misappropriated by the employees who issued child care payments to individuals for child care services not rendered.

Of the $130,376.76, approximately half, or $66,304.57, was federal dollars.

Cause of Condition

The Department did not have adequate internal controls to prevent the employees from misappropriating child care payments. Payments to providers were inadequately monitored by the Department.

Effect of Condition and Questioned Costs

Inadequate internal controls led to the misappropriation of funds at the Administration and deprived the Department, as well as eligible clients and providers, of the use of these funds. Because this involved federal funds, the state may be required to reimburse the federal government its share of the loss.

Recommendation

We recommend the Department seek recovery of the $130,376.76 in misappropriated public funds and $3,825 of related audit/investigation costs from the former employees and/or its insurance bonding company, as appropriate. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by RCW 43.09.330. Assistant Attorney General Marta DeLeon is the contact person for the Attorney General's Office and she can be reached at 360-753-3168 or martad@atg.wa.gov. The contact for the State Auditor's Office is Jan Jutte, Director of Legal Affairs and she can be reached at 360-902-0363 or juttej@sao.wa.gov.

Insurance coverage for employees is as follows:
Insurance Company: Traveler's
Policy Number: 104238506
Policy Type: Commercial Crime Policy
Amount of Coverage: $10,000,000/ $ 500,000 deductible
Coverage Period: August 1, 2004 until cancelled

We also recommend the Department continue to establish, follow and monitor an effective system of internal controls designed to ensure the protection of public assets from loss.

Department's Response

The departments concur with the findings of misappropriated public funds. The Department of Social and Health Services (DSHS) will work closely with the Attorney General and the State Auditor's Office in pursuing recoupment of the misappropriated public funds.

The two non-permanent employees are no longer employed by DSHS. The two non-permanent employees were referred by the Seattle Police Department to the Social Security Fraud Division for identity theft and as a result were arrested and charged with a felony. DSHS does not know if a court date has been set for the trial.

DSHS received the final report on the investigation of the permanent employee from the Washington State Patrol on January 9, 2009. The report stated they could not find a direct connection between the misappropriated funds and the permanent employee. The investigation did not turn up any evidence that directly tied the permanent employee to the authorization of the misappropriated funds. No charges were brought against the permanent employee. The employee, on home assignment since the investigation began approximately a year ago, will return to work on February 2, 2009.

DSHS has various internal controls in place that minimize the risk of being able to misappropriate child care payments. Even with precautions in place, there is always a possibility that a worker, intent on engaging in illegal behavior, will work outside the rules to carry out fraudulent activities. In this case, the employees intentionally authorized benefits without going through the proper procedures or following eligibility requirements. The leadworker, in performing oversight, appropriately noticed the apparent improper authorization which resulted in the associated investigations. DSHS will review the internal controls in place and determine additional controls to monitor childcare authorizations.

Auditor's Concluding Remarks

We thank the Departments for their cooperation and will review the status of the corrective action during our next audit.

Applicable Laws and Regulations

RCW 43.09.185 states:

> State agencies and local governments shall immediately report to the state auditor's office known or suspected loss of public funds or assets or other illegal activity.

Section 20.20.20a of the State Administrative and Accounting Manual states, in part:

> Each agency director is responsible for establishing and maintaining an effective system of internal control throughout the agency.

08-15 The Department of Early Learning does not have adequate controls to ensure that contractors have not been suspended or debarred from working on federally funded programs.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.575 Child Care Cluster
Federal Award Number:	G-0801WACCDF
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The Department of Early Learning administers the Child Care and Development Fund, which provides federal funds to states to increase the availability, affordability, and quality of child care services for low-income families in which the parents are working or attending training or educational programs.

Federal regulations prohibit states from awarding contracts to parties that have been suspended or debarred from participating in federally funded programs. For any purchase contract that exceeds or is expected to exceed $25,000, grantees must verify the contractor has not been suspended or debarred by doing one of three things: checking the federal Excluded Parties List; collecting a certification from the vendor; or adding a clause or condition to the contract.

Description of Condition

We reviewed 14 contract files valued at $3.5 million to determine if controls were in place to ensure compliance with federal requirements. We found none of these contracts met the federal requirements for suspension and debarment.

Cause of Condition

The Department relied on its general contract terms to comply with federal requirements. However, the boilerplate contract language used did not include suspension and debarment certifications or clauses.

Effect of Condition

The Department may be held liable for any amounts paid to contractors who have been suspended or debarred from receiving federal funds. We were able to subsequently verify that the vendors associated with the contracts we reviewed were not suspended or debarred from working on federal programs, and therefore are not questioning the costs associated with these contracts.

Recommendation

We recommend the Department ensure all staff responsible for contracting have adequate knowledge and training in federal requirements, and that general contract terms be updated to include appropriate suspension and debarment language.

Department's Response

The Department of Early Learning (DEL) began preparing and executing contracts July 1, 2007. Until that time, all federally funded contracts were prepared and executed by the Department of Social and Health Services on behalf of DEL. Since we were a new agency, DEL used the Office of Financial Management (OFM) generic contract template. The OFM generic template for personal service contracts did not

contain a suspension and debarment clause and DEL did not check the federal debarment web site for federally funded contracts.

Once the auditors informed DEL staff of the requirement to include the suspension and debarment contract language or check the federal debarment web site, all federally funded contracts were checked on the federal debarment web site. None of the DEL contractors were on the federal suspension or debarment list.

All new federally funded contracts are being checked on the federal suspension and debarment web site and the information is placed in the contract file. Additionally, DEL is working with the Attorney General's Office to develop contract templates that will provide DEL with essential contract language.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

45 CFR 1185.300

> What must I do before I enter into a covered transaction with another person at the next lower tier?
>
> When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.
>
> You do this by:
>
> (a) Checking the EPLS; or
>
> (b) Collecting a certification from that person if allowed by this rule; or
>
> (c) Adding a clause or condition to the covered transaction with that person.

08-16 The Department of Social and Health Services does not have internal controls to ensure Child Welfare Services complies with earmarking compliance requirements.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.645 Child Welfare Services
Federal Award Number:	
Applicable Compliance Component:	Earmarking
Questioned Cost Amount:	$847,751.58

Background

The Department of Social and Health Services (DSHS), Children's Administration, administers the Child Welfare Services program in the state. The objective is designed to promote state flexibility in the development and expansion of a coordinated child and family services program. The program is designed to aid in long-term solutions for children and families beyond services available through Child Protective Services or Family Reconciliation Services. The Department spent more than $6.2 million in federal money during fiscal year 2008.

Effective October 1, 2007, federal regulations require at least 90 percent of all grant funds to be used in direct support of program objectives, including promoting and protecting the safety and welfare of children; preventing or remedying abuse, exploitation and delinquency of children; and working with families to ensure children are in a safe environment. Not more than 10 percent may be spent on administrative and overhead costs. These costs are defined by the grantor, and include but are not limited to accounting, budgeting, and auditing services; maintenance and operation of space and facilities; and program management other than case worker supervision.

Description of Condition

We identified all expenditures charged to the grant between October 1, 2007 and June 30, 2008 in order to determine the total classified as administrative costs under federal rules. Based on total federal grant expenditures of $5,261,185 during that period, the maximum allowable administrative costs were $526,185. However, the Department charged the grant $1,373,937 in administrative costs, or approximately 26 percent.

Cause of Condition

The Department acknowledged awareness of and agreement to the limit on administrative costs with its grantor. However, the Department failed to properly identify what constituted administrative costs, the effective date of the requirement, and that the requirement applied to all grant awards active as of the effective date. Children's Administration management indicated it did not closely monitor this program requirement because of what the Department considers the small dollar amount of the grant.

Effect of Condition and Questioned Costs

Program costs intended for the direct support of program objectives were not available for that use. We are questioning $847,752, the amount the Department charged for administrative costs in excess of the 10 percent allowed.

Recommendation

We recommend that Department staff and management responsible for monitoring grant activities ensure that grants funds are used in accordance with federal requirements.

We further recommend the Department consult with its federal grantor to determine whether questioned costs should be repaid.

Department's Response

The Department concurs with this finding and understands the "Assurance" required by the change to Title IV-E of the Social Security Act; P.L. 109-288, (The Child and Family Services Improvement Act of 2006) as signed into law September 28, 2006. This "Assurance" was a change in the law that took effect October 1, 2007 and applied to any expenditures of Title IV-B, subpart 1 funds expended after this date. It requires a signature from an Administration head on a "Certificate of Assurance" form included as an attachment to our Annual Progress and Services Report. The Federal Fiscal Year (FFY) 2007 grant period was October 1, 2006 through September 30, 2008, which meant this change in law became effective half way through the period of the grant. Because the effective date of this change corresponded with the beginning of FFY 2008 the Department mistakenly assumed it did not apply to FFY 2007. This error will not be an issue in future grant periods. We will work with our federal grantor on the appropriateness of adjustments to this grant and return any federal funds that are not eligible under this law due to the changes. Our current practice is to limit the administrative expenditures charged to the grant to a maximum of 10% as outlined in the new law.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Part 4 states in part:

> "The term "administrative costs" means costs for the following but only to the extent incurred in administering the State plan for this program: procurement; payroll management; personnel functions (other than the portion of the salaries of supervisors attributable to time spent directly supervising the provision of services by caseworkers); management; maintenance and operation of space and property; data processing and computer services; accounting; budgeting; auditing; and travel expenses (except those related to the provision of services by caseworkers or oversight of the program). (Pub. L. No. 109-288, Sections 422(b)(14) and (c) and 424(e) (42 USC 622(b)(14) and (c) and 623(e))."

Child and Family Services Improvement Act of 2006 Pub. L. No. 109-288, Sections 422(b) states:

> (14) not later than October 1, 2007, include assurances .that not more than 10 percent of the expenditures of the State with respect to activities funded from amounts provided under this subpart will be for administrative costs.

08-17 The Department of Social and Health Services, Children's Administration, is not following established internal controls over the eligibility of clients receiving adoption assistance payments.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.659 Adoption Assistance
Federal Award Number:	N/A
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	$163,832

Background

The federal Adoption Assistance program provides funds to states for parents who adopt eligible children with special needs. The Children's Administration of the Department of Social and Health Services (DSHS) administers the program for the state from six regional offices with staffing from an adoption support program specialist. Approximately 12,000 children are in the Adoption Assistance program in the state.

The Department paid approximately $62.7 million in adoption assistance payments in fiscal year 2008. We examined $542,927 in payments.

Description of Condition

We reviewed case files for 30 adopted children to determine if the children met eligibility requirements and that payments were properly supported. Our selection of the files was based on the type of payment made, the amount, and the age of the child.

We identified seven case files that did not include sufficient documentation to support eligibility or show why a payment was made. Exceptions noted included (some case files had multiple exceptions, and so may be listed more than once):

- A one-time payment plus 12 months of maintenance payments were made for an adopted child who, according to the adoption support agreement, was not eligible for federal assistance.
- No documentation for nine lump sum payments to show why they were made or that they were properly authorized.
- One case file showed no evidence of having been reviewed at least every five years as required by state law.
- Five case files did not include support showing adopted children over age 18 were still in school and were entitled to receive adoption support assistance.

Payments associated with these case files totaled $33,393.

We noted these exceptions were related to program activity at one particular regional office. Based on this, we expanded our work at that office to an additional 24 case files.

We found one or more exceptions related to 17 of the 24 additional case files selected:

- No documentation for eight lump sum payments in the case files to show why they were made or that they were properly authorized.
- 15 case files showed no evidence of having been reviewed at least every five years as required by state law.
- Five case files did not include support showing that adopted children over age 18 were still in school and were entitled to receive adoption support assistance.
- Two case files did not contain the Decree of Adoption from the courts.

Payments associated with these case files totaled $130,439.

Cause of Condition

The Department does not have adequate controls to ensure payments for adoption assistance are allowable and that adoption case files are complete and accurate. Department management did not perform sufficient monitoring to ensure payments were properly supported and made only for eligible clients, and did not ensure its staff was adequately trained to perform the functions required. The Department stated the region with the high exception rate experienced significant employee turnover in July of 2006. Since that time, monitoring of payments and updating of case files have not been performed.

Effect of Condition and Questioned Costs

The Department made assistance payments that were unsupported or unallowable. We are questioning $163,832.94 in payments related to these exceptions. The weaknesses identified increase the risk of additional inappropriate payments without detection.

Recommendation

We recommend the Department:

- Follow established internal controls for monitoring case files to ensure eligibility is met and that payments are fully supported.
- Communicate with the federal grantor to determine whether questioned costs need to be repaid.

Department's Response

We concur with the findings of this audit and agree that established controls for adoption support payments were not adhered to at the one particular regional office reviewed by the State Auditor's Office. We appreciate the Auditor's recommendations and will incorporate them into our corrective action; we will implement established internal controls in the region where they have not been followed and reaffirm them statewide. This will be done through increased training in the areas of monitoring, client eligibility determination, and documentation.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

RCW 74.13.118: Review of support payments.

> At least once every five years, the secretary shall review the need of any adoptive parent or parents receiving continuing support pursuant to RCW 26.33.320 and 74.13.100 through 74.13.145, or the need of any parent who is to receive more than one lump sum payment where such payments are to be spaced more than one year apart.
>
> At the time of such review and at other times when changed conditions, including variations in medical opinions, prognosis and costs, are deemed by the secretary to warrant such action, appropriate adjustments in payments shall be made based upon changes in the needs of the child, in the adoptive parents' income, resources, and expenses for the care of such child or other

members of the family, including medical and/or hospitalization expense not otherwise covered by or subject to reimbursement from insurance or other sources of financial assistance.

Any parent who is a party to such an agreement may at any time in writing request, for reasons set forth in such request, a review of the amount of any payment or the level of continuing payments. Such review shall be begun not later than thirty days from the receipt of such request. Any adjustment may be made retroactive to the date such request was received by the secretary. If such request is not acted on within thirty days after it has been received by the secretary, such parent may invoke his rights under the hearing provisions set forth in RCW 74.13.127.

RCW 13.50.010: Definitions — Conditions when filing petition or information — Duties to maintain accurate records and access.

(1) For purposes of this chapter:

(a) "Juvenile justice or care agency" means any of the following: Police, diversion units, court, prosecuting attorney, defense attorney, detention center, attorney general, the legislative children's oversight committee, the office of [the] family and children's ombudsman, the department of social and health services and its contracting agencies, schools; persons or public or private agencies having children committed to their custody; and any placement oversight committee created under RCW 72.05.415;

(b) "Official juvenile court file" means the legal file of the juvenile court containing the petition or information, motions, memorandums, briefs, findings of the court, and court orders;

(c) "Records" means the official juvenile court file, the social file, and records of any other juvenile justice or care agency in the case;

(d) "Social file" means the juvenile court file containing the records and reports of the probation counselor.

(2) Each petition or information filed with the court may include only one juvenile and each petition or information shall be filed under a separate docket number. The social file shall be filed separately from the official juvenile court file.

(3) It is the duty of any juvenile justice or care agency to maintain accurate records. To this end:

(a) The agency may never knowingly record inaccurate information. Any information in records maintained by the department of social and health services relating to a petition filed pursuant to chapter 13.34 RCW that is found by the court to be false or inaccurate shall be corrected or expunged from such records by the agency;

(b) An agency shall take reasonable steps to assure the security of its records and prevent tampering with them; and

(c) An agency shall make reasonable efforts to insure the completeness of its records, including action taken by other agencies with respect to matters in its files.

(4) Each juvenile justice or care agency shall implement procedures consistent with the provisions of this chapter to facilitate inquiries concerning records.

(5) Any person who has reasonable cause to believe information concerning that person is included in the records of a juvenile justice or care agency and who has been denied access to those records by the agency may make a motion to the court for an order authorizing that person to inspect the juvenile justice or care agency record concerning that person. The court shall grant the

motion to examine records unless it finds that in the interests of justice or in the best interests of the juvenile the records or parts of them should remain confidential.

(6) A juvenile, or his or her parents, or any person who has reasonable cause to believe information concerning that person is included in the records of a juvenile justice or care agency may make a motion to the court challenging the accuracy of any information concerning the moving party in the record or challenging the continued possession of the record by the agency. If the court grants the motion, it shall order the record or information to be corrected or destroyed.

(7) The person making a motion under subsection (5) or (6) of this section shall give reasonable notice of the motion to all parties to the original action and to any agency whose records will be affected by the motion.

(8) The court may permit inspection of records by, or release of information to, any clinic, hospital, or agency which has the subject person under care or treatment. The court may also permit inspection by or release to individuals or agencies, including juvenile justice advisory committees of county law and justice councils, engaged in legitimate research for educational, scientific, or public purposes. The court may also permit inspection of, or release of information from, records which have been sealed pursuant to *RCW 13.50.050(11). The court shall release to the sentencing guidelines commission records needed for its research and data-gathering functions under RCW 9.94A.850 and other statutes. Access to records or information for research purposes shall be permitted only if the anonymity of all persons mentioned in the records or information will be preserved. Each person granted permission to inspect juvenile justice or care agency records for research purposes shall present a notarized statement to the court stating that the names of juveniles and parents will remain confidential.

(9) Juvenile detention facilities shall release records to the sentencing guidelines commission under RCW 9.94A.850 upon request. The commission shall not disclose the names of any juveniles or parents mentioned in the records without the named individual's written permission.

(10) Requirements in this chapter relating to the court's authority to compel disclosure shall not apply to the legislative children's oversight committee or the office of the family and children's ombudsman.

WAC 388-27-0275: When does the department review an adoption support agreement?

(1) The adoption support program must review an agreement:

(a) At least once every five years; or
(b) When the adoptive parents request a change in the terms of the agreement.

(2) The department may review an adoption support agreement:

(a) Whenever variations in medical opinions, prognosis, or costs warrant a review; or
(b) At the department's request.

WAC 388-27-0135 What are the eligibility criteria for the adoption support program?

For a child to be eligible for participation in the adoption support program, the department must first determine that adoption is the most appropriate plan for the child. If the department determines that adoption is in the child's best interest, the child must:

(1) Be less than eighteen years old when the department and the adoptive parents sign the adoption support agreement;
(2) Be legally free for adoption;

(3) Have a "special needs" factor or condition according to the definition in this rule (see WAC 388-27-0140); and

(4) Meet at least one of the following criteria:

(a) Is in state-funded foster care or child caring institution or was determined by the department to be eligible for and likely to be so placed (For a child to be considered "eligible for and likely to be placed in foster care" the department must have opened a case and determined that removal from the home was in the child's best interest.); or

(b) Is eligible for federally funded adoption assistance as defined in Title IV-E of the Social Security Act, the Code of Federal Regulations, the U.S. Department of Health and Human Services establishing guidelines for states to use in determining a child's eligibility for Title IV-E adoption assistance.

WAC 388-27-0210:Under what circumstances would the adoption support agreement be terminated?

The adoption support agreement is terminated according to the terms of the agreement or if any one of the following events occurs:

(1) The child reaches eighteen years of age; (if a child is at least eighteen but less than twenty-one years old and is a full-time high school student or working full time toward the completion of a GED (high school equivalency) certificate and continues to receive financial support from the adoptive parent(s), the department may extend the terms of the adoption support agreement until the child completes high school or achieves a GED. Under no circumstances may the department extend the agreement beyond the child's twenty first birthday.) Adoption support benefits will automatically stop on the child's eighteenth birthday unless the parent(s) requests continuation per this rule and have provided documentation of the child's continuation in school. To prevent disruption in services the parent should contact the adoption support program at least ninety days prior to the child's eighteenth birthday if continued services are to be requested.

(2) The adoptive parents no longer have legal responsibility for the child;

(3) The adoptive parents are no longer providing financial support for the child;

(4) The child dies; or

(5) The adoptive parents die. (A child who met federal Title IV-E eligibility criteria for adoption assistance will be eligible for adoption assistance in a subsequent adoption.)

Children's Administration Operations Manual

13230. Records Management

State law requires that CA maintain records for services to children and their families as well as for licensed or approved providers and for persons who apply and are subsequently denied licensure or approval for service. RCW 13.34.130; RCW 13.50.010; RCW 26.33.330; RCW 26.44.030

The CA office, in accordance with local procedures, assigns a case number for each family, child, or licensing file as appropriate. The case number will begin with the two-digit office/county code, followed by a letter designating the type of case, and the case-unique number assigned by the local office. The letter prefixes are:

"L" or "D" - Family/Parent File at regional discretion.
"D" -- Child with any dependency, voluntary, or CHINS legal actions.
"H" - Licensed Home or Facility

The Regional Administrator, the Area Manager, and the DLR Regional Manager establish procedures for their respective areas of responsibility for support staff to build, assign a unique number, file, store, add volumes, secure, transfer, and retrieve social service records, with all inactive service records maintained in a central file location until transfer to the central Records Retention Center (RRC).

All closed social service records (other than those files for children whose parental rights were terminated) with closed services will be transferred to the RCC periodically.

Licensing files that were closed due to a revocation or denial of a license will be retained permanently in the local office.

Closed records of children whose parental rights were terminated will be sent from the local office to state office adoptions staff for forwarding to State Archives. This includes records for children who were not subsequently adopted.

The local or regional DCFS or DLR office, as appropriate, maintains case records on all persons or providers licensed or certified by the department.

13710. Expectations for Accuracy

Information in social service records must be complete and accurate, to the best ability of assigned social work or other staff, and can be shared only with authorized representatives of public or private agencies having a legitimate need to be informed concerning clients whom they are actively serving.

The Regional Administrator and the Regional Manager are responsible, in their respective areas, for the integrity of data in electronic and paper files.

Title IV-E Desk Guide: Documentation

File Construction

At a minimum, assemble completed hard copy documentation as follows, affixed to the right hand side of the financial revenue file from top to bottom:

- Colored sheet of paper separating each eligibility review/eligibility determination
- Title IV-E Summary Report (or for determinations prior to the GUI IV-E Tool, DSHS 14-293, -297, or -298)
- Voluntary placement agreement or flagged court order that contains the initial required contrary to welfare and reasonable efforts language highlighted
- Flagged court order that contains the required reasonable efforts to finalize the permanency plan in effect language highlighted
- Computer printouts used to support eligibility decision (ACES, SEMS, etc.) annotated so the reader can understand the meaning of each printout
- Other documentation used to support the eligibility/reimbursability decision annotated so the reader can understand the meaning of each document
- DSHS Family Face Sheet and DSHS 14-281 if in use in your region

08-18 The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have internal controls to ensure that interest penalty collections are refunded to the federal government.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

The state Medicaid program spent approximately $6.4 billion during fiscal year 2008, approximately half of which was paid with federal funds. Most Medicaid expenditures are payments to providers of medical treatment, prescriptions, medical equipment, home health care and other services to Medicaid clients. Providers submit payment claims to the Department of Social and Health Services for these services. Not all claims submitted are allowable or accurate. The Department has internal post-payment audits designed to identify and recover overpayments to providers. When an overpayment is identified and notification sent to the provider, the Department may assess a 1 percent monthly interest penalty on the amount owed until the overpayment is recovered. Federal law requires the Department to pay back the federal portion of overpayments.

In our audit of fiscal year 2007, we reported a finding regarding the Department's lack of controls to ensure the federal share of interest penalty collected from providers is refunded to the federal government in an accurate and timely manner.

In response to our 2007 finding the Department stated it would establish and follow policies and procedures to address the issue.

Description of condition

During our current audit, we found the Department did not have polices and procedures in place to ensure the federal share of interest penalty collected from providers is refunded to the federal government in an accurate and timely manner.

Cause of Condition

The Department's policy on identification and remittance of interest collected on Medicaid provider overpayments was not finalized until July 1, 2008, which was after the end of the fiscal period under audit.

Effect of Condition

The Department collected $286,326.93 in interest penalties on overpayments from Medicaid providers from July 1, 2007 through June 30, 2008. Of this, $145,486.354 is the federal share of interest penalty collections. The Department did not remit this amount to the federal government in a timely manner. These interest penalty collections were not refunded to the federal government until October of 2008.

Recommendations

We recommend the Department follow its newly established policies and procedures to ensure the federal share of interest penalty collected from providers is refunded in an accurate and timely manner.

Department's Response

We concur with the audit finding. On the November 17, 2008 federal draw, the Department returned $145,486.35 of the interest penalties on overpayments to the federal government pertaining to Statewide Fiscal year 2008.

To comply with the newly established policy and procedures outlined in the Financial Services Administration's Financial Policy 001, the Office of Accounting Services is creating an automated process to generate the interest report on a monthly basis. This report will enable the Department to remit the interest on a monthly basis through the federal claiming process. The new automated process and interest report are in the final stages of being tested; the department expects the automated interest report to be in place January 2009. After the interest report is run each month, the federal share will be verified and a journal voucher will be processed monthly by the Grants Management Section in the Office of Accounting Services. Processing the journal voucher monthly will return the federal portion of the interest collected within the 60 day period.

Auditor's Concluding Remarks

We thank the department for the cooperation and assistance provided during this review. We appreciate the steps the Department is taking to address this issue, and will review this area during our next audit.

Applicable Laws and Regulations

State Medicaid Manual states in part:

2500.1 Preparation of the Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program, Summary Sheet and Certification, Form HCFA-64. - Section A - Quarterly Status Of Funding

Line 3 - Interest

Line 3.A - Received On Medicaid Recoveries. -Enter the Federal share of any interest received or earned on Medicaid recoveries during the quarter.

Title 42, code of Federal Regulations, Section 433 states in part:

42 CFR 433.312 Basic requirements for refunds.

(a) Basic rules.

(1) Except as provided in paragraph (b) of this section, the Medicaid agency has 60 days from the date of discovery of an overpayment to a provider to recover or seek to recover the overpayment before the Federal share must be refunded to CMS.

(2) The agency must refund the Federal share of overpayments at the end of the 60-day period following discovery in accordance with the requirements of this subpart, whether or not the State has recovered the overpayment from the provider.

(b) Exception.

The agency is not required to refund the Federal share of an overpayment made to a provider when the State is unable to recover the overpayment amount because the provider has been determined bankrupt or out of business in accordance with Sec. 433.318.

(c) Applicability.

(1) The requirements of this subpart apply to overpayments made to Medicaid providers that occur and are discovered in any quarter that begins on or after October 1, 1985.

(2) The date upon which an overpayment occurs is the date upon which a State, using its normal method of reimbursement for a particular class of provider (e.g., check, interfund transfer), makes the payment involving unallowable costs to a provider.

42 CFR 433.318 Overpayments involving providers who are bankrupt or out of business.

(a) Basic rules. (1) The agency is not required to refund the Federal share of an overpayment made to a provider as required by Sec. 433.312(a) to the extent that the State is unable to recover the overpayment because the provider has been determined bankrupt or out of business in accordance with the provisions of this section...

(b) Overpayment debts that the State need not refund. Overpayments are considered debts that the State is unable to recover within the 60-day period following discovery if the following criteria are met:

(1) The provider has filed for bankruptcy, as specified in paragraph (c) of this section; or

(2) The provider has gone out of business and the State is unable to locate the provider and its assets, as specified in paragraph (d) of this section...

(e) Circumstances requiring refunds. If the 60-day recovery period has expired before an overpayment is found to be uncollectible under the provisions of this section, if the State recovers an overpayment amount under a court-approved discharge of bankruptcy, or if a bankruptcy petition is denied, the agency must refund the Federal share of the overpayment in accordance with the procedures specified in Sec. 433.320.

42 CFR 433.320 Procedures for refunds to CMS.

(a) Basic requirements.

(1) The agency must refund the Federal share of overpayments that are subject to recovery to CMS through a credit on its Quarterly Statement of Expenditures (Form CMS-64).

(2) The Federal share of overpayments subject to recovery must be credited on the Form CMS-64 report submitted for the quarter in which the 60-day period following discovery, established in accordance with Sec. 433.316, ends.

(3) A credit on the Form CMS-64 must be made whether or not the overpayment has been recovered by the State from the provider.

(b) Effect of reporting collections and submitting reduced expenditure claims.

(1) The State is not required to refund the Federal share of an overpayment when the State reports a collection or submits an expenditure claim reduced by a discrete amount to recover an overpayment prior to the end of the 60-day period following discovery.

(2) The State is not required to report on the Form CMS-64 any collections made on overpayment amounts for which the Federal share has been refunded previously.

(3) If a State has refunded the Federal share of an overpayment as required under this subpart and the State subsequently makes recovery by reducing future provider payments by a discrete amount, the State need not reflect that reduction in its claim for Federal financial participation...

(d) Expiration of 60-day recovery period. If an overpayment has not been determined uncollectible in accordance with the requirements of Sec. 433.318 at the end of the 60-day period following discovery of the overpayment, the agency must refund the Federal share of the overpayment to CMS in accordance with the procedures specified in paragraph (a) of this section.

08-19 Public funds were misappropriated at the Department of Social and Health Services' Division of Developmental Disabilities.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	N/A
Questioned Cost Amount:	Unknown

Background

The Department of Social and Health Services' Division of Developmental Disabilities (DDD) contracts with licensed agencies and individual providers to care for clients with disabilities. In fiscal year 2008, the Division paid approximately $650 million to care providers.

On August 4, 2006, a supervisor at a DDD Field Services Office notified certain DDD clients that the contract for the home health agency providing their services was to be terminated and that they would need to find an alternative service provider. The supervisor contacted the clients on behalf of the Case Resource Manager, who was out on leave. While reviewing the clients to be notified, the supervisor noticed the Case Resource Manager's spouse was listed as a provider for several of the clients. During the phone conversations, clients stated they had not received services from this individual or the home health agency.

The supervisor initiated an internal investigation into the issue and referred the incident to local police. DDD management also referred the incident to the Medicaid Fraud Unit of the Attorney General's Office and Washington State Patrol. The local police department investigated only the payments made to the case resource manager's spouse as possible employee fraud. The payments made to the home health agency were referred to the Medicaid Fraud Unit, which is responsible for the investigation and prosecution of health care provider fraud involving the Medicaid program.

Description of Condition

We reviewed the local police department's report and agreed with its conclusion that $8,289.92 in public funds was misappropriated by the employee by issuing payments to her spouse for services to disabled clients that were not rendered.

We reviewed the Department's incident report to the Office of the Governor and the Interagency Referral Report to the Washington State Patrol and determined the Department initially identified approximately $91,000 in additional payments that were issued to the home health agency for services to disabled clients not rendered. Neither report disclosed the nature of the relationship, if any, between the Case Resource Manager and the home health agency. The final amount of the misappropriation will not be determined until the Fraud Unit completes whatever work it deems necessary.

Approximately half of DDD payments to providers are federal dollars.

Cause of Condition

The Department does not have adequate internal controls to prevent employees from misappropriating client service payments. In addition, payments to providers were inadequately monitored by the Department.

Effect of Condition and Questioned Costs

Inadequate internal controls led to the misappropriation of funds at the Division and deprived the Department, as well as eligible clients and providers, of the use of these funds. Because this involved federal money, the state may be required to reimburse the federal government its share of the loss.

Recommendation

We recommend the Department seek recovery of the $8,289.92 in misappropriated public funds from the former employees and/or its insurance bonding company, as appropriate. In addition, we recommend the Department seek recovery of any additional losses and associated investigation costs identified at a later date. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by RCW 43.09.330. Assistant Attorney General Marta DeLeon is the contact person for the Attorney General's Office and she can be reached at 360-753-3168 or martad@atg.wa.gov. The contact for the State Auditor's Office is Jan Jutte, Director of Legal Affairs and she can be reached at 360-902-0363 or juttej@sao.wa.gov.

Insurance coverage for employees is as follows:
Insurance Company: Traveler's
Policy Number: 104238506
Policy Type: Commercial Crime Policy
Amount of Coverage: $10,000,000/ $ 500,000 deductible
Coverage Period: August 1, 2004 until cancelled

We also recommend the Department continue to establish, follow and monitor an effective system of internal controls designed to ensure the protection of public assets from loss.

Department's Response

The department concurs with this finding.

The department will seek recovery of all misappropriated funds, and investigative costs, that have been or will be identified. Referrals to the division of fraud investigation and the office of financial recovery have been made on the funds currently identified as misappropriated. DDD also implemented changes to its Policy 6.01 regarding SSPS monitoring. The policy requires more thorough monitoring, and specifies monitoring roles and what documents need to be reviewed. The policy also requires client contact by a supervisor for service verification.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

Applicable Laws and Regulations

RCW 43.09.185 states:

> State agencies and local governments shall immediately report to the state auditor's office known or suspected loss of public funds or assets or other illegal activity.

Section 20.20.20a of the State Administrative and Accounting Manual states, in part:

> Each agency director is responsible for establishing and maintaining an effective system of internal control throughout the agency.

08-20 The Department of Social and Health Services did not have adequate internal controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	N/A

Background

Most Medicaid expenditures are payments to providers of medical treatment, prescriptions, medical equipment, home health care, and other services. Providers submit payment claims to the Department of Social and Health Services. In most cases, these payments are composed of approximately 50 percent federal and 50 percent state funds. The Department has a number of post-payment audits designed to identify and recover inappropriate payments to providers, referred to as overpayments.

The Department is required to pay back to the federal government its share of overpayments within 60 days of the date of discovery, even if the state has not recovered the overpayment from the provider. The state does not have to refund the overpayment if the provider has filed for bankruptcy or has gone out of business.

The federal Medicaid program is operated on a reimbursement basis, meaning the state pays program costs, and then submits a claim to the federal government to recover those costs. Because of this, payments owed to the federal government are made by reducing the amount of the reimbursement requested.

The state Medicaid program spent approximately $6.4 billion during fiscal year 2008, approximately half of which was paid with federal funds.

Description of condition

In fiscal year 2008, the Medicaid program identified 107 overpayments. We selected 28 of those for review.

On October 2, 2008 we requested detailed information that would show whether the federal share of the overpayments selected had been refunded and the date of that refund. We provided the Department six weeks to gather and provide us the information. The Department communicated it would need an extension due to a large workload and the difficulty in obtaining the requested data.

On December 9, 2008, the revised due date, the Department notified us it would not be able to provide all of the requested documentation. The Department requested additional time, and we extended the deadline to January 16, to allow it to provide documentation to show the federal share of the overpayments had been refunded. The Department still was unable to provide the documentation.

Throughout the audit we encountered difficulties in obtaining the necessary documentation. In the prior year audits, the Department was able to provide sufficient documents to show overpayments had been refunded.

Cause of Condition

In 2007 the employee who was primarily responsible for performing this function left the Department, duties were shifted and new staff added. When this transition occurred, employees did not receive adequate training related to overpayment refunding.

The Department did not have clearly defined procedures that allow it to be consistent in processing overpayments nor did the Department have management responsible for overseeing the entire overpayment processes.

Effect of Condition

The Department was unable to clearly evidence that the federal share of eight overpayments totaling $442,907.29 was refunded to the grantor. The Department's inability to track a specific overpayment from initiation through completion of refunding prevents the Department from being able to adequately monitor those refunds, and from obtaining assurance that the process is working correctly. While we were unable to determine with assurance that the overpayments were refunded, we were also unable to determine that they were not refunded. Because of this, we are not questioning the $221,453 that we estimate to be the federal share of those overpayments.

Recommendations

We recommend the Department:

- Train staff members to ensure they adequately perform duties related to overpayment refunding.
- Clearly identify those divisions, managers and supervisors with responsibility and authority for each aspect of the overpayment refunding process, including obtaining assurance that the Department can evidence the refunding of each overpayment.
- Work with the U.S. Department of Health and Human Services to provide assurances, to the grantor's satisfaction, that the federal share of overpayments has been properly refunded.

Department's Response:

The Office of Accounting Services (OAS) concurs that due to unexpected staff turnover, staff were not adequately trained to perform the duties related to overpayment refunding. The OAS will ensure that grants management staff is trained by March 2009 on the process of repayment of prior-prior biennium recoveries. OAS will also ensure that the one remaining prior-prior biennium recovery related to this finding that has not already been repaid to the federal government will be repaid by March 2009.

The Department also concurs with the recommendation to clearly identify the OAS and OFR managers, supervisors, and staff that are responsible for their part of the overpayment refunding process.

The Department would like to add clarity to the information presented in the Description of Condition section above. In the initial stages of the audit, the Department communicated that due to federal requirements regarding preparation of the CMS-64 Medicaid Claim during October, and staff resources required to meet this federal mandate, the State Auditor's Office (SAO) requests for data would need to be made prior to October. SAO made the request for detailed information in October when staff were unavailable due to meeting federally mandated requirements. The Department again communicated that resources would not be available until the CMS-64 Medicaid Claim was completed.

Throughout December 2008 and January 2009, FSA staff worked to research the selected overpayments and provide the detailed information to the SAO. There were initial challenges in providing the data due to the loss of a key staff member; however, staff from OAS and OFR provided the requested information to the SAO.

The Department believes that we have provided detailed information to the SAO on all items requested. We have shared this information with the SAO. In a final meeting with the SAO on January 16, 2009, scheduled to review and resolve any remaining outstanding issues or questions, the SAO staff indicated that we had answered all their questions and provided all the needed information.

The Department will work with the appropriate staff of the U.S. Department of Health and Human Services, CMS Region X, to ensure that they are satisfied that the state has refunded the $221,453.00 federal share of overpayments.

Auditor's Concluding Remarks

We appreciate the Department's commitment to improving its internal controls over federal overpayment refunding. We look forward to reviewing these improvements during our next audit.

Applicable Laws and Regulations
Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

42 CFR 433.312 Basic requirements for refunds.

> (a) Basic rules.
> (1) Except as provided in paragraph (b) of this section, the Medicaid agency has 60 days from the date of discovery of an overpayment to a provider to recover or seek to recover the overpayment before the Federal share must be refunded to CMS.
> (2) The agency must refund the Federal share of overpayments at the end of the 60-day period following discovery in accordance with the requirements of this subpart, whether or not the State has recovered the overpayment from the provider.
> (b) Exception.
> The agency is not required to refund the Federal share of an overpayment made to a provider when the State is unable to recover the overpayment amount because the provider has been determined bankrupt or out of business in accordance with Sec. 433.318.
> (c) Applicability.
> (1) The requirements of this subpart apply to overpayments made to Medicaid providers that occur and are discovered in any quarter that begins on or after October 1, 1985.
> (2) The date upon which an overpayment occurs is the date upon which a State, using its normal method of reimbursement for a particular class of provider (e.g., check, interfund transfer), makes the payment involving unallowable costs to a provider.

42 CFR 433.318 Overpayments involving providers who are bankrupt or out of business.

> (a) Basic rules. (1) The agency is not required to refund the Federal share of an overpayment made to a provider as required by Sec. 433.312(a) to the extent that the State is unable to recover the overpayment because the provider has been determined bankrupt or out of business in accordance with the provisions of this section...
>
> (b) Overpayment debts that the State need not refund. Overpayments are considered debts that the State is unable to recover within the 60-day period following discovery if the following criteria are met:
> (1) The provider has filed for bankruptcy, as specified in paragraph (c) of this section; or
> (2) The provider has gone out of business and the State is unable to locate the provider and its assets, as specified in paragraph (d) of this section...

(e) Circumstances requiring refunds. If the 60-day recovery period has expired before an overpayment is found to be uncollectible under the provisions of this section, if the State recovers an overpayment amount under a court-approved discharge of bankruptcy, or if a bankruptcy petition is denied, the agency must refund the Federal share of the overpayment in accordance with the procedures specified in Sec. 433.320.

42 CFR 433.320 Procedures for refunds to CMS.

(a) Basic requirements.
(1) The agency must refund the Federal share of overpayments that are subject to recovery to CMS through a credit on its Quarterly Statement of Expenditures (Form CMS-64).
(2) The Federal share of overpayments subject to recovery must be credited on the Form CMS-64 report submitted for the quarter in which the 60-day period following discovery, established in accordance with Sec. 433.316, ends.
(3) A credit on the Form CMS-64 must be made whether or not the overpayment has been recovered by the State from the provider.

(b) Effect of reporting collections and submitting reduced expenditure claims.
(1) The State is not required to refund the Federal share of an overpayment when the State reports a collection or submits an expenditure claim reduced by a discrete amount to recover an overpayment prior to the end of the 60-day period following discovery.
(2) The State is not required to report on the Form CMS-64 any collections made on overpayment amounts for which the Federal share has been refunded previously.
(3) If a State has refunded the Federal share of an overpayment as required under this subpart and the State subsequently makes recovery by reducing future provider payments by a discrete amount, the State need not reflect that reduction in its claim for Federal financial participation...

(d) Expiration of 60-day recovery period. If an overpayment has not been determined uncollectible in accordance with the requirements of
Sec. 433.318 at the end of the 60-day period following discovery of the overpayment, the agency must refund the Federal share of the overpayment to CMS in accordance with the procedures specified in paragraph (a) of this section.

08-21 The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are inadequate to identify and recover Medicaid overpayments to pharmaceutical providers made when billing codes are used inappropriately.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	None

Background

Medicaid is the "payer of last resort", meaning that other payment sources should be identified and used prior to submitting claims to Medicaid. Third-party liability refers to the legal obligation of third-party resources, usually insurance companies, to pay medical and pharmaceutical claims of Medicaid recipients prior to Medicaid coverage. Federal regulations require states to have processes to identify third parties before Medicaid dollars are used.

Pharmacies submit claims for Medicaid client prescriptions through an electronic Point of Sale system. This system interfaces with the Medicaid Management Information System (MMIS), which processes requests for payment through a series of criteria within the system, or edits. Claims are paid if they successfully pass all edits.

When pharmacies submit claims for payment to Medicaid, they must enter any third-party payers that may be liable for paying. If a provider submits a claim on behalf of a client who has other insurance without accurately entering the third-party resource, the Point of Sale system will deny the claim. However, the system edits intended to identify and deny these claims can be rendered inoperative by use of manual override codes. The override codes, part of the National Council for Prescription Drugs Programs electronic claims submission standard, are recognized nationally as electronic claims processing standards used throughout the pharmacy community. The override codes were established for uses such as processing payment for a drug the client's insurance does not cover, but which is covered by Medicaid.

In our audits of state fiscal years 2006 and 2007, we reported a lack of adequate controls over use of override codes. The accuracy of information entered into the system depends on the pharmacy. The pharmacy can enter either the accurate third-party payer information or override codes to bypass the system that would deny payment on the claim should the information be inaccurate. Due to this significant, inherent control weakness, claims for pharmaceutical payments are susceptible to error or abuse. Claims that should have been paid in whole or in part by third parties could be paid by the Medicaid program. To compensate for this, the Department established a post-payment audit program to identify and recover payments made to providers who inappropriately billed Medicaid.

The Department paid more than $429 million to pharmacies for services to Medicaid clients in fiscal year 2008. This does not include payments for clients who are eligible for Medicare in addition to Medicaid. For those individuals, Medicaid will cover any costs not covered by Medicare, and so use of the override code would not be uncommon. We eliminated those payments from the scope of this review.

Description of Condition

We reviewed the Department's post-payment audit program to determine if it is effective in identifying overpayments and recovering overpayments. We reviewed the Department's third-party liability audit selection procedures, risk assessment and post-payment audit coverage.

We found the Department has a good understanding of where overpayment risks occur and what they are. Quarterly, the Department pulls data from MMIS and the point-of-sale system and analyzes claims in which override codes were used. In fiscal year 2008, the Department narrowed the scope of the audits to riskier claims by selecting providers based on the amount claims in the "Insurance on MMIS-Override Coverage Codes (OCC) 3, 7 and 8 used". The table below shows total OCC 3,7,8 claims paid and audited.

	Fiscal year 2008 Claims Paid	**Fiscal year 2008 Audited**	**Coverage percentage**
Providers	1,216	11	0.90%
Claims w/ OCC 3,7,8 Used - Claim Count	100,796	6,318	6.27%
Claims w/ OCC 3,7,8 Used - Claim Amount	$7,199,540.17	$1,162,866.24	16.15%
Claims w/ OCC 3,7,8 and Insurance on MMIS - Claim Count	43,042	6,318	14.68%
Claims w/ OCC(3,7,8) and Insurance on MMIS - Claim Amount	$4,023,680.50	$1,162,866.24	28.90%

Other Coverage Code 3: Other coverage exists, claim not covered
Other Coverage Code 7: Other coverage exists, not in effect at time of service
Other Coverage Code 8: Contracted copayments

While we found the process to be effective, the Department could not demonstrate the amount of coverage is adequate to address the risk of overpayments. We found that the Department has not analyzed the level of audit coverage needed to determine if it is identifying and recovering all overpayments. The Department could not demonstrate a correlation between the amount of potential overpayments and the resources it devotes to identifying and recovering them.

As shown in the table below, a significant portion of the payments audited by the Department are found to be inappropriate, and are subsequently recovered. These recoveries include state and federal money.

Fiscal Year	Audits Completed	Claim Amount Audited	Recouped	Recovery Percentage
2005	11	$1,681,420.36	$684,057.69	40.68%
2006	25	$2,248,337.34	$1,244,288.30	55.34%
2007	19	$2,677,689.96	$1,141,368.87	42.63%
2008	11	$1,162,866.24	$577,507.97	49.66%

Cause of Condition

The Department stated reasonable controls are in place for the Point of Sale system and any further controls would make the system too cumbersome to use. The Department stated it will not place additional restrictions on the use of override codes because that would prevent timely service to Medicaid clients. The Department stated it has compensating controls in place to provide reasonable assurance that improper payments will be recovered through its post-payment audit process.

In response to the prior year's finding and recommendation, the Department did prepare a type of analysis indicating the potential increase in payment recovery if it added staff. However, this analysis does not

provide information on what would be an appropriate amount of post-payment audit coverage to maximize recovery of overpayment.

Effect of Condition

Inaccurate third-party liability coverage information can be entered into the point-of-sale system causing Medicaid dollars to be spent on pharmacy services that should have been paid by third parties. Due to the lack of risk analysis and adequate post-payment audits, the Department cannot reasonably assure improper payments will be identified and recovered.

The Department's own audit work shows that of the claims audited a significant portion were improperly billed to Medicaid. Approximately half of the funds recovered are federal, and half are state.

Recommendation

We recommend the Department:

- Strengthen controls over entry of claims into the payment system to ensure third-party payers are properly billed before Medicaid is billed, as required by federal regulations.
- Perform on-going risk analysis and assessment to determine the appropriate level of post-payment audit coverage for third-party liability claims to ensure improper payments will be identified and recovered.

Department's Response

The Department does not concur with this finding.

During SFY08 the Health and Recovery Services Administration (HRSA) continued to collaborate with the Washington State Pharmacy Association (WSPA). The collaborative efforts between WSPA and HRSA continue to be targeted at prevention of inappropriate payments for pharmacy claims that are not allowable under the Medicaid program. In addition, HRSA will be evaluating other coverage code usage in the ProviderOne Point of Sale System (POS) which was implemented on October 20, 2008. These activities will result in the decline of inappropriate use of other coverage codes.

HRSA is performing on-going risk analysis and assessment to determine the appropriate level of post-payment audit coverage for third-party liability (TPL) claims against the current staffing resources. In March 2008, a risk assessment and analysis was performed. From this, a plan was implemented to ensure that audits are focused on the most aberrant providers. On a quarterly basis, paid claims data is run to identify providers with the highest usage of other coverage codes. The providers are ranked by paid amount and those with the highest dollars are prioritized and are reviewed by OPRA. The Department believes it is focusing on the highest rate of return through this quarterly review because the pharmacies selected for audit are those with claims where the Department knows the Medicaid client has primary insurance.

HRSA will always strive to enhance its strategies for ensuring adequate post payment audit coverage. The process will continue to focus on identifying and prioritizing audits by risk exposure (i.e. dollars by other coverage code), but may include additional steps or resources to strengthen the over-all post payment review process and provide reasonable assurance that improper payments are recovered.

Auditor's Concluding Remarks

We thank the Department for its response, and will review this area during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

When probable liability is established at the time a claim is filed 42CFR433.139 (b) (1) requires:

If the agency has established the probable existence of third party liability at the time the claim is filed, the agency must reject the claim and return it to the provider for a determination of the amount of liability. The establishment of third party liability takes place when the agency receives confirmation from the provider or a third party resource indicating the extent of third party liability. When the amount of liability is determined, the agency must then pay the claim to the extent that payment allowed under the agency's payment schedule exceeds the amount of the third party's payment.

42CFR 433.140 (a) stipulates the following regarding a state's claim for federal financial participation:

> (a) FFP is not available in Medicaid payments if—
>
> (1) The agency failed to fulfill the requirements of §§433.138 and 433.139 with regard to establishing liability and seeking reimbursement from a third party;
>
> (2) The agency received reimbursement from a liable third party; or
>
> (3) A private insurer would have been obligated to pay for the service except that its insurance contract limits or excludes payments if the individual is eligible for Medicaid.
>
> (b) FFP is available at the 50 percent rate for the agency's expenditures in carrying out the requirements of this subpart.

WAC 388-501-0200 states:

> (1) MAA requires a provider to seek timely reimbursement from a third party when a client has available third-party resources, except as described under subsections (2) and (3) of this section.
>
> (2) MAA pays for medical services and seeks reimbursement from the liable third party when the claim is for any of the following:
>
> (a) Prenatal care;
> (b) Labor, delivery, and postpartum care (except inpatient hospital costs) for a pregnant woman; or
> (c) Preventive pediatric services as covered under the EPSDT program.
>
> (3) MAA pays for medical services and seeks reimbursement from any liable third party when both of the following apply:
>
> (a) The provider submits to MAA documentation of billing the third party and the provider has not received payment after thirty days from the date of services; and
> (b) The claim is for a covered service provided to a client on whose behalf the office of support enforcement is enforcing an absent parent to pay support. For the purpose of this section, "is enforcing" means the absent parent either:
>
> (i) Is not complying with an existing court order; or
> (ii) Received payment directly from the third party and did not pay for the medical services.

(4) The provider may not bill MAA or the client for a covered service when a third party pays a provider the same amount as or more than the MAA rate.

(5) When the provider receives payment from the third party after receiving reimbursement from MAA, the provider must refund to MAA the amount of the:

(a) Third-party payment when the payment is less than MAA's maximum allowable rate; or

(b) MAA payment when the third-party payment is equal to or greater than MAA's maximum allowable rate.

(6) MAA is not responsible to pay for medical services when the third-party benefits are available to pay for the client's medical services at the time the provider bills MAA, except as described under subsections (2) and (3) of this section.

(7) The client is liable for charges for covered medical services that would be paid by the third party payment when the client either:

(a) Receives direct third-party reimbursement for such services; or

(b) Fails to execute legal signatures on insurance forms, billing documents, or other forms necessary to receive insurance payments for services rendered. See WAC 388-505-0540 for assignment of rights.

(8) MAA considers an adoptive family to be a third-party resource for the medical expenses of the birth mother and child only when there is a written contract between the adopting family and either the birth mother, the attorney, the provider, or the adoption service. The contract must specify that the adopting family will pay for the medical care associated with the pregnancy.

(9) A provider cannot refuse to furnish covered services to a client because of a third party's potential liability for the services.

(10) For third-party liability on personal injury litigation claims, MAA is responsible for providing medical services as described under WAC 388-501-0100.

08-22 The Department of Social and Health Services does not have adequate internal controls to ensure new applicants meet federal citizenship requirements before receiving Medicaid benefits.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing health coverage for selected categories of people with low incomes who might otherwise go without medical care. The state of Washington Medicaid program spent more than $6 billion during fiscal year 2008. Approximately half of Medicaid expenditures were paid with federal funds.

Under federal law, all U.S. citizens and certain legal immigrants who meet Medicaid's financial and non-financial eligibility criteria are entitled to Medicaid. The Medicaid program requires states to establish that individuals applying for Medicaid are U.S. citizens or satisfy the immigration requirements, which are detailed in the regulations.

The state has always required that individuals be citizens or certain classes of federally designated immigrants to be eligible for Medicaid. Individuals have been allowed to "self-declare" citizenship on an application that is signed under a "penalty of perjury" statement. DSHS has not independently verified citizenship status, unless it found the client statement to be questionable based on information to the contrary.

The federal Deficit Reduction Act of 2005 made changes to the operations of many federal programs, including Medicaid. Among those changes is a requirement that all current Medicaid recipients and all new applicants who claim U.S. citizenship must provide evidence to prove their citizenship and identity, effective July 1, 2006, or at the first eligibility re-determination after the effective date of the Act. The regulation defines what constitutes acceptable proof in order of reliability, and requires the recipient or applicant to present original documents or copies certified by the issuing agency.

A rule issued by Centers for Medicare and Medicaid Services states individuals already enrolled in Medicaid must be given a "reasonable opportunity" to present the required documentation to verify citizenship before a state takes any action to terminate eligibility. Current Medicaid beneficiaries continue to receive benefits if they demonstrate a good faith effort to present satisfactory evidence of citizenship and identity. What constitutes a "good faith effort" is not defined by the rule, and so is left to the judgment of DSHS.

Under the Act, however, new applicants are not eligible until they have presented the required documentation or are otherwise determined to be exempt from the requirements as described in the regulation.

Description of Condition

During our audit of fiscal year 2007, we reported the Department had elected to not fully comply with the new requirements, and continued to provide Medicaid benefits to applicants prior to obtaining the required documentation to verify citizenship and identity. During that audit, we identified 28 out of 210 clients selected had received benefits without having provided the required documentation.

For our current audit, we found the Department had made no changes to its process, and continued to be out of compliance with the regulation during the audit period. Based on this, and the time and effort involved in detailed testing of Medicaid client eligibility, we determined that re-performing this testing would not be an effective use of our resources.

Cause of Condition

The Department stated that systems would be put into place to ensure that medical costs will not be charged to the Medicaid program until all requirements are met. However, the Department did not plan to have these measures in place until July 2008, after the fiscal year under audit.

Effect of Condition

The Department provided Medicaid benefits to applicants who did not meet citizenship requirements for the program.

Recommendations

We recommend the Department establish and follow adequate controls to ensure compliance with Medicaid citizenship requirements. We further recommend DSHS continue to take the necessary steps to verify the eligibility of new applicants who are receiving Medicaid benefits and have not provided the required documents.

Department's Response

The Department concurs with this finding.

As stated by the auditor, the department's corrective action plan was not completed during FY08, the time period reviewed by the auditor. Since the completion of State Auditor's work, the department completed the first two actions listed below by July 1, 2008 and the third and final action identified below by September 1, 2008. The department:

- *Developed citizenship verification and identity processes to ensure accurate eligibility decisions for all applicants under and over 19 years of age;*
- *Provided citizenship verification, identity training and communication related to eligibility for applicants under and over 19 years of age to staff who determine medical eligibility; and*
- *Implemented a manual process for correctly charging medical costs to state only funds for individuals whose citizenship and/or identity is not documented. This process assures the department is not claiming federal match for medical services to these recipients.*

The new policies and procedures require citizenship verification and proof of identity for all applicants 19 years of age and older and for all non-pregnant applicants under the age of 19 prior to approval for Medicaid services. Applicants who are under the age of 19 and pregnant, or who are parents of non-pregnant children, who do not comply with the federally mandated documentation requirements,

are authorized to receive medical services under a non-Medicaid program. These services are paid for with state funds.

Auditor's Concluding Remarks

We appreciate the steps the Department has taken to address this issue. We look forward to reviewing the Department's corrective action during our next audit.

Applicable Laws and Regulations

Title 42 USC 1396b(i)(22) states:

> With respect to amounts expended for medical assistance for an individual who declares under section 1137(d)(1)(A) [42 USCS § 1320b-7(d)(1)(A)] to be a citizen or national of the United States for purposes of establishing eligibility for benefits under this title [42 USCS §§ 1396 et seq.], unless the requirement of subsection (x) is met.

Title 42 USC 1396b(x)(1) states:

> For purposes of subsection (i)(22), the requirement of this subsection is, with respect to an individual declaring to be a citizen or national of the United States, that, subject to paragraph (2), there is presented satisfactory documentary evidence of citizenship or nationality (as defined in paragraph (3)) of the individual.

Title 42 CFR 435.406, Citizenship and alienage, states:

> (a) The agency must provide Medicaid to otherwise eligible residents of the United States who are
>
> (1) Citizens:
> (i) Under a declaration required by section 1137(d) of the Act that the individual is a citizen or national of the United States; and
>
> (ii) The individual has provided satisfactory documentary evidence of citizenship or national status, as described in §435.407.
>
> (iii) An individual for purposes of the declaration and citizenship documentation requirements discussed in paragraphs (a)(1)(i) and (a)(1)(ii) of this section includes both applicants and recipients under a section 1115 demonstration (including a family planning demonstration project) for which a State receives Federal financial participation in their expenditures, as though the expenditures were for medical assistance.
>
> (iv) Individuals must declare their citizenship and the State must document the individual's citizenship in the individual's eligibility file on initial applications and initial redeterminations effective July 1, 2006.
>
> (v) The following groups of individuals are exempt from the requirements in paragraph (a)(1)(ii) of this section:
>
> (A) Individuals receiving SSI benefits under title XVI of the Act.
>
> (B) Individuals entitled to or enrolled in any part of Medicare.
>
> (C) Individuals receiving disability insurance benefits under section 223 of the Act or monthly benefits under section 202 of the Act, based on the individual's disability (as defined in section 223(d) of the Act).

(D) Individuals who are in foster care and who are assisted under Title IV-B of the Act, and individuals who are recipients of foster care maintenance or adoption assistance payments under Title IV–E of the Act.

(2)(i) Except as specified in 8 U.S.C. 1612(b)(1) (permitting States an option with respect to coverage of certain qualified aliens), qualified aliens as described in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641) (including qualified aliens subject to the 5-year bar) who have provided satisfactory documentary evidence of Qualified Alien status, which status has been verified with the Department of Homeland Security (DHS) under a declaration required by section 1137(d) of the Act that the applicant or recipient is an alien in a satisfactory immigration status.

(ii) The eligibility of qualified aliens who are subject to the 5-year bar in 8 U.S.C. 1613 is limited to the benefits described in paragraph (b) of this section.

(b) The agency must provide payment for the services described in §440.255(c) of this chapter to residents of the State who otherwise meet the eligibility requirements of the State plan (except for receipt of AFDC, SSI, or State Supplementary payments) who are qualified aliens subject to the 5-year bar or who are non-qualified aliens who meet all Medicaid eligibility criteria, except non-qualified aliens need not present a social security number or document immigration status.

Title 42 CFR 435.407, Types of acceptable documentary evidence of citizenship, states:

For purposes of this section, the term "citizenship" includes status as a "national of the United States" as defined by section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)) to include both citizens of the United States and non-citizen nationals of the United States.

(a) *Primary evidence of citizenship and identity.* The following evidence must be accepted as satisfactory documentary evidence of both identity and citizenship:

(1) *A U.S. passport*. The Department of State issues this. A U.S. passport does not have to be currently valid to be accepted as evidence of U.S. citizenship, as long as it was originally issued without limitation. Note: Spouses and children were sometimes included on one passport through 1980. U.S. passports issued after 1980 show only one person. Consequently, the citizenship and identity of the included person can be established when one of these passports is presented. Exception: Do not accept any passport as evidence of U.S. citizenship when it was issued with a limitation. However, such a passport may be used as proof of identity.

(2) *A Certificate of Naturalization (DHS Forms N–550 or N–570.)* Department of Homeland Security issues for naturalization.

(3) *A Certificate of U.S. Citizenship (DHS Forms N–560 or N–561.)* Department of Homeland Security issues certificates of citizenship to individuals who derive citizenship through a parent.

(4) A valid State-issued driver's license, but only if the State issuing the license requires proof of U.S. citizenship before issuance of such license or obtains a social security number from the applicant and verifies before certification that such number is valid and assigned to the applicant who is a citizen. (This provision is not effective until such time as a State makes providing evidence of citizenship a condition of issuing a driver's license and evidence that the license holder is a citizen is included on the license or in a system of records available to the Medicaid agency. The State must ensure that the process complies with this statutory provision in section 6036 of the Deficit Reduction Act of 2005. CMS will monitor compliance of States implementing this provision.).

(b) *Secondary evidence of citizenship.* If primary evidence from the list in paragraph (a) of this section is unavailable, an applicant or recipient should provide satisfactory documentary evidence of citizenship from the list specified in this section to establish citizenship and satisfactory documentary evidence from paragraph (e) of this section to establish identity, in accordance with the rules specified in this section.

(1) A U.S. public birth certificate showing birth in one of the 50 States, the District of Columbia, Puerto Rico (if born on or after January 13, 1941), Guam (on or after April 10, 1899), the Virgin Islands of the U.S. (on or after January 17, 1917), American Samoa, Swain's Island, or the Northern Mariana Islands (after November 4, 1986 (NMI local time)). A State, at its option, may use a cross match with a State vital statistics agency to document a birth record. The birth record document may be issued by the State, Commonwealth, Territory, or local jurisdiction. It must have been recorded before the person was 5 years of age. A delayed birth record document that is recorded at or after 5 years of age is considered fourth level evidence of citizenship. (Note:If the document shows the individual was born in Puerto Rico, the Virgin Islands of the U.S., or the Northern Mariana Islands before these areas became part of the U.S., the individual may be a collectively naturalized citizen. Collective naturalization occurred on certain dates listed for each of the territories.) The following will establish U.S. citizenship for collectively naturalized individuals:

(i) *Puerto Rico:*

(A) Evidence of birth in Puerto Rico on or after April 11, 1899 and the applicant's statement that he or she was residing in the U.S., a U.S. possession, or Puerto Rico on January 13, 1941; or

(B) Evidence that the applicant was a Puerto Rican citizen and the applicant's statement that he or she was residing in Puerto Rico on March 1, 1917 and that he or she did not take an oath of allegiance to Spain.

(ii) *U.S. Virgin Islands:*

(A) Evidence of birth in the U.S. Virgin Islands, and the applicant's statement of residence in the U.S., a U.S. possession, or the U.S. Virgin Islands on February 25, 1927; or

(B) The applicant's statement indicating residence in the U.S. Virgin Islands as a Danish citizen on January 17, 1917 and residence in the U.S., a U.S. possession, or the U.S. Virgin Islands on February 25, 1927, and that he or she did not make a declaration to maintain Danish citizenship; or

(C) Evidence of birth in the U.S. Virgin Islands and the applicant's statement indicating residence in the U.S., a U.S. possession or Territory, or the Canal Zone on June 28, 1932.

(iii) *Northern Mariana Islands (NMI) (formerly part of the Trust Territory of the Pacific Islands (TTPI)):*

(A) Evidence of birth in the NMI, TTPI citizenship and residence in the NMI, the U.S., or a U.S. Territory or possession on November 3, 1986 NMI local time) and the applicant's statement that he or she did not owe allegiance to a foreign State on November 4, 1986 (NMI local time); or

(B) Evidence of TTPI citizenship, continuous residence in the NMI since before November 3, 1981 (NMI local time), voter registration before January 1, 1975 and the applicant's statement that he or she did not owe allegiance to a foreign State on November 4, 1986 (NMI local time); or

(C) Evidence of continuous domicile in the NMI since before January 1, 1974 and the applicant's statement that he or she did not owe allegiance to a foreign State on November 4, 1986 (NMI local time).

(D)Note: If a person entered the NMI as a nonimmigrant and lived in the NMI since January 1, 1974, this does not constitute continuous domicile and the individual is not a U.S. citizen.

(2) *A Certification of Report of Birth (DS–1350).* The Department of State issues a DS–1350 to U.S. citizens in the U.S. who were born outside the U.S. and acquired U.S. citizenship at birth, based on the information shown on the FS–240. When the birth was recorded as a Consular Report of Birth (FS–240), certified copies of the Certification of Report of Birth Abroad (DS–1350) can be issued by the Department of State in Washington, DC. The DS–1350 contains the same information as that on the current version of Consular Report of Birth FS–240. The DS–1350 is not issued outside the U.S.

(3) *A Report of Birth Abroad of a U.S. Citizen (Form FS–240).* The Department of State consular office prepares and issues this. A Consular Report of Birth can be prepared only at an American consular office overseas while the child is under the age of 18. Children born outside the U.S. to U.S. military personnel usually have one of these.

(4) *A Certification of birth issued by the Department of State (Form FS–545 or DS–1350).* Before November 1, 1990, Department of State consulates also issued Form FS–545 along with the prior version of the FS–240. In 1990, U.S. consulates ceased to issue Form FS–545. Treat an FS–545 the same as the DS–1350.

(5) *A U.S. Citizen I.D. card.* (This form was issued until the 1980s by INS. Although no longer issued, holders of this document may still use it consistent with the provisions of section 1903(x) of the Act.) INS issued the I–179 from 1960 until 1973. It revised the form and renumbered it as Form I–197. INS issued the I–197 from 1973 until April 7, 1983. INS issued Form I–179 and I–197 to naturalized U.S. citizens living near the Canadian or Mexican border who needed it for frequent border crossings. Although neither form is currently issued, either form that was previously issued is still valid.

(6) *A Northern Mariana Identification Card (I–873).* (Issued by the DHS to a collectively naturalized citizen of the United States who was born in the Northern Mariana Islands before November 4, 1986.) The former Immigration and Naturalization Service (INS) issued the I–873 to a collectively naturalized citizen of the U.S. who was born in the NMI before November 4, 1986. The card is no longer issued, but those previously issued are still valid.

(7) *An American Indian Card (I–872) issued by the Department of Homeland Security with the classification code "KIC."* (Issued by DHS to identify U.S. citizen members of the Texas Band of Kickapoos living near the United States/Mexican border.) DHS issues this card to identify a member of the Texas Band of Kickapoos living near the U.S./Mexican border. A classification code "KIC" and a statement on the back denote U.S. citizenship.

(8) *A final adoption decree showing the child's name and U.S. place of birth.* The adoption decree must show the child's name and U.S. place of birth. In situations where an adoption is not finalized and the State in which the child was born will not release a birth certificate prior to final adoption, a statement from a State approved adoption agency that shows the child's name and U.S. place of birth is acceptable. The adoption agency must state in the certification that the source of the place of birth information is an original birth certificate.

(9) *Evidence of U.S. Civil Service employment before June 1, 1976.* The document must show employment by the U.S. government before June 1, 1976. Individuals employed by the U.S. Civil Service prior to June 1, 1976 had to be U.S. citizens.

(10) *U.S. Military Record showing a U.S. place of birth.* The document must show a U.S. place of birth (for example a DD–214 or similar official document showing a U.S. place of birth.)

(11) *A data verification with the Systematic Alien Verification for Entitlements (SAVE) Program for naturalized citizens.* A State may conduct a verification with SAVE to determine if an individual is a naturalized citizen, provided that such verification is conducted consistent with the terms of a Memorandum of Understanding or other agreement with the Department of Homeland Security (DHS) authorizing verification of claims to U.S. citizenship through SAVE, including but not limited to provision of the individual's alien registration number if required by DHS.

(12) *Child Citizenship Act.* Adopted or biological children born outside the United States may establish citizenship obtained automatically under section 320 of the Immigration and Nationality Act (8 U.S.C. 1431), as amended by the Child Citizenship Act of 2000 (Pub. L. 106–395, enacted on October 30, 2000). The State must obtain documentary evidence that verifies that at any time on or after February 27, 2001, the following conditions have been met:

(i) At least one parent of the child is a United States citizen by either birth or naturalization (as verified under the requirements of this Part);

(ii) The child is under the age of 18;

(iii) The child is residing in the United States in the legal and physical custody of the U.S. citizen parent;

(iv) The child was admitted to the United States for lawful permanent residence (as verified under the requirements of 8 U.S.C. 1641 pertaining to verification of qualified alien status); and

(v) If adopted, the child satisfies the requirements of section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1) pertaining to international adoptions (admission for lawful permanent residence as IR–3 (child adopted outside the United States)), or as IR–4 (child coming to the United States to be adopted) with final adoption having subsequently occurred).

(c) *Third level evidence of citizenship.* Third level evidence of U.S. citizenship is documentary evidence of satisfactory reliability that is used when both primary and secondary evidence is unavailable. Third level evidence may be used only when the applicant or recipient alleges being born in the U.S. A second document from paragraph (e) of this section to establish identity must also be presented:

(1) *Extract of a hospital record on hospital letterhead established at the time of the person's birth that was created 5 years before the initial application date and that indicates a U.S. place of birth* . (For children under 16 the document must have been created near the time of birth or 5 years before the date of application.) Do not accept a souvenir “birth certificate” issued by the hospital.

(2) *Life, health, or other insurance record showing a U.S. place of birth that was created at least 5 years before the initial application date that indicates a U.S. place of birth* . (For children under 16 the document must have been created near the time of birth or 5 years before the date of application.) Life or health insurance records may show biographical information for the person including place of birth; the record can be used to establish U.S. citizenship when it shows a U.S. place of birth.

(3) *Religious record recorded in the U.S. within 3 months of birth showing the birth occurred in the U.S. and showing either the date of the birth or the individual's age at the time the record was made*. The record must be an official record recorded with the religious organization. CAUTION: In questionable cases (for example, where the child's religious record was recorded near a U.S. international border and the child may have been born outside the U.S.), the State must verify the religious record and/or document that the mother was in the U.S. at the time of birth.

(4) *Early school record showing a U.S. place of birth* . The school record must show the name of the child, the date of admission to the school, the date of birth, a U.S. place of birth, and the name(s) and place(s) of birth of the applicant's parents.

(d) *Fourth level evidence of citizenship*. Fourth level evidence of citizenship is documentary evidence of the lowest reliability. Fourth level evidence should only be used in the rarest of circumstances. This level of evidence is used only when primary, secondary and third level evidence is unavailable. With the exception of the affidavit process described in paragraph (d)(5) of this section, the applicant may only use fourth level evidence of citizenship if alleging a U.S. place of birth. In addition, a second document establishing identity must be presented as described in paragraph (e) of this section.

(1) *Federal or State census record showing U.S. citizenship or a U.S. place of birth.* (Generally for persons born 1900 through 1950.) The census record must also show the applicant's age. Note: Census records from 1900 through 1950 contain certain citizenship information. To secure this information the applicant, recipient or State should complete a Form BC–600, Application for Search of Census Records for Proof of Age. Add in the remarks portion "U.S. citizenship data requested." Also add that the purpose is for Medicaid eligibility. This form requires a fee.

(2) *One of the following documents that show a U.S. place of birth and was created at least 5 years before the application for Medicaid*. (For children under 16 the document must have been created near the time of birth or 5 years before the date of application.) This document must be one of the following and show a U.S. place of birth:

(i) Seneca Indian tribal census.

(ii) Bureau of Indian Affairs tribal census records of the Navajo Indians.

(iii) U.S. State Vital Statistics official notification of birth registration.

(iv) A delayed U.S. public birth record that is recorded more than 5 years after the person's birth.

(v) Statement signed by the physician or midwife who was in attendance at the time of birth.

(vi) The Roll of Alaska Natives maintained by the Bureau of Indian Affairs.

(3) *Institutional admission papers from a nursing facility, skilled care facility or other institution created at least 5 years before the initial application date that indicates a U.S. place of birth* . Admission papers generally show biographical information for the person including place of birth; the record can be used to establish U.S. citizenship when it shows a U.S. place of birth.

(4) *Medical (clinic, doctor, or hospital) record created at least 5 years before the initial application date that indicates a U.S. place of birth* . (For children under 16 the document must have been created near the time of birth or 5 years before the date of application.)

Medical records generally show biographical information for the person including place of birth; the record can be used to establish U.S. citizenship when it shows a U.S. place of birth. (Note: An immunization record is not considered a medical record for purposes of establishing U.S. citizenship.)

(5) *Written affidavit*. Affidavits should ONLY be used in rare circumstances. If the documentation requirement needs to be met through affidavits, the following rules apply:

(i) There must be at least two affidavits by two individuals who have personal knowledge of the event(s) establishing the applicant's or recipient's claim of citizenship (the two affidavits could be combined in a joint affidavit).

(ii) At least one of the individuals making the affidavit cannot be related to the applicant or recipient. Neither of the two individuals can be the applicant or recipient.

(iii) In order for the affidavit to be acceptable the persons making them must be able to provide proof of their own citizenship and identity.

(iv) If the individual(s) making the affidavit has (have) information which explains why documentary evidence establishing the applicant's claim or citizenship does not exist or cannot be readily obtained, the affidavit should contain this information as well.

(v) The State must obtain a separate affidavit from the applicant/recipient or other knowledgeable individual (guardian or representative) explaining why the evidence does not exist or cannot be obtained.

(vi) The affidavits must be signed under penalty of perjury and need not be notarized.

(e) *Evidence of identity.* The following documents may be accepted as proof of identity and must accompany a document establishing citizenship from the groups of documentary evidence of citizenship in the groups in paragraphs (b) through (d) of this section.

(1) Identity documents described in 8 CFR 274a.2(b)(1)(v)(B)(1).

(i) Driver's license issued by State or Territory either with a photograph of the individual or other identifying information of the individual such as name, age, sex, race, height, weight or eye color.

(ii) School identification card with a photograph of the individual.

(iii) U.S. military card or draft record.

(iv) Identification card issued by the Federal, State, or local government with the same information included on drivers' licenses.

(v) Military dependent's identification card.

(vi) Certificate of Degree of Indian Blood, or other American Indian/Alaska Native Tribal document with a photograph or other personal identifying information relating to the individual. Acceptable if the document carries a photograph of the applicant or recipient, or has other personal identifying information relating to the individual such as age, weight, height, race, sex, and eye color.

(vii) U.S. Coast Guard Merchant Mariner card.

Note to paragraph (e)(1): Exception: Do not accept a voter's registration card or Canadian driver's license as listed in 8 CFR 274a.2(b)(1)(v)(B)(1). CMS does not view these as reliable for identity.

(2) At State option, a State may use a cross match with a Federal or State governmental, public assistance, law enforcement or corrections agency's data system to establish identity if the agency establishes and certifies true identity of individuals. Such agencies may include food stamps, child support, corrections, including juvenile detention, motor vehicle, or child protective services. The State Medicaid Agency is still responsible for assuring the accuracy of the identity determination.

(3) At State option, a State may accept three or more documents that together reasonably corroborate the identity of an individual provided such documents have not been used to establish the individual's citizenship and the individual submitted second or third tier evidence of citizenship. The State must first ensure that no other evidence of identity is available to the individual prior to accepting such documents. Such documents must at a minimum contain the individual's name, plus any additional information establishing the individual's identity. All documents used must contain consistent identifying information. These documents include employer identification cards, high school and college diplomas from accredited institutions (including general education and high school equivalency diplomas), marriage certificates, divorce decrees and property deeds/titles.

(f) *Special identity rules for children*. For children under 16, a clinic, doctor, hospital or school record may be accepted for purposes of establishing identity. School records may include nursery or daycare records and report cards. If the State accepts such records, it must verify them with the issuing school. If none of the above documents in the preceding groups are available, an affidavit may be used. An affidavit is only acceptable if it is signed under penalty of perjury by a parent, guardian or caretaker relative (as defined in the regulations at 45 CFR 233.90(c)(v)) stating the date and place of the birth of the child and cannot be used if an affidavit for citizenship was provided. The affidavit is not required to be notarized. A State may accept an identity affidavit on behalf of a child under the age of 18 in instances when school ID cards and drivers' licenses are not available to the individual in that area until that age.

(g) *Special identity rules for disabled individuals in institutional care facilities.* A State may accept an identity affidavit signed under penalty of perjury by a residential care facility director or administrator on behalf of an institutionalized individual in the facility. States should first pursue all other means of verifying identity prior to accepting an affidavit. The affidavit is not required to be notarized.

(h) *Special populations needing assistance.* States must assist individuals to secure satisfactory documentary evidence of citizenship when because of incapacity of mind or body the individual would be unable to comply with the requirement to present satisfactory documentary evidence of citizenship in a timely manner and the individual lacks a representative to assist him or her.

(i) *Documentary evidence.* (1) All documents must be either originals or copies certified by the issuing agency. Uncertified copies, including notarized copies, shall not be accepted.

(2) States must maintain copies of citizenship and identification documents in the case record or electronic data base and make these copies available for compliance audits.

(3) States may permit applicants and recipients to submit such documentary evidence without appearing in person at a Medicaid office. States may accept original documents in person, by mail, or by a guardian or authorized representative.

(4) If documents are determined to be inconsistent with pre-existing information, are counterfeit, or altered, States should investigate for potential fraud and abuse, including but not limited to, referral to the appropriate State and Federal law enforcement agencies.

(5) Presentation of documentary evidence of citizenship is a one time activity; once a person's citizenship is documented and recorded in a State database subsequent changes in eligibility should not require repeating the documentation of citizenship unless later evidence raises a question of the person's citizenship. The State need only check its databases to verify that the individual already established citizenship.

(6) CMS requires that as a check against fraud, using currently available automated capabilities, States will conduct a match of the applicant's name against the corresponding Social Security number that was provided. In addition, in cooperation with other agencies of the Federal government, CMS encourages States to use automated capabilities to verify citizenship and identity of Medicaid applicants. Automated capabilities may fall within the computer matching provisions of the Privacy Act of 1974, and CMS will explore any implementation issues that may arise with respect to those requirements. When these capabilities become available, States will be required to match files for individuals who used third or fourth tier documents to verify citizenship and documents to verify identity, and CMS will make available to States necessary information in this regard. States must ensure that all case records within this category will be so identified and made available to conduct these automated matches. CMS may also require States to match files for individuals who used first or second level documents to verify citizenship as well. CMS may provide further guidance to States with respect to actions required in a case of a negative match.

(j) *Record retention.* The State must retain documents in accordance with 45 CFR 74.53.

(k) *Reasonable opportunity to present satisfactory documentary evidence of citizenship.* States must give an applicant or recipient a reasonable opportunity to submit satisfactory documentary evidence of citizenship before taking action affecting the individual's eligibility for Medicaid. The time States give for submitting documentation of citizenship should be consistent with the time allowed to submit documentation to establish other facets of eligibility for which documentation is requested. (*See* §435.930 and §435.911.)

08-23 The Department of Social and Health Services does not have adequate internal controls to ensure people receiving Medicaid benefits have valid Social Security numbers.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing health coverage for low- income individuals who might otherwise go without medical care. The state spent more than $6.4 billion on the Medicaid program during fiscal year 2008; approximately half was paid with federal funds.

Federal regulations require the Department to obtain a Social Security number from each individual, including children, applying for Medicaid services. Federal regulations also require the Department to verify the number given with the Social Security Administration to ensure it was issued to the individual who supplied it and whether any other number had been issued for the individual. If an applicant has not been issued a number, the Department must assist the individual in applying for one. Under these circumstances, the Department must obtain evidence to establish the age, citizenship or immigration status, and the true identity of the applicant.

The Social Security Administration provides the state with access to a computer system called the State On-line Query (SOLQ) that enables the Department to verify the validity of a Social Security number at the time of application. Department policy requires staff to verify a client-provided Social Security number using the SOLQ system.

Along with the use of SOLQ, every Social Security number entered in the Automated Client Eligibility System (ACES) is sent in an overnight batch to the Social Security Administration for verification. If it cannot verify a number, the Administration sends an electronic message, to the DSHS Community Service Office.

In our audits for fiscal years 2004 through 2007, we reported findings regarding the Department's lack of controls to ensure people receiving Medicaid benefits have valid Social Security numbers.

Description of Condition

During our current audit, we found most of those who work on eligibility verification used SOLQ to validate Social Security numbers prior to admitting clients into the Medicaid program. While we found improvements, we still found deficiencies in internal controls. Key internal controls that are intended to ensure all Medicaid applicants have a valid Social Security number did not operate as designed:

- The Department could not demonstrate that staff consistently and properly resolved in a timely manner Social Security number mismatch alerts sent by the Administration.

- All Department field offices do not follow the policy that requires monitoring of staff responses to Social Security number mismatch alerts.

- Employees do not consistently follow the policy that requires workers to follow up on all cases in monthly "No SSN" reports.

Cause of Condition

Due to the lack of uniform monitoring, the Department cannot ensure the controls designed to validate Social Security numbers are working.

Effect of Condition

To determine the effect of the control deficiencies, we independently verified all Medicaid client Social Security numbers in the Department's Medicaid claims processing systems by running a computerized cross-match with the Social Security Administration's database.

We identified 561 numbers in the Department's Medicaid Management Information system (MMIS) and Social Service Payment System (SSPS) which, according to the Social Security Administration's database, have never been issued and are therefore invalid. The Department was able to resolve 528 of these; most were due to data entry or other error. Thirty-three remain unresolved.

We also found 8,738 clients that had no Social Security numbers in MMIS and SSPS. We randomly selected 180 and performed testing to determine whether the clients have valid social security numbers. Through follow up, the Department was able to resolve 141 of those. Thirty-nine remain unresolved.

We used Computer Assisted Audit Techniques to identify payments for services provided to individuals using the Social Security number of a deceased person and found 690 clients doing so. We performed a preliminary review of the 690 clients and selected 64 for Department verification and follow up. The Department was able to resolve 57 of those. Seven remain unresolved.

The table below summarizes the unresolved exceptions, and related Medicaid expenditures:

	MMIS		**SSPS**	
The Department was unable to locate a valid SSN for the client	**Number of Social Security numbers**	**Payments**	**Number of Social Security numbers**	**Payments**
Invalid SSN testing	28	$24,946.82	5	$15,207.35
No SSN testing	25	$42,811.47	14	$28,497.03
SSN of deceased person testing	7	$31,996.73	0	$0.00
Total	**60**	**$99,755.02**	**19**	**$43,704.38**

The focus of our work was to evaluate the Department's controls over and compliance with federal requirements for verifying recipients' Social Security numbers upon initial application and their follow up on daily mismatch alerts. Our audit work was not designed to determine if recipients were eligible for Medicaid.

Under federal laws and regulations, a disallowance of federal payments for Medicaid eligibility errors can occur only if the errors are detected through a State's Medicaid Eligibility Quality Control program, a federally mandated Medicaid eligibility review process. Because of this, and the fact that we did not

perform work to determine if the clients associated with the invalid numbers were or are Medicaid-eligible, we are not questioning payments associated with the services for those clients.

Recommendation

We recommend the Department:

- Monitor all alerts regarding Social Security numbers to ensure they are resolved.
- Establish a uniform policy regarding monitoring of staff responses to Social Security number mismatch alerts.
- Monitor to ensure staff reviews all cases in a monthly "No SSN" report.
- Follow up on 79 clients for whom the Department could not give us evidence of correct Social Security Numbers.

Department's Response

The Department concurs with the finding.

Resolve mismatch alerts *- The Department agrees that workers are not consistent in resolving mismatch alerts. The Economic Service Administration (ESA) Community Service Division (CSD) will send a reminder memo to their field staff on the importance of working the alerts; Health and Recovery Services Administration (HRSA) will send a reminder to their eligibility staff.*

Establish a Uniform Policy regarding staff monitoring of mismatch alerts - *The Department agrees that a uniform policy to establish clear and uniform monitoring expectations are needed. ESA/CSD will develop a monitoring policy that establishes clear and uniform monitoring expectations for supervisors for monitoring staff responses to Social Security number mismatch alerts; HRSA already has a process in place.*

Monitor No Social Security Alerts *- ESA/CSD has been receiving a monthly No Social Security Number (SSN) report from the HRSA since February 2007. CSD field workers are required to work the list and report to CSD headquarters when actions are completed. Because the list was not being completed consistently by the field, CSD headquarters staff began to complete a random sample of the report to ensure appropriate actions were taken and the list worked. CSD is auditing cases identified on the report as being open on assistance for over 2 months without a Social Security Number (SSN) on file. The minimum audit will be 10 cases per region. Results from this effort were not realized during this audit cycle since the sample audited was prior to implementation of the new process. CSD headquarter staff did not begin to monitor the report until March 2008; therefore, not enough time had passed to reflect improvement.*

Follow up on the 79 clients for whom DSHS did not supply evidence of a correct Social Security Number (SSN) *- The Department agrees that not all SSNs were supplied to the auditor during the audit review process. The department conducted a post-audit review and determined that many clients thought not to have a SSN did in fact have a valid SSN. The results of our post-audit reviews are as follows.*

Of the 25 SSNs that were not found in ACES and CAMIS for the MMIS testing, 17 of those were Adoption Subsidy cases, and are highly confidential. The 17 SSNs in question are for children who were wards of the state but were adopted into permanent families. The children's names were changed when they were adopted and extreme confidentiality exists to protect the safety of the children and their new families. The department does keep a table of pre and post adoption names that allows for cross matching from pre-adoption to post adoption activities. This allows the department to obtain

the SSN from CAMIS. For the 17 Adoption Subsidy cases reviewed, all 17 SSNs were found in CAMIS by using the pre-adopted name for the search instead of the post-adoption name provided by the auditor for their testing. For the remaining 8 SSNs not found during the audit for the No SSN review in MMIS, 3 of the 8 were subsequently found in CAMIS or ACES with the aide of the previously mentioned cross-match listing.

Thirty of the 33 invalid SSNs on the exception list for MMIS and SSPS cases belonged to individuals who were no longer receiving assistance at the time of the review. Due to the fact that new information cannot be inserted into a closed case, annotations have been made to the respective closed case files to alert DSHS employees of the need to verify the correct SSN in the event the client reapplies for benefits. The remaining 3 exceptions were for cases that the department never approved and were subsequently closed because the client did not provide a SSN.

Auditor's Concluding Remarks

We thank the Department for its response, and look forward to reviewing the status of its corrective action during our next audit.

Applicable Laws and Regulations

The Code of Federal Regulations is explicit regarding obtaining and verifying Social Security numbers as a condition of Medicaid eligibility.

42 CFR 435.910 (a) specifically states in part:

> The agency must require, as a condition of eligibility that each individual (including children) requesting Medicaid services furnish each of his or her own social security numbers . . . .

42 CFR 435.910 (g) states:

> The agency must verify each SSN of each applicant and recipient with SSA, as prescribed by the commissioner, to insure that each SSN furnished was issued to that individual and to determine whether any others were issued.
>
> If a Medicaid applicant cannot remember or has not been issued a Social Security number, 42 CFR 435.910 (e) (1-3) states that the agency must:
>
> (1) Assist the applicant in completing an application for an SSN;
>
> (2) Obtain evidence required under SSA regulations to establish the age, the citizenship or alien status, and the true identity of the applicant; and
>
> (3) Either send the application to SSA or, if there is evidence that the applicant has previously been issued a SSN, request SSA to furnish the number.

42 CFR 435.916 (a) states in part:

> The agency must re-determine the eligibility of Medicaid recipients, with respect to circumstances that may change, at least every 12 months . . .

42 CFR 435.920 (a-c) states:

> (a) In re-determining eligibility, the agency must review case records to determine whether they contain the recipient's SSN or, in the case of families, each family member's SSN.

(b) If the case record does not contain the required SSNs, the agency must require the recipient to furnish them and meet other requirements of 435.910.

If the agency initially established eligibility without verification of the Social Security number, 42 CFR 435.920 (c) requires:

For any recipient whose SSN was established as part of the case record without evidence required under the SSN regulations as to age, citizenship, alien status, or true identity, the agency must obtain verification of these factors in accordance with 435.910.

The Medicaid State Plan incorporates the above references as applicable to Washington State's coverage and eligibility criteria when it states the following:

The Medicaid agency meets all requirements of 42 CFR Part 435, Subpart J for processing applications, determining eligibility, and furnishing Medicaid.

08-24 The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Special Tests and Provisions: Managed Care
Questioned Cost Amount:	None

Background

Managed care providers receive a uniform, pre-determined, per-patient monthly rate regardless of the number of times they see the patient each month and regardless of services provided, as long as the services are covered under the plan. Although these providers are not paid based on the types of procedures, they still must report that information to the Health and Recovery Services Administration. This data is to include demographic, diagnostic and geographic information, as well as actual costs on a summary level.

The Administration contracts with an actuary to analyze the data from managed care providers and to develop actuarially sound capitation, or per-person, rates. From this information, the Administration determines a rate for each managed care plan. In general, the plans including more seriously ill people will receive higher rates and the plans including healthier people will be given lower rates.

In fiscal years 2003 through 2007, we reported concerns regarding the Administration's controls over the accuracy of data received from providers that is used to determine the rates for its managed care program.

From July 2007 through June 2008, the state made more than $1.17 billion in payments to managed care providers, approximately 50 percent of which was paid with federal funds. This is an increase of $64 million over the previous one-year period.

Description of Condition

During our current audit, we found no changes in the conditions that we reported in our audits of fiscal years 2006 and 2007. We found the Administration relies on providers to accurately report the data used to determine the rates managed care plans will receive and does not verify its accuracy. Although the Administration has an actuarially sound process for calculating rates, if the underlying data used is inaccurate or incomplete, the results will be inaccurate.

Cause of Condition

The Department believed that because its calculation method is in compliance with federal requirements, no corrective action was required.

Effect of Condition

When the accuracy of data used to establish rates cannot be reasonably assumed to be correct, the risk of paying inflated rates to managed care providers is increased.

Recommendation

We recommend the Department establish and follow controls to provide reasonable assurance that the data used in rate-setting is accurate and complete.

Department's Response

The Department does not agree with the finding.

Although the Department does not directly review costs reported by managed care organizations (MCO) to our actuaries, there is a significant and sufficient verification of the accuracy and completeness of the information. Each MCO must have the submitted information certified in writing as accurate and complete by an independent actuary. Our actuary then validates the information submitted by comparison to the audited financials submitted to the Office of the Insurance Commissioner. The actuary also compares costs between MCOs and resolves outliers.

Additionally, the rate setting methodology and rates have been approved by the Centers for Medicare and Medicaid Services (CMS) annually as a part of contract approval and CMS, in an audit of Healthy Options, had no findings in regard to rate setting.

Auditor's Concluding Remarks

We thank the Department for its response, and will follow up during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, Code of Federal Regulations, Section 456.3 states, in part:

> The Medicaid agency must implement a statewide surveillance and utilization control program that –
> a. Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments

Title 42 CFR 438.6 Contract requirements, states in parts:

> (c) *Payments under risk contracts* —(1) *Terminology.* As used in this paragraph, the following terms have the indicated meanings:
> (i) *Actuarially sound capitation rates* means capitation rates that—
> (A) Have been developed in accordance with generally accepted actuarial principles and practices;
> (B) Are appropriate for the populations to be covered, and the services to be furnished under the contract; and
> (C) Have been certified, as meeting the requirements of this paragraph (c), by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.
>
> (3) *Requirements for actuarially sound rates.* In setting actuarially sound capitation rates, the State must apply the following elements, or explain why they are not applicable:

(i) Base utilization and cost data that are derived from the Medicaid population, or if not, are adjusted to make them comparable to the Medicaid population.

(4) *Documentation.* The State must provide the following documentation:

(i) The actuarial certification of the capitation rates.

(ii) An assurance (in accordance with paragraph (c)(3) of this section) that all payment rates are—

(A) Based only upon services covered under the State plan (or costs directly related to providing these services, for example, MCO, PIHP, or PAHP administration).

(B) Provided under the contract to Medicaid-eligible individuals.

08-25 The Department of Social and Health Services, Health and Recovery Services Administration, does not comply with the state law (RCW 74.09A) and the federal Deficit Reduction Act of 2005 to identify all third parties liable for payment of Medicaid services.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Medicaid is the "payer of last resort", meaning that other payment sources should be identified and used prior to submitting claims to Medicaid. Third-party liability refers to the legal obligation of third-party resources, usually insurance companies, to pay medical and pharmaceutical claims of Medicaid recipients prior to Medicaid coverage. The function of third-party liability within the Medicaid program is to ensure non-Medicaid resources are the primary source of payment. Federal regulations require states to have processes to identify third parties liable for payment of services before Medicaid dollars are used.

The federal Deficit Reduction Act of 2005 requires health insurers to provide states with eligibility and coverage information that will enable Medicaid agencies to determine the existence of third party coverage for Medicaid recipients. The Act directs states, as a condition of receiving Medicaid funding, to have laws in effect which require health insurers doing business in that state to provide the eligibility and coverage information.

To comply with this requirement, in July of 2007 the state Legislature passed a law (RCW 74.09A) which requires DSHS to provide Medicaid client eligibility and coverage information to insurers doing business in the state. The insurers, in turn, are required to use that information to identify Medicaid clients with third-party coverage, and provide those results to DSHS. The law requires this process to be performed no less than twice per year.

The state had Medicaid expenditures of approximately $6.4 billion in fiscal year 2008, of which approximately $3.4 billion was federal dollars.

Description of Condition

DSHS' Health and Recovery Services Administration, Office of Coordination of Benefits, is responsible for identifying third-party liability coverage for Medicaid-eligible individuals. The Office performs data matches with other state and federal agencies to identify clients with potential insurance coverage, and verification of coverage with employers when employment of clients is noted by health service providers.

The Department also verifies third-party liability coverage at the time of a client's application for Medicaid. This may be done via phone, e-mail or through an on-line inquiry access the Department has with insurance companies.

Although DSHS takes these actions to identify third-party coverage, it is not following all of the requirements of the law, which provides a mechanism that allows the Department to identify all third parties obligated to cover the cost of health care coverage of joint beneficiaries.

Cause of Condition

The Department believes that it is meeting the requirements of state law through the functions it currently performed.

Effect of Condition

While the Department does have processes in place to identify third-party liability, these processes focus on the time of initial application for Medicaid benefits, and upon notification by care providers of potential third-party coverage. The requirements of the Act and state law, if followed, would provide for a more comprehensive and ongoing review and identification of potential third-party payers. When Medicaid-eligible individuals with third-party liability coverage are not identified, Medicaid is no longer the payer of last resort and the Department is not ensuring that third-party resources are meeting their legal obligation to pay claims

Recommendation

Although the Department indicated that its current processes were adequate, it also stated it intends to meet the requirements of the law when its new claims system, ProviderOne, becomes operational. This system's original launch date has been delayed; no new start date has been provided.

While acknowledging the Department's stated intention, we also note that compliance with the Act and state law is not contingent on the functionality of a particular system. We recommend the Department comply with state law and the Deficit Reduction Act of 2005 in order to better identify all third parties liable for Medicaid beneficiary claims.

Department's Response

The Department does not agree with this finding. DSHS/HRSA does comply with the Deficit Reduction Act (DRA) of 2005 and Washington state law RCW 74.09A to aggressively identify third party liability for Medicaid services. In fact, through the combined efforts of all of these methods, HRSA's Coordination of Benefits (COB) has generated the following cost avoidance for the past three years: SFY06 - $211,432,369, SFY07 -$293,607,103 and SFY08 - $355,524,467. These results compare favorably to any state with similar sized Medicaid populations.

More specifically, Chapter 179, Laws of 2007 applied the provisions of the Deficit Reduction Act (DRA) of 2005 requires states to enact state law to accomplish the following tasks: (1) clarify entities considered to be "third parties" and "health insurers," (2) identify required data elements necessary for third party insurers use in submitting data to DSHS/HRSA, and (3) prescribe a method of data transmission.

HRSA met the requirement of the DRA by enacting RCW 79.09A and ensuring that the content of RCW 79.09A included all of the required elements described in DRA Chapter 179, Laws of 2007. Washington State passed the Coordination of Benefits portions of the DRA as Substitute House Bill 1826 effective July 1, 2007. Our State Plan was modified and subsequently approved by the Centers for Medicare and Medicaid Services (CMS) on July 2007.

More specifically, as required by the DRA, RCW 79.09A:

1. *Defined the term "Health Insurer" to include third party administrators (TPAs), fiscal intermediaries, and managed care contractors. [See RCW 79.09A.010 (3)]*
2. *Provided notice to Health Insurers that necessary data elements and a compatible database would be jointly developed by health insurers and the stated. Further, CMS has been facilitating this joint development effort by working with state and industry representatives to determine precise data elements needed by states to effectively implement the requirements of the new law. Once finalized by CMS, HRSA will include them in trading partner agreements. HRSA cannot complete this item until CMS has finalized the required list. [See RCW 79.09A.020 (2)]*

3. *Provided notice to Health Insurers that common computer standards will be used for data transmission purposes. Currently, this state's health insurers provide information to DSHS/HRSA either directly from their own systems or through One Health Port, which is a secure web access point for insurance companies. The law further communicates that updates to this data will be at a mutually agreed upon frequency with Health Insurers. HRSA is currently online (real time) with the majority of payers, in this state and nationally, and meets DRA expectations and requirements. [See RCW 79.09A.020 (3) and (5)]*

4. *RCW 79.09A.020 (6) speaks to the necessity for security of data necessary to support data and information sharing. Health insurers are required to provide information to HRSA through the HIPAA-defined (Health Insurance Portability and Accountability Act) trading partner agreements.*

Lastly, DSHS/HRSA understands that RCW 74.09A.005(3) states, "It is in the best interest of the state, providers, and health insurers to identify ***all*** *[emphasis added] third parties that are obligated to cover the cost of health care coverage of joint beneficiaries…" However, the clear spirit of the law is to ensure Medicaid is the payer of last resort to the greatest extent possible. As described above, DSHS/HRSA meets this standard by making data available to "all" insurers to use for TPL reporting and by matching data directly with those insurers most likely to provide third party coverage to our clients. While DSHS believes it meets legal requirements now, with the implementation of its new payments system we will further enhance our data matching activities.*

Auditor's Concluding Remarks

We appreciate the Department's acknowledgment of the legislative intent that the tax-payer funded Medicaid program be the payer of last resort. To that end, and to comply with federal requirements, a state law was passed which requires the Department to perform this data share at least twice per year with health insurers, which includes private health insurance companies doing business in this state. The Department does not perform this semi-annual data share with private health insurance companies and is therefore not in compliance with state law. We look forward the improvements the Department intends to make upon implementation of its new payment system.

Applicable Laws and Regulations

The Revised Code of Washington *(RCW)* 74.09A.005 states:

> The legislature finds that:
> (1) Simplification in the administration of payment of health benefits is important for the state, providers, and health insurers;
> (2) The state, providers, and health insurers should take advantage of all opportunities to streamline operations through automation and the use of common computer standards;
> (3) It is in the best interests of the state, providers, and health insurers to identify all third parties that are obligated to cover the cost of health care coverage of joint beneficiaries; and
> (4) Health insurers, as a condition of doing business in Washington, must increase their effort to share information with the department and accept the department's timely claims consistent with 42 U.S.C. 1396a(a)(25).
>
> Therefore, the legislature declares that to improve the coordination of benefits between the department of social and health services and health insurers to ensure that medical insurance benefits are properly utilized, a transfer of information between the department and health insurers should be instituted, and the process for submitting requests for information and claims should be simplified.

RCW 74.09A.020 states:

> Computerized information — Provision to health insurers.
> (1) The department shall provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information. Health insurers shall use this information to

identify joint beneficiaries. Identification of joint beneficiaries shall be transmitted to the department. The department shall use this information to improve accuracy and currency of health insurance coverage and promote improved coordination of benefits.

(2) To the maximum extent possible, necessary data elements and a compatible database shall be developed by affected health insurers and the department. The department shall establish a representative group of health insurers and state agency representatives to develop necessary technical and file specifications to promote a standardized database. The database shall include elements essential to the department and its population's health insurance coverage information.

(3) If the state and health insurers enter into other agreements regarding the use of common computer standards, the database identified in this section shall be replaced by the new common computer standards.

(4) The information provided will be of sufficient detail to promote reliable and accurate benefit coordination and identification of individuals who are also eligible for department programs.

(5) The frequency of updates will be mutually agreed to by each health insurer and the department based on frequency of change and operational limitations. In no event shall the computerized data be provided less than semiannually.

(6) The health insurers and the department shall safeguard and properly use the information to protect records as provided by law, including but not limited to chapters 42.48, 74.09, 74.04, 70.02, and 42.56 RCW, and 42 U.S.C. Sec. 1396a and 42 C.F.R. Sec. 43 et seq. The purpose of this exchange of information is to improve coordination and administration of benefits and ensure that medical insurance benefits are properly utilized.

(7) The department shall target implementation of this section to those health insurers with the highest probability of joint beneficiaries.

Deficit Reduction Act of 2005, Title VI, Subtitle A, Chapter 3, SEC. 6035. ENHANCING THIRD PARTY IDENTIFICATION AND PAYMENT states:

(a) CLARIFICATION OF THIRD PARTIES LEGALLY RESPONSIBLE FOR PAYMENT OF A CLAIM FOR A HEALTH CARE ITEM OR SERVICE.—

Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)—

(A) by inserting ‘‘, self-insured plans’’ after ‘‘health insurers’’; and

(B) by striking ‘‘and health maintenance organizations’’ and inserting ‘‘managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service’’; and

(2) in subparagraph (G)—

(A) by inserting ‘‘a self-insured plan,’’ after ‘‘1974,’’; and

(B) by striking ‘‘and a health maintenance organization’’ and inserting ‘‘a managed care organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service’’.

(b) REQUIREMENT FOR THIRD PARTIES TO PROVIDE THE STATE WITH COVERAGE ELIGIBILITY AND CLAIMS DATA.—Section 1902(a)(25) of such Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (G), by striking ‘‘and’’ at the end;

(2) in subparagraph (H), by adding ‘‘and’’ after the semicolon at the end; and

(3) by inserting after subparagraph (H), the following:

‘‘(I) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

‘‘(i) provide, with respect to individuals who are eligible for, or are provided, medical assistance under the State plan, upon the request of the State, information to determine during what period the individual or their spouses or their dependents may be (or may have been) covered by a health insurer and the nature of the coverage that is or was provided by the health insurer (including the name, address, and identifying number of the plan) in a manner prescribed by the Secretary;

‘‘(ii) accept the State’s right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under
the State plan;
‘‘(iii) respond to any inquiry by the State regarding a claim for payment for any health care item or service
that is submitted not later than 3 years after the date of the provision of such health care item or service; and
‘‘(iv) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if—
‘‘(I) the claim is submitted by the State within the 3-year period beginning on the date on which the item or service was furnished; and
‘‘(II) any action by the State to enforce its rights with respect to such claim is commenced within 6 years of the State’s submission of such claim;’’.
(c) EFFECTIVE DATE.—Except as provided in section 6035(e), the amendments made by this section take effect on January 1, 2006.

WAC 388-501-0200 states:

(1) MAA requires a provider to seek timely reimbursement from a third party when a client has available third-party resources, except as described under subsections (2) and (3) of this section.
(2) MAA pays for medical services and seeks reimbursement from the liable third party when the claim is for any of the following:
(a) Prenatal care;
(b) Labor, delivery, and postpartum care (except inpatient hospital costs) for a pregnant woman; or
(c) Preventive pediatric services as covered under the EPSDT program.
(3) MAA pays for medical services and seeks reimbursement from any liable third party when both of the following apply:
(a) The provider submits to MAA documentation of billing the third party and the provider has not received payment after thirty days from the date of services; and
(b) The claim is for a covered service provided to a client on whose behalf the office of support enforcement is enforcing an absent parent to pay support. For the purpose of this section, "is enforcing" means the absent parent either:
(i) Is not complying with an existing court order; or
(ii) Received payment directly from the third party and did not pay for the medical services.
(4) The provider may not bill MAA or the client for a covered service when a third party pays a provider the same amount as or more than the MAA rate.
(5) When the provider receives payment from the third party after receiving reimbursement from MAA, the provider must refund to MAA the amount of the:
(a) Third-party payment when the payment is less than MAA's maximum allowable rate; or
(b) MAA payment when the third-party payment is equal to or greater than MAA's maximum allowable rate.
(6) MAA is not responsible to pay for medical services when the third-party benefits are available to pay for the client's medical services at the time the provider bills MAA, except as described under subsections (2) and (3) of this section.
(7) The client is liable for charges for covered medical services that would be paid by the third party payment when the client either:
(a) Receives direct third-party reimbursement for such services; or
(b) Fails to execute legal signatures on insurance forms, billing documents, or other forms necessary to receive insurance payments for services rendered. See WAC 388-505-0540 for assignment of rights.

(8) MAA considers an adoptive family to be a third-party resource for the medical expenses of the birth mother and child only when there is a written contract between the adopting family and either the birth mother, the attorney, the provider, or the adoption service. The contract must specify that the adopting family will pay for the medical care associated with the pregnancy.
(9) A provider cannot refuse to furnish covered services to a client because of a third party's potential liability for the services.
(10) For third-party liability on personal injury litigation claims, MAA is responsible for providing medical services as described under WAC 388-501-0100.

08-26 The Department of Social and Health Services does not have adequate internal controls to ensure non-emergency medical transportation expenditures are allowable and adequately supported.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

The Department of Social and Health Services (DSHS) provides eligible Medicaid recipients transportation to and from non-emergency healthcare appointments that are medically necessary. Medicaid clients who qualify are provided transportation or are reimbursed for their travel costs. These appointments must be for services the Medicaid program will pay for in order for the recipient to be reimbursed.

Transportation services include public transit, client and volunteer mileage reimbursement, wheel chair-equipped vans, taxis, ferries and fuel vouchers. In less frequent cases, if out-of-state transportation is necessary, lodging and food may be included.

Since 1989, Washington State has used a brokerage system to provide non-emergency medical transportation for eligible Medicaid clients. Brokers contract with DSHS to deal directly with the clients to arrange, authorize and deny transportation services. Brokers take phone calls from clients, authorize or deny trips based on eligibility criteria, and decide the form of transportation a client receives. Brokers also decide who will transport the client.

The Department relies on brokers to make the appropriate transportation determinations. The broker is expected to verify the client's eligibility in the DSHS database and to authorize or deny the transportation request based on whether or not it is medically necessary. As brokers are responsible for authorizing and denying requests, all documentation to support those determinations are kept by the broker.

It is responsibility of the Department to monitor the brokers to ensure they comply with federal and state Medicaid regulations and that transportation services are legitimate, allowable and adequately supported.

Currently, the state of Washington has eight brokers for 13 regions. Approximately $68 million was spent in fiscal year 2008 to fund the program, which approved 3.2 million trips.

Description of Condition

During our audit, we found the Department does not have internal controls to ensure non-emergency medical transportation expenditures are legitimate, allowable, and adequately supported. The Department relies on brokers to carry out the responsibility of making appropriate determinations. However, the Department does not monitor brokers to ensure all Medicaid rules are followed and costs are appropriate.

Cause of Condition

The Department stated it relies on the belief that brokers comply with the terms of the contracts.

Effect of Condition

Without adequate monitoring, the Department can not ensure that non-emergency medical transportation expenditures are legitimate, allowable, and adequately supported.

Recommendation

We recommend the Department establish a process for monitoring broker contracts to ensure all Medicaid rules are followed and services the brokers provided are legitimate, allowable, and supported.

Department's Response

The Department does not agree with this finding.

The department would like to clarify that Washington State's Non-emergency Transportation (NEMT) services are categorized per the Medicaid State Plan and the Centers for Medicare and Medicaid Services (CMS) as "administrative" services and not "medical" services. Being categorized as administrative services grants the state greater latitude on how to provide and monitor the financial and service quality aspects of this program. The federal Deficit Reduction Act of 2005 supports the distinction between "medical" and "administrative" by requiring states operating brokered NEMT "medical" services to complete fiscal audits of NEMT brokers. Neither the Act, nor any corresponding requirement in CFR or other regulation, specifies similar oversight requirements for "administrative" NEMT services. As an administrative service, Washington's NEMT transportation services facilitate access to medically covered services, but are not in themselves a medical service. Therefore, by definition these transportation services are not required to meet a medically necessary standard as stated in the State Auditor's Office (SAO) finding because transportation is not a medical service.

The department does not agree that we do not have adequate internal controls to ensure NEMT expenditures are legitimate, allowable and adequately supported, or that the department does not monitor brokers to ensure all Medicaid rules are followed and costs are appropriate. The department does perform the following activities in line with DSHS administrative policy for risk assessment and contract monitoring:

- *Annual pre-contract risk assessments for all brokers. These contracts are defined as client service contracts and not sub-recipients. Contracts that are designated as sub-recipients require a higher standard of fiscal monitoring;*
- *Department staff review monthly broker invoices, back-up documentation, and reports before the invoices are approved for payment;*
- *Program managers review monthly for service delivery patterns and trends including use of low-cost modes of transportation as well as cost per trip;*
- *Program managers monitor and respond to "daily operations" activities including inquiries, complaints, and all client incident/accident reports;*
- *The team of program managers prioritizes, based on risk assessment and historical information, which brokers need on-site reviews for consultation, technical assistance, and compliance monitoring to ensure broker activities comply with state and federal regulations;*
- *Annually, the program managers rotate on-site reviews of the 8 brokers; each broker is reviewed every other year for specific issues or general contract compliance. Six of eight total brokers were visited in 2008. These on-site reviews include direct observation, documentation review, interviews with broker managers, bookkeeping, and direct-service staff;*
- *Annually, program managers review broker service delivery and service expenditures in detail, looking at multi-year historical data and reviewing broker regions against others of similar size*

and characteristics. This in-depth review is done in preparation for contract/budget negotiations for the next contract year in order to negotiate the best value for the State;

- *The department requires all WA NEMT brokers, by contract, to annually complete and provide the state with copies of independent audits. Seven of eight brokers are required to complete A-133 level audits. The eighth broker is very small and must meet single audit requirements. All brokers are in compliance with this annual audit requirement.*

Auditor's Concluding Remarks

We appreciate the Department's comments. Regardless of whether the state's non-emergency medical transportation is categorized as administrative services or medical services, the Department has a responsibility to ensure federal and state funds are being used only for allowable purposes. Under the brokerage transportation system, brokers determine allowability of expenditures and receive administrative fees plus reimbursements for direct trip costs. Without proper fiscal monitoring of brokers the Department can not ensure all expenditures are allowable. During the audit, the Department could not evidence that it performs fiscal monitoring of brokers.

Applicable Laws and Regulations

Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments; Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
   b. Be allocable to Federal awards under the provisions of this Circular.
   c. Be authorized or not prohibited under State or local laws or regulations.
   d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
   e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
   f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
   g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
   h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
   i. Be the net of all applicable credits.
   j. Be adequately documented.

WAC 388-546-5100 Nonemergency transportation program scope of coverage

(1) The department's health and recovery services administration (HRSA) covers transportation that is necessary for its clients to receive medically necessary HRSA covered services. See WAC 388-546-0100 through 388-546-1000 for Ambulance transportation that covers emergency ambulance transportation and limited nonemergency ground ambulance transportation as medical services.

(2) Licensed ambulance providers, who contract with HRSA's transportation brokers, may be reimbursed for nonemergency transportation services under WAC 388-546-5200 as administrative services.

(3) HRSA covers nonemergency transportation under WAC 388-546-5000 through 388-546-5500 as an administrative service as provided by the Code of Federal Regulations (42 CFR 431.53 and 42 CFR 440.170 (a)(2)). As a result, clients may not select the transportation provider(s) or the mode of transportation (service mode).

(4) Prior authorization by HRSA is required for all out-of-state nonemergency transportation. Border areas as defined by WAC 388-501-0175 are considered in-state under this section and subsequent sections.

(a) HRSA reviews requests for out-of-state nonemergency transportation in accordance with regulations for covered healthcare services, including WAC 388-501-0180, 388-501-0182 and 388-501-0184.

(b) Nonemergency transportation is not provided to or from locations outside of the United States and U.S. territories, except for the limitations for British Columbia, Canada, identified in WAC 388-501-0184.

(5) HRSA requires all nonemergency transportation to and from covered services to meet the following:

(a) The covered service must be medically necessary as defined in WAC 388-500-0005;

(b) It must be the lowest cost available service mode that is both appropriate and accessible to the client's medical condition and personal capabilities; and

(c) Be limited to the local provider of type as follows:

(i) Clients receiving services provided under HRSA's fee-for-service program may be transported only to the local provider of type. HRSA's transportation broker is responsible for considering and authorizing exceptions.

(ii) Clients enrolled in HRSA's managed care (healthy options) program may be transported to any provider supported by the client's managed care plan. Clients may be enrolled in a managed care plan but are obtaining a specific service not covered under the plan. The requirements in subsection (5)(c)(i) apply to these fee-for-service services.

(6) HRSA does not cover nonemergency transportation services if the covered medical services are within three-quarters of a mile walking distance from the client's residence. Exceptions to this rule may be granted by HRSA's transportation broker based on the client's documented medical condition or personal capabilities, or based on safety or physical accessibility concerns, as described in WAC 388-546-5400(1).

(7) A client must use personal or informal transportation alternatives if they are available and appropriate to the client's needs.

(8) If a fixed-route public transportation service is available to the client within three-quarters of a mile walking distance, the broker may require the client to use the fixed-route public transportation system unless the need for more specialized transportation is present and documented. Examples of such a need are the client's use of a portable ventilator, a walker or a quad cane.

(9) HRSA does not cover any nonemergency transportation service that is not addressed in WAC 388-546-1000 or in 388-546-5000 through 388-546-5500. See WAC 388-501-0160 for information about obtaining approval for noncovered transportation services, known as exception to rule (ETR).

(10) If a medical service is approved by ETR, both the broker and MAA must separately prior approve transportation to that service.

(11)HRSA may exempt members of federally recognized Indian tribes from the brokered transportation program. Where HRSA approves the request of a tribe or a tribal agency to

administer or provide transportation services under WAC 388-546-5000 through 388-546-5400, tribal members obtain their transportation services as provided by the tribe or tribal agency.

(12)A client who is denied service under this chapter may request a fair hearing per chapter 388-02 WAC.

WAC 388-546-5200 Nonemergency transportation program broker and provider requirements.

(1) MAA requires that all nonambulance transportation providers serving MAA clients be under subcontract with the department's contracted transportation broker. MAA's transportation brokers may subcontract with ambulance providers for nonemergency trips in licensed ground ambulance vehicles as administrative services. See WAC 388-546-5100

(2).MAA requires all contracted and subcontracted transportation providers under this chapter to be licensed, equipped, and operated in accordance with applicable federal, state, and local laws.

(3) MAA's transportation brokers determine the level of transportation service needed by the client and the mode of transportation to be used for each authorized trip.

(4) MAA's transportation brokers must comply with the terms specified in their contracts.

(5) MAA's transportation brokers may require up to forty-eight hours advance notice of a requested trip (see WAC 388-546-5300(2)) with the exception of hospital requests or urgent care trips. MAA allows its transportation brokers to accommodate requests that provide less than forty-eight hours advance notice, within the limits of the resources available to a broker at the time of the request.

(6) If MAA's transportation broker is not open for business and unavailable to give advance approval for a hospital discharge or urgent care request as described in subsection (5), the subcontracted transportation provider must either:

(a) Provide the transportation in accordance with the broker's instructions and request an after-the-fact authorization from the transportation broker within seventy-two hours of the transport; or

(b) Deny the transportation, if the requirements of this section cannot be met.

(7) If the subcontracted transportation provider provides transportation as described in subsection (6), the broker may agree to grant retroactive authorization as provided in WAC 388-546-5300(3). Such retroactive authorization must be:

(a) Documented as to the reasons retroactive authorization is needed; and

(b) Agreed to by the broker within seventy-two hours after the transportation to a medical appointment.

(8) MAA, through its transportation brokers, does not pay for transportation under the following conditions:

(a) Clients are not eligible for transportation services when medical services are within reasonable walking distance (normally three-quarters of a mile actual traveling distance), taking into account the client's documented medical condition and personal capabilities (see WAC 388-546-5100(6));

(b) Clients must use personal or informal transportation alternatives if they are available and appropriate to the clients' needs (see WAC 388-546-5100(7));

(c) If a fixed-route public transportation service is available to the client within three-quarters of a mile walking distance, the broker may require the client to use the fixed route public transportation under the terms of WAC 388-546-5100(8);

(d) MAA or MAA's transportation broker may deny transportation services requested if the request is not necessary, suitable, or appropriate to the client's medical condition (see WAC 388-546-5100 (1) and (5)(a));

(e) The medical services requiring transportation must be services that are covered by the client's medical program (see WAC 488-546-5100(1)); or

(f) The transportation selected by the broker for the client must be the lowest cost available alternative that is both appropriate and accessible to the client's medical condition and personal capabilities.

(9) The transportation broker mails a written notice of denial to each client who is denied coverage of transportation within three business days of the denial.

WAC 388-546-5300 Nonemergency transportation program client requirements.

(1) Clients must be compliant with MAA's transportation brokers, the brokers' subcontracted transportation providers, and MAA's medical services providers. A client who is in noncompliance may have limited transportation service mode options available. The broker mails the client a written notice of limited transportation service mode options within three business days of the broker's decision that transportation service mode options are limited.

(2) Clients must request, arrange and obtain authorization for transportation forty-eight hours in advance of a medical appointment. Exceptions to the forty-eight-hour advance arrangements are described in subsection (3) of this section and in WAC 388-546-5200 (5) and (6).

(3) If MAA's contracted broker is not open for business at the time nonemergency transportation is needed, the client must follow the transportation broker's instructions to obtain transportation service.

(4) MAA will cover a clients transportation to medically necessary covered services with local providers of type. Transportation services will be covered to nonlocal providers of type in the following circumstances:

(a) The client is enrolled in a healthy options managed health care plan and the client's primary care provider (PCP) or a PCP referred provider is not the closest available provider;

(b) The client's service is covered by a third party payer and the payer requires or refers the client to a specific provider;

(c) A charitable or other voluntary program (e.g., Shriners) is paying for the client's medical service;

(d) The medical service required by the client is not available within the local healthcare service area;

(e) The total cost to MAA is lower when the services are obtained outside of the local healthcare service area; or

(f) The out-of-area service is required to provide continuity of care for the client's ongoing care as:

(i) Documented by the client's primary care provider; and

(ii) Agreed to by MAA's contracted transportation broker.

(5) MAA may require transportation brokers to refer any of the exception categories listed in subsection (4) to MAA's medical director or the medical director's designee for review and/or prior authorization of the medical service.

(6) If local medical services are not available to a client because of noncompliance with MAA's transportation brokers, the brokers' subcontracted transportation providers, or MAA's medical services providers, MAA does not cover nonemergency transportation to out-of-area medical services for the client. MAA's contracted broker mails a written notice to the client within three business days of the broker's determination that the client's documented noncompliance results in a denial to out-of-area transportation services.

WAC 388-546-5400 Nonemergency transportation program general reimbursement limitations.

(1) To be reimbursed, MAA requires that a trip be a minimum of three-quarters of a mile from pick-up point to drop off point (see WAC 388-546-5100(6)). MAA's transportation broker may grant exceptions to the minimum distance requirement for any of the following conditions:

(a) When there is medical justification for a shorter trip;

(b) When the trip involves an area that MAA's contracted broker considers to be unsafe for the client, other riders, or the driver; or

(c) When the trip involves an area that the broker determines is not physically accessible to the client.

(2) MAA reimburses for return trips from covered medical services if the return trips are directly related to the original trips. MAA, through its transportation broker, may deny coverage of a return trip if any delays in the return trip are for reasons not directly related to the original trip.

(3) MAA does not reimburse any costs related to intermediate stops that are not directly related to the original approved trip.
(4) MAA's transportation broker may authorize intermediate stops that are directly related to the original approved trip if the broker determines that the intermediate stop is likely to limit or eliminate the need for supplemental covered trips. MAA considers the following reasons to be related to the original trip:

(a) Transportation to and from an immediate subsequent medical referral; or

(b) Transportation to a pharmacy to obtain one or more prescriptions when the pharmacy is within a reasonable distance of the original medical appointment route.

(5) MAA may pay the costs of meals and lodging for clients who must be transported to out-of-area medical services. MAA's transportation brokers make the determination that meals and lodging are necessary based on client need and the reasonableness of costs (as measured against state per diem rates).
(6) MAA may pay transportation costs, including meals and lodging, for authorized escorts. MAA's transportation brokers make the determination that the costs of escorts are necessary based on client need and reasonableness of costs (as measured against state per diem rates).
(7) MAA does not provide escorts or pay the wages of escorts. MAA does not pay for the transportation of an escort when the client is not present unless the broker documents exceptional circumstances causing the broker to determine that the service is necessary to ensure that the client has access to medically necessary care.
(8) MAA may reimburse for the transportation of a guardian with or without the presence of the client if the broker documents its determination that such a service is necessary to ensure that the client has access to medically necessary care.

WAC 388-546-5500 Modifications of privately owned vehicles.

(1) MAA may cover and reimburse the purchase of vehicle driving controls, a vehicle wheelchair lift conversion, or the purchase or repair of a vehicle wheelchair lift, when:

(a) The requested item is necessary for the client's transportation to medically necessary MAA-covered services; and

(b) The client owns a vehicle that MAA determines is suitable for modification; and

(c) Medical transportation provided under WAC 388-546-5000 through 388-546-5400 cannot meet the client's need for transportation to and from medically necessary covered services at a lower total cost to the department (including anticipated costs); and

(d) Prior approval from MAA is obtained.

(2) Any vehicle driving controls, vehicle wheelchair lift conversion or vehicle wheelchair lift purchased by MAA under this section becomes the property of the client on whose behalf the purchase is made. MAA assumes no continuing liability associated with the ownership or use of the device.
(3) MAA limits the purchase of vehicle driving control(s), vehicle wheelchair lift conversion or vehicle wheelchair lift to one purchase per client. If a device purchased under this section becomes inoperable due to wear or breakage and the cost of repair is more than the cost of replacement, MAA will consider an additional purchase under this section as long as the criteria in subsection

(1) of this section are met.

(4) MAA must remain the payer of last resort under this section.

(5) MAA does not cover the purchase of any new or used vehicle under this section or under this chapter.

08-27 The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services division, does not have internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	$472,432

Background

The Department of Social and Health Services, Aging and Disability Services Administration, administers the Home and Community Based Services program for the state. This program permits the state to furnish home and community-based services to assist Medicaid beneficiaries needing long-term care in avoiding institutionalization. These services are provided by individuals or agencies often chosen by the Medicaid client.

The Department determines the level of care needed and authorizes an appropriate number of service hours for that care, which forms the basis of the allowable payment to the provider.

Depending on their financial resources, clients may be required to pay a portion of the costs of services they receive. The Department pays the remainder of the costs up to the authorized amount.

The service provider is required to keep a record of actual hours worked on a standard timesheet, signed by both the client and the provider, and retained for two years. The state paid more than $400 million for these services during the fiscal year 2008.

Description of Condition

The Department does not have a system in place to reconcile providers' timesheets with payments the Department makes. The Department stated timesheets signed by the client are reviewed by case managers during annual client reviews. However, during our audit, we did not see any evidence this occurred.

Cause of Condition

The Department stated that it considers the Medicaid client to be the "employer" of the service provider, and therefore the responsibility for verifying allowability and legitimacy of payments belongs to the client.

Effect of Condition

Although the client may be the employer of the service provider, Medicaid clients do not regularly receive detailed information on payment claims submitted to the Department. Therefore, a client would not be in a position to know if a provider submitted an incorrect or false claim.

To determine the effect of the control deficiencies we randomly selected 209 providers and asked the Department to obtain timesheets from these providers for July 1, 2007 through March 31, 2008. We obtained detailed payment information from the Department and attempted to reconcile it to the timesheets to determine whether all payments were legitimate and supported. Of the 209 providers reviewed, we

found 68 provided adequate documentation to support the payment claims submitted to the Department. Seven did not provide service hours or submit claims during the month, and so were eliminated from the review. Of the remaining 134, we noted:

Description of exceptions	**Number of exceptions**	**Related Expenditures**
Payments were not supported with timesheets.	61	$924,650
Providers provided incomplete timesheets and did not have all timesheets for the period requested.	24	$301,878
Timesheets were not totaled or incorrectly totaled.	14	$211,677
Timesheets with at least one month in which timesheet hours were less than the authorized hours on the Social Services Payment System.	23	$97,925
Timesheets showed no variances from month to month, and appear to be copies.	9	$170,509
Timesheets without client and/or provider signatures.	3	$46,804
Total	141	$1,753,443

We identified $1,753,443 in payments related to these exceptions. However, we are only questioning the $924,650 in payments made to the 61 individual providers that were not supported with timesheets signed by the client. In the other instances, we found enough documentation to support the costs.

Approximately half of the questioned amount, or $472,432, was funded by federal dollars.

Recommendation

We recommend the Department implement establish and follow internal controls to ensure:

- Payments made to individual providers are legitimate and supported.
- Individual providers maintain accurate timesheets to support payments they receive in keeping with federal requirements and state and department records retention schedules.

Department's Response

As the auditor noted above, the client is the employer of record for individual providers. This employer relationship is addressed in RCW 74.39(A)270. Client/employer responsibilities include selecting, hiring, supervising and terminating their individual providers. The RCW is explicit that individual providers are not "employees of the state, its political subdivisions, or an area agency on aging for any purpose" (RCW 74.39(A)270(3). Responsibility for scheduling, tracking and time keeping rightly belongs with the client.

We agree with the auditor on the importance of assuring that payments for personal care are accurate and reasonable. There are significant safe guards in place to prevent fraudulent claims by individual providers.

- *Personal care services by definition provides assistance with very basic needs such as eating, bathing, transferring, turning and ambulation. It is readily apparent if a client is not receiving these services. Medicaid funded personal care does not claim to cover the entire spectrum of client needs 24 hours per day 7 days a week. The plan produced by the CARE assessment covers a very basic and limited number of hours related to necessary assistance with activities of daily living. It would be close to impossible to complete the tasks in the care plan in a number of hours significantly under the authorization.*

- *Consistent with statute, the client supervises their care provider, the assessment includes information as to whether the client is able to supervise their provider and in the case where they are not able, agency managed personal care is available or the case manager will identify how the services will be monitored. Clients are given information on how to contact their case manager if there are concerns about service delivery. The department has the authority to terminate payment in the event there is a good faith belief that services are not being provided as authorized to a Medicaid client.*
- *SSPS will not pay over the authorized amount for any provider. Prior to invoices being validated, the system does a double check to assure that a more recent authorization change has not been made and will adjust the payment if the authorization has been changed.*
- *By submitting an invoice, providers attest to the accuracy of their claim. This provider attestation is no different than other types of Medicaid claims such as physician or durable medical equipment billing.*
- *The Department through its Payment Review Program runs algorithms to detect possibly fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings.*
- *The Department tracks billing patterns and finds that claims for payment of personal care hours are consistently under the authorized amount system wide.*

While we think that the risk of fraudulent claims is low, in response to the auditor's recommendations the Department will issue a written communication to clients on employer responsibilities including time tracking and record keeping. The department will also issue a management bulletin to Area Agencies on Aging and the Division of Developmental Disabilities to remind them of the statutory mandate to review a sample of timesheets.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We look forward to reviewing the improvements the Department has implemented during our next audit.

Applicable Laws and Regulations:

Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

A-133 Compliance Supplement states in part:

> General Audit Approach for Medicaid Payments
> To be allowable, Medicaid costs for medical services must be: (1) covered by the State plan and waivers; (2) for an allowable service rendered (including supported by medical records or other evidence indicating that the service was actually provided and consistent with the medical diagnosis); (3) properly coded; and (4) paid at the rate allowed by the State plan. Additionally, Medicaid costs must be net of applicable credits (e.g., insurance, recoveries from other third parties who are responsible for covering the Medicaid costs, and drug rebates), paid to eligible providers, and only provided on behalf of eligible individuals.

OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments; Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

k. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
l. Be allocable to Federal awards under the provisions of this Circular.
m. Be authorized or not prohibited under State or local laws or regulations.
n. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
o. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
p. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
q. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
r. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
s. Be the net of all applicable credits.
t. Be adequately documented.

WAC 388-71-0515 states:
An individual provider or home care agency provider must:

(1)Understand the client's plan of care that is signed by the client or legal representative and social worker/case manager, and translated or interpreted, as necessary, for the client and the provider;
(2) Provide the services as outlined on the client's plan of care, as defined in WAC 388-106-0010;
(3) Accommodate client's individual preferences and differences in providing care;
(4) Contact the client's representative and case manager when there are changes which affect the personal care and other tasks listed on the plan of care;
(5) Observe the client for change(s) in health, take appropriate action, and respond to emergencies;
(6) Notify the case manager immediately when the client enters a hospital, or moves to another setting;
(7) Notify the case manager immediately if the client dies;
(8) Notify the department or AAA immediately when unable to staff/serve the client; and
(9) Notify the department/AAA when the individual provider or home care agency will no longer provide services. Notification to the client/legal guardian must:
(a) Give at least two weeks' notice, and
(b) Be in writing.
(10) Complete and keep accurate time sheets that are accessible to the social worker/case manager; and
(11) Comply with all applicable laws and regulations.

Employment Reference Guide for Individual Providers (DSHS22-221(X) Page 8 states in part:

§ Make a check in all the personal care tasks listed on the form that you performed as defined in the Care Plan during that month.
§ After you have completed the form, have your employer review it for accuracy. If your employer agrees, he/she should sign their name under “CLIENT’S SIGNATURE”.
§ Use your timesheet to fill out your SSPS Service Invoice accurately.
§ Keep one copy for your records (for two (2) years) and give one copy to your employer for his or her files.

RCW 74.39A.095 states:

(1) In carrying out case management responsibilities established under RCW 74.39A.090 for consumers who are receiving services under the medicaid personal care, community options programs entry system or chore services program through an individual provider, each area agency on aging shall provide oversight of the care being provided to consumers receiving services under this section to the extent of available funding. Case management responsibilities incorporate this oversight, and include, but are not limited to:

(a) Verification that any individual provider who has not been referred to a consumer by the authority established under chapter 3, Laws of 2002 has met any training requirements established by the department;

(b) Verification of a sample of worker time sheets;

(c) Monitoring the consumer's plan of care to verify that it adequately meets the needs of the consumer, through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;

(d) Reassessment and reauthorization of services;

(e) Monitoring of individual provider performance. If, in the course of its case management activities, the area agency on aging identifies concerns regarding the care being provided by an individual provider who was referred by the authority, the area agency on aging must notify the authority regarding its concerns; and

(f) Conducting criminal background checks or verifying that criminal background checks have been conducted for any individual provider who has not been referred to a consumer by the authority.

(2) The area agency on aging case manager shall work with each consumer to develop a plan of care under this section that identifies and ensures coordination of health and long-term care services that meet the consumer's needs. In developing the plan, they shall utilize, and modify as needed, any comprehensive community service plan developed by the department as provided in RCW 74.39A.040. The plan of care shall include, at a minimum:

(a) The name and telephone number of the consumer's area agency on aging case manager, and a statement as to how the case manager can be contacted about any concerns related to the consumer's well-being or the adequacy of care provided;

(b) The name and telephone numbers of the consumer's primary health care provider, and other health or long-term care providers with whom the consumer has frequent contacts;

(c) A clear description of the roles and responsibilities of the area agency on aging case manager and the consumer receiving services under this section;

(d) The duties and tasks to be performed by the area agency on aging case manager and the consumer receiving services under this section;

(e) The type of in-home services authorized, and the number of hours of services to be provided;

(f) The terms of compensation of the individual provider;

(g) A statement by the individual provider that he or she has the ability and willingness to carry out his or her responsibilities relative to the plan of care; and

(h)(i) Except as provided in (h)(ii) of this subsection, a clear statement indicating that a consumer receiving services under this section has the right to waive any of the case management services offered by the area agency on aging under this section, and a clear indication of whether the consumer has, in fact, waived any of these services.

(ii) The consumer's right to waive case management services does not include the right to waive reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care.

(3) Each area agency on aging shall retain a record of each waiver of services included in a plan of care under this section.

(4) Each consumer has the right to direct and participate in the development of their plan of care to the maximum practicable extent of their abilities and desires, and to be provided with the time and support necessary to facilitate that participation.

(5) A copy of the plan of care must be distributed to the consumer's primary care provider, individual provider, and other relevant providers with whom the consumer has frequent contact, as authorized by the consumer.
(6) The consumer's plan of care shall be an attachment to the contract between the department, or their designee, and the individual provider.
(7) If the department or area agency on aging case manager finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section, the department or the area agency on aging may take action to terminate the contract between the department and the individual provider. If the department or the area agency on aging has a reasonable, good faith belief that the health, safety, or well-being of a consumer is in imminent jeopardy, the department or area agency on aging may summarily suspend the contract pending a fair hearing. The consumer may request a fair hearing to contest the planned action of the case manager, as provided in chapter 34.05 RCW. When the department or area agency on aging terminates or summarily suspends a contract under this subsection, it must provide oral and written notice of the action taken to the authority. The department may by rule adopt guidelines for implementing this subsection.
(8) The department or area agency on aging may reject a request by a consumer receiving services under this section to have a family member or other person serve as his or her individual provider if the case manager has a reasonable, good faith belief that the family member or other person will be unable to appropriately meet the care needs of the consumer. The consumer may request a fair hearing to contest the decision of the case manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.

08-28 The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure all controlled substances prescribed for Medicaid clients are authorized and allowable.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	None

Background

All controlled substances are classified as scheduled drugs ranging from level 1-5; the number represents the potential risk of abuse the drug poses to the client. Schedule 1 drugs, such as heroin and marijuana, are illegal for use. The rest are considered legitimate for medical use, and range from drugs such as morphine (schedule 2), to cough syrup with codeine (schedule 5).

Individuals who prescribe controlled substances are required by federal regulations to register with the Drug Enforcement Administration (DEA). These individuals must have an active medical license in the state in which they practice. The purpose of this registration is to track all prescribers of controlled substances in a national database and to have the ability to monitor all prescriptions. When an individual registers with the DEA, he or she is authorized to prescribe or dispense controlled substances and assigned a DEA identification number.

The Department of Social Health and Services, Health and Recovery Services Administration, uses a point-of-sale system to process prescription drug claims submitted by pharmacies. When the dispensing pharmacy enters the prescriber's DEA number into the "Prescriber Identification" field of the system, the number is automatically validated through a computerized cross-match with the national DEA database. If the DEA number is valid, the claim will be processed and approved. If the system is unable to recognize the DEA number as valid, the claim will be denied.

The Department paid $24,154,889.33 in claims for schedule 2 through 5 drugs between July 2007 and March 2008.

Description of Condition

The Department validates prescriber DEA numbers for all schedule 2 drugs by requiring pharmacists to include the prescriber's DEA number on claims which are then validated with the national DEA database.

The Department, however, does not have similar requirements for schedule 3-5 drugs. Claims for these medications are paid without assurance that the prescriber has proper authorization to prescribe.

Without adequate controls to validate prescriber's DEA number for scheduled drugs, the Department is unable to assure all expenditures related to the claims are properly authorized and allowable.

Cause of Condition

The Department stated it is not responsible for verifying DEA numbers of prescribing physicians. It believes this responsibility lies with medical licensing authorities and the dispensing pharmacies. The Department only validates DEA numbers for schedule 2 drugs because of the risk of abuse associated with these narcotics.

Effect of Condition

During our audit, we identified 7,420 pharmacy claims for scheduled drugs 2-5 resulting in a total of $63,287.19 that were processed in the point-of-sale system without DEA numbers. This includes $7,865.30 for schedule 2 drugs, $26,011.94 for schedule 3 drugs, $17,314.96 for schedule 4 drugs and $12,094.99 for schedule 5 drugs.

Without procedures in place to verify prescribers are legally authorized to prescribe scheduled drugs, the Department cannot ensure claims paid are allowable expenditures of Medicaid funds.

Recommendation

We recommend the Department establish and follow internal controls that will reasonably ensure prescribers of controlled substances have valid DEA numbers that demonstrate they are authorized to provide this service in accordance with federal requirements.

Department's Response

The Department disagrees with this finding.

There aren't any federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Department disagrees that the lack of an edit that validates DEA for Schedule 3-5 drugs constitutes inadequate internal controls or that the lack of such validation renders the payment unallowable.

As discussed with to State Auditor's Office (SAO) staff, the Department believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. There aren't any provisions in the Controlled Substance Act (21 USC Sec. 821) or the State Uniform Controlled Substance Act (RCW 69.50) that could be interpreted as a requirement relating to payment of claims for controlled substances. Below is the Title 21 CFR Section 1306.04 which clearly states that the prescribing practitioner is responsible for making sure that the prescription conforms in all essential respects to the law and regulation:

> *(a) A prescription for a controlled substance to be effective must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. <u>The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.</u> An order purporting to be a prescription issued not in the usual course of professional treatment or in legitimate and authorized research is not a prescription within the meaning and intent of section 309 of the Act (21 USC 829) and the person knowingly filling such a purported prescription, as well as the person issuing it, shall be subject to the penalties provided for violations of the provisions of law relating to controlled substances."*

The Controlled Substances Act (CSA) is the federal drug policy under which the manufacture, importation, possession and distribution of certain drugs is regulated. Classification decisions are made on the criteria of potential for abuse, accepted medical use in the United States and potential for drug dependence. Registration with the DEA authorizes a pharmacy to sell controlled substances and allows for a method of

monitoring who is selling potentially addictive drugs. The CSA does not regulate payment for controlled substances.

The Department implemented a Pharmacy Point of Sale (POS) edit in July 2002 for the purpose of validating the DEA of the prescribing physician for Schedule II drugs. While the Department considered this to be an essential validation to add to the POS, it was not implemented because of any federal/state requirement. Rather, the Department implemented this because Schedule II drugs are subject to the highest risk of abuse and considered it prudent to provide this additional validation to guard against the potential for fraud and abuse.

In addition to the edit in the POS that validates the DEA for Schedule II drugs, DSHS has a set of robust Program Integrity activities that includes pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm. In the absence of any requirement to validate DEA for controlled substances, DSHS considers that this set of Program Integrity activities provide adequate controls to ensure that controlled substances are authorized and allowable.

Auditor's Concluding Remarks

We thank the Department for its response. We agree the Department does not have a regulatory role over controlled substance prescribers. However, the Department does have a responsibility to ensure that services provided to Medicaid clients are allowable. In order for controlled substances to be an allowable Medicaid service, those substances must be prescribed by a provider with a valid DEA number. We will review this area during our next audit.

Applicable Laws and Regulations

Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments; Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   - u. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
   - v. Be allocable to Federal awards under the provisions of this Circular.
   - w. Be authorized or not prohibited under State or local laws or regulations.
   - x. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
   - y. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
   - z. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
   - aa. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.

bb. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
cc. Be the net of all applicable credits.
dd. Be adequately documented.

Title 21, code of Federal Regulations, Section 1306 states in part:

1306.03 Persons entitled to issue prescriptions.

(a) A prescription for a controlled substance may be issued only by an individual practitioner who is:

(1) Authorized to prescribe controlled substances by the jurisdiction in which he is licensed to practice his profession and

(2) Either registered or exempted from registration pursuant to §§1301.22(c) and 1301.23 of this chapter.

(b) A prescription issued by an individual practitioner may be communicated to a pharmacist by an employee or agent of the individual practitioner.

§ 1306.21 Requirement of prescription.

(a) A pharmacist may dispense directly a controlled substance listed in Schedule III, IV, or V which is a prescription drug as determined under the Federal Food, Drug, and Cosmetic Act, only pursuant to either a written prescription signed by a practitioner or a facsimile of a written, signed prescription transmitted by the practitioner or the practitioner's agent to the pharmacy or pursuant to an oral prescription made by an individual practitioner and promptly reduced to writing by the pharmacist containing all information required in §1306.05, except for the signature of the practitioner.

(b) An individual practitioner may administer or dispense directly a controlled substance listed in Schedule III, IV, or V in the course of his/her professional practice without a prescription, subject to §1306.07.

(c) An institutional practitioner may administer or dispense directly (but not prescribe) a controlled substance listed in Schedule III, IV, or V only pursuant to a written prescription signed by an individual practitioner, or pursuant to a facsimile of a written prescription or order for medication transmitted by the practitioner or the practitioner's agent to the institutional practitioner-pharmacist, or pursuant to an oral prescription made by an individual practitioner and promptly reduced to writing by the pharmacist (containing all information required in Section 1306.05 except for the signature of the individual practitioner), or pursuant to an order for medication made by an individual practitioner which is dispensed for immediate administration to the ultimate user, subject to §1306.07.

§ 1306.22 Refilling of prescriptions.

(a) No prescription for a controlled substance listed in Schedule III or IV shall be filled or refilled more than six months after the date on which such prescription was issued and no such prescription authorized to be refilled may be refilled more than five times. Each refilling of a prescription shall be entered on the back of the prescription or on another appropriate document. If entered on another document, such as a medication record, the document must be uniformly maintained and readily retrievable. The following information must be retrievable by the prescription number consisting of the name and dosage form of the controlled substance, the date filled or refilled, the quantity dispensed, initials of the dispensing pharmacist for each refill, and the total number of refills for that prescription. If the pharmacist merely initials and dates the back of the prescription it shall be deemed that the full face amount of the prescription has been dispensed. The prescribing practitioner may authorize additional refills of Schedule III or IV controlled substances on the original prescription through an oral refill authorization transmitted to the pharmacist provided the following conditions are met:

(1) The total quantity authorized, including the amount of the original prescription, does not exceed five refills nor extend beyond six months from the date of issue of the original prescription.

(2) The pharmacist obtaining the oral authorization records on the reverse of the original prescription the date, quantity of refill, number of additional refills authorized, and initials the prescription showing who received the authorization from the prescribing practitioner who issued the original prescription.

(3) The quantity of each additional refill authorized is equal to or less than the quantity authorized for the initial filling of the original prescription.

(4) The prescribing practitioner must execute a new and separate prescription for any additional quantities beyond the five refill, six-month limitation.

(b) As an alternative to the procedures provided by subsection (a), an automated data processing system may be used for the storage and retrieval of refill information for prescription orders for controlled substances in Schedule III and IV, subject to the following conditions:

(1) Any such proposed computerized system must provide on-line retrieval (via CRT display or hard-copy printout) of original prescription order information for those prescription orders which are currently authorized for refilling. This shall include, but is not limited to, data such as the original prescription number, date of issuance of the original prescription order by the practitioner, full name and address of the patient, name, address, and DEA registration number of the practitioner, and the name, strength, dosage form, quantity of the controlled substance prescribed (and quantity dispensed if different from the quantity prescribed), and the total number of refills authorized by the prescribing practitioner.

(2) Any such proposed computerized system must also provide on-line retrieval (via CRT display or hard-copy printout) of the current refill history for Schedule III or IV controlled substance prescription orders (those authorized for refill during the past six months.) This refill history shall include, but is not limited to, the name of the controlled substance, the date of refill, the quantity dispensed, the identification code, or name or initials of the dispensing pharmacist for each refill and the total number of refills dispensed to date for that prescription order.

(3) Documentation of the fact that the refill information entered into the computer each time a pharmacist refills an original prescription order for a Schedule III or IV controlled substance is correct must be provided by the individual pharmacist who makes use of such a system. If such a system provides a hard-copy printout of each day's controlled substance prescription order refill data, that printout shall be verified, dated, and signed by the individual pharmacist who refilled such a prescription order. The individual pharmacist must verify that the data indicated is correct and then sign this document in the same manner as he would sign a check or legal document (e.g., J. H. Smith, or John H. Smith). This document shall be maintained in a separate file at that pharmacy for a period of two years from the dispensing date. This printout of the day's controlled substance prescription order refill data must be provided to each pharmacy using such a computerized system within 72 hours of the date on which the refill was dispensed. It must be verified and signed by each pharmacist who is involved with such dispensing. In lieu of such a printout, the pharmacy shall maintain a bound log book, or separate file, in which each individual pharmacist involved in such dispensing shall sign a statement (in the manner previously described) each day, attesting to the fact that the refill information entered into the computer that day has been reviewed by him and is correct as shown. Such a book or file must be maintained at the pharmacy employing such a system for a period of two years after the date of dispensing the appropriately authorized refill.

(4) Any such computerized system shall have the capability of producing a printout of any refill data which the user pharmacy is responsible for

maintaining under the Act and its implementing regulations. For example, this would include a refill-by-refill audit trail for any specified strength and dosage form of any controlled substance (by either brand or generic name or both). Such a printout must include name of the prescribing practitioner, name and address of the patient, quantity dispensed on each refill, date of dispensing for each refill, name or identification code of the dispensing pharmacist, and the number of the original prescription order. In any computerized system employed by a user pharmacy the central recordkeeping location must be capable of sending the printout to the pharmacy within 48 hours, and if a DEA Special Agent or Diversion Investigator requests a copy of such printout from the user pharmacy, it must, if requested to do so by the Agent or Investigator, verify the printout transmittal capability of its system by documentation (e.g., postmark).

(5) In the event that a pharmacy which employs such a computerized system experiences system down-time, the pharmacy must have an auxiliary procedure which will be used for documentation of refills os Schedule III and IV controlled substance prescription orders. This auxiliary procedure must insure that refills are authorized by the original prescription order, that the maximum number of refills has not been exceeded, and that all of the appropriate data is retained for on-line data entry as soon as the computer system is available for use again.

(c) When filing refill information for original prescription orders for Schedule III or IV controlled substances, a pharmacy may use only one of the two systems described in paragraphs (a) or (b) of this section.

§ 1306.23 Partial filling of prescriptions.

The partial filling of a prescription for a controlled substance listed in Schedule III, IV, or V is permissible, provided that:

(a) Each partial filling is recorded in the same manner as a refilling,

(b) The total quantity dispensed in all partial fillings does not exceed the total quantity prescribed, and

(c) No dispensing occurs after 6 months after the date on which the prescription was issued.

Section 1301.11 Persons required to register.

(a) Every person who manufactures, distributes, dispenses, imports, or exports any controlled substance or who proposes to engage in the manufacture, distribution, dispensing, importation or exportation of any controlled substance shall obtain a registration unless exempted by law or pursuant to Secs. 1301.22-1301.26. Only persons actually engaged in such activities are required to obtain a registration; related or affiliated persons who are not engaged in such activities are not required to be registered. (For example, a stockholder or parent corporation of a corporation manufacturing controlled substances is not required to obtain a registration.)

08-29 The Department of Social and Health Services, Health and Recovery Services Administration, does not perform a quarterly retrospective drug use review as required by federal law.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Pharmaceutical claims for Medicaid client prescriptions are processed through the Medicaid Management Information System (MMIS), which runs each request for payment through a series of criteria, known as edits, within the system. Claims are paid if they successfully pass all edits.

Federal law requires state Medicaid programs to have a retrospective drug use review program at least quarterly of pharmaceutical claims data in order to identify patterns of fraud, abuse, gross overuse or inappropriate or medically unnecessary care among physicians, pharmacists, and Medicaid recipients. This examination must involve a pattern analysis, using predetermined standards, of physicians' prescribing practices, drug use by individual patients and, where appropriate, dispensing practices of pharmacies.

The state had Medicaid expenditures of approximately $6.4 billion in fiscal year 2008, of $3.4 billion of which was federal dollars.

Description of Condition

The Department does perform a review in order to determine therapeutic appropriateness of the medication, however it does not perform a retrospective review for the purpose of identifying fraud or misuse.

During our initial inquiry, the Department stated it indirectly learns of potential overuse and underuse of drugs, appropriate use of generic products, and clinical abuse or misuse by providers when it receives a complaint or reviews client data.
The Department later stated it performed a retrospective drug use review in November 2008 to identify the top 50 highest narcotic prescribers. The Department was unable to supply us with this review.

Cause of Condition

The Department does not have adequate procedures to ensure compliance with federal requirements to perform a retrospective drug use review. The Department established procedures to perform the therapeutic aspects of the review, believing this was sufficient.

Effect of Condition

The Department is not using the resources available to it to identify patterns of fraud, abuse, and misuse of pharmaceutical claims paid for with Medicaid funds, increasing the risk these situations could occur and not be detected.

Recommendation

We recommend the Department establish controls to comply with federal law and to identify patterns of fraud, abuse, and misuse of pharmaceuticals paid for with Medicaid funds.

Department's Response

The Department does not concur with this finding.

Title 42 CFR stipulates the department must perform quarterly retrospective Drug Utilization Review (DUR) via:

> *"(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following:*
>
> > *(1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards.*
> > ***(2) Overutilization and underutilization, as defined in Sec. 456.702.***
> > *(3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws.*
> > *(4) Therapeutic duplication as described in Sec. 456.705(b)(1).*
> > *(5) Drug-disease contraindication as described in Sec. 456.705(b)(2).*
> > *(6) Drug-drug interaction as described in Sec. 456.705(b)(3).*
> > *(7) Incorrect drug dosage as described in Sec. 456.705(b)(4).*
> > *(8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5).*
> > ***(9) Clinical abuse or misuse as described in Sec. 456.705(b)(7)"***

The Department conducts retrospective review for this purpose every quarter. For each of the measures cited above an analysis is completed and the results of that analysis are reported to CMS Region 10. These results are reported on forms CMS specifically created for reporting the results of the analysis on each of these measures, including overutilization and abuse and misuse.

The Department's Pharmacy Administrator has attended in-services hosted by CMS to understand this requirement and assure the department has in place activities that will support our compliance.

The Pharmacy Administrator uses the data to determine which drug or class will be the focus for each quarter. Predetermined standards are used along with a professional drug advisory committee to monitor all the measures cited above, including overutilization and abuse and misuse of any medication for that quarter. If "Abuse" and "Misuse" is identified in the process the "suspected" abuser is referred to our internal resources: Office of Patient Review and Coordination (PRC), the Quality Management Team Unit (QMT), the Payment Review Program Unit (PRP) and the Office of Payment Review and Audit (OPRA).

The Department believed it had presented reports to the SAO which document our compliance with the CFR and will continue to work with the SAO to understand what additional documentation would meet their needs.

The department has designated the Office of Payment Review and Audit (OPRA), part of our payment integrity division, as the department's contact point for referrals to the Medicaid Fraud and Control Unit (MFCU). This was an internal protocol put into place in 2004 so there would be coordination and one source for this external body to interface with.

The CFR does not stipulate which drug class or specific drug(s) should be reviewed each quarter. It does not stipulate these reviews must be done looking at every physician's prescribing practices every quarter. Nor does it say the DUR must be conducted on every drug every quarter. The Department meets this requirement by looking at drug utilization by types of drugs or groups of drugs in a systematic way designed to identify the flags outlined above.

By performing these reviews by drug or drug classes, we can compare a physician's practice patterns for using the medication to treat like-conditions to his peers. If we were to conduct these reviews by looking at all prescriptions by all physicians the process the result would be a large volume of incomparable data.

Under that premise, the last time we included narcotics in our DUR process was in 2007. As a result of that analysis we pursued education interventions including the opioid guidelines developed to educate providers as to best practices in pain control and what could be considered indication of over utilization. Providers were provided clients specific narcotic utilization information so they could alter medication regimens. In addition, our contractor ACS's clinical pharmacists visited the highest prescribers of narcotics in face-to-face consultations to discuss the guidelines and the management of chronic pain.

There were no referrals made to MFCU via OPRA as a result of this narcotic specific DUR activity. The data did not clearly demonstrate intentional misuse, abuse or over utilization by any given physician, and it was deemed not warranted.

The process described above is just one method the department uses to identify abuse, misuse, and fraud of health care services. We also run algorithms, conduct provider modeling, conduct audits and use client specific prior authorization processes to identify inappropriate use of health care services.

This audit area continues to be one in which the auditors and DSHS disagree on the intent and focus of the CFR requirements. The department's focus is on the appropriateness of prescribing physicians drug selection; the auditors focus was on the usefulness of the utilization review in detecting fraud. The department will continue to work with the auditors and jointly request CMS review of the department efforts to comply with this CFR.

Auditor's Concluding Remarks

We thank the Department for its response and commitment to continuing discussions on this issue.

Retrospective Drug Utilization Review (DUR) is a two-part system. The first component is the ongoing periodic examination of claims data and other records to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists and Medicaid recipients associated with specific drugs or groups of drugs. The purpose of this component of retrospective DUR is to reduce the frequency of misuse and overuse of Medicaid drug benefits.

The second component of retrospective DUR is an ongoing periodic examination of claims data and other records to assess the clinical quality of prescribing and dispensing of Medicaid-covered drugs. The purpose of this component of retrospective DUR is to reduce the frequency of therapeutic problems associated with the use of those drugs.

During our testing the Department was unable to supply us with any evidence showing that it performs ongoing periodic examination of claims data and other records in order to identify patterns of fraud, abuse, or gross overuse among physicians, pharmacists, and Medicaid recipients, or associated with specific drugs or groups of drugs.

The Department established procedures to perform the second component of retrospective DUR, believing this was sufficient. We re-affirm our finding, and look forward to continuing discussions with the Department and its grantor in order to achieve resolution.

Applicable Laws and Regulations

Title 42, Code of Federal Regulations, Section 456.703 states in part:

> (a) *General.* Except as provided in paragraphs (b) and (c) of this section, in order for FFP to be paid or made available under section 1903 of the Act for covered outpatient drugs, the State must have in operation, by not later than January 1, 1993, a DUR program consisting of prospective

drug review, retrospective drug use review, and an educational program that meets the requirements of this subpart. The goal of the State's DUR program must be to ensure appropriate drug therapy, while permitting sufficient professional prerogatives to allow for individualized drug therapy.

Title 42, Code of Federal Regulations, Section 456.709 states:

(a) General. The State plan must provide for a retrospective DUR program for ongoing periodic examination (no less frequently than quarterly) of claims data and other records in order to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and Medicaid recipients, or associated with specific drugs or groups of drugs. This examination must involve pattern analysis, using predetermined standards, of physician prescribing practices, drug use by individual patients and, where appropriate, dispensing practices of pharmacies. This program must be provided through the State's mechanized drug claims processing and information retrieval systems approved by CMS (that is, the Medicaid Management Information System (MMIS)) or an electronic drug claims processing system that is integrated with MMIS. States that do not have MMIS systems may use existing systems provided that the results of the examination of drug claims as described in this section are integrated within their existing system.

(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following:

(1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards.
(2) Overutilization and underutilization, as defined in Sec. 456.702.
(3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws.
(4) Therapeutic duplication as described in Sec. 456.705(b)(1).
(5) Drug-disease contraindication as described in Sec. 456.705(b)(2).
(6) Drug-drug interaction as described in Sec. 456.705(b)(3).
(7) Incorrect drug dosage as described in Sec. 456.705(b)(4).
(8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5).
(9) Clinical abuse or misuse as described in Sec. 456.705(b)(7).

Title 42 Code of Federal Regulations 455.2 states in part:

Abuse means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary cost to the Medicaid program.

Title 42 Code of Federal Regulations 455.14 Preliminary investigation states:

If the agency receives a complaint of Medicaid fraud or abuse from any source or identifies any questionable practices, it must conduct a preliminary investigation to determine whether there is sufficient basis to warrant a full investigation.

Title 42 Code of Federal Regulations 455.15 Full investigation states in part:

If the findings of a preliminary investigation give the agency reason to believe that an incident of fraud or abuse has occurred in the Medicaid program, the agency must take the following action, as appropriate:

(a) If a provider is suspected of fraud or abuse, the agency must—

(1) In States with a State Medicaid fraud control unit certified under subpart C of part 1002 of this title, refer the case to the unit under the terms of its agreement with the unit entered into under Sec.

1002.309 of this title; or

(2) In States with no certified Medicaid fraud control unit, or in cases where no referral to the State Medicaid fraud control unit is required under paragraph (a)(1) of this section, conduct a full investigation or refer the case to the appropriate law enforcement agency.

(b) If there is reason to believe that a recipient has defrauded the Medicaid program, the agency must refer the case to an appropriate law enforcement agency.

(c) If there is reason to believe that a recipient has abused the Medicaid program, the agency must conduct a full investigation of the abuse.

Title 42 Code of Federal Regulations 455.16 Resolution of full investigation states in part:

A full investigation must continue until—

(a) Appropriate legal action is initiated;

(b) The case is closed or dropped because of insufficient evidence to support the allegations of fraud or abuse; or

(c) The matter is resolved between the agency and the provider or recipient. This resolution may include but is not limited to—

(1) Sending a warning letter to the provider or recipient, giving notice that continuation of the activity in question will result in further action;

(2) Suspending or terminating the provider from participation in the Medicaid program;

(3) Seeking recovery of payments made to the provider; or

(4) Imposing other sanctions provided under the State plan.

08-30 The Department of Social and Health Services, Economic Services Administration, Medicaid Eligibility Quality Control Unit (MEQC), did not retain documentation to support the results of its federally required audits of Medicaid client eligibility.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

The state is required to operate a Medicaid Eligibility Quality Control System to identify and reduce errors in Medicaid eligibility determinations and Medicaid claims processing. The system is required to audit a sample of active Medicaid cases and those that have been denied, suspended or terminated and to determine if the approval or denial was appropriate.

The Department is required to take action to correct any errors identified through the process, including potential recovery payments to ineligible claimants. The Department also is required to take administrative action to prevent and reduce errors and to submit to the federal grantor, the Centers for Medicare and Medicaid Services, a report on its error analysis and a corrective action plan.

In 1994, the federal grantor offered states the option of participating in a pilot project intended to allow states to develop alternative ways to:

- Effectively identify and reduce erroneous payments.
- Increase operational efficiencies.
- Streamline services delivery.
- Study and improve program operations.

States participating in this project must submit a request to the federal grantor annually. The request must include the areas proposed for audit, which must be approved by the grantor before they are eligible for the pilot project. The Department reports the audit results to the grantor.

Washington has participated in the pilot program since October 1994. For fiscal year 2008, the Centers for Medicare and Medicaid Services approved seven targeted areas for audit.

Description of Condition

The Department states it has completed audits of six of the targeted areas. However, Department staff did not retain any documentation to supports its audit conclusions for all projects except for one project that had just recently been completed.

Without this documentation, which federal and state laws require to be retained, we were unable to review and assess the adequacy of the audits.

Cause of Condition

The Medicaid Eligibility Quality Control unit did not understand it was required to retain documentation to support its final reports, once the final reports were written.

Effect of Condition

Due to the lack of supporting documentation we can not audit this element of the Medicaid program. The Department cannot support that its quality control process was reliable, or that its conclusions were supported.

Recommendation

We recommend the Medicaid Eligibility Quality Control unit develop and follow policies that require retention of documentation necessary to support audit conclusions.

Department's Response
DSHS concurs with the auditor's finding. The Department has taken the following corrective actions:

1. *The Medicaid Eligibility Quality Control unit received records retention training 7/10/08 from the DSHS Records Officer (DSHS Records Management).*

2. *Beginning with the Project #58 DDD Waiver cases sample, the Medicaid Eligibility Quality Control unit has converted to electronic recordkeeping – with staff entering data directly into an electronic access database. Each project has its own unique database.*

3. *The Medicaid Eligibility Quality Control unit has developed a formal records retention procedure in accordance with State and federal records retention requirements. All records pertaining to Medicaid eligibility quality control reviews are maintained as described. This procedure is described below:*

   Filing Order
   Paper surveys are filed first by project number, second by month and year, and third numerically by survey number.

   Access Databases will be saved in the shared drive according to project number (example P58) with backup copies.

   Records Retention Requirements
   Audit Documentation and Working Papers (formerly Internal Audits, Working Papers and Reports) used to complete Medicaid Eligibility Quality Control projects will be retained six years after the Audit Report Date. This includes Paper Surveys and Access Databases:
   - *Paper Surveys will be sent to Records Retention after they have been located onsite for one year after the Audit Report Date and then held at Records Retention for five more years (a total of six years)*
   - *All Databases will be kept in the Operations Support Division's electronic shared drive for six years*

   The Medicaid Eligibility Quality Control unit uses Disposition Authority Number (DAN) GS04001 in the General Records Retention Schedule. This schedule can be found on page 45 of Agencies of Washington State Government-General Records Retention Schedules or online at:
http://www.secstate.wa.gov/_assets/archives/RecordsManagement/GSFinalVersion_2005_v9_2008.pdf

Auditor's Concluding Remarks

We thank the Department for its response, and appreciate the steps taken by the Department to address this issue. We will review the Department's corrective action during our next audit.

Applicable Laws and Regulations:

A-133 Compliance Supplement E.4 *Medicaid Eligibility Quality Control System (MEQC) states in part:*

(1) States are required to operate a MEQC system in accordance with requirements established by CMS. The MEQC system redetermines eligibility for individual sampled cases of beneficiary eligibility made by State Medicaid agencies, or their designees. Statistical sampling methods are used to select claims for review and project the number and dollar impact of incorrect payments to ineligible beneficiaries (42 USC 1396b; 42 CFR sections 431.800 through 431.865).

(2) However, most States are operating MEQC pilots or have been given a waiver from the traditional MEQC program described in regulation. The pilots and waivers differ from the traditional MEQC program by performing special studies, targeted reviews, or other activities that are designed to ensure program integrity or improve program administration (42 USC 1396b; 42 CFR sections 431.800 through 431.865).

The auditor will need to evaluate the reliability of the internal control provided by a particular State's MEQC program to ascertain if they can be tested and relied upon in meeting the applicable eligibility audit objectives and the extent to which other auditing procedures may be required.

Title 42, code of Federal Regulation, Section 431 states in part:

§ 431.810 Basic elements of the Medicaid eligibility quality control (MEQC) program.

(a) *General requirements.* The agency must operate the MEQC program in accordance with this section and §§431.812 through 431.822 and other instructions established by CMS.

(b) *Review requirements.* The agency must conduct MEQC reviews in accordance with the requirements specified in §431.812 and other instructions established by CMS.

(c) *Sampling requirements.* The agency must conduct MEQC sampling in accordance with the requirements specified in §431.814 and other instructions established by CMS.

§ 431.818 Access to records: MEQC program.

(a) The agency, upon written request, must mail to the HHS staff all records, including complete local agency eligibility case files or legible copies and all other documents pertaining to its MEQC reviews to which the State has access, including information available under part 435, subpart I, of this chapter.

(b) The agency must mail requested records within 10 working days of receipt of a request, unless the State has an alternate method of submitting these records that is approved by CMS or has received, on an as-needed basis, approval from CMS to extend this timeframe by 3 additional working days to allow for exceptional circumstances.

§ 431.820 Corrective action under the MEQC program.

The agency must—

(a) Take action to correct any active or negative case action errors found in the sample cases;

(b) Take administrative action to prevent or reduce the incidence of those errors; and

(c) By September 15 each year, submit to CMS a report on its error rate analysis and a corrective action plan based on that analysis. The agency must submit revisions to the plan within 60 days of identification of additional error-prone areas, other significant changes in the error rate (that is, changes that the State experiences that increase or decrease its error rate and necessitate immediate corrective action or discontinuance of corrective actions that effectively control the cause of the error rate change), or changes in planned corrective action.

General records Retentions Schedules, Agencies of the Washington State Government: Office of the Secretary of State, Division of Archives and Records Management states in part:

Record Series Title and Function/Description	Cut-off	Retention Period Of Official Copy	Disposition Authority Number	Special And/Or Disposition Instructions
AUDIT DOCUMENTATION AND WORKING PAPERS Audit documentation, including support for findings, conclusions, and recommendations. May also include correspondence, memos, drafts, preliminary findings, notes, and other materials used in preparing internal or external audits, investigations and examinations. (Series Revised 2005.) *Note: This series does not apply to State Auditor's Office audits.*	Audit Report Date	6 Years	GS 04001	
EXTERNAL AUDIT, FINAL AUDIT OR EXAMINATION REPORT Final reports of customer audits, compliance audits, performance audits, external audits or examinations performed by or for a state agency. (Series Approved 2005.) *Note: Agency retains primary record copy. This series does not include State Auditor's Office audits.*	Audit Report Date	6 Years	GS 04005	
INTERNAL AUDIT, FINAL AUDIT OR EXAMINATION REPORT Final reports of internal audits, investigations or examinations. (Series Revised 2005.) *Note: Agency retains primary record copy.*	Audit Report Date	6 Years	GS 04002	

08-31 The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all assets applicants own are counted when Medicaid eligibility is determined.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

The Medicaid program provides coverage for long-term care services for individuals who are unable to afford it. In order to ensure the availability of long-term care services for people who truly need them, the federal Deficit Reduction Act of 2005 tightened Medicaid asset transfer rules to make it more difficult for individuals with resources to pay for their own long-term care services to inappropriately transfer assets for less than fair market value in order to qualify for Medicaid.

When an individual applies for Medicaid coverage for long-term care, the state conducts a review, or "look-back" to determine whether the individual (or his or her spouse) transferred assets to another person or party for less than fair market value to become eligible for Medicaid. The Act lengthened the "look-back period" to 60 months (five years) prior to the date the individual applies for Medicaid.

When individuals transfer assets at less than fair market value in order to qualify for or become eligible for Medicaid long-term care services, the individual is subject to a penalty that delays the date they can qualify to receive Medicaid long-term care services. Under the Act, the penalty period for transfers made on or after February 8, 2006, begins on either the date of the asset transfer, or the date the individual is found eligible for Medicaid coverage, whichever is later.

The Department of Social and Health Services, Aging and Disability Services Administration, administers long-term care services under Medicaid.

Description of Condition

Individuals seeking Medicaid benefits must complete an application for benefits that asks the applicant if they, their spouse, or someone the applicant is applying, for has sold, traded, given away, or transferred a resource in the last five years. As part of the application process financial eligibility staff reviews information kept at the state Department of Licensing and County Assessor Offices.

If no sale or transfer of property is declared on the application, financial eligibility staff ask for one to three months of bank statements on each account held by the applicant. They do not perform any other reviews. If the staff identifies anything irregular during its review of bank statements, it will ask for statements up to only six months old.

County Assessor Web sites are usually limited to addresses, so it is only possible to determine if the property at the address the applicant gives financial eligibility staff has changed ownership. In addition, financial documents the Department reviews do not provide a reasonable picture of the applicant's financial situation over the five year look-back period.

Cause of Condition

The Department stated it does not have access to financial activity research tools such as searchable databases or other methods of investigation to identify applicant asset transfers that might have been made during the look-back period.

Effect of Condition

Lack of adequate procedures to identify the financial resources of applicants when Medicaid eligibility is determined increases the risk of ineligible individuals receiving long-term care through the Medicaid program.

Recommendation

We recommend the Department establish and follow internal controls that will reasonably ensure all assets applicants own during the look-back period are countable when Medicaid eligibility is determined.

Department's Response

The Department does not concur with this finding.

The department would like to clarify two misconceptions related to the Aging and Adult Disability Services eligibility procedures presented in the auditor's "Description of Condition" section:

1. *The auditor's description states " If no sale or transfer of property is declared on the application, financial eligibility staff ask for one to three months of bank statements on each account held by the applicant. They do not perform any other reviews."*

   Department clarification: Financial eligibility staff are directed to verify all assets and or resources identified on the application, regardless of whether a sale or transfer of an asset is declared. Documents requested for verification vary depending on the type of asset declared and information gained during the interview. Any inconsistencies discovered on the application or given during the interview are resolved through appropriate verification; this would include asset transfers as far back as 5 years or current bank accounts. For existing bank accounts workers typically request the 3 most recent months of bank statements; however, some circumstances may dictate a longer period of time. It is not at all uncommon for staff to request trust documents, bill of sale and other documents related to the status of an asset or transfer that took place anywhere from 1 to five years prior to the financial application.

2. *The auditor's description further indicates that if staff identifies anything irregular during their review of the clients bank statements, "it will only ask for statements up to six months old."*

   Department Clarification: This description implies that the department would only pursue additional documentation on bank accounts when an irregularity is identified in the application review process. The department's procedures require financial workers to research and resolve any indication of unreported assets or asset transfers found during the initial review of declared assets. Staff verification of suspected transfers extend to any point during the 5 year look-back period and is not limited to the six month period prior to application. This applies to bank accounts, other liquid assets and non-liquid assets.

ADSA has the following general comments regarding the descriptions and recommendation:

The department agrees that the financial documents we review for most applications do not provide a complete picture of the applicant's financial circumstances during the five years prior to the month of application. However, the department would point out that with the majority of the applications this is not necessary, because assets and assets transfers are not an issue. In addition, there is currently no

infrastructure that would allow the department to run an asset check on any applicant without specific information as to what the asset is and where the asset is located. Currently, the only means that the department has of obtaining that information is through the applicants self declaration on the application, their signature attesting to the applications accuracy and the interview with the client. The approved practice the department has been operating under for more than two decades relies on self declaration by the client for any asset transfers or sales within the five year look back period. The department is committed to ensuring that Medicaid clients are financially eligible for the programs that they receive and will continue to pursue and verify any declared asset transfers that it becomes aware of (either through the interview process or as declared by the applicant) to ensure that they were appropriate transfers and not done to qualify for Medicaid.

Auditor's Concluding Remarks

We thank the Department for its response, and will review this area during our next audit.

Applicable Laws and Regulations

42 United States Code section 1396p, as amended by the Deficit Reduction Act of 2005, states in part:

> (c)(1)(B)(i) The look-back date specified in this subparagraph is a date that is … (…in the case of any other disposal of assets made on or after the date of the enactment of the Deficit Reduction Act of 2005, 60 months) before the date specific in clause (ii).
>
> **(c)(1)(D)(ii)** In the case of a transfer of asset made on or after the date of the enactment of the Deficit Reduction Act of 2005, the date specified in this subparagraph is the first day of a month during or after which assets have been transferred for less than fair market value, or the date on which the individual is eligible for medical assistance under the State plan and would otherwise be receiving institutional level care described in subparagraph (C) based on an approved application for such care but for the application of the penalty period, whichever is later, and which does not occur during any other period of ineligibility under this subsection.

WAC 388-513-1363 evaluating the transfer of an asset for clients found eligible for long-term care (LTC) services on or after 5/1/2006

> This section describes how the department evaluates asset transfers made on or after May 1, 2006 and their affect on LTC services. This applies to transfers by the client, spouse, a guardian or through an attorney in fact. Clients subject to asset transfer penalty periods are not eligible for LTC services. LTC services for the purpose of this rule include nursing facility services, services offered in any medical institution equivalent to nursing facility services, and home and community-based services furnished under a waiver program. Program of all-inclusive care of the elderly (PACE) and hospice services are not subject to transfer of asset rules. The department must consider whether a transfer made within a specified time before the month of application, or while the client is receiving LTC services, requires a penalty period.
>
> - Refer to WAC 388-513-1364 for rules used to evaluate asset transfers made on or after April 1, 2003 and before May 1, 2006.
> - Refer to WAC 388-513-1365 for rules used to evaluate asset transfer made prior to April 1, 2003.
>
> 1. When evaluating the effect of the transfer of asset made on or after May 1, 2006 on the client's eligibility for LTC services the department counts sixty months before the month of application to establish what is referred to as the "look-back" period.
> 2. The department does not apply a penalty period to transfers meeting the following conditions:

a. The total of all gifts or donations transferred do not exceed the average daily private nursing facility rate in any month;

b. The transfer is an excluded resource described in WAC 388-513-1350 with the exception of the client's home, unless the transfer of the home meets the conditions described in subsection (2)(d);

c. The asset is transferred for less than fair market value (FMV), if the client can provide evidence to the department of one of the following:

i. An intent to transfer the asset at FMV or other adequate compensation. To establish such an intent, the department must be provided with written evidence of attempts to dispose of the asset for fair market value as well as evidence to support the value (if any) of the disposed asset.

ii. The transfer is not made to qualify for LTC services, continue to qualify, or avoid Estate Recovery. Convincing evidence must be presented regarding the specific purpose of the transfer.

iii. All assets transferred for less than fair market value have been returned to the client.

iv. The denial of eligibility would result in an undue hardship as described in WAC 388-513-1367.

d. The transfer of ownership of the client's home, if it is transferred to the client's:

i. Spouse; or

ii. Child, who:

A. Meets the disability criteria described in WAC 388-475-0050 (1) (b) or (c); or

B. Is less than twenty-one years old; or

C. Lived in the home for at least two years immediately before the client's current period of institutional status, and provided care that enabled the individual to remain in the home; or

iii. Brother or sister, who has:

A. Equity in the home; and

B. Lived in the home for at least one year immediately before the client's current period of institutional status.

e. The asset is transferred to the client's spouse or to the client's child, if the child meets the disability criteria described in WAC 388-475-0050 (1) (b) or (c);

f. The transfer meets the conditions described in subsection (3), and the asset is transferred:

i. To another person for the sole benefit of the spouse;

ii. From the client's spouse to another person for the sole benefit of the spouse;

iii. To trust established for the sole benefit of the individual's child who meets the disability criteria described in WAC 388-475-0050 (1) (b) or (c);

iv. To a trust established for the sole benefit of a person who is sixty-four years old or younger and meets the disability criteria described in WAC 388-475-0050 (1)(b) or (c); or

3. The department considers the transfer of an asset or the establishment of a trust to be for the sole benefit of a person described in subsection (1)(f), if the transfer or trust:

a. Is established by a legal document that makes the transfer irrevocable;

b. Provides that no individual or entity except the spouse, blind or disabled child, or disabled individual can benefit from the assets transferred in any way, whether at the time of the transfer or at any time during the life of the primary beneficiary; and

c. Provides for spending all assets involved for the sole benefit of the individual on a basis that is actuarially sound based on the life expectancy of that individual or the term or the trust, whichever is less; and

d. The requirements in subsection (2)(c) of this section do not apply to trusts described in WAC 388-561-0100 (6)(a) and (b) and (7)(a) and (b).

4. The department does not establish a period of ineligibility for the transfer of an asset to a family member prior to the current period of long-term care service if:

   a. The transfer is in exchange for care services the family member provided the client;

   b. The client has a documented need for the care services provided by the family member;

   c. The care services provided by the family member are allowed under the medicaid state plan or the department's waivered services;

   d. The care services provided by the family member do not duplicate those that another party is being paid to provide;

   e. The FMV of the asset transferred is comparable to the FMV of the care services provided;

   f. The time for which care services are claimed is reasonable based on the kind of services provided; and

   g. Compensation has been paid as the care services were performed or with no more time delay than one month between the provision of the service and payment.

5. The department considers the transfer of an asset in exchange for care services given by a family member that does not meet the criteria as described under subsection (4) as the transfer of an asset without adequate consideration.

6. If a client or the client's spouse transfers an asset within the look-back period without receiving adequate compensation, the result is a penalty period in which the client is not eligible for LTC services.

7. If a client or the client's spouse transfers an asset on or after May 1, 2006, the department must establish a penalty period by adding together the total uncompensated value of all transfers made on or after May 1, 2006. The penalty period:

   a. For a LTC services applicant, begins on the date the client would be otherwise eligible for LTC services based on an approved application for LTC services or the first day after any previous penalty period has ended; or

   b. For a LTC services recipient, begins the first of the month following ten-day advance notice of the penalty period, but no later than the first day of the month that follows three full calendar months from the date of the report or discovery of the transfer; or the first day after any previous penalty period has ended; and

   c. Ends on the last day of the number of whole days found by dividing the total uncompensated value of the assets by the statewide average daily private cost for nursing facilities at the time of application or the date of transfer, whichever is later.

8. If an asset is sold, transferred, or exchanged, the portion of the proceeds:

   a. That is used within the same month to acquire an excluded resource described in WAC 388-513-1350 does not affect the client's eligibility;

   b. That remain after an acquisition described in subsection (8)(a) becomes an available resource as of the first day of the following month.

9. If the transfer of an asset to the client's spouse includes the right to receive a stream of income not generated by a transferred resource, the department must apply rules described in WAC 388-513-1330 (6) through (8). If the transfer of an asset for which adequate compensation is not received is made to a person other than the client's spouse and includes the right to receive a stream of income not generated by a transferred resource, the length of the penalty period is determined and applied in the following way:

10.

a. The total amount of income that reflects a time frame based on the actuarial life expectancy of the client who transfers the income is added together;

b. The amount described in subsection (10)(a) is divided by the statewide average daily private cost for nursing facilities at the time of application; and

c. A penalty period equal to the number of whole days found by following subsections (7)(a), (b), and (c).

11. A penalty period for the transfer of an asset that is applied to one spouse is not applied to the other spouse, unless both spouses are receiving LTC services. When both spouses are receiving LTC services;

    a. We divide the penalty between the two spouses.

    b. If one spouse is no longer subject to a penalty (e.g. the spouse is no longer receiving institutional services or is deceased) any remaining penalty that applies to both spouses must be served by the remaining spouse.

12. If a client or the client's spouse disagrees with the determination or application of a penalty period, that person may request a hearing as described in chapter 388-02 WAC.

13. Additional statutes which apply to transfer of asset penalties, real property transfer for inadequate consideration, disposal of realty penalties, and transfers to qualify for assistance can be found at:

    a. RCW 74.08.331 Unlawful practices -- Obtaining assistance -- Disposal of realty;

    b. RCW 74.08.338 Real property transfers for inadequate consideration;

    c. RCW 74.08.335 Transfers of property to qualify for assistance; and

    d. RCW 74.39A.160 Transfer of assets--Penalties.

08-32 The Department of Social and Health Services does not have internal controls in place to ensure errors identified by the Medical Eligibility Quality Control Unit (MEQC) are reviewed adequately and in a timely manner.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

The state is required to operate a Medicaid Eligibility Quality Control System (MEQC) to identify and reduce errors in Medicaid eligibility determinations and claims processing. The state has operated a MEQC pilot program since October 1994. These pilot projects are intended to allow states to develop alternative ways to effectively identify and reduce erroneous payments, increase operational efficiencies, streamline service deliveries and to study and improve program operations.

Once the MEQC has identified errors, the Department is required to correct them, including recovery of Medicaid funds paid on ineligible claims. The Department also is required to take administrative action to prevent and reduce the incidence of errors, and to submit to its federal grantor, the Centers for Medicare and Medicaid Services, a report of its error analysis and a corrective action plan.

For fiscal year 2008, the Department completed six projects through the MEQC system.

Description of Condition

During our audit we selected three projects for review: project 48 (Motorized Wheel Chair); project 49 (Non-Institutional Medicaid in an Alternate Living Facility); and project 53 (Take Charge Eligibility), to determine if the Department has made an appropriate response to the errors identified by MEQC.

We reviewed the reports and the Department response to those reports. We found that for projects 48 and 49, the Department took appropriate action to correct all the exceptions identified by MEQC in a timely manner. During our review of the project 53, however, we found inadequate communication between the MEQC and each administration and lack of monitoring to ensure adequate corrective action is being taken. Eighty-two of 136 errors MEQC identified were communicated to both the Medical Eligibility Determination Services unit and Take Charge program staff. However, 54 errors were communicated only to the Take Charge program staff who did not do any follow-up on those errors.

Cause of Condition

The Medical Eligibility Determination Services unit which does the follow-up on the errors believed it was receiving all errors identified by the MEQC. The Department did not perform any follow-up monitoring to ensure all errors are being reviewed.

Effect of Condition

The Department did not take appropriate action to correct 54 of 136 errors MEQC identified because the errors were not communicated to the Medical Eligibility Determination Services unit. Inadequate follow up on errors identified by MEQC increase risk of ineligible individuals receiving Medicaid benefits.

Recommendation

We recommend the Department establish internal controls and monitoring procedures to ensure errors identified by MEQC are reviewed appropriately and in a timely manner.

Department's Response

The Department partially concurs with the finding:

The Department agrees that communication between ESA and HRSA regarding Problem Reports and Information reports lacked clarity at the time of the review.

MEQC completes six to nine medical reviews or projects each State Fiscal Year.
MEQC reviewers complete discrepancy reports when they identify a problem in a case they have reviewed. These discrepancy reports can be either:

a) Case errors, which are identified as Problem Reports, for active cases needing corrective action on actual or potential eligibility or payment errors, or

b) Informational responses (FYI Reports) for non-active cases, or for active cases needing corrective action on procedural errors. These errors are used to help identify procedures that may need adjusting.

ESA conducted a review of the family planning services program, Take Charge, administered by the Health and Recovery Services Administration (HRSA). Once identified by the auditors, the department discovered that the 54 errors identified are procedural errors affecting providers, do not affect eligibility, and do not require corrective action on the part of the Department. However, staff inadvertently included these 54 non-eligibility errors (errors in Take Charge clinic procedures) when they compiled the MEQC P53 Problem Report. As a result, these non-eligibility errors were incorrectly identified as eligibility errors in the initial report distributed to HRSA eligibility and policy program managers. Because the errors were incorrectly included in the wrong report, it remains unclear as to whether follow up action was not taken because none was required, or because they simply failed to review the cases for follow up. MEQC is revising the Problem Report to correctly reflect only those errors that potentially impact eligibility. These 54 Take Charge clinical errors will then be appropriately reported in an FYI Report and sent only to the Take Charge program staff for a procedural analysis.

To preclude similar miscommunication in the future, and assure the appropriate review and response is given to both Problem Reports and FYI Reports, an automated discrepancy report log has now been developed to help staff track discrepancies and ensure that the appropriate representatives receive these reports. This log describes each error, and identifies the case, the Community Services Office involved, the survey number and the date the report was sent to the regional representative. At the end of each program review, MEQC staff review the discrepancy report log and information found in the Automated Client Eligibility System to determine whether eligibility staff has completed corrective action on individual cases. A log of all cases with outstanding corrective action is sent to the appropriate representative for follow-up.

Auditor's Concluding Remarks

We thank the Department for its response, and will review this area during our next audit.

Applicable Laws and Regulations:

Title 42, code of Federal Regulation, Section 431 states in part:

§ 431.810 Basic elements of the Medicaid eligibility quality control (MEQC) program.

(a) General requirements. The agency must operate the MEQC program in accordance with this section and §§431.812 through 431.822 and other instructions established by CMS.

(b) Review requirements. The agency must conduct MEQC reviews in accordance with the requirements specified in §431.812 and other instructions established by CMS.

(c) Sampling requirements. The agency must conduct MEQC sampling in accordance with the requirements specified in §431.814 and other instructions established by CMS.

§ 431.818 Access to records: MEQC program.

(a) The agency, upon written request, must mail to the HHS staff all records, including complete local agency eligibility case files or legible copies and all other documents pertaining to its MEQC reviews to which the State has access, including information available under part 435, subpart I, of this chapter.

(b) The agency must mail requested records within 10 working days of receipt of a request, unless the State has an alternate method of submitting these records that is approved by CMS or has received, on an as-needed basis, approval from CMS to extend this timeframe by 3 additional working days to allow for exceptional circumstances.

§ 431.820 Corrective action under the MEQC program.

The agency must—

(a) Take action to correct any active or negative case action errors found in the sample cases;

(b) Take administrative action to prevent or reduce the incidence of those errors; and

(c) By September 15 each year, submit to CMS a report on its error rate analysis and a corrective action plan based on that analysis. The agency must submit revisions to the plan within 60 days of identification of additional error-prone areas, other significant changes in the error rate (that is, changes that the State experiences that increase or decrease its error rate and necessitate immediate corrective action or discontinuance of corrective actions that effectively control the cause of the error rate change), or changes in planned corrective action.

08-33 The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure its verification process complies with federal intent.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Federal regulations require state Medicaid agencies to have a process to verify with Medicaid clients whether they received services billed by providers. This process is intended to improve program integrity and to identify potential fraud or abuse of the Medicaid program.

The Department of Social and Health Service, Health and Recovery Services Administration, is responsible for this process, including selecting claims for verification, sending verification surveys to clients and performing follow up when questions regarding the legitimacy of a claim are indicated on the returned survey. Federal regulations do not require 100 percent verification; a sampling method may be used. The Department contracts with an outside vendor to select its verification sample from all eligible claims paid each month. Under federal rule, certain types of claims are exempt from this process.

Although the federal regulation does not dictate the sample size, guidance provided by the federal grantor states sample sizes should be large enough to obtain an overall representation of the population of claims. The guidance states that samples sizes should be at a minimum 500, and up to 100 percent of the population.

The external vendor selects two samples from all eligible claims: one based on clients served and one based on providers paid. The vendor sends the selected samples to the Department. Sample sizes provided to the Department approximate 500 each month.

Description of Condition

During our review, we determined the Department does not survey the approximately 500 claims selected by the vendor each month. Instead, staff sends surveys to approximately 10 percent of the selected claims, or about 50 per month. Less than half of the surveys sent receive responses.

This table summarizes HRSA survey activities for each month in fiscal year 2008.

Month	Total Claims subject to Verification	Sample size received from Vendor	Total samples DSHS selected	Surveys responded/ returned to DSHS	Follow up required
2007-07	1,074,996	524	58	28	1
2007-08	960,306	511	57	29	3
2007-09	967,686	527	60	23	1
2007-10	1,103,443	456	55	25	1
2007-11	1,397,096	453	52	18	1
2007-12	1,065,095	387	47	24	-
2008-01	485,952	451	52	23	-
2008-02	1,108,102	508	60	31	1
2008-03	1,579,993	590	66	28	-
2008-04	621,185	614	65	25	1
2008-05	990,624	621	67	29	-
2008-06	1,593,722	579	62	28	-
Total	12,948,200	6,221	701	311	9

We also reviewed the 311 returned surveys and identified nine that required follow up based on the information provided. For six of the surveys, we found clear evidence that follow up had been performed by Department staff. For the three remaining surveys, we found only the reviewer's signature and no clear indication a full review was performed. HRSA staff are now required to document their follow up review.

Upon further inquiry, we were informed that the Department had not identified any Medicaid fraud through this process.

Cause of Condition

The Department stated it finds no value in the verification process and goes through the motions only to meet the federal requirement.

Effect of Condition

Due to the insufficient sampling size and the lack of follow-through on returned surveys, the verification the Administration performs contributes little to promoting program integrity. The Department spends time and resources on a process it neither believes in nor intends to improve.

Recommendations

We recommend the Department improve its verification process in order to provide a reasonable chance of meeting the intent of the rule, which is to identify fraud and abuse or petition its federal grantors to remove or amend the requirement.

Department's Response

The Department does not concur with this finding.

Title 42, of the Code of Federal Regulation (CFR) cited by the auditor does not prescribe a specific sampling size or methodology. Taken within the context of DSHS robust program integrity efforts, the Department considers that the current process for medical services verification meets both the requirement and the intent of the CFR.

The Department does not believe that the current manual survey process is as effective as other department controls designed to detect fraud. The Department sampled 711 claims out of 12,948,200 paid claims, which is .005%. Even if the Department sampled 500 claims per month as suggested by the guidelines, that would only represent .05% of the total paid claims which is not a significant threshold for detection of fraud, waste, and abuse. Instead of relying on this manual process, the DSHS Health and Recovery Services Administration (HRSA) has instituted other more automated, productive ways of soliciting information on Medicaid provider fraud, waste and abuse. These activities include:

- *A toll-free fraud, waste and abuse hot-line. On a monthly basis, HRSA receives an average of eight (8) referrals that warrant further investigation/research based on calls received on the toll-free number; this is compared to the zero (0) valid investigations received via the survey process.*
- *An e-mail address for external clients, stakeholders and internal state staff to report Medicaid provider complaints. On a monthly basis, HRSA averages eleven (11) referrals that warrant further investigation/research based on e-mails; this is compared to the zero (0) valid investigations received via the survey process.*
- *A set of robust program integrity activities including utilization review and data mining activities. PRP runs proactive data analyses on paid claims to identify providers who appear to be billing aberrantly for certain services or billings vary greatly from their peers. Thousands of overpayments, audits and MFCU referrals have resulted from DSHS data reviews.*

Taken together, the Department believes it more than meets the intent of the rule with these additional proactive methods. The Department also performed an informal survey with twenty seven (27) other states during this audit and found that other states also do not believe that the federal survey sampling methodology is a highly effective means of detecting waste and abuse. We shared this information with the auditor. Results of the informal survey showed six states answered that they had very few MFCU referrals from surveys and twelve states have never had a MFCU referral generated from the surveys. Nine (9) states did not have information either way. Of the states informally surveyed, the number of surveys generated vary from 0% to 100% (mandated by the state legislature) of the client population. Thirteen (13) states that generate more surveys than Washington have had little to no referrals to MFCU generated from the surveys. Washington State agrees with our colleague in Massachusetts that stated "There is very little helpful feedback. We have many effective ways to monitor service delivery." It is very apparent from the survey that states generate client surveys to meet the CFR requirement but finds little benefit in the process and have other ways to identify fraud, waste and abuse.

The sampling methodologies that the State Auditor's Office cites below from the State Medicaid Manual are recommended but not mandated. HRSA's current survey process is a time-intensive manual process that costs more to the state than the benefit returned to Washington's program integrity efforts.

Finally, HRSA also disagrees with the statement that the Department does not intend to improve the process. The implementation of ProviderOne will enable the Department's survey function to generate an average of 2,500 automated surveys each month which will meet various federal requirements.

Auditor's Concluding Remarks

We re-affirm our finding, and will review any effort made by the Department to address this issue during our next audit.

Applicable Laws and Regulations

Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, code of Federal Regulations, Section 455 states in part:

> § 455.1 Basis and scope.
> This part sets forth requirements for a State fraud detection and investigation program, and for disclosure of information on ownership and control.
> (a) Under the authority of sections 1902(a)(4), 1903(i)(2), and 1909 of the Social Security Act, Subpart A provides State plan requirements for the identification, investigation, and referral of suspected fraud and abuse cases. In addition, the subpart requires that the State—
> (1) Report fraud and abuse information to the Department; and
> (2) Have a method to verify whether services reimbursed by Medicaid were actually furnished to recipients.
> (b) Subpart B implements sections 1124, 1126, 1902(a)(36), 1903(i)(2), and 1903(n) of the Act. It requires that providers and fiscal agents must agree to disclose ownership and control information to the Medicaid State agency.
> (c) Subpart C implements section 1936 of the Act. It establishes the Medicaid Integrity Program under which the Secretary will promote the integrity of the program by entering into contracts with eligible entities to carry out the activities of subpart C.
> § 455.20 Recipient verification procedure.
> (a) The agency must have a method for verifying with recipients whether services billed by providers were received.
> (b) In States receiving Federal matching funds for a mechanized claims processing and information retrieval system under part 433, subpart C, of this subchapter, the agency must provide prompt written notice as required by §433.116 (e) and (f).

Title 42, code of Federal Regulations, Section 433.116 states:

> FFP for operation of mechanized claims processing and information retrieval systems.
> (a) Subject to 42 CFR 433.113(c), FFP is available at 75 percent of expenditures for operation of a mechanized claims processing and information retrieval system approved by CMS, from the first day of the calendar quarter after the date the system met the conditions of initial approval, as established by CMS (including a retroactive adjustment of FFP if necessary to provide the 75 percent rate beginning on the first day of that calendar quarter). Subject to 45 CFR 95.611(a), the State shall obtain prior written approval from CMS when it plans to acquire ADP equipment or services, when it anticipates the total acquisition costs will exceed thresholds, and meets other conditions of the subpart.
> (b) CMS will approve the system operation if the conditions specified in paragraphs (c) through (h) of this section are met.
> (c) The conditions of §433.112(b) (1) through (4) and (7) through (9), as periodically modified under §433.112(b)(2), must be met.
> (d) The system must have been operating continuously during the period for which FFP is claimed.
> (e) The system must provide individual notices, within 45 days of the payment of claims, to all or a sample group of the persons who received services under the plan.
> (f) The notice required by paragraph (e) of this section—
> (1) Must specify—

(i) The service furnished;
(ii) The name of the provider furnishing the service;
(iii) The date on which the service was furnished; and
(iv) The amount of the payment made under the plan for the service; and
(2) Must not specify confidential services (as defined by the State) and must not be sent if the only service furnished was confidential.
(g) The system must provide both patient and provider profiles for program management and utilization review purposes.
(h) If the State has a Medicaid fraud control unit certified under section 1903(q) of the Act and §455.300 of this chapter, the Medicaid agency must have procedures to assure that information on probable fraud or abuse that is obtained from, or developed by, the system is made available to that unit. (See §455.21 of this chapter for State plan requirements.)

The State Medicaid Manual states in part:

11325 CLAIMS PROCESSING SUBSYSTEM

A. Basic Functions and Objectives.--Your claims processing system must:

- Ensure that all input into the subsystem is captured at the earliest possible time and in an accurate manner.
- Establish control over all transactions during their entire processing cycle, including claims in pending status.
- Verify that all providers submitting input are properly enrolled.
- Ensure that all recipients for whom input is submitted were eligible for the type of service at the time the service was rendered.
- Ensure that all input submitted to the subsystem is processed completely.
- Verify that charges submitted by providers are reasonable and within acceptable limits.
- Ensure that reimbursements to providers are rendered promptly and correctly.
- Maintain accurate and complete registers and audit trails of all processing.
- Maintain all processed data necessary to satisfy legal requirements and the needs of other subsystems.
- Respond to queries concerning recipient eligibility and benefit status.
- Process approved prior authorization requests.
- Process provider credits and adjustments.
- Identify uniquely and be able to locate any provider claim.
- Automatically suspend all transactions in error until corrections are made.
- Check each claim prior to payment against all current and previously paid claims for which a duplicate payment could exist.
- Provide a prompt response to all inquiries regarding the status of any claim.
- Issue remittance statements to providers detailing claims and services covered by a given payment at the same time as the payment.
- Provide EOB individual notices, within 45 days of the payment of claims, to all or a sample group of the persons who received services under the plan as described in §11210. To assist MMIS States in implementing the option to send EOBs on a sample basis, the following sampling methods are recommended:
  - Sampling instructions are the Medicaid fraud guidelines on Verification of Services to Recipients. They provide for a sample of claims from high-volume providers and a sample of claims from low-volume providers. Sample sizes may be increased or decreased each month at your discretion. Note that each sample only represents each set of providers, not all claims paid.
  - One random sample from all claims you pay each month is large enough to obtain some overall representation of the population, at a minimum, a monthly sample ranging from 500 claims up to 100 percent of the State population. The distribution of claims in such a sample will tend to mirror that of the population, including many drug and doctor claims and relatively few hospital and nursing home claims.
  - A random sample of providers, then a sample of claims from each of the sampled providers. The sample of providers can be structured several ways, e.g., a specified number of each type of provider, or a random sample from all providers. A minimum sample of 100 providers each month, with at least five claims sampled from each provider, is suggested.
  - A random sample of recipients (or cases) with all claims paid in a month for each. This method would provide the most comprehensive list of services for each sampled recipient (or case). A sample of at least 400 recipients each

month is suggested. Structure the recipient sample according to your needs -- either a random sample of recipients, or a specified number of each type of recipient (AFDC, SSI, medically needy, etc.)

-- Other sampling methods if approved by the HCFA RA.

08-34 The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls in place to ensure Medicaid recipients have received the services for which Medicaid is being billed.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Federal regulations require state Medicaid agencies to have a process to use to verify with Medicaid clients that they received the services billed to Medicaid by providers. This process is intended to identify potential fraud or abuse of the Medicaid program.

The Medicaid program is the major source of public funding for long-term care services and supports providers in in-home and community settings. The Home and Community Based Services waiver program permits states to furnish in-home and community-based services to assist Medicaid beneficiaries in avoiding institutionalization. The individual who provide these services are chosen by the individual client or agencies working on behalf of the client.

The Department of Social and Health Services, Aging and Disability Services Administration (ADSA), administers long-term services and support and is responsible for instituting and following the recipient verification process.

ADSA paid more than $400 million was for in-home services during fiscal year 2008.

Description of Condition

During our audit, we found the Administration does not have any procedures to verify with home- and community-based service Medicaid clients whether services billed by providers were received.

The Administration also stated that verification of services is primarily confirmed during case managers' face-to-face interviews with clients during annual needs assessments. During our audit, we did not find evidence that the case managers attempted to verify whether services had been provided.

Cause of Condition

The Administration stated it believes that when the case manager asks the client if the authorized hours are sufficient for the clients' well-being, verification has been done.

Effect of Condition

The lack of appropriate, required verification increases the risk of fraudulent claims being paid and not being detected in a timely manner, if at all.

Recommendation

We recommend the Department develop and follow a method for verifying directly with recipients that they have received the services for which Medicaid is being billed.

Department's Response

We concur that the department does not have processes or procedures that provide Medicaid recipients with information on how many hours of care were billed to the department by the individual providers (IP) who provide their services.

Currently, we have no automated way of performing this function. The Department has requested funding in the 2008 Supplemental Budget and the 2009-2011 Biennial Budget to continue current planning efforts to procure and implement a new Provider Compensation Subsystem (PCS). The PCS will interface with the Provider 1 system and replace the Social Services Payment System as the payment vehicle for individual providers. The PCS will meet the service verification requirements through an automated process. If the client sees a discrepancy in the hours provided versus the hours billed they will be instructed to notify the department. Implementation of the PCS is dependent on approval by the Center for Medicaid and Medicare Services and legislative approval of the department's budget request.

In the interim, the department will have to rely on the controls that are currently in place. They are as follows:

- *Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice.*
- *Clients are expected to keep timesheets for their individual providers and the Area Agency case managers perform random audits of this practice to ensure that it occurs.*
- *Clients receive a copy of the service authorization that tells them the number of hours of service they are eligible to receive. Clients are advised and understand they can choose when those hours are provided and direct the IP when to provide them. Case Managers also advise clients to contact them if they are not receiving the hours (care) they are eligible for.*
- *The Department through its Payment Review Program runs algorithms to detect possibly fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings.*

The department understands the limitations of its current controls and believes an automated process is the most cost effective way to meet the requirement. Given the programming priorities and funding constraints of the existing Social Services Payment System (SSPS), the lack of staffing resources to conduct a manual survey process, and the planned replacement of SSPS with the PCS within the next the next 18-24 months, the department does not believe the development of an interim automation solution is prudent or cost effective.

Auditor's Concluding Remarks

We thank the Department for its response and assistance throughout the audit, and will review this area during our next audit.

Applicable Laws and Regulations:

Circular No. A-133, Subpart C, §_.300 Auditee responsibilities. states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, code of Federal Regulations, Section 455 states in part:

§ 455.1 Basis and scope.
This part sets forth requirements for a State fraud detection and investigation program, and for disclosure of information on ownership and control.
(a) Under the authority of sections 1902(a)(4), 1903(i)(2), and 1909 of the Social Security Act, Subpart A provides State plan requirements for the identification, investigation, and referral of suspected fraud and abuse cases. In addition, the subpart requires that the State—
(1) Report fraud and abuse information to the Department; and
(2) Have a method to verify whether services reimbursed by Medicaid were actually furnished to recipients.
(b) Subpart B implements sections 1124, 1126, 1902(a)(36), 1903(i)(2), and 1903(n) of the Act. It requires that providers and fiscal agents must agree to disclose ownership and control information to the Medicaid State agency.
(c) Subpart C implements section 1936 of the Act. It establishes the Medicaid Integrity Program under which the Secretary will promote the integrity of the program by entering into contracts with eligible entities to carry out the activities of subpart C.
[51 FR 34787, Sept. 30, 1986, as amended at 72 FR 67655, Nov. 30, 2007]

§ 455.20 Recipient verification procedure.

(a) The agency must have a method for verifying with recipients whether services billed by providers were received.
(b) In States receiving Federal matching funds for a mechanized claims processing and information retrieval system under part 433, subpart C, of this subchapter, the agency must provide prompt written notice as required by §433.116 (e) and (f).

08-35 The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure evaluations or re-evaluations of level of care for clients receiving in-home care services have been performed at least once every 12 months.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	$54,215.06

Background

The Department of Social Health Services, Aging and Disability Services Administration, requires all clients who are seeking Medicaid assistance to meet eligibility criteria prior to receiving services. Eligibility is determined in part through an assessment of the client's ability to perform activities of daily living.

The Department uses the Comprehensive Assessment Reporting Evaluation (CARE) system to determine the level of care and to identify the type and amount of services needed by the client. Home and Community Service offices perform the initial evaluation on clients; case managers at the Area Agency on Aging agencies are to re-evaluate clients annually.

After the initial evaluation, the client is required to undergo an annual re-evaluation to determine the level of care and if they are still functionally eligible to receive assistance. Evaluations are determined to be complete and the client is authorized to receive services once the client has reviewed the results of his or her assessment and has either verbally agreed or given a signature of approval for the services that have been offered.

In fiscal year 2007 the Department provided services to over 11,000 clients.

Description of Condition

The Department did not monitor to ensure staff were completing evaluations for all clients receiving long-term services in a timely manner. During our audit we identified 15 clients who had exceeded their assessment due date by 60 days or more.

Cause of Condition

The Department stated that in most cases the face-to-face assessment was done within timeframe, but the case managers did not complete the assessments in a timely manner.

Effect of Condition

When services are provided without authorization, expenditures are not allowable. Total payments for services for these 15 clients after the re-evaluation due date were $105,430.58. We are questioning $54,215.06, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Monitor to ensure level of care assessment for clients receiving in-home care is performed at least once every 12 months.
- Work with the U.S. Department of Health and Human Services to determine if any costs charged to Medicaid funds must be reimbursed.

Department's Response

The Department partially concurs with this finding.

Although the Department agrees that of the 15 exceptions noted, four assessment due dates were exceeded by 60 days or more, the Department does not agree that the expenditures for these clients are not allowable. All of the exceptions noted were eligible to receive care and therefore the expenditures are allowable under federal rule. The Department will work with the U.S. Department of Health and Human Services to ensure that we are in agreement that these are not considered questioned costs.

Several of the exceptions include clients for which assessments were completed within the required timeframe. However, the department acknowledges that the assessments were not moved to current status within the CARE tool. Assessments which are not moved to current status upon completion show as out of date when monitored. The Department will address this finding as an opportunity to provide additional training and direction to staff on the assessment process with emphasis on moving the assessment to current status upon completion. This information will be provided through a CARE Factsheet distributed to all applicable staff.

Two clients were erroneously included in the sample because they are not enrolled in the COPES waiver. These two clients reside in nursing facilities.

The Department will continue its monitoring process to ensure level of care assessment for clients receiving in-home services is completed at least once every 12 months. The Department implements a comprehensive monitoring system as part of the quality assurance monitoring cycle. A minimum of six percent of the active caseload is monitored on an 18 month cycle. Each file is reviewed for assessment timeliness and the monitoring tool includes the question, "Did the annual assessment occur within 12 months of the previous assessment?" The last monitoring cycle, which ended in December 2007, resulted in 95 percent compliance for assessment timeliness. The Department continues to prioritize the timeliness of annual assessments with the quality monitoring process. In the current monitoring cycle, which began in October 2008, preliminary data indicates that the Department's on time record will be at least as successful as the achieved in the previous cycle.

Auditor's Concluding Remarks

We appreciate the cooperation and assistance provided by the Department throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

COPES Waiver Version 06-95 states in part:

APPENDIX D-1

a. EVALUATION OF LEVEL OF CARE

The agency will provide for an evaluation (and periodic reevaluations) of the need for the level(s) of care indicated in the Executive Summary of this request, when there is a reasonable indication that individuals might need such services in the near future, but for the availability of home and community-based services.

b. QUALIFICATIONS OF INDIVIDUALS PERFORMING INITIAL EVALUATION

The educational/professional qualifications of persons performing initial evaluations of level of care for waiver participants are (check all that apply):

_____ Discharge planning team
_____ Physician (MD or DO)
X Registered nurse, licensed in the state
_____ Licensed social worker
_____ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)
X Other (specify):
Social Workers, Case Managers

APPENDIX D-2

a. REEVALUATIONS OF LEVEL OF CARE
Reevaluations of the level of care required by the individual will take place (at a minimum) according to the following schedule (specify):
_____ Every 3 months
_____ Every 6 months
X Every 12 months
X Other (specify):
As indicated by a significant change in the client's condition or situation
b. QUALIFICATIONS OF PERSONS PERFORMING REEVALUATIONS
Check one:
X The educational/professional qualifications of person(s) performing reevaluations of level of care are the same as those for persons performing initial evaluations.
_____ The educational/professional qualifications of persons performing reevaluations of level of care differ from those of persons performing initial evaluations. The following qualifications are met for all individuals performing reevaluations of level of care (specify):
_____ Physician (MD or DO)
_____ Registered nurse, licensed in the state
_____ Licensed social worker
_____ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)
_____ Other (specify):
_____
c. PROCEDURES TO ENSURE TIMELY REEVALUATIONS
The state will employ the following procedures to ensure timely reevaluations of level of care (check below):
_____ "Tickler" file
Edits in computer system
_____ Component part of case management
X Other (specify):

Quality assurance monitoring staff from ADSA headquarters conducts annual reviews of case management services provided by the Home and Community Services Division (HCS), Area Agencies on Aging (AAA) and Managed Care Organizations (MCO). Each HCS region ,AAA office and MCO is monitored. At the regional and local levels, HCS

and AAA case management supervisors also conduct regular quality reviews of their case management staff.

Title 42: Public Health
PART 441—SERVICES: REQUIREMENTS AND LIMITS APPLICABLE TO SPECIFIC SERVICES
Subpart G—Home and Community-Based Services: Waiver Requirements

§ 441.302 State assurances.

Unless the Medicaid agency provides the following satisfactory assurances to CMS, CMS will not grant a waiver under this subpart and may terminate a waiver already granted:
(a) *Health and Welfare* —Assurance that necessary safeguards have been taken to protect the health and welfare of the recipients of the services. Those safeguards must include—
(1) Adequate standards for all types of providers that provide services under the waiver;
(2) Assurance that the standards of any State licensure or certification requirements are met for services or for individuals furnishing services that are provided under the waiver; and
(3) Assurance that all facilities covered by section 1616(e) of the Act, in which home and community-based services will be provided, are in compliance with applicable State standards that meet the requirements of 45 CFR Part 1397 for board and care facilities.
(b) *Financial accountability*— The agency will assure financial accountability for funds expended for home and community-based services, provide for an independent audit of its waiver program (except as CMS may otherwise specify for particular waivers), and it will maintain and make available to HHS, the Comptroller General, or other designees, appropriate financial records documenting the cost of services provided under the waiver, including reports of any independent audits conducted.
(c) *Evaluation of need.* Assurance that the agency will provide for the following:
(1) *Initial evaluation.* An evaluation of the need for the level of care provided in a hospital, a NF, or an ICF/MR when there is a reasonable indication that a recipient might need the services in the near future (that is, a month or less) unless he or she receives home or community-based services. For purposes of this section, “evaluation” means a review of an individual recipient's condition to determine—
(i) If the recipient requires the level of care provided in a hospital as defined in §440.10 of this subchapter, a NF as defined in section 1919(a) of the Act, or an ICF/MR as defined by §440.150 of this subchapter; and
(ii) That the recipient, but for the provision of waiver services, would otherwise be institutionalized in such a facility.
(2) *Periodic reevaluations.* Reevaluations, at least annually, of each recipient receiving home or community-based services to determine if the recipient continues to need the level of care provided and would, but for the provision of waiver services, otherwise be institutionalized in one of the following institutions:
(i) A hospital;
(ii) A NF; or
(iii) An ICF/MR.
(d) *Alternatives* —Assurance that when a recipient is determined to be likely to require the level of care provided in a hospital, NF, or ICF/MR, the recipient or his or her legal representative will be—
(1) Informed of any feasible alternatives available under the waiver; and
(2) Given the choice of either institutional or home and community-based services.
(e) *Average per capita expenditures.* Assurance that the average per capita fiscal year expenditures under the waiver will not exceed 100 percent of the average per capita expenditures that would have been made in the fiscal year for the level of care provided in a hospital, NF, or ICF/MR under the State plan had the waiver not been granted.
(1) These expenditures must be reasonably estimated and documented by the agency.

(2) The estimate must be on an annual basis and must cover each year of the waiver period.
(f) *Actual total expenditures.* Assurance that the agency's actual total expenditures for home and community-based and other Medicaid services under the waiver and its claim for FFP in expenditures for the services provided to recipients under the waiver will not, in any year of the waiver period, exceed 100 percent of the amount that would be incurred by the State's Medicaid program for these individuals, absent the waiver, in—
(1) A hospital;
(2) A NF; or
(3) An ICF/MR.
(g) *Institutionalization absent waiver.* Assurance that, absent the waiver, recipients in the waiver would receive the appropriate type of Medicaid-funded institutional care (hospital, NF, or ICF/MR) that they require.
(h) *Reporting.* Assurance that annually, the agency will provide CMS with information on the waiver's impact. The information must be consistent with a data collection plan designed by CMS and must address the waiver's impact on—
(1) The type, amount, and cost of services provided under the State plan; and
(2) The health and welfare of recipients.
(i) *Habilitation services.* Assurance that prevocational, educational, or supported employment services, or a combination of these services, if provided as habilitation services under the waiver, are—
(1) Not otherwise available to the individual through a local educational agency under section 602 (16) and (17) of the Education of the Handicapped Act (20 U.S.C. 1401 (16 and 17)) or as services under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730); and
(2) Furnished as part of expanded habilitation services, if the State has requested and received CMS's approval under a waiver or an amendment to a waiver.
(j) *Day treatment or partial hospitalization, psychosocial rehabilitation services, and clinic services for individuals with chronic mental illness.* Assurance that FFP will not be claimed in expenditures for waiver services including, but not limited to, day treatment or partial hospitalization, psychosocial rehabilitation services, and clinic services provided as home and community-based services to individuals with chronic mental illnesses if these individuals, in the absence of a waiver, would be placed in an IMD and are—
(1) Age 22 to 64;
(2) Age 65 and older and the State has not included the optional Medicaid benefit cited in §440.140; or
(3) Age 21 and under and the State has not included the optional Medicaid benefit cited in §440.160.
[50 FR 10026, Mar. 13, 1985, as amended at 59 FR 37717, July 25, 1994; 65 FR 60107, Oct. 10, 2000]

WAC 388-106-0025

How do I apply for long-term care services?
To apply for long-term care services, you must request an assessment from the department and submit a Medicaid application.

WAC 388-106-0050

What is an assessment?

(1) An assessment is an in-person interview in your home or your place of residence that is conducted by the department to inventory and evaluate your ability to care for yourself. The department will assess you at least annually or more often when there are significant changes to your ability to care for yourself.

(2) Between assessments, the department may modify your current assessment without an in-person interview in your home or place of residence. The reasons that the department may modify your current assessment without conducting an in-person interview in your home or place of residence include but are not limited to the following:
(a) Errors made by department staff in coding the information from your in-person interview;
(b) New information requested by department staff at the time of your assessment and received after completion of the in-person interview (e.g. medical diagnosis);
(c) Changes in the level of informal support available to you; or
(d) Clarification of the coding selected.
(3) When the department modifies your current assessment, it will notify you using a Planned Action Notice of the modification regardless of whether the modification results in a change to your benefits. You will also receive a new service summary and assessment details.

WAC 388-106-0055

What is the purpose of an assessment?

The purpose of an assessment is to:
(1) Determine eligibility for long-term care programs;
(2) Identify your strengths, limitations, and preferences;
(3) Evaluate your living situation and environment;
(4) Evaluate your physical health, functional and cognitive abilities;
(5) Determine availability of informal supports and other nondepartment paid resources;
(6) Determine need for intervention;
(7) Determine need for case management activities;
(8) Determine your classification group that will set your payment rate for residential care or number of hours of in-home care;
(9) Determine need for referrals; and
(10) Develop a plan of care, as defined in WAC 388-106-0010.
(11) In the case of New Freedom consumer directed services, the purpose of an assessment is to determine functional eligibility and for the participant to develop the New Freedom spending plan, as defined in WAC 388-106-0010.

WAC 388-513-1315

Eligibility for long-term care (institutional, waiver, and hospice) services.

This section describes how the department determines a client's eligibility for institutional, waiver, or hospice services under the categorically needy (CN) program and institutional or hospice services in a medical institution under the medically needy (MN) program. Also described are the eligibility requirements for these services under the general assistance (GA) program in subsection (12) and the alien emergency medical programs described in subsection (11).

(1) To be eligible for long-term care (LTC) services described in this section, a client must:
(a) Meet the general eligibility requirements for medical programs described in WAC 388-503-0505

(2) and (3)(a) through (f);
(b) Attain institutional status as described in WAC 388-513-1320;
(c) Meet functional eligibility described in chapter 388-106 WAC for waiver and nursing facility coverage; and

Background

Clients are able to choose from options for personal and healthcare services that are governed by eligibility criteria, payment source requirements, coverage options, and provider qualifications. Twenty-four hour, paid care is available only in residential or medical facility settings, so case managers must work with clients to maximize all available resources, both paid and unpaid, in order to develop a plan of care that addresses the health and safety needs of the client. The state identifies the essential tasks to be performed by formal providers in the care plan. How and when they are performed is determined by the client.

The state has an obligation to educate clients, family members, support systems, and other service providers, informing them that a plan of care is developed based on the resources available and that meeting all needs and providing all services is an expectation that neither the client, family, support system, or case manager may be able to achieve.

How do I get approval on the plan of care from the client?

Before authorizing services, you must obtain the client's approval on the plan of care.

How do I distribute the plan of care to the client/representative?

Distribute the Service Summary and CARE Results to the client along with a Planned Action Notice (PAN). Distribute Assessment Details if requested by the client/representative.

How and when do I distribute the plan of care to the provider(s)?

Mail or fax the Service Summary and Assessment Details prior to authorizing/reauthorizing services and document in the SER. Review the plan of care with the provider when the client has special or extraordinary needs due to cognitive issues. Distribute the Service Summary and Assessment Details to:

- Individual providers;
- Agency providers;
- Nursing services staff, if applicable;
- Residential providers;
- The nursing facility, if the client is placed there on Medicaid funding only;
- Adult Day Services providers;
- Nurse delegators.

Document in the SER when you distributed the documents and to whom.

How do I authorize services?

Complete all authorizations in CARE once the client has approved the plan of care. For:

- Initial assessments, the begin date may not precede the date the assessment was moved to *Current* status.
- Significant Change assessments, if extending services for one year, terminate the current line or lines (for example, if participation is also authorized) and create a new line(s) on the same authorization. Do not change the begin date on a current line since changing the begin date creates a risk of canceling outstanding payments or prevents invoicing from occurring. If there are not enough lines left on the authorization, open a new authorization.
- Annual assessments, you may not extend services beyond one year from the last day of the month in which it was moved to *Current*. A face-to-face assessment must occur and the assessment must be moved to *Current* prior to reauthorization of services.

08-36 Department of Social and Health Service, Health and Recovery Services Administration, does not have adequate controls to ensure providers meet ongoing eligibility requirements to participate in the Medicaid program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	5-0805WA5028, 5-0805WA5048
Applicable Compliance Component:	Provider Eligibility
Questioned Cost Amount:	None

Background

The Department of Social and Health Services, Health and Recovery Services Administration Provider Enrollment Unit, reviews the qualifications of health care service providers who want to participate in the Washington Medicaid program.

All providers are required to complete a Core Provider Agreement (CPA) and an Enrollment Application. The Department has identified 49 different types of providers, such as medical equipment suppliers (i.e. wheelchairs), physicians, pharmacists, and others. Each type of service provider must submit certain basic information, as well as additional information specific to their field of service. The most common information required includes copies of the following:

- Business License
- Current professional license
- Internal Revenue Services W-9 form
- Liability Insurance (if applicable)
- Medicare certification (if applicable)
- Drug Enforcement Administration Certification (if applicable)
- Other additional documents as applicable to each type of provider

All applicable forms and supporting documents are submitted to the Provider Enrollment Unit where they are reviewed for accuracy and completeness. Upon completion of the enrollment process, approved providers receive a seven digit provider number.

During fiscal year 2008 the Department had over 43,000 providers that participated in the Medicaid programs.

Description of Condition

We judgmentally selected four types of providers that provide services to vulnerable populations to review for eligibility: respiratory therapy providers, adult day health providers, durable medical equipment providers, and substance abuse facilities.
We performed testing to determine whether the Department has adequate controls to ensure providers meet eligibility requirements to participate in the Medicaid program initially and throughout their enrollment.

Respiratory Therapy Providers
We reviewed 10 out of 26 providers and found the Department does not have adequate controls to ensure respiratory therapy providers have a current valid business license throughout their enrollment. We also

found the Department does not monitor whether each respiratory therapy provider has at least one qualified professional staff member with a current valid professional license as required

Additionally, we identified one Respiratory Therapy provider that did not have staff with a current, valid professional license.

Adult Day Health Providers
We reviewed 10 out of 22 providers and found the Department does not have adequate controls to ensure adult day health providers meet all requirements to participate in the Medicaid program throughout their enrollment. The Health and Recovery Services Administration relies on a different administration within the Department to determine ongoing eligibility of adult day health providers.

While this practice is reasonable, we found inadequate communication between the two administrations to ensure changes in provider eligibility status were accurately reflected within the Medicaid provider system. During our audit we found two adult day health providers with certifications that had lapsed, and yet still had valid Medicaid provider numbers.

Durable Medical Equipment Providers
The Department does not have any controls in place to ensure compliance with state regulations, which require all Durable Medical Equipment (DME) providers have appropriately trained, qualified staff to be eligible as a Medicaid provider. In response to our recommendation in 2007 the Department stated it would be seeking to eliminate the state requirement, and have initiated the amendment process. However, the requirement is still current and effective.

Substance Abuse Facility Providers
We noted no concerns in our review of substance abuse facility providers.

Cause of Condition

Respiratory Therapy Providers
The enrollment unit stated it doesn't have the resources to establish these controls to monitor whether respiratory therapy providers have current valid business license and at least one qualified professional staff throughout their enrollment.

Adult Day Health Providers
The Health and Recovery Services Administration relies on the expectation it will be notified of provider eligibility changes by another Department administration, instead of actively seeking positive confirmation for providers' eligibility.

Durable Medical Equipment Providers
We reported this issue during our 2007 audit. In response, the Department stated the regulation was not needed, and so it would seek to eliminate the state rule. However, the rule is currently still in place and therefore the Department is required to comply with it.

Effect of Condition

Provider eligibility requirements help ensure Medicaid clients receive qualified care and services. Inadequate controls to ensure providers are meeting eligibility requirements initially and throughout their enrollment increase the risk of ineligible providers providing services to Medicaid clients and not being identified in a timely manner, if at all.

Recommendation
We recommend the Department strengthen controls to ensure all providers meet eligibility requirements to participate in the Medicaid program throughout their enrollment. This includes:

- Monitoring providers required to have professional licenses on an on-going basis;

- Establishing procedures for improved communication between Administrations which rely on one another to establish provider eligibility; and
- Ensuring Department rules are current and reflect the Department's intent and obligations. Actual practices should be consistent with Department rules.

Department's Response

The Department concurs with this finding.

We intend to improve the monitoring of the following providers' licenses by:

- *Respiratory Therapy Providers: The current Medicaid Management Information System does not provide an automated review of provider licenses and would also require additional staffing resources. The implementation of ProviderOne (P1) will include a new functionality which will generate automated letters and a report based on the expiration dates of providers' licenses. The letters will be compared to the Department of Health website for current license status. These letters will be mailed to the providers' offices to alert the providers that their licenses will be expiring. The providers' status will then be updated in P1 based on the status of their license.*
- *Adult Day Health Providers: The Health and Recovery Services Administration (HRSA) will formalize the transfer process of licensing information with the Aging and Adults Services Administration to ensure timely and accuracy of licensing data.*
- *Durable Medical Equipment Providers: The HRSA is modifying WAC 388-530 to remove the requirement that all Durable Medical Equipment providers must have appropriately trained and qualified staff to be eligible as a Medicaid provider. The public hearing is scheduled for January 27, 2009 and the rule will be filed with an effective date of March 1, 2009.*

Auditor's Concluding Remarks

We thank the Department for its response, and look forward to reviewing the status of its corrective action during our next audit.

Applicable Laws and Regulations

WAC 388-502-0010

Payment — Eligible providers defined.

The department pays enrolled providers for covered healthcare services, equipment and supplies they provide to eligible clients.

(1) To be eligible for enrollment, a provider must:

(a) Be licensed, certified, accredited, or registered according to Washington state laws and rules; and

(b) Meet the conditions in this chapter and chapters regulating the specific type of provider, program, and/or service.

(2) To enroll, an eligible provider must sign a core provider agreement with the department and receive a unique provider number; a provider may also sign a contract to enroll. (Note: Section 13 of the core provider agreement, DSHS 09-048 (REV. 06/2002), is hereby rescinded. The department and each provider signing a core provider agreement will hold each other harmless from a legal action based on the negligent actions or omissions of either party under the terms of the agreement.)

WAC 246-928-410

Who must be licensed as a respiratory care practitioner with the department.

(1) Any person performing or offering to perform the functions authorized in RCW 18.89.040 must be licensed as a respiratory care practitioner. A certification, registration or other credential

issued by a professional organization does not substitute for licensure as a respiratory care practitioner in Washington state.

WAC 388-71-0706

Adult day health — Services.

Adult day health is a supervised daytime program providing skilled nursing and rehabilitative therapy services in addition to core services. Adult day health services are only appropriate for adults with medical or disabling conditions that require the intervention or services of a registered nurse or licensed rehabilitative therapist acting under the supervision of the client's physician.

The adult day health center must offer and provide on site the following services:

(1) All core services under WAC 388-71-0704;
(2) Skilled nursing services other than routine health monitoring with nurse consultation;
(3) At least one of the following skilled therapy services: physical therapy, occupational therapy, or speech-language pathology or audiology, as defined under chapters 18.74, 18.59 and 18.35 RCW; and
(4) Psychological or counseling services, including assessing for psycho-social therapy need, dementia, abuse or neglect, and alcohol or drug abuse; making appropriate referrals; and providing brief, intermittent supportive counseling.

WAC 388-71-0724

Adult day services — Contracting and rates.

(1) The department, or an area agency on aging (or other department designee) as authorized by the department, must determine that the adult day care or day health center meets the applicable adult day care or day health requirements and any additional requirements for contracting with the area agency on aging through a COPES contract or with the department through a Medicaid provider contract. If a center is contracting for both day care and day health, requirements of both adult day services must be met.

(a) A prospective provider desiring to provide adult day services shall be provided an application form from the department or the area agency on aging.

(b) The prospective provider will provide the area agency on aging with evidence of compliance with, or administrative procedures to comply with, the adult day service rules under this chapter.

(c) The area agency on aging will conduct a site inspection of the adult day center and review of the requirements for contracting.

(d) Within thirty days of completing the site visit, the area agency on aging will advise the prospective provider in writing of any deficiencies in meeting contracting requirements.

(e) The area agency on aging will verify correction of any deficiencies within thirty days of receiving notice from the prospective provider that deficiencies have been corrected, before contracting can take place.

(f) The area agency on aging will provide the department with a written recommendation as to whether or not the center meets contracting requirements.

(3) The area agency on aging or other department designee monitors the adult day center at least annually to determine continued compliance with adult day care and/or adult day health requirements and the requirements for contracting with the department or the area agency on aging.

(a) The area agency on aging will send a written notice to the provider indicating either compliance with contacting requirements or any deficiencies based on the annual monitoring visit and request a corrective action plan. The area agency on aging will determine the date by which the corrective action must be completed

(b) The area agency on aging will notify the department of the adult day center's compliance with contracting requirements or corrected deficiencies and approval of the corrective action plan for continued contracting.

WAC 388-543-1200

Providers who are eligible to provide services.

(1) MAA requires a provider who supplies DME and related supplies, prosthetics, orthotics, medical supplies and related services to an MAA client to meet all of the following. The provider must:

(a) Have the proper business license;

(b) Have appropriately trained qualified staff; and

(c) Be certified, licensed and/or bonded if required, to perform the services billed to the department. Out-of-state prosthetic and orthotics providers must meet their state regulatory requirements

(2) MAA may reimburse qualified providers for DME and related supplies, prosthetics, orthotics, medical supplies, repairs, and related services on a fee-for-service (FFS) basis as follows:

(a) DME providers for DME and related repair services;

(b) Medical equipment dealers, pharmacies, and home health agencies under their medical vendor provider number for medical supplies, subject to the limitations in this section;

(c) Licensed prosthetics and orthotics providers who are licensed by the Washington state department of health in prosthetics and orthotics. This does not apply to medical equipment dealers and pharmacies that do not require licensure to provide selected prosthetics and orthotics;

(d) Physicians who provide medical equipment and supplies in the physician's office. MAA may pay separately for medical supplies, subject to the provisions in MAA's resource based relative value scale (RBRVS) fee schedule; and

(e) Out-of-state orthotics and prosthetics providers who meet their state regulations.

08-37 The University of Washington was reimbursed by its Vision Research Program for unallowable charges.

Federal Awarding Agency:	National Institute of Health
Pass-Through Entity:	None
CFDA Number and Title:	93.867 Vision Research 93.859 Pharmacology, Physiology and Biological Chem
Federal Award Number:	EY000745, EY010578, EY014950, EY015046, EY006558 and P5RR000166
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	$20,996

Background

The Vision Research Program supports eye and vision research. Money from this grant pays for salaries, consultant costs, equipment, supplies, travel, and other costs as stated in the application and grant award document.

The School of Medicine spent approximately $500,000 per year on average in federal funds for this program during the five year period from 2002 through 2007. It spent $708,272 in federal funds for the program in fiscal year 2008. The grant allows the University to perform surgical procedures on primates to support eye and vision research. Procedures performed on primates must comply with federal regulations on laboratory animal welfare.

Description of Condition

In 2007, the University investigated the program, including looking at procedures performed on primates to determine if they complied with federal regulations. The University's investigation found that departments within the School of Medicine conducted 39 unauthorized procedures on 16 primates between 2002 and 2007, at a cost of $20,864 that were paid with grant money.

The University investigation also found $132 was paid with money from the federal Biomedical Research and Research Training (CFDA 93.859) grant.

Although this condition was not found as part of our audit of the University's major federal programs, federal audit standards require that we report as a finding all known questioned costs found in non-major programs that exceed $10,000.

The University has resolved all issues related to this condition with the National Institutes of Health (NIH) Office of Laboratory Animal Welfare. The University is awaiting word from specific NIH Institutes regarding what repayment, if any, is required.

Cause of Condition

The University did not have adequate controls in place over pre-approval of certain surgery elements.

Effect of Condition and Questioned Costs

Without adequate monitoring of the Program, the University cannot be sure it complies with federal grant requirements. The University requested and received reimbursement from the grantor for the cost of surgical procedures that were unallowable. We question $20,996 charged to this program. As noted above, the University is taking action to repay this amount.

Recommendation

We recommend the University strengthen internal controls to ensure only activities allowed are reimbursed by the grant funds

University's Response

The University agrees with the finding. The University has already augmented existing internal controls in the areas of increased communication, training, and monitoring, development of guidelines and revisions to forms and standard operating procedures.

Auditor's Concluding Remarks

We appreciate the University's commitment to resolve this finding and thank the University for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*:

> Section 300
>
> The auditee shall:
> …(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs….
>
> Section 510(a)
>
> The auditor shall report the following as audit findings in a schedule of findings and questioned costs:
>
> …(4) …if the auditor does become aware of questioned costs for a Federal program which is not audited as a major program (e.g., as part of audit follow-up or other audit procedures) and the known questioned costs are greater than $10,000, then the auditor shall report this as an audit finding.

Title 42 Code of Federal Regulations, Part 52a.8 refers to Public Health Service Policy on Humane Care and Use of Laboratory Animals, Office of Laboratory Animal Welfare, Office of Extramural Research, NIH (Revised September 2002)

NIH Grants Policy Statement; Part 11: Terms and Conditions of NIH Grant Awards Subpart A: General File 2 of 5 states in part:

> *Animal Welfare*
>
> The *PHS Policy on Humane Care and Use of Laboratory Animals* (the Policy) requires applicants proposing to use vertebrate animals in NIH-supported activities to file a written Animal Welfare Assurance with OLAW. The Policy defines "animal" as any live, vertebrate animal used or intended for use in research, research training, experimentation, biological testing, or related purposes. Under the Policy, the applicant/grantee is responsible for the humane care and treatment of animals in NIH grant-supported activities. The Policy implements and supplements the U.S. Government Principles for the Care and Utilization of Vertebrate Animals used in

Testing, Research, and Training. The Policy also requires the applicant to establish appropriate policies and procedures for the humane care and use of animals, based on the Guide for the Care and Use of Laboratory Animals, and to comply with the Animal Welfare Act and its implementing regulations. This includes appointing an IACUC with specified responsibilities.

State of Washington
Schedule of Expenditures of Federal Awards

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June 30, 2008
(Expressed in whole dollars)

Federal Programs Not Clustered

Institute of Museum Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
03.000	IMS, Contract Number Only Provided	61-5202A	360	12,632	0	PT
	Federal Program 03.000 Total			**12,632**	**0**	
03.301	Museums for America	R00403	360	2,081	0	PT
03.301			395	8,930	0	
	Federal Program 03.301 Total			**11,011**	**0**	
03.310	Grants to States		085	3,345,105	817,697	
	Federal Program 03.310 Total			**3,345,105**	**817,697**	
03.312	National Leadership Grants		085	119	0	
03.312			360	159,188	0	
	Federal Program 03.312 Total			**159,307**	**0**	
03.313	Laura Bush 21st Century Librarian Program		360	51,477	0	
	Federal Program 03.313 Total			**51,477**	**0**	
	Institute of Museum Services Total			**3,579,532**	**817,697**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

National Endowment for the Arts

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
05.000	NEA, Contract Number Only Provided	07-5400-7063	360	(8,325)	0	
05.000		07-5500-7010	360	(36,575)	0	
	Federal Program 05.000 Total			**(44,900)**	**0**	
05.024	Promotion of Arts-Grnts to Organ & Indiv	11812	360	3,000	0	PT
05.024			365	19,244	0	
05.024			380	3,075	0	
05.024			465	43,857	0	
	Federal Program 05.024 Total			**69,176**	**0**	
05.025	Promotion of Arts-Partnership Agreements	111662	360	5,000	0	PT
05.025			387	676,151	0	
	Federal Program 05.025 Total			**681,151**	**0**	
	National Endowment for the Arts Total			**705,427**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

National Endowment for the Humanities

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
06.000	NEH, Contract Number Only Provided	PA-51981-06	360	153,080	0	
06.000		PM-50042-07	360	72,353	0	
06.000		FA52180	365	31,158	0	
	Federal Program 06.000 Total			**256,591**	**0**	
06.129	Promotion of the Humanities-Fed/St Partnershp	3977GF07	365	4,264	0	PT
	Federal Program 06.129 Total			**4,264**	**0**	
06.149	Promo Humanity-Preservatn Offc	49503-8226	360	108,833	0	PT
06.149		G10102	365	7,203	0	PT
06.149		X0073AA	365	17,008	0	PT
	Federal Program 06.149 Total			**133,044**	**0**	
06.164	Prom of the Humanities-Public Programs		360	11,103	0	
	Federal Program 06.164 Total			**11,103**	**0**	
	National Endowment for the Humanities Total			**405,002**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Office of National Drug Control Policy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
07.000	ONDCP, Contract Number Only Provided	9007000120	080	44,999	0	PT
07.000		C050517FED-DME5	225	7,487	0	
07.000		C050517FED-INX5	225	25,536	0	
07.000		C060802FED-DME6	225	213,739	0	
07.000		C060802FED-INX6	225	181,283	0	
07.000		C070196FED-NMC6	225	19,039	0	
07.000		C071069FED-DME7	225	73,980	0	
07.000		C071069FED-HIX7	225	913,980	0	
07.000		C071069FED-INX7	225	2,291	0	
07.000		C071069FED-MTX7	225	119,924	0	
07.000		C081592FED-HIX8	225	162,430	0	
07.000		C081592FED-MTX8	225	30,447	0	
	Federal Program 07.000 Total			**1,795,135**	**0**	
	Office of National Drug Control Policy Total			**1,795,135**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Peace Corps

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
08.000	Peace Corps, Contract Number Only Provided	PC048115	365	(1,919)	0	
08.000		PC058076	365	(7,140)	0	
08.000		PC068113	365	10,056	0	
08.000		PC078063	365	14,769	0	
	Federal Program 08.000 Total			**15,766**	**0**	
	Peace Corps Total			**15,766**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.000	USDA, Contract Number Only Provided	07-JV-11221609-281	360	32,527	0	
10.000		07-JV-11242300-157	360	5,914	0	
10.000		2007-35203-18082	360	43,939	0	
10.000		AG-046W-P-07-0046	360	6,414	0	
10.000		PNW 07-CA-11261991-158	360	40,599	0	
10.000		PNW 07-CR-11261987-170	360	36,838	0	
10.000		PNW 07-JV-11261985-162	360	8,008	0	
10.000		PNW 07-JV-11261987-171	360	16,245	0	
10.000		PNW08JV11261993167MODN	360	8,579	0	
10.000		0094849	365	5,373	0	PT
10.000		04JV11222062152	365	485	0	
10.000		04JV11272138439	365	72	0	
10.000		05014ETX	365	11,645	0	PT
10.000		05020ETX	365	2,443	0	PT
10.000		05024ETX	365	18	0	PT
10.000		05295900	365	32,941	0	PT
10.000		05DG11052021061	365	21,962	0	
10.000		05IE08310224	365	172,979	62,954	
10.000		05JV11231300021	365	26,118	0	
10.000		05JV11272137048	365	2,480	0	
10.000		05JV11272138053	365	30,014	0	
10.000		06008200701	365	137,136	0	PT
10.000		06JE08310213C	365	63,603	41,391	
10.000		06JV11221617125	365	6,060	0	
10.000		06JV11231300072	365	76,198	0	
10.000		06PA11272166034	365	17,099	0	
10.000		07CS11020000078	365	1,716	0	
10.000		07JV11221609276	365	14,947	0	
10.000		20065120003501	365	92,366	0	
10.000		2006CA11062754752	365	60,970	0	
10.000		2007DG11062754720	365	12,982	0	
10.000		433AEK380114	365	80,379	0	
10.000		433AEU480093	365	33,815	0	
10.000		433EAU580039	365	194,707	0	
10.000		497128095	365	28,400	0	PT
10.000		5831485094	365	20,046	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.000	USDA, Contract Number Only Provided	5853547660	365	56	0	
10.000		60090	365	25,898	0	PT
10.000		683A754201	365	126,535	48,500	
10.000		683A757612	365	864	0	
10.000		9901707V	365	5,265	0	PT
10.000		AES00792300104	365	8,017	0	PT
10.000		AG05G2C070009	365	30,065	0	
10.000		AG6395C070044	365	95,485	0	
10.000		AG6395P061369	365	42,523	0	
10.000		AG6395P070002	365	29,093	0	
10.000		AG6395P070578	365	5,261	0	
10.000		AG6395P070671	365	19,542	0	
10.000		AG6395P080116	365	64,526	0	
10.000		AG6395P080225	365	44,469	0	
10.000		AG6395P080430	365	38,032	0	
10.000		BJKF48WSU	365	64,020	0	PT
10.000		D36692D	365	10,089	0	PT
10.000		GUAR24300293	365	12,665	0	PT
10.000		GUAR30473582	365	2,079	0	PT
10.000		GUAR41661372	365	239	0	PT
10.000		NRCS6905466003	365	37,186	0	
10.000		PNW03JV11261975171	365	11,624	0	
10.000		PNW03JV11261975171M3	365	26,615	0	
10.000		PNW07JV11261987169	365	6,190	0	
10.000		RPA11422000	365	(10,294)	0	
10.000		RPA11424000	365	(53,684)	0	
10.000		RPA11427380	365	(6,277)	0	
10.000		RPA11427390	365	59,246	0	
10.000		WSU000169	365	630	0	
10.000		WSU000522	365	15,633	0	PT
10.000		WSU000524	365	5,242	0	
10.000		WSU000566	365	33,248	0	PT
10.000		WSU000662	365	4,264	0	PT
10.000		WSU000773	365	32,788	0	PT
10.000		07-CS-11062200-012	460	9,160	0	
10.000		06-CS-110609500-032	477	253	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 10.000 Total			**2,142,564**	**152,845**	
10.025	Plant/Animal Disease & Pest Ctl		365	167,892	0	
10.025			477	43,879	0	
10.025			495	2,405,089	0	
	Federal Program 10.025 Total			**2,616,860**	**0**	
10.028	Wildlife Services		477	99,913	0	
	Federal Program 10.028 Total			**99,913**	**0**	
10.069	Conservation Reserve Program		477	13,573	0	
	Federal Program 10.069 Total			**13,573**	**0**	
10.156	Marketing Improvement Program		495	45,115	0	
	Federal Program 10.156 Total			**45,115**	**0**	
10.163	Market Protection & Promotion		495	1,599,232	0	
	Federal Program 10.163 Total			**1,599,232**	**0**	
10.200	Grts - Agri Research - Special		365	2,934,610	1,427,156	
	Federal Program 10.200 Total			**2,934,610**	**1,427,156**	
10.210	Natl Needs Grad Fellowship Grt		365	20,116	18,657	
	Federal Program 10.210 Total			**20,116**	**18,657**	
10.215	Sust Agri Research and Ed	080019009	365	14,519	0	PT
	Federal Program 10.215 Total			**14,519**	**0**	
10.217	Higher Ed Challenge Grants	BFK842B	365	42,420	0	PT
10.217		BJKE16WSU	365	3,511	0	PT
	Federal Program 10.217 Total			**45,931**	**0**	
10.223	Hispanic-Serving Institutions Educ Grants		699	73,124	0	
	Federal Program 10.223 Total			**73,124**	**0**	
10.303	Integrated Programs		365	590,995	66,969	
10.303		00RA2416WA2	365	(35)	0	PT
10.303		07001492WA1	365	2,796	0	PT
10.303		07001492WA2	365	28,811	0	PT
10.303		2563210113004	365	4,099	0	PT
10.303		745914962099	365	51,346	0	PT

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.303	Integrated Programs	BJKE27WSUCES	365	124,346	0	PT
10.303		BLK594SB001	365	3,171	0	PT
10.303		K009607WA1	365	7,084	0	PT
10.303		K009607WA3	365	17,425	0	PT
10.303		K009607WA5	365	607	0	PT
10.303		K009607WA7	365	7,173	0	PT
10.303		K009607WA8	365	5,691	0	PT
10.303		K009607WA9	365	3,178	0	PT
10.303		SA4197	365	525	0	PT
10.303		Y432650	365	48,002	0	PT
	Federal Program 10.303 Total			**895,214**	**66,969**	
10.304	Homeland Security_Agricultural		365	352,447	0	
10.304		8700255817	365	35,903	0	PT
10.304		K00779713	365	36,140	0	PT
	Federal Program 10.304 Total			**424,490**	**0**	
10.450	Crop Insurance		365	168,783	17,441	
	Federal Program 10.450 Total			**168,783**	**17,441**	
10.455	RMA Community Outreach & Assist Partnrshp Prog		365	67,126	13,848	
10.455			495	36,601	0	
	Federal Program 10.455 Total			**103,727**	**13,848**	
10.456	Partnrshp Agreemnts/Non-Insurance Risk Mgt Tools		365	112,443	0	
	Federal Program 10.456 Total			**112,443**	**0**	
10.457	Commodity Partnerships for Risk Management Education	06IE08310083E	365	1,773	0	PT
	Federal Program 10.457 Total			**1,773**	**0**	
10.500	Cooperative Extension Service		365	6,650,286	651,204	
10.500		061306002	365	5,759	0	PT
10.500		061554013	365	3,104	0	PT
10.500		08USDAARMYWSU	365	71,105	0	PT
10.500		6128STATE	365	6,011	0	PT
10.500		ACESASATPYD807	365	34,879	0	PT
10.500		BJKF14SB002	365	434	0	PT
10.500		S04048	365	19,679	0	PT
10.500		S08058	365	2,973	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.500	Cooperative Extension Service	S4079036501	365	296,353	0	PT
10.500		TCE622155	365	10,771	0	PT
10.500		TCEIRAQ1	365	212,192	0	PT
10.500		UTSTUNV46456WA	365	(403)	0	PT
10.500		UTSTUNV46460WA	365	3,070	0	PT
10.500		UTSTUNV46465WA	365	8,954	0	PT
	Federal Program 10.500 Total			**7,325,167**	**651,204**	
10.550	Food Distribution (H)		300	68,572	0	NC
10.550			350	19,720,197	0	NC
	Federal Program 10.550 Total			**19,788,769**	**0**	
10.557	Spec Suppt'l Nutrition Pgm for WIC		303	119,196,117	110,128,595	
	Federal Program 10.557 Total			**119,196,117**	**110,128,595**	
10.558	Child Care Food Program (A,H)		350	39,733,525	39,309,213	
	Federal Program 10.558 Total			**39,733,525**	**39,309,213**	
10.560	State Admin - Child Nutrition		350	2,836,122	0	
	Federal Program 10.560 Total			**2,836,122**	**0**	
10.565	Commodity Supplementl Food Pgm		150	218,952	188,813	
	Federal Program 10.565 Total			**218,952**	**188,813**	
10.572	WIC Farmers Market Nutric Prog		303	524,438	506,398	
	Federal Program 10.572 Total			**524,438**	**506,398**	
10.576	Senior Farmers Market Nutrition Program		300	10,623	1,701	
	Federal Program 10.576 Total			**10,623**	**1,701**	
10.578	WIC Grants to States		303	160,429	152,503	
	Federal Program 10.578 Total			**160,429**	**152,503**	
10.582	Fresh Fruit and Vegetable Program		350	826,940	826,105	
	Federal Program 10.582 Total			**826,940**	**826,105**	
10.664	Cooperative Forestry Assistanc		365	32,948	0	
10.664			490	3,716,394	0	
	Federal Program 10.664 Total			**3,749,342**	**0**	
10.672	Rural Development, Forestry & Communities		103	296,296	269,362	

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 10.672 Total			**296,296**	**269,362**	
10.675	Urban & Community Forestry Program		360	35,716	0	
	Federal Program 10.675 Total			**35,716**	**0**	
10.676	Forest Legacy Program		490	5,047,488	4,976,677	
	Federal Program 10.676 Total			**5,047,488**	**4,976,677**	
10.677	Forest Land Enhancement Program		477	1,460	0	
10.677			490	125,316	0	
	Federal Program 10.677 Total			**126,776**	**0**	
10.680	Forest Health Protection		365	77,942	0	
10.680			490	323,297	0	
10.680			495	19,387	0	
	Federal Program 10.680 Total			**420,626**	**0**	
10.902	Soil & Water Conservation		495	19,667	0	
	Federal Program 10.902 Total			**19,667**	**0**	
10.912	Environmental Quality Incentives Prog		365	375,854	66,944	
10.912			471	250,902	0	
	Federal Program 10.912 Total			**626,756**	**66,944**	
10.914	Wildlife Habitat Incentive Prog		467	(6,592)	(6,592)	
10.914			477	59,040	0	
10.914			490	22,982	0	
	Federal Program 10.914 Total			**75,430**	**(6,592)**	
10.960	Technical Agricultural Assist		365	40,026	0	
	Federal Program 10.960 Total			**40,026**	**0**	
10.962	Cochran/Fellowshp/Prgm/-Intrntl/Trng/-Frng/Participant		365	61,430	0	
	Federal Program 10.962 Total			**61,430**	**0**	
10.999	USDA, UNKNOWN		360	1,971	0	
10.999			477	2,980	0	
10.999			495	323,073	0	
	Federal Program 10.999 Total			**328,024**	**0**	
	Dept of Agriculture Total			**212,760,646**	**158,767,839**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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11.000	Commerce,Contract Number Only Provided	10249342	360	24,042	0	PT
11.000		40-AB-NF-112826, MOD05	360	1,795	0	
11.000		620	360	30,799	0	PT
11.000		AB133F-03-CN-0036 AM05	360	57,833	0	
11.000		AB133F-06-CN-0133	360	255,522	0	
11.000		AB133F-06-SE-4061	360	11,513	0	
11.000		AB133F-07-CN-0155	360	52,152	0	
11.000		AB133F-07-SE-3709	360	40,516	0	
11.000		AB133F03CN0041AM0003	360	(44)	0	
11.000		AB133F03SE0992AMEND000	360	(12,302)	0	
11.000		AB133F04SE0566MOD03	360	28,251	0	
11.000		AB133F04SE1122	360	7,106	0	
11.000		AB133F04SE1284	360	(2,015)	0	
11.000		AB133F05SE4222	360	572	0	
11.000		AB133F05SE4367	360	(64)	0	
11.000		AB133F05SE4598	360	1	0	
11.000		AB133F05SE5034	360	14,744	0	
11.000		AB133F05SE5117NFFP7500	360	18,290	0	
11.000		AB133F05SE5558 AM01	360	28,548	0	
11.000		AB133F05SE5735	360	(1,954)	0	
11.000		AB133F05SE6176AMEND000	360	12,836	0	
11.000		AB133F05SE6317	360	499	0	
11.000		AB133F05SE6679 AMND 01	360	(51)	0	
11.000		AB133F05SE6805	360	15,969	0	
11.000		AB133F06CN0212	360	56,019	0	
11.000		AB133F06CN0297	360	88,532	0	
11.000		AB133F06CQ0102	360	139,478	0	
11.000		AB133F06SE2469	360	(2,690)	0	
11.000		AB133F06SE3519AMEND002	360	13,362	0	
11.000		AB133F06SE3623	360	(8)	0	
11.000		AB133F06SE3958	360	19,994	0	
11.000		AB133F06SE3962	360	19,381	0	
11.000		AB133F06SE4590MOD02	360	83,709	9,305	
11.000		AB133F06SE5065	360	39	0	
11.000		AB133F06SE5249	360	2,937	0	
11.000		AB133F06SE5397	360	8,360	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Commerce

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11.000	Commerce,Contract Number Only Provided	AB133F06SE5404	360	36,737	0	
11.000		AB133F06SE5560	360	30,226	0	
11.000		AB133F06SE5662 & AMD 1	360	34,245	0	
11.000		AB133F06SE5833, #002	360	7,018	0	
11.000		AB133F06SE5834	360	23,858	0	
11.000		AB133F07CN0246	360	28,377	0	
11.000		AB133F07CN0256	360	42,040	0	
11.000		AB133F07CN0297	360	51,898	0	
11.000		AB133F07SE2365	360	7,888	0	
11.000		AB133F07SE2500	360	10,878	0	
11.000		AB133F07SE2850	360	45,689	0	
11.000		AB133F07SE3107	360	77,838	0	
11.000		AB133F07SE3438	360	11,969	0	
11.000		AB133F07SE3454	360	21,384	0	
11.000		AB133F07SE3832	360	36,967	0	
11.000		AB133F07SE3930	360	61,323	0	
11.000		AB133F07SE4035	360	50,129	0	
11.000		AB133F07SE4130MOD0003	360	37,742	0	
11.000		AB133F07SE4155	360	28,458	0	
11.000		AB133F07SE4169	360	14,559	0	
11.000		AB133F07SE4220	360	5,434	0	
11.000		AB133F07SE4322	360	7,693	0	
11.000		AB133F07SE4413	360	5,758	0	
11.000		AB133F07SE4419	360	9,070	0	
11.000		AB133F07SE4430	360	43,416	0	
11.000		AB133F07SE4831	360	166	0	
11.000		AB133F07SE5024	360	17,758	0	
11.000		AB133F07SE5052	360	19,922	0	
11.000		AB133F07SE5083	360	12,565	0	
11.000		AB133F07SE5103	360	16,834	0	
11.000		AB133F07SE5116	360	6,686	0	
11.000		AB133F07SE5131	360	16,600	0	
11.000		AB133F07SE5376	360	44,170	0	
11.000		AB133F07SE5502	360	1,297	0	
11.000		AB133F08SE2788	360	4,611	0	
11.000		DG133E06SE4616MOD001	360	39,312	0	

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11.000	Commerce,Contract Number Only Provided	F2511-01	360	(4,646)	0	PT
11.000		F2610-00	360	55,594	0	PT
11.000		HA133F-05-SE-4067	360	(1,179)	0	
11.000		HA133F-07-SE-3917	360	5,320	0	
11.000		NA06NMF4550289	360	78,269	0	
11.000		NA07OAR4170018	360	22,089	0	
11.000		NA07OAR4170041	360	22,962	0	
11.000		NA07OAR4310280	360	72,987	0	
11.000		NA07OAR4310410	360	26,449	0	
11.000		NA07SEC4690001	360	17,522	0	PT
11.000		NA08NOS4200277	360	1,516	0	
11.000		NA08OAR4310725	360	10,046	0	
11.000		NA16RG1668	360	(757)	0	PT
11.000		NFFP7100-6-00024	360	4,721	0	
11.000		NFFP7100-6-00041	360	22,702	0	
11.000		NFFP7500500031ANDMOD1	360	1,465	0	
11.000		PO NFFP7410-3-00037	360	(73)	0	
11.000		R/F-196D	360	1,988	0	PT
11.000		R/F-196D YEAR 2	360	13,877	0	PT
11.000		R/F-200B	360	(6,394)	0	PT
11.000		RENV129PDPO10235189	360	9,949	0	PT
11.000		UW BUD# 667560	360	(2,733)	0	PT
11.000		UW BUD# 669051	360	1	0	PT
11.000		UW BUD# 669062	360	269	0	PT
11.000		UW BUD# 801191	360	7,755	0	PT
11.000		Z806572	360	47,157	0	PT
11.000		363065	365	7,935	0	PT
11.000		AB133F05SE4633	365	67,880	0	
11.000		AB133F06SE3832	365	37,581	0	
11.000		PO#10267786001	365	22,395	0	PT
11.000		RPA11427105	365	(15,970)	0	
11.000		RPA11427330	365	58,263	0	
11.000		RSF8	365	67,546	0	PT
11.000		WSU000295	365	3,530	0	PT
11.000		06-07	477	72,628	0	PT
11.000		06-08	477	45,875	0	PT

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11.000	Commerce,Contract Number Only Provided	07-03	477	1,520	0	PT
11.000		07-08	477	142,157	0	PT
11.000		07-30	477	20,248	0	PT
11.000		07-58	477	5,379	0	PT
11.000		07-59	477	20,075	0	PT
11.000		07-60	477	5,009	0	PT
11.000		08-52	477	9,458	0	PT
11.000		08-65	477	2,022	0	PT
11.000		08-66	477	2,601	0	PT
11.000		08-67	477	13,738	0	PT
11.000		08-90	477	211,639	0	PT
11.000		2007-3	477	15,015	0	PT
11.000		6FP1IPA01	477	90,236	0	
11.000		AB133F07SE4335	477	70,632	0	
11.000		Agreement	477	12,569	0	PT
11.000		CBFWF Agreement	477	21,547	0	PT
11.000		WMS01	699	(13,580)	0	PT
	Federal Program 11.000 Total			**3,328,970**	**9,305**	
11.303	Econ Dev-Technical Assistance		365	169,196	0	
	Federal Program 11.303 Total			**169,196**	**0**	
11.400	Geodetic Surveys & Servs		490	359,072	0	
	Federal Program 11.400 Total			**359,072**	**0**	
11.405	Anadromous Fish Conser Act Pgm		360	39,850	0	
11.405			477	373,977	0	
	Federal Program 11.405 Total			**413,827**	**0**	
11.407	Interjurisdict Fisheries Act		477	121,788	0	
	Federal Program 11.407 Total			**121,788**	**0**	
11.417	Sea Grant Support		360	3,208,841	428,864	
11.417		NA157A-C	360	27,890	0	PT
11.417		NA157A-C, AMEND#2	360	88,192	0	PT
11.417		WSU000661	365	50,266	0	PT
11.417		None	380	23,491	0	PT
11.417		07-11	477	66,494	0	PT

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11.417	Sea Grant Support	08-46	477	30,882	0	PT
	Federal Program 11.417 Total			**3,496,056**	**428,864**	
11.419	Coastal Zone Mgmt Admin Awards		245	357,339	172,135	
11.419		UW BUD# 660009	360	21,474	0	PT
11.419			461	3,654,656	0	
	Federal Program 11.419 Total			**4,033,469**	**172,135**	
11.436	Columbia River Fish Dev Pgm		467	78,931	78,931	
11.436			477	4,697,925	0	
	Federal Program 11.436 Total			**4,776,856**	**78,931**	
11.437	Pacific Fisheries Data Prog	07-37	477	4,376	0	PT
11.437		07-62	477	205,372	0	PT
11.437		07-82	477	171,639	0	PT
11.437		07-83	477	20,728	0	PT
11.437		07-84	477	210,024	0	PT
11.437		08-21	477	38,018	0	PT
11.437		08-91	477	102,708	0	PT
11.437		08-92	477	96,306	0	PT
11.437		08-93	477	39,464	0	PT
	Federal Program 11.437 Total			**888,635**	**0**	
11.438	Pacific Coast Salmon Recovery-Pac SalmonTrty Prgrm	COOP 07-038	360	60,807	0	PT
11.438		COOP 08-005	360	193,049	0	PT
11.438		COOP 08-083	360	2,340	0	PT
11.438			467	19,077,706	18,164,227	
11.438			477	1,334,735	0	
	Federal Program 11.438 Total			**20,668,637**	**18,164,227**	
11.439	Marine Mammal Data Prog	NA05NMF4391068	360	1	0	PT
11.439			477	105,003	0	
11.439		06-46	477	27,806	0	PT
	Federal Program 11.439 Total			**132,810**	**0**	
11.441	Regional Fish Mgmt Councils	WA-SSL-2003	477	52,893	0	PT
	Federal Program 11.441 Total			**52,893**	**0**	
11.455	Coop Science & Education Pgm		699	18,935	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 11.455 Total			**18,935**	**0**	
11.460	Spec Oceanic & Atmosp Projts		360	384,348	0	
11.460		KK4136 MOD02	360	6,293	0	PT
	Federal Program 11.460 Total			**390,641**	**0**	
11.463	Habitat Conservation		365	32,543	0	
11.463			477	45,125	0	
	Federal Program 11.463 Total			**77,668**	**0**	
11.473	Coastal Services Center		360	759,713	323,490	
	Federal Program 11.473 Total			**759,713**	**323,490**	
11.478	Ctr for Spnsrd Cstl Ocean Rsch-Cstl Ocean Program		360	490,195	0	
	Federal Program 11.478 Total			**490,195**	**0**	
11.480	Natl Ocean Service In tern Prog		380	216,038	0	
	Federal Program 11.480 Total			**216,038**	**0**	
11.550	Public Telecommuncation Facilities-Planning/Const		365	509,054	0	
	Federal Program 11.550 Total			**509,054**	**0**	
11.555	Public Safety Interoperable Communications Grant Program		245	44,125	0	
	Federal Program 11.555 Total			**44,125**	**0**	
11.611	Manufacturing Extension Part	WSU000137	365	2,770	0	PT
11.611		WSU000192	365	3,908	0	PT
	Federal Program 11.611 Total			**6,678**	**0**	
11.999	Commerce, UNKNOWN		477	1,026,791	0	
11.999		None	477	57,311	0	PT
	Federal Program 11.999 Total			**1,084,102**	**0**	
	Dept of Commerce Total			**42,039,358**	**19,176,952**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	DOD, Contract Number Only Provided	02-000225, TO09	360	(201)	0	PT
12.000		03-000225, T016	360	120,412	0	PT
12.000		03-000225, TO 18	360	48,938	0	PT
12.000		03-000225, TO014	360	290,593	0	PT
12.000		03-000225, TO015	360	66,317	0	PT
12.000		03-000225, TO17	360	84,551	0	PT
12.000		03000225TASKORDER4MOD2	360	(6)	0	PT
12.000		05-3528-01 AMEND 1	360	864	0	PT
12.000		06832-03 AM04	360	209,190	0	PT
12.000		06836-03	360	180,573	0	PT
12.000		10083184 AM16	360	58,022	0	PT
12.000		2004-331 MOD02	360	26,429	0	PT
12.000		2004-331 MOD05	360	20,168	0	PT
12.000		2004-380 MOD04	360	11,390	0	PT
12.000		2007121128	360	23,334	0	PT
12.000		55-000754	360	579,381	0	PT
12.000		55-000916	360	1,678	0	PT
12.000		55-000916 MOD 2	360	15,985	0	PT
12.000		5710002101-02	360	315,841	0	PT
12.000		71-000134, MOD. #1	360	80,624	0	PT
12.000		71-000144	360	359,043	0	PT
12.000		DSC0089	360	(333)	0	PT
12.000		OASIS07-SC-09	360	49,509	0	PT
12.000		OP2-000225, TO10	360	(12)	0	PT
12.000		P.O. C09340028 REV04	360	68,683	0	PT
12.000		P006977	360	41,385	0	PT
12.000		S-2004-TSNRP-03, MOD01	360	16,018	0	PT
12.000		S-2005-TSNRP-01, MOD02	360	7,048	0	PT
12.000		S05-04	360	728,850	0	PT
12.000		S05-04 MOD 2	360	628,231	0	PT
12.000		SUB1-00178	360	1	0	PT
12.000		UW BUD# 630630	360	(25)	0	PT
12.000		UW BUD# 631537	360	71,818	0	PT
12.000		UW BUD# 631853	360	(6,449)	0	PT
12.000		UW BUD# 632320	360	47,189	0	PT
12.000		UW BUD# 632440	360	40,371	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	DOD, Contract Number Only Provided	UW BUD# 633206	360	11,623	0	PT
12.000		UW BUD# 633307	360	50,943	0	PT
12.000		UW BUD# 633478	360	20,024	0	PT
12.000		UW BUD# 634007	360	95,630	0	PT
12.000		UW BUD# 634021	360	18,711	0	PT
12.000		UW BUD# 634057	360	125,980	0	PT
12.000		UW BUD# 634223	360	7,517	0	PT
12.000		UW BUD# 661120	360	(269)	0	PT
12.000		UW BUD# 662535	360	319,826	0	PT
12.000		UW BUD# 662805	360	123,225	0	PT
12.000		UW BUD# 662811	360	1,844	0	PT
12.000		UW BUD# 663226	360	(2,007)	0	PT
12.000		UW BUD# 663527	360	(3,252)	0	PT
12.000		UW BUD# 667416	360	(59)	0	PT
12.000		UW BUD# 668965	360	787	0	PT
12.000		UW BUD# 668973	360	(56)	0	PT
12.000		UW BUD# 668990	360	39,162	0	PT
12.000		UW BUD# 669016	360	81,369	0	PT
12.000		W9113M-07-S4-BASE	360	14,650	0	PT
12.000		W911NF-05-1-0313	360	232,106	0	PT
	Federal Program 12.000 Total			**5,323,164**	**0**	
12.110	Planning Assistance to States		477	70,722	0	
12.110		005-5065-S-Fish	477	24,800	0	PT
	Federal Program 12.110 Total			**95,522**	**0**	
12.112	Pymt to Sts in Lieu Real Estate Tax (Impact Pymts)		005	31,873	0	
	Federal Program 12.112 Total			**31,873**	**0**	
12.113	St Memorandum of Agreemt Pgm- Reimburse Tech Svcs		461	284,777	0	
	Federal Program 12.113 Total			**284,777**	**0**	
12.400	Military Construct-Natl Guard		245	2,421,415	0	
	Federal Program 12.400 Total			**2,421,415**	**0**	
12.401	National Guard-Oper & Main		245	17,692,524	0	
	Federal Program 12.401 Total			**17,692,524**	**0**	
12.404	National Guard Civilian Youth Opportunities		245	13,575	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 12.404 Total			**13,575**	**0**	
12.550	Internat'l Education-U S Colleges & Universities	4926-1	360	213,499	0	PT
	Federal Program 12.550 Total			**213,499**	**0**	
12.901	Math Sciences Grants Program		360	17,036	0	
	Federal Program 12.901 Total			**17,036**	**0**	
	Dept of Defense Total			**26,093,385**	**0**	

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State of Washington
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Federal Programs Not Clustered

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.000	HUD, Contract Number Only Provided	B03SPWA0845	360	1,939	0	
14.000		SUBGRANT #9920 ORDER#5	360	24,558	0	PT
14.000		WSU000499	365	1,847	0	PT
	Federal Program 14.000 Total			**28,344**	**0**	
14.169	Housing Counseling Asst Pgm		148	130,694	8,450	
	Federal Program 14.169 Total			**130,694**	**8,450**	
14.171	Mfg Home Const/Safety Standrds		235	80,216	0	
	Federal Program 14.171 Total			**80,216**	**0**	
14.228	Community Dev Blk Grts State's prgm & Non-Enitle Grts in Hawaii		103	6,748,778	6,133,453	
	Federal Program 14.228 Total			**6,748,778**	**6,133,453**	
14.231	Emergency Shelter Grants Pgm		103	1,330,861	1,294,295	
	Federal Program 14.231 Total			**1,330,861**	**1,294,295**	
14.235	Supportive Housing Program		103	68,136	0	
	Federal Program 14.235 Total			**68,136**	**0**	
14.239	Home Inv Partnerships Program		103	8,877,004	7,886,560	
14.239		2007-2008 Arch Program	148	150,000	0	PT
14.239		CTED 05-40404-3001	148	335,281	0	PT
14.239		FY 2007-2008 HK SEA	148	1,454,952	0	PT
	Federal Program 14.239 Total			**10,817,237**	**7,886,560**	
14.241	Housing Opprt for Persons w AIDS		103	595,335	573,878	
	Federal Program 14.241 Total			**595,335**	**573,878**	
14.401	Fair Housing Assistance Pgm		120	432,360	0	
	Federal Program 14.401 Total			**432,360**	**0**	
14.511	Comm Outreach Partnrshp Ctr Prog		360	28,276	0	
14.511			699	1,808	0	
	Federal Program 14.511 Total			**30,084**	**0**	
14.514	Hispanic-Serving Institutions Assistng Communities		699	423,028	0	
	Federal Program 14.514 Total			**423,028**	**0**	
14.521	Universities Rebuilding America Program - Community Design		360	84,181	0	
	Federal Program 14.521 Total			**84,181**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.999	HUD, UNKNOWN		365	91,230	0	
	Federal Program 14.999 Total			**91,230**	**0**	
	Housing & Urban Development Total			**20,860,484**	**15,896,636**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.000	DOI, Contract Number Only Provided	02-FC-81-0813	360	126	0	
15.000		0650-350-C496-601AM03	360	238,868	0	PT
15.000		06WRAG0014 MOD02	360	32,290	0	
15.000		07-7908-0015 MOD1	360	27,576	0	
15.000		07WRSA0482	360	24,954	0	
15.000		122007G001	360	30,945	0	
15.000		13410-7-J038	360	1,720	0	
15.000		1434-04HQRU1587 WO 86	360	279,283	0	
15.000		1434-04HQRV1587	360	33,400	0	
15.000		1443CA991000077AM02	360	36	0	
15.000		2006-0094-007	360	(6)	0	PT
15.000		30558-07	360	12,111	0	PT
15.000		30729-01	360	8,696	0	PT
15.000		701813J541, MOD01	360	3,640	0	
15.000		701813J541, MOD02	360	1,045	0	
15.000		701816J984	360	2,488	0	
15.000		814206J158	360	10,745	0	
15.000		98210-5-G185	360	1,880	828	
15.000		98210-6-G244	360	11,968	0	
15.000		CA48W070600001TAJ8W070	360	15,033	0	
15.000		CA9088A0008J9W88030027	360	25,901	0	
15.000		CA9088A0008TAUW0111MOD	360	(1)	0	
15.000		H8W07060001J8W07070012	360	4,622	0	
15.000		H8W07060001J8W07070027	360	9,788	0	
15.000		H8W07060001J8W07070028	360	14,485	0	
15.000		H8W07060001TOJ8W070700	360	12,871	0	
15.000		HAA003D00TOHAF043D03MO	360	3,194	0	
15.000		HAA003D00TOHAW013D01	360	43	0	
15.000		HAF053D04 MOD03	360	128,731	0	
15.000		HAP074441 / R-0711538	360	9,351	0	
15.000		J8W07060009	360	5,801	0	
15.000		J8W07060016H8W07060001	360	498	0	
15.000		J8W07060017,H8W0706001	360	6,328	0	
15.000		J8W07070004H8W07060001	360	25,227	0	
15.000		J8W07070005H8W07060001	360	35,155	0	
15.000		J8W07070008	360	5,365	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.000	DOI, Contract Number Only Provided	J8W07070010H8W07060001	360	11,611	0	
15.000		J8W07070025H8W07060001	360	7,605	0	
15.000		J8W07070031H8W07060001	360	16,525	0	
15.000		J8W07070032CAH8W070600	360	44,325	0	
15.000		J8W07070034H8W07060001	360	21,114	0	
15.000		J8W07080005	360	10,101	0	
15.000		J9088020006MOD04CA9088	360	26,578	0	
15.000		J9088020013CA9088A0008	360	244	0	
15.000		J9088020020CA9088A008M	360	11,249	0	
15.000		J9W88030011 MOD#02	360	1,547	0	
15.000		J9W88030019CA9088A0008	360	81,406	0	
15.000		J9W88030023MOD1CA9088A	360	7,349	0	
15.000		J9W88040014CA9088A0008	360	22,363	0	
15.000		J9W88040021CA9088A0008	360	14,383	0	
15.000		J9W88040023MOD04CA9088	360	6,253	0	
15.000		J9W88040027MOD02CA9088	360	50,959	0	
15.000		J9W88040030CA9088A008M	360	2,817	0	
15.000		J9W88050025, MOD#2	360	10,422	0	
15.000		RWO641434HQ97RU1583	360	446	0	
15.000		TAJ8W07060008H82070600	360	4,677	0	
15.000		TAJ8W07070007CAH8W0706	360	12,075	0	
15.000		UW-01-10 MOD05	360	(1)	0	
15.000		UW015MOD07CA9088A0008	360	24,944	0	
15.000		0118109ISAWILDLIFE	365	4,334	0	PT
15.000		101000J001	365	2,088	0	
15.000		101815M274	365	994	0	
15.000		101816M108	365	22,290	0	
15.000		101816M109	365	9,395	0	
15.000		101817M547	365	5,233	0	
15.000		137006M110	365	6,469	0	
15.000		137007M027	365	4,630	0	
15.000		52210455	365	10,046	0	PT
15.000		601817P466	365	7,986	0	
15.000		701817M316	365	6,577	0	
15.000		814208J122	365	29,243	0	
15.000		CA9088A0008	365	2,940	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.000	DOI, Contract Number Only Provided	DOINPS44151WA	365	3,916	0	PT
15.000		E637WSU52210511	365	6,775	0	PT
15.000		E647WSU52211534	365	436	0	PT
15.000		G23707W0094	365	1,549	0	PT
15.000		GDA020015	365	18,924	0	
15.000		GUAR49710150	365	698	0	
15.000		GUAR49710151	365	698	0	
15.000		H1200040001	365	36,438	0	
15.000		H8W07060001	365	21,115	0	
15.000		HAA003D00	365	37,810	0	
15.000		HVP060023A	365	2,819	0	
15.000		HVP060024	365	1,123	0	
15.000		HVP070022	365	6,962	0	
15.000		HVP070024	365	11,274	0	
15.000		HWP060038	365	9,395	0	
15.000		JSP054074	365	(3,136)	0	
15.000		RPA11427410	365	(3,856)	0	
15.000		WSU000769	365	4,572	0	PT
15.000		05-FG-81-1126	375	3,603	0	
15.000		07-FG-81-1314	375	210,000	0	
15.000		4-AA-91-WH-145	375	16	0	
15.000		H9453070012	375	11,263	0	
15.000		SO8783000-93	375	1,990	0	
15.000		14110-7-J010	477	1,177,926	0	
15.000		14110-7-J011	477	196,051	0	
15.000		2005-0012-007	477	17,356	0	PT
15.000		H9504070023	477	271	0	
15.000		1340-3-J023	490	4,751	0	
15.000		H9504050002	490	57,828	0	
15.000		HWP040041	490	5,438	0	
	Federal Program 15.000 Total			**3,369,379**	**828**	
15.033	Road Maintenance, Indian Roads		405	299	0	
	Federal Program 15.033 Total			**299**	**0**	
15.114	Indian Ed-Higher Ed Grant Pgm		365	197,368	0	

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Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 15.114 Total			**197,368**	**0**	
15.222	Cooperative Inspect Agreemts w Sts & Tribes		495	12,979	0	
	Federal Program 15.222 Total			**12,979**	**0**	
15.226	Payments in Lieu of Taxes		005	1,735,146	0	
	Federal Program 15.226 Total			**1,735,146**	**0**	
15.227	Distribtn of Receipts to State & Local Govts		005	21,798	0	
	Federal Program 15.227 Total			**21,798**	**0**	
15.228	Natl Fire Plan-Wildland Urban Interface Comunity Fire Asst		490	375,165	0	
	Federal Program 15.228 Total			**375,165**	**0**	
15.231	Fish, Wildlife & Plant Conservation Resource Management		360	7,924	0	
15.231			365	18,164	0	
15.231			380	4,408	0	
	Federal Program 15.231 Total			**30,496**	**0**	
15.242	National Fire Plan - Rural Fire Assistance		490	7,723	0	
	Federal Program 15.242 Total			**7,723**	**0**	
15.504	Water Reclamation & Reuse Prog		477	55,771	0	
	Federal Program 15.504 Total			**55,771**	**0**	
15.608	Fish & Wildlife Mgmt Assistnce		365	124,418	8,584	
15.608		S0180146	365	2,080	0	PT
15.608			467	388,815	380,256	
15.608			477	1,073,444	0	
15.608			490	16,691	0	
15.608			699	18,300	0	
	Federal Program 15.608 Total			**1,623,748**	**388,840**	
15.612	Endangered Species Conservation		490	27,017	0	
	Federal Program 15.612 Total			**27,017**	**0**	
15.614	Coastal Wetlnds Planning, Protection & Restoration Act		461	798,408	0	
15.614			465	49,936	0	
15.614			477	1,314,572	0	
	Federal Program 15.614 Total			**2,162,916**	**0**	

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Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.615	Cooperative Endangered Species Conservation Fund	438401-OC, AM04	360	169,835	0	PT
15.615			477	6,149,619	0	
15.615			490	4,743,904	4,015,105	
	Federal Program 15.615 Total			**11,063,358**	**4,015,105**	
15.616	Clean Vessel Act		465	728,690	0	
	Federal Program 15.616 Total			**728,690**	**0**	
15.617	Wildlife Conserv & Appreciation	G272-08-W1033	380	9,099	0	PT
	Federal Program 15.617 Total			**9,099**	**0**	
15.622	Sportfishing & Boat Safety Act		467	697,902	691,674	
	Federal Program 15.622 Total			**697,902**	**691,674**	
15.623	N. American Wetlands Conservation Fund		477	996,595	0	
	Federal Program 15.623 Total			**996,595**	**0**	
15.626	Hunter Education & Safety Program		477	734,708	0	
	Federal Program 15.626 Total			**734,708**	**0**	
15.630	Coastal Program		477	21,687	0	
15.630			490	15,417	0	
15.630			495	38,056	0	
	Federal Program 15.630 Total			**75,160**	**0**	
15.631	Partners for Fish and Wildlife		477	2,799,957	0	
15.631			495	232,520	0	
	Federal Program 15.631 Total			**3,032,477**	**0**	
15.632	Conservatn Grnts Privte Stewrdshp for Imprild Spec		477	35,817	0	
	Federal Program 15.632 Total			**35,817**	**0**	
15.633	Landowner Incentive Program		477	590,417	0	
	Federal Program 15.633 Total			**590,417**	**0**	
15.634	State Wildlife Grants		477	1,439,313	0	
	Federal Program 15.634 Total			**1,439,313**	**0**	
15.642	Challenge Cost Share		360	28,931	0	
	Federal Program 15.642 Total			**28,931**	**0**	
15.647	Migratory Bird Conservation		477	242,199	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 15.647 Total			**242,199**	**0**	
15.649	Service Training & Technical Assistance (Generic Training)		380	2,255	0	
15.649			467	5,000	0	
15.649			477	2,051,286	0	
	Federal Program 15.649 Total			**2,058,541**	**0**	
15.810	Natl Coop Geologic Mapping Prog		365	156	0	
15.810			380	10,883	0	
15.810			490	222,017	0	
	Federal Program 15.810 Total			**233,056**	**0**	
15.811	Gap Analysis Program		360	124,173	0	
15.811			490	15,750	0	
	Federal Program 15.811 Total			**139,923**	**0**	
15.812	Cooperative Research Units Program		360	229,272	0	
15.812			380	189	0	
	Federal Program 15.812 Total			**229,461**	**0**	
15.904	Historic Preservation Fund Grt		355	870,950	0	
	Federal Program 15.904 Total			**870,950**	**0**	
15.916	Outdoor Rec-Aquis,Dev&Plan	P0015437	365	3,025	0	PT
15.916			467	1,388,626	1,380,093	
	Federal Program 15.916 Total			**1,391,651**	**1,380,093**	
15.921	Rivers, Trails & Conserv Asst		405	152,779	0	
15.921			477	325,182	0	
	Federal Program 15.921 Total			**477,961**	**0**	
15.922	Nat Amer Graves Protection & Repatriation		360	14,133	0	
15.922			395	38,960	0	
	Federal Program 15.922 Total			**53,093**	**0**	
15.923	Nat Center for Preservation Technology & Training		380	14,730	0	
	Federal Program 15.923 Total			**14,730**	**0**	
15.926	American Battlefield Protection	GA-2255-06-004	370	13,064	0	PT
	Federal Program 15.926 Total			**13,064**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.999	DOI, UNKNOWN		360	25,046	0	
15.999			461	54,602	0	
	Federal Program 15.999 Total			**79,648**	**0**	
	Dept of the Interior Total			**34,856,549**	**6,476,540**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.000	Justice, Contract Number Only Provided	C041069FED-IWNG	225	968,409	0	
16.000		C050439FED-TFA8	225	4,287	0	
16.000		C060449FED-TFB7	225	3,870	0	
16.000		C060504FED-TFB8	225	4,507	0	
16.000		C060504FED-TFB9	225	2,427	0	
16.000		C071014FED-MJX7	225	665,501	0	
16.000		C080080FED-TFC6	225	5,070	0	
16.000		C080199FED-TFC7	225	8,753	0	
16.000		C080200FED-TFC8	225	9,048	0	
16.000		C080201FED-TFC9	225	8,782	0	
16.000		C080288FED-TFD1	225	13,923	0	
16.000		C080430FED-TFD2	225	15,058	0	
16.000		C080733FED-TFD4	225	7,295	0	
16.000		C080769FED-TFD5	225	3,285	0	
16.000		C080818FED-MJX8	225	140,171	0	
16.000		WSU000559	365	3,452	0	PT
16.000		WSU000584	365	6,084	0	PT
16.000		WSU000637	365	3,670	0	PT
	Federal Program 16.000 Total			**1,873,592**	**0**	
16.202	Prisoner Reentry Initiatiave Demonstration (Offender Reentry)		310	2,256,829	0	
	Federal Program 16.202 Total			**2,256,829**	**0**	
16.302	Law Enfrc Asst-FBI Field Tng	UW BUD# 632779	360	36,428	0	PT
	Federal Program 16.302 Total			**36,428**	**0**	
16.523	Juvenile Accountability Blk Grnts		300	1,042,402	727,394	
	Federal Program 16.523 Total			**1,042,402**	**727,394**	
16.525	Grnts to Cmbt Domest Viol, Datng Viol, Sexual Ass, & Stalk on Camp		370	73,168	0	
16.525			380	128,919	0	
	Federal Program 16.525 Total			**202,087**	**0**	
16.540	Juvenile Justice & Delq Prevnt		300	698,890	0	
	Federal Program 16.540 Total			**698,890**	**0**	
16.541	Part E - Develop/Testng/Demonstrng Promising New Prgms	2007-JF-FX-0064MOD #4	360	220,397	0	PT
	Federal Program 16.541 Total			**220,397**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.548	Title V-Delinquency Prevent Prog		300	99,018	0	
	Federal Program 16.548 Total			**99,018**	**0**	
16.550	State Justice Statistics Prog for Stat Analysis Ct		105	50,000	0	
	Federal Program 16.550 Total			**50,000**	**0**	
16.554	Nat Criminal Hist Improve Prog (NCHIP)		155	256,745	0	
	Federal Program 16.554 Total			**256,745**	**0**	
16.564	Crime Lab Improvmt-Combined Offender DNA Index Sys		225	2,321,034	0	
16.564		C080195FED	225	58,194	0	PT
	Federal Program 16.564 Total			**2,379,228**	**0**	
16.575	Crime Victim Assistance		103	7,622,770	4,847,900	
	Federal Program 16.575 Total			**7,622,770**	**4,847,900**	
16.576	Crime Victim Compensation		235	5,168,000	0	
	Federal Program 16.576 Total			**5,168,000**	**0**	
16.580	Edward Byrne Memorial Law Enfrcmt Grnts		155	18,968	0	
	Federal Program 16.580 Total			**18,968**	**0**	
16.582	Crime Victm Asst-Discrsnry Grt		103	68,454	0	
	Federal Program 16.582 Total			**68,454**	**0**	
16.588	Violence Against Women-Form Grnts		103	2,385,854	2,108,471	
	Federal Program 16.588 Total			**2,385,854**	**2,108,471**	
16.589	Rural Domestic Viol Datng Viol Sexual Asslt & Stlkng Grnt Prog		103	135,720	116,381	
	Federal Program 16.589 Total			**135,720**	**116,381**	
16.590	Grnts To Encourage Arrest Policies & Enforcmt of P		103	661,575	576,694	
	Federal Program 16.590 Total			**661,575**	**576,694**	
16.593	Residentl Substnce Abuse Treatmt-St Prisnrs		103	189,474	80,517	
	Federal Program 16.593 Total			**189,474**	**80,517**	
16.609	Community Prosecution & Projt Safe Neighborhoods		103	80,149	70,051	
	Federal Program 16.609 Total			**80,149**	**70,051**	
16.610	Regional Information Sharing Systems	C070745FED	225	186,814	0	PT
16.610		C080728FED	225	196,415	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 16.610 Total			**383,229**	**0**	
16.710	Public Safety Partnshp & Comm Policing Grnts		365	180,638	0	
	Federal Program 16.710 Total			**180,638**	**0**	
16.727	Enforcing Underage Drinking Laws Program		300	358,591	12,709	
	Federal Program 16.727 Total			**358,591**	**12,709**	
16.728	Drug Prevention Program	0082.01.01	360	97	0	PT
16.728		2003-DR-FX-011	360	61,261	0	PT
	Federal Program 16.728 Total			**61,358**	**0**	
16.738	Edward Byrne Memorial Justice Asst Grant Program		103	4,520,123	2,845,892	
	Federal Program 16.738 Total			**4,520,123**	**2,845,892**	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		103	293,294	76,331	
	Federal Program 16.742 Total			**293,294**	**76,331**	
16.744	Anti-Gang Initiative		103	65,222	37,102	
	Federal Program 16.744 Total			**65,222**	**37,102**	
	Dept of Justice Total			**31,309,035**	**11,499,442**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.000	Labor, Contract Number Only Provided	CHE0723997	365	72,134	0	
17.000		WR07C700	365	29,863	0	PT
	Federal Program 17.000 Total			**101,997**	**0**	
17.002	Labor Force Statistics		540	1,668,570	0	
	Federal Program 17.002 Total			**1,668,570**	**0**	
17.005	Compensation & Working Conditions		235	119,616	0	
	Federal Program 17.005 Total			**119,616**	**0**	
17.203	Labor Certification-Alien Wkrs		540	141,942	0	
	Federal Program 17.203 Total			**141,942**	**0**	
17.225	Unemployment Insurance		540	890,576,546	0	
	Federal Program 17.225 Total			**890,576,546**	**0**	
17.235	Senior Comm Service Emply Pgm		300	1,383,367	913,291	
17.235		Local Contract	540	90,019	0	PT
	Federal Program 17.235 Total			**1,473,386**	**913,291**	
17.245	Trade Adj Assistance		540	14,610,865	0	
	Federal Program 17.245 Total			**14,610,865**	**0**	
17.253	Welfare-to-Work Grnts to States & Localities	Local Contract	540	68,537	0	PT
	Federal Program 17.253 Total			**68,537**	**0**	
17.257	One-Stop Career Center Initiative		540	746,237	0	
	Federal Program 17.257 Total			**746,237**	**0**	
17.261	WIA Pilots,Demonstrations, & Researach Projects		699	1,972,779	0	
17.261		145.111.1V77	699	67,655	0	PT
	Federal Program 17.261 Total			**2,040,434**	**0**	
17.266	Work Incentive Grants		540	499,914	0	
	Federal Program 17.266 Total			**499,914**	**0**	
17.267	Incentive Grants - WIA Section 503		540	65,539	65,539	
17.267		07EDCO718503	699	15,802	0	PT
17.267		145.1611V7A	699	12,985	0	PT
17.267		6110-7906-02	699	20,882	0	PT
	Federal Program 17.267 Total			**115,208**	**65,539**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.268	H-1B Job Training Grants		540	291,288	284,511	
17.268		Local Contract	540	60,974	0	PT
	Federal Program 17.268 Total			**352,262**	**284,511**	
17.269	Community Based Job Training Grants		699	1,480,989	0	
	Federal Program 17.269 Total			**1,480,989**	**0**	
17.502	Occpl Safety &Health-S Harwood Training Grants		699	42,015	0	
	Federal Program 17.502 Total			**42,015**	**0**	
17.503	Occupational Safety & Hlth-St Prog		235	7,218,301	0	
	Federal Program 17.503 Total			**7,218,301**	**0**	
17.600	Mine Health & Safety Grants		370	146,176	1,516	
	Federal Program 17.600 Total			**146,176**	**1,516**	
17.805	Homeless Veterans Reintegration Project		305	349,999	0	
17.805		Local Contract	540	215,834	0	PT
	Federal Program 17.805 Total			**565,833**	**0**	
	Dept of Labor Total			**921,968,828**	**1,264,857**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of State

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
19.000	State, Contract Number Only Provided	532G0005000400, MOD08	360	1,165,360	624,385	
19.000		AID12331307425SUBAM01	360	17,972	0	PT
19.000		APN-501-00 MD 01	360	130,824	0	PT
19.000		GPOA00070000400MOD7	360	23,667	0	
19.000		MSA-06-442	360	144,672	0	PT
19.000		PC-04-8-085	360	(17)	0	
19.000		PC-05-8-061	360	17	0	
19.000		S-ECAAS-06-CA-001	360	203,309	0	PT
19.000		S-ECAAS-08-CA-005	360	2	0	PT
19.000		SECAAS03GR166MA	360	1,684	0	
19.000		SINLEC05CA0004	360	303,317	0	
19.000		SLMAQM07GR038	360	329,195	162,564	
19.000		USIP-031-04F	360	1,290	0	
19.000		UW BUD# 632746	360	6,479	0	PT
19.000		UW BUD# 671589	360	23,486	0	PT
19.000		UW-RX2050-866-07-E	360	20,549	0	PT
19.000		UW-RX2050-874-06-E	360	1,125	0	PT
19.000		RPA11427430	365	(9,902)	0	
19.000		SECAPY07GR160KF	365	69,039	39,861	
	Federal Program 19.000 Total			**2,432,068**	**826,810**	
19.408	Educl Exchnge-Teachers-Sec& Post-Sec/Schl Adminrs		370	2	0	
	Federal Program 19.408 Total			**2**	**0**	
19.999	State, UNKNOWN		360	35,212	0	
	Federal Program 19.999 Total			**35,212**	**0**	
	Dept of State Total			**2,467,282**	**826,810**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.000	DOT, Contract Number Only Provided	DTNH22-06-H-00037	228	600,000	600,000	
20.000		DTNH22-07-H-00153	228	130,004	0	
20.000		04-C-AM-UW AM18	360	35,250	0	
20.000		04-C-AM-UW, AM017	360	16,610	0	
20.000		04-C-AM-UW, AM03	360	30,852	0	
20.000		04-C-AM-UW, AM16	360	71,744	0	
20.000		04CAMUWAM001&07	360	89,620	0	
20.000		04CAMUWAM002	360	75,520	0	
20.000		04CAMUWAM014	360	39,598	0	
20.000		2003-05, AM05	360	487	0	PT
20.000		333	360	200,488	0	PT
20.000		92-0017-UW	360	29,589	0	PT
20.000		DDEGRD-04-X-00406 MOD1	360	(1,676)	0	
20.000		DDEGRD-05-X-00403	360	2,696	0	
20.000		DDEGRD-07-X-00404	360	27,984	0	
20.000		DTNH22-06-H-00014	360	293,926	0	
20.000		DTNH22-06-H-0063 MOD#2	360	51,212	0	
20.000		DTNH2299H27000AM10	360	(23)	0	
20.000		DTRS99-G-0010	360	12,136	0	
20.000		DTRS99-G-0010, M0D03	360	1,043	0	
20.000		DTRS99-G-0010, M0D06	360	500,484	43,952	
20.000		DTRT07-G-0010	360	1,234,115	127,981	
20.000		UW BUD# 633178	360	38,694	0	PT
20.000		UW BUD# 668470	360	29,531	0	PT
20.000		04CAMWSU	365	883	0	
20.000		DTFH6103C00104	365	181,939	0	
20.000		DTFH6105C00008	365	577,039	0	
20.000		M025	365	15,957	0	PT
20.000		T0013GA	365	140,130	0	PT
20.000		UAF080032	365	49,459	0	PT
20.000		WSU000193	365	6,051	0	PT
20.000		WSU000305	365	141,604	0	PT
	Federal Program 20.000 Total			**4,622,946**	**771,933**	
20.106	Airport Improvement Program		405	247,412	0	
	Federal Program 20.106 Total			**247,412**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.215	Highway Training & Education		365	38,990	0	
	Federal Program 20.215 Total			**38,990**	**0**	
20.218	Natl Motor Carrier Safety		225	4,603,992	0	
20.218			240	694,793	0	
	Federal Program 20.218 Total			**5,298,785**	**0**	
20.219	Recreational Trails Prog		467	1,090,186	1,041,573	
	Federal Program 20.219 Total			**1,090,186**	**1,041,573**	
20.303	Grants-Railroad Safety-State		405	2,989,295	2,565,275	
	Federal Program 20.303 Total			**2,989,295**	**2,565,275**	
20.505	Federal Transit-Metropltn Planng Grants		405	1,629,104	1,541,438	
	Federal Program 20.505 Total			**1,629,104**	**1,541,438**	
20.509	Formula Grants for other than Urbanized Areas		405	7,555,466	6,750,611	
	Federal Program 20.509 Total			**7,555,466**	**6,750,611**	
20.516	Job Access - Reverse Commute		405	1,442,997	1,243,313	
	Federal Program 20.516 Total			**1,442,997**	**1,243,313**	
20.700	Pipeline Safety		215	853,521	0	
	Federal Program 20.700 Total			**853,521**	**0**	
20.703	Interagency Hazardous Matls		245	217,155	204,882	
	Federal Program 20.703 Total			**217,155**	**204,882**	
	Dept of Transportation Total			**25,985,857**	**14,119,025**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Treasury

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
21.008	Low-Income Taxpayer Clinics		360	93,556	0	
	Federal Program 21.008 Total			**93,556**	**0**	
	Dept of the Treasury Total			**93,556**	**0**	

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Federal Programs Not Clustered

Equal Employment Opportunity

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
30.002	Emplymt Descrim-St/Locl Agcys		120	349,561	0	
	Federal Program 30.002 Total			**349,561**		**0**
	Equal Employment Opportunity Total			**349,561**		**0**

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Federal Programs Not Clustered

Federal Communications Commisn

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
32.001	Communica Info/Asst/Investigat	11035006	365	13,644	0	PT
32.001		11309	365	66,268	0	PT
32.001		8607	365	41,798	0	PT
	Federal Program 32.001 Total			**121,710**	**0**	
	Federal Communications Commisn Total			**121,710**	**0**	

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Federal Programs Not Clustered

General Services Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
39.003	Donatn-Fed Surplus Persnl Prop		360	10,452	0	NC
39.003			405	30,756	0	NC
39.003			465	7,841	0	NC
39.003			699	293,131	0	NC
	Federal Program 39.003 Total			**342,180**	**0**	
39.011	Election Reform Payments		085	(7,355)	(7,355)	
	Federal Program 39.011 Total			**(7,355)**	**(7,355)**	
39.999	GSA, UNKNOWN		405	8,265	0	
	Federal Program 39.999 Total			**8,265**	**0**	
	General Services Admin Total			**343,090**	**(7,355)**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Library of Congress

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
42.999	Lib of Congress, UNKNOWN		085	278,771	0	
	Federal Program 42.999 Total			**278,771**	**0**	
	Library of Congress Total			**278,771**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	07605-003-027 MOD02	360	(10,880)	0	PT
43.000		07605-003-038	360	(40)	0	PT
43.000		08964	360	9,213	0	PT
43.000		0965 G GB839 AMD2	360	6,808	0	PT
43.000		10234024-004	360	14,143	0	PT
43.000		107-2007	360	27,079	0	PT
43.000		1110097-191452 AM2	360	71,874	0	PT
43.000		1110126-197839	360	41,435	0	PT
43.000		1263191 MOD.3&4	360	46,486	0	PT
43.000		1267029 MO3	360	35,853	0	PT
43.000		1267196 MOD04	360	80,100	0	PT
43.000		1267196 MOD04	360	83,354	0	PT
43.000		1268416	360	180,235	0	PT
43.000		1277173	360	13,037	0	PT
43.000		1277179	360	(75)	0	PT
43.000		1279184	360	3	0	PT
43.000		1285662	360	72,743	0	PT
43.000		1285662 MOD.6	360	180,553	0	PT
43.000		1285663 MOD 5	360	88,321	0	PT
43.000		1285663 MOD2	360	56,479	0	PT
43.000		1292175	360	40,866	0	PT
43.000		1292807	360	75,033	0	PT
43.000		1294581	360	24,742	0	PT
43.000		1303809	360	85,102	0	PT
43.000		1313529 MOD 01	360	68,507	0	PT
43.000		1315034	360	29,303	0	PT
43.000		1317617	360	22,399	0	PT
43.000		1317624	360	281	0	PT
43.000		1318943	360	60,926	0	PT
43.000		1320625 MOD 01	360	36,216	0	PT
43.000		1331892	360	36,216	0	PT
43.000		1332735	360	16,515	0	PT
43.000		305538	360	34,546	0	PT
43.000		34797	360	23,887	0	PT
43.000		500497200HU130691AM01	360	13,066	0	PT
43.000		547974	360	6,176	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	935531	360	8,736	0	PT
43.000		935532	360	12,096	0	PT
43.000		DTM-3159-07, AM10	360	68,476	0	PT
43.000		G05-6022B, AMEND. #1	360	15,836	0	PT
43.000		G06-7023X AM01	360	23,664	0	PT
43.000		G06-7058X AM01	360	5,212	0	PT
43.000		G06-7107X AM1	360	21,947	0	PT
43.000		GO7-8028X AM01	360	1,068	0	PT
43.000		HST GO 10132.01 A01	360	5,122	0	PT
43.000		HST GO 10907 01A	360	7,235	0	PT
43.000		HST GO 11163 01-A	360	4,963	0	PT
43.000		HST-AR-10289.02-A AM01	360	7,455	0	PT
43.000		HST-AR-10637-01-A	360	15,187	0	PT
43.000		HST-AR-10933.01-A	360	24,528	0	PT
43.000		HST-AR-10945.01-A	360	10,951	0	PT
43.000		HST-AR-11251.02-A	360	14,138	0	PT
43.000		HST-AR-11255.01.A	360	26,197	0	PT
43.000		HST-G0-09157.11-A,AM02	360	879	0	PT
43.000		HST-G0-09724.06-A AM3	360	2,794	0	PT
43.000		HST-GO-09806.01-A AM1	360	6,656	0	PT
43.000		HST-GO-09899.01-A	360	4,603	0	PT
43.000		HST-GO-10146.08-A AM3	360	10,511	0	PT
43.000		HST-GO-10259.02-A	360	226	0	PT
43.000		HST-GO-10401.07-A AM02	360	880	0	PT
43.000		HST-GO-10424.10-A AM02	360	5,856	0	PT
43.000		HST-GO-10523.04-A AM1	360	2,532	0	PT
43.000		HST-GO-10525.01-A AM02	360	30,521	0	PT
43.000		HST-GO-10615.01-A AM1	360	37,509	0	PT
43.000		HST-GO-10775.09-A AM01	360	1,032	0	PT
43.000		HST-GO-10915.01-A AM2	360	299,103	0	PT
43.000		HST-GO-10922.01-A	360	7,150	0	PT
43.000		HST-GO-11079.02-A	360	5,368	0	PT
43.000		HST-GO-11122.01-A	360	7,081	0	PT
43.000		HST-GO-11225-02-A	360	2,562	0	PT
43.000		HST-GO-11233.01-A AM01	360	3,785	0	PT
43.000		HSTG00981501AAMEND2	360	14,582	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	HSTGO1023301AAM1	360	45,574	0	PT
43.000		HSTGO1025202AAM03	360	2,326	0	PT
43.000		HSTHF0117501AAMD2	360	21,279	0	PT
43.000		NAG3-2889 S06	360	32,644	0	
43.000		NAG5-12374 MOD #3	360	(4)	0	
43.000		NAG5-12539	360	1	0	
43.000		NAG5-12947 SUP05	360	(44,025)	0	
43.000		NAG5-13128 SUPP05	360	2,709	0	
43.000		NAG5-13654	360	(293)	0	
43.000		NAS1-99105,AM24	360	77,723	0	
43.000		NCC 2-1273	360	194,744	0	
43.000		NCC 2-1273, SUPP 15	360	5,352	0	
43.000		NCC 2-1273, SUPP 32	360	10,541	0	
43.000		NCC 2-1273, SUPP 7	360	98,141	0	
43.000		NCC5-605 S06 MOD7	360	4,124	150	
43.000		NNA04CC60G SUPPL #6	360	90,685	0	
43.000		NNA08CN87A	360	67,173	35,235	
43.000		NNC04AA37A	360	4,333	0	
43.000		NNC04AA37A S03	360	(19,448)	0	
43.000		NNC04GA76G MOD4	360	42,062	0	
43.000		NNC04GB03G SUPP02	360	5,005	0	
43.000		NNG04GA65G	360	10,342	752	
43.000		NNG04GB03G SUPP03	360	18,122	0	
43.000		NNG04GB36G	360	3,035	0	
43.000		NNG04GB36G SUPP6	360	4,466	0	
43.000		NNG04GD12G S01	360	29,476	0	
43.000		NNG04GH52G SUP01	360	431,413	0	
43.000		NNG04GK42GSUPPLEMENT2	360	19,941	0	
43.000		NNG04GK57G SUP03	360	72,435	0	
43.000		NNG04GM23G, SUP#4	360	46,000	12,973	
43.000		NNG04GM69G SUPP06	360	5,510	0	
43.000		NNG04GN07G S02	360	39,759	0	
43.000		NNG04GN70G S02	360	54,702	0	
43.000		NNG04GO13G	360	712	0	
43.000		NNG04GO13G SUP # 3	360	72,997	59,769	
43.000		NNG04GO75G, SUPPL 2	360	48,453	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	NNG04GP93G MOD01	360	11,124	0	
43.000		NNG04GR38G, MOD01	360	75,889	0	
43.000		NNG04HZ55C,MOD#8	360	109,116	0	
43.000		NNG05GA19G	360	206,638	0	
43.000		NNG05GC45G SUP#000003	360	37,004	0	
43.000		NNG05GD17G, SUPPL03	360	171,360	56,786	
43.000		NNG05GF42HSUPPLEMENTS5	360	583,290	224,826	
43.000		NNG05GF74G, SUP01	360	7,101	0	
43.000		NNG05GF74G, SUP03	360	(21,726)	0	
43.000		NNG05GG46G SUPPL 3	360	3,490	0	
43.000		NNG05GH36G, SUPPL#3	360	31,123	0	
43.000		NNG05GI17G, SUPPL. #1	360	107,003	20,836	
43.000		NNG05GL29G, SUPP 2	360	24,137	0	
43.000		NNG05GL59G,SUP00001	360	49,654	0	
43.000		NNG05GM39G SUPP2	360	56,977	0	
43.000		NNG05GN37G	360	74,380	0	
43.000		NNG05GO09G	360	75,821	0	
43.000		NNG05GO11H	360	(3,068)	0	
43.000		NNG05GO40G	360	56,275	0	
43.000		NNG05GP07H,SUP #2	360	24,012	0	
43.000		NNG05GP64H, SUPPL. 2	360	27,968	0	
43.000		NNG05GQ25G, S03	360	55,093	0	
43.000		NNG05GR47G SUPP 02	360	13,167	0	
43.000		NNG05WC22G SUPP03	360	2,941	0	
43.000		NNG05WC55G,SUPP#2	360	62,806	0	
43.000		NNG06GA76G	360	100,800	0	
43.000		NNG06GA84G	360	108,250	0	
43.000		NNG06GD79G	360	138,043	68,567	
43.000		NNG06GE24G	360	32,300	0	
43.000		NNG06GE55G	360	86,908	0	
43.000		NNG06GF81G	360	6,081	0	
43.000		NNG06GG00G-S01	360	101,076	0	
43.000		NNG06GG00G-S02	360	137,506	0	
43.000		NNG06GG25G	360	15,189	0	
43.000		NNG06GG47G	360	33,311	0	
43.000		NNG06GG92ASUPPL000001	360	102,528	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	NNG06GH02G,SUPPL000001	360	20,008	0	
43.000		NNGO5GN88G,SUPPL.1.1	360	26,366	24,614	
43.000		NNGO5WC22G	360	90,932	0	
43.000		NNH07IA02P	360	252,360	0	
43.000		NNJ07HD11P	360	60,316	0	
43.000		NNL05AA49C	360	44,888	0	
43.000		NNM04AG61P AMD 3	360	(2,481)	0	
43.000		NNM05AA19G MOD2	360	(554)	0	
43.000		NNS06AA78G S0 2&3	360	260,819	124,724	
43.000		NNX06AB26G	360	50,136	0	
43.000		NNX06AC10GSUPPLEMENT1	360	145,708	18,950	
43.000		NNX06AC71G SUPP1	360	38,210	0	
43.000		NNX06AD99G	360	8,708	0	
43.000		NNX06AE12G	360	4,893	0	
43.000		NNX06AE34G	360	31,822	0	
43.000		NNX06AE80G	360	21,235	0	
43.000		NNX06AF17H SUP02	360	23,437	0	
43.000		NNX06AF58GAM1	360	6,929	0	
43.000		NNX06AF69H SUP1	360	23,670	0	
43.000		NNX06AF74G	360	140,486	0	
43.000		NNX06AF74G-000004	360	393,297	126,097	
43.000		NNX06AH02G	360	41,427	0	
43.000		NNX06AH19G	360	96,888	15,635	
43.000		NNX06AI03G	360	48,234	0	
43.000		NNX07AD59G, S01	360	164,184	0	
43.000		NNX07AE50A	360	20,853	0	
43.000		NNX07AE56G	360	36,094	0	
43.000		NNX07AH03G	360	50,222	0	
43.000		NNX07AH48G	360	33,415	0	
43.000		NNX07AI58G	360	148,987	0	
43.000		NNX07AJ59G	360	19,613	0	
43.000		NNX07AJ80G	360	23,767	0	
43.000		NNX07AK45G	360	49,958	0	
43.000		NNX07AL78G	360	135,851	0	
43.000		NNX07AL95G	360	179,500	0	
43.000		NNX07AM93G	360	67,618	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	NNX07AN40A	360	13,765	0	
43.000		NNX07AN72H	360	23,982	0	
43.000		NNX07AN75H	360	23,736	0	
43.000		NNX07AO33G	360	14,612	0	
43.000		NNX07AO35G	360	183,566	0	
43.000		NNX07AP66G	360	44,169	0	
43.000		NNX07AQ89G	360	83,589	0	
43.000		NNX07AR18G	360	20,912	0	
43.000		NNX07AR44G	360	59,349	0	
43.000		NNX07AR94G	360	79,344	0	
43.000		NNX07AR98G	360	80,721	0	
43.000		NNX07AT12G	360	37,738	0	
43.000		NNX07AU01G	360	9,891	0	
43.000		NNX07AU84H S01	360	21,476	0	
43.000		NNX07AV77G	360	32,637	0	
43.000		NNX08AD12G	360	37,321	0	
43.000		NNX08AD19G	360	9,502	705	
43.000		NNX08AD64G	360	9,077	0	
43.000		NNX08AF21A	360	38,646	0	
43.000		NNX08AF66G	360	18,520	0	
43.000		NNX08AF71G	360	85,217	54,410	
43.000		NNX08AG08G	360	23,127	0	
43.000		NNX08AG84G	360	710	0	
43.000		NNX08AG91G	360	125,424	0	
43.000		NNX08AH33G	360	31,218	0	
43.000		NNX08AI12G	360	13,923	0	
43.000		NNX08AI73G	360	4,430	0	
43.000		NNX08AI93G	360	669	0	
43.000		NNX08AJ80G	360	1,339	0	
43.000		NNX08AK49G	360	20,617	0	
43.000		NNX08AK52G	360	1,278	0	
43.000		NNXO6AF55H	360	24,000	0	
43.000		PY-2426, AMEND 17	360	155,598	0	PT
43.000		RF00970997744679MOD03	360	(1,226)	0	PT
43.000		SA4347-24309 AMEND 5	360	30,272	0	PT
43.000		SA5800-11838 AM01	360	5,532	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	NASA, Contract Number Only Provided	SMS00401	360	69,342	0	PT
43.000		SMS00402 AMEND #9	360	55,187	0	PT
43.000		SMS00402 AMEND 12	360	348,563	0	PT
43.000		TM7-8006X AM 01	360	12,525	0	PT
43.000		W81XWH-05-2-0056	360	(501)	0	
43.000		Y453391	360	9,980	0	PT
43.000		Z689203 & MOD L	360	67,344	0	PT
43.000		1236947	365	79,287	0	PT
43.000		HSTAR1064206A	365	19,332	0	PT
43.000		HSTG01042906A	365	85,813	0	PT
43.000		HSTG01059709A	365	12,252	0	PT
43.000		HSTG01108301A	365	76,828	0	PT
43.000		HSTGO0939202A	365	3,306	0	PT
43.000		HSTGO1021712A	365	40,867	0	PT
43.000		NNA06CN04A	365	219,847	25,002	
43.000		NNC04GA53G	365	40,066	0	
43.000		NNG04GI40G	365	35,680	0	
43.000		NNG05GR56G	365	79,186	0	
43.000		NNG06GH82G	365	46,999	0	
43.000		NNX06AD69G	365	76,098	0	
43.000		NNX06AE42G	365	323,109	0	
43.000		NNX07AH47G	365	22,132	0	
43.000		NNX08AB02G	365	16,339	0	
43.000		RPA11428005	365	2,732	0	
43.000		RPA11428010	365	(4,370)	0	
43.000		RPA11428015	365	1,823	0	
43.000		1316886	375	35,000	0	PT
43.000		NAG5-13728	375	18,014	0	
	Federal Program 43.000 Total			**12,403,776**	**870,031**	
43.001	Aerospace Educatn Svcs Program	213	360	16,651	0	PT
43.001		213 AM02	360	57,408	0	PT
43.001			365	35,441	0	
	Federal Program 43.001 Total			**109,500**	**0**	
43.002	Technology Transfer	1289924	360	42,287	0	PT
43.002		NNA06CN06A	699	94,324	0	PT

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National Aeronautics & Space Admin

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	Federal Program 43.002 Total			**136,611**	**0**	
43.999	NASA, UNKNOWN		360	6,129	0	
	Federal Program 43.999 Total			**6,129**	**0**	
	National Aeronautics & Space Admin Total			**12,656,016**	**870,031**	

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.000	NSF, Contract Number Only Provided	WSU000407	365	71,105	0	PT
47.000		WSU000547	365	4,425	0	PT
47.000		WSU000776	365	853	0	PT
	Federal Program 47.000 Total			**76,383**	**0**	
47.041	Engineering Grants		699	143,342	0	
	Federal Program 47.041 Total			**143,342**	**0**	
47.049	Mathematical & Physical Sci's		699	82,846	0	
47.049		DUE 0532618	699	46,308	0	PT
	Federal Program 47.049 Total			**129,154**	**0**	
47.070	Computer/Info Sci/Engineering		699	64,924	0	
	Federal Program 47.070 Total			**64,924**	**0**	
47.074	Biological Sciences		699	224,896	0	
	Federal Program 47.074 Total			**224,896**	**0**	
47.076	Educational and Human Resource		699	2,100,306	0	
47.076		0000013064	699	47,357	0	PT
47.076		DUE 0442439	699	28,557	0	PT
47.076		DUE 0702912	699	13,824	0	PT
	Federal Program 47.076 Total			**2,190,044**	**0**	
47.079	International Science and Engineering (OISE)		360	79,044	0	
47.079		KAM1-2851-AL-07	360	6,415	0	PT
47.079		RUG1-2828-KS-06	360	4,249	0	PT
47.079			365	(1,508)	0	
	Federal Program 47.079 Total			**88,200**	**0**	
47.080	Office of Cyberinfrastructure		360	11,944	0	
	Federal Program 47.080 Total			**11,944**	**0**	
	National Science Foundation Total			**2,928,887**	**0**	

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Small Business Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
59.000	SBA, Contract Number Only Provided	RPA11427185	365	98,075	0	
59.000		RPA11427300	365	(123,674)	0	
	Federal Program 59.000 Total			**(25,599)**	**0**	
59.037	Small Bus Devplmnt Center		365	1,546,299	71,542	
	Federal Program 59.037 Total			**1,546,299**	**71,542**	
	Small Business Administration Total			**1,520,700**	**71,542**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Tennessee Valley Authority

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
62.000	TVA, Contract Number Only Provided	00070223	365	1,049	0	
	Federal Program 62.000 Total			**1,049**	**0**	
	Tennessee Valley Authority Total			**1,049**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.000	VA, Contract Number Only Provided	663-C50741 MOD#1	360	28,854	0	
64.000		663-C70218	360	(21,667)	0	
64.000		663-C70402	360	14,099	0	
64.000		663-C70786 AM01	360	10,494	0	
64.000		663-C70825	360	36,780	0	
64.000		663-C80150	360	11,088	0	
64.000		663-C80311	360	14,851	0	
64.000		663-C88202	360	11,887	0	
64.000		663-D56139	360	(88)	0	
64.000		663-D66006	360	54	0	
64.000		663-D66103 CO A	360	20,166	0	
64.000		663/151	360	136,702	0	
64.000		A36570	360	11,218	0	
64.000		C70601	360	72,552	0	
64.000		NONE	360	60,019	0	
64.000		PO 663-D36084	360	20	0	
64.000		PO 663-D86041	360	25,843	0	
64.000		PO# 663-C80448	360	34,775	0	
64.000		PO#D66162	360	82,753	0	
64.000		V260P-00355	360	42,029	0	
64.000		V260P-00362	360	83,799	0	
64.000		V260P-00414, MOD 4	360	11,512	0	
64.000		V260P-00467	360	106,819	0	
64.000		V260P00355MODIFICATION	360	98,998	0	
64.000		V260P00363MODS7COC	360	23,529	0	
64.000		V260P00363PO663D76039	360	15,117	0	
64.000		V260P00414 AMEND 5&6	360	35,560	0	
64.000		V260P00431 MOD 003&004	360	69,549	0	
64.000		V260P00431AMENDCOA	360	32,665	0	
64.000		V663P-5710, S/A#5	360	32,514	0	
64.000		V663P-5711, S/A#5	360	32,366	0	
64.000		V663P-5786-03 AM04	360	76,248	0	
64.000		V663P-5935/663-C80084	360	473,656	0	
64.000		V663P-5936-05 AMEND #2	360	288,446	0	
64.000		V663P-5936-05 C/O-C	360	305,419	0	
64.000		V663P5775	360	(2,564)	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.000	VA, Contract Number Only Provided	V663P5853	360	10,852	0	
64.000		V663P5853PO663C60372	360	(1)	0	
64.000		V663P589005MODCOC	360	26,696	0	
64.000		V663P591004PO663C70218	360	67,442	0	
64.000		V663P591004PO663C80148	360	101,235	0	
64.000		V663P5935SA2663C70276	360	153,530	0	
64.000		V663P593705PO663C80095	360	817,730	0	
64.000		V663P597905 AMEND 11	360	7,840	0	
64.000		V663PC599705MODCOB	360	13,322	0	
64.000		VA-260-07-RQ-0034 AM02	360	49,884	0	
64.000		VA-260-07-RQ-0135	360	60,159	0	
64.000		VA-260-08-RQ-0047	360	32,457	0	
64.000		VA26007RQ0025AM01	360	21,559	0	
64.000		VA26007RQ0087AM0102	360	11,042	0	
64.000		VA26007RQ0149AMD1	360	44,752	0	
64.000		VA26007RQ0193663C80001	360	146,876	0	
64.000		VA260P0081MOD34	360	16,536	0	
64.000		VA260P0098PO663C70263	360	(291)	0	
64.000		VA260P0112 AM 01 & 02	360	4,076	0	
64.000		VA260P0112 AM01	360	2,443	0	
64.000		VA260P0377 663-C-80443	360	99,971	0	
	Federal Program 64.000 Total			**3,964,172**	**0**	
64.000	VA, Contract Number Only Provided	GUAR57012024	365	4,572	0	PT
	Federal Program 64.000 Total			**4,572**	**0**	
64.012	Veterans Prescription Service		305	461,730	0	
	Federal Program 64.012 Total			**461,730**	**0**	
64.014	Vets State Domicillary Care		305	292,991	0	
	Federal Program 64.014 Total			**292,991**	**0**	
64.015	Vets State Nursing Home Care		305	12,258,256	0	
	Federal Program 64.015 Total			**12,258,256**	**0**	
64.024	V A Homeless Providers Grnt & Per Diem Prog		305	121,840	0	
	Federal Program 64.024 Total			**121,840**	**0**	
64.110	Vet Dependncy/Indemnty Comp		699	1,275	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 64.110 Total			**1,275**		**0**
64.115	Veterans Information and Asst		305	1,358		0
	Federal Program 64.115 Total			**1,358**		**0**
64.116	Voc Rehab for Disabled Veteran		699	814		0
	Federal Program 64.116 Total			**814**		**0**
64.117	Dependents Educational Assist		699	1,961		0
	Federal Program 64.117 Total			**1,961**		**0**
64.120	Post-Vietnam Era Vets Ed Asst		376	69,076		0
	Federal Program 64.120 Total			**69,076**		**0**
64.124	All-Volunteer Force Ed Asst		343	281,383		0
64.124			354	182,817		0
64.124			699	1,152		0
	Federal Program 64.124 Total			**465,352**		**0**
64.999	VA, UNKNOWN		360	2,192,849		0
64.999			699	13,928		0
	Federal Program 64.999 Total			**2,206,777**		**0**
	Department of Veterans Affairs Total			**19,850,174**		**0**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Environmental Protection Agy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.000	EPA, Contract Number Only Provided	212695	360	3,288	0	PT
66.000		212695 AM04	360	16,682	0	PT
66.000		212695 MOD03	360	8,937	0	PT
66.000		EP-D-06-095	360	26,571	0	
66.000		EP07H001733	360	2,107	0	
66.000		EP07W000131	360	2,198	0	
66.000		FP-91685801-01	360	15,400	0	
66.000		UW BUD# 633284	360	7,037	0	PT
66.000		UW BUD# 671662	360	2,153	0	PT
66.000		UW BUD# 671981	360	8,317	0	PT
66.000		UW-2600 MOD01	360	11,198	0	PT
66.000		AA960554010	365	42,684	0	
66.000		CEL410826WSU09282007	365	14,168	0	PT
66.000		EPO70000176	365	295	0	
66.000		R10200803	365	12,237	0	PT
66.000		RD831034010	365	4,978	0	PT
66.000		RPA11429000	365	(48,367)	0	
66.000		WAFO149042806	365	25,970	0	PT
66.000		WAFO162052306	365	74,186	0	PT
66.000		X196028801	365	9,625	0	
	Federal Program 66.000 Total			**239,664**	**0**	
66.032	State Indoor Radon Grants		303	17,344	0	
	Federal Program 66.032 Total			**17,344**	**0**	
66.034	Srvys, Studis, Investgtns,Demos/Spec Purps Activ-Cln Air Act		365	51,197	0	
66.034			461	935,950	0	
	Federal Program 66.034 Total			**987,147**	**0**	
66.036	Clean School Bus USA		461	179,400	0	
	Federal Program 66.036 Total			**179,400**	**0**	
66.418	Construction Grnts for Wastewater Treatmnt Works		461	31,123	0	
	Federal Program 66.418 Total			**31,123**	**0**	
66.419	Water Pollution Contrl-State/Intrste/&Tribal Prgm Support		303	341,513	316	
66.419			461	172,882	0	
	Federal Program 66.419 Total			**514,395**	**316**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Environmental Protection Agy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.432	Public Water System Supervisin		303	2,681,264	16,539	
	Federal Program 66.432 Total			**2,681,264**	**16,539**	
66.436	Surveys,Studies,Investigations,Demos & Trng-Water		365	8,251	0	
66.436			461	20,255	0	
	Federal Program 66.436 Total			**28,506**	**0**	
66.454	Water Quality Mgmt Planning		461	167,342	0	
	Federal Program 66.454 Total			**167,342**	**0**	
66.456	National Estuary Program		478	1,233,910	204,920	
	Federal Program 66.456 Total			**1,233,910**	**204,920**	
66.458	Captlzn Grnts for Clean Water State Revolvng Funds		461	16,494,241	0	
	Federal Program 66.458 Total			**16,494,241**	**0**	
66.460	Nonpoint Source Implementation		461	4,201,476	0	
	Federal Program 66.460 Total			**4,201,476**	**0**	
66.461	Regional Wetland Program Development Grants		490	14,484	0	
	Federal Program 66.461 Total			**14,484**	**0**	
66.467	Wastewtr Operatr Trng Grnt Prog (Tech Assist)		461	22,000	0	
	Federal Program 66.467 Total			**22,000**	**0**	
66.468	Capitalization Grnts for Drinking Water St Revolv		303	35,005,118	30,011,426	
	Federal Program 66.468 Total			**35,005,118**	**30,011,426**	
66.471	St Grnts to Reimbrse Operatrs of Sml Water Sysms		303	557,234	185,109	
	Federal Program 66.471 Total			**557,234**	**185,109**	
66.472	Beach Monitrng & Notification Progm Implmntn Grnts		461	218,766	0	
	Federal Program 66.472 Total			**218,766**	**0**	
66.474	Water Protection Grants to the States		303	102,405	0	
	Federal Program 66.474 Total			**102,405**	**0**	
66.479	Wetland Prog Grnts - St/Tribl Envirnmtl Outcome Wtld Demo		461	230,443	0	
	Federal Program 66.479 Total			**230,443**	**0**	
66.514	Science to Achieve Results (STAR) Program		360	180,040	0	
66.514			365	56,616	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Environmental Protection Agy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 66.514 Total			**236,656**	**0**	
66.516	P3 Award: Natl Student Design Competition for Sustainability		380	(395)	0	
	Federal Program 66.516 Total			**(395)**	**0**	
66.605	Performance Partnership Grnts		461	8,847,606	0	
	Federal Program 66.605 Total			**8,847,606**	**0**	
66.606	Surveys, Studies & Specl Purpose Grnts		103	1,192,445	860,255	
66.606			365	182,101	17,913	
66.606		04DEC11SG	365	15,815	0	PT
66.606		134G106100	365	62,204	0	PT
66.606		G18908W1316	365	33,497	0	PT
66.606			461	1,070,446	0	
	Federal Program 66.606 Total			**2,556,508**	**878,168**	
66.607	Training & Fellowships for the EPA		365	(8,106)	0	
	Federal Program 66.607 Total			**(8,106)**	**0**	
66.608	Envirnmntl Info Exchnge Network Grant Prog & Related Assist		461	427,923	0	
	Federal Program 66.608 Total			**427,923**	**0**	
66.700	Consolidated Pesticide Enforcement Coop Agreemnts		495	574,778	0	
	Federal Program 66.700 Total			**574,778**	**0**	
66.708	Pollution Prevention Grnts		461	199,336	0	
	Federal Program 66.708 Total			**199,336**	**0**	
66.714	Pesticide Evironmentl Stewarship Regl Grnts		365	1,394	0	
	Federal Program 66.714 Total			**1,394**	**0**	
66.716	Surveys,Studies,Specl Purpose Grnts-Off of Admin		360	151,012	0	
	Federal Program 66.716 Total			**151,012**	**0**	
66.801	Hazardous Waste Mgmt St Pgm		461	1,927,466	0	
	Federal Program 66.801 Total			**1,927,466**	**0**	
66.802	Sprfund State Site_Specific Coop Agreements_		461	242,066	0	
	Federal Program 66.802 Total			**242,066**	**0**	
66.804	State & Tribal Underground Storage Tanks Pgm		461	322,074	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Environmental Protection Agy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 66.804 Total			**322,074**	**0**	
66.805	Leaking Underground Storage Tank Trust Fund		461	1,295,258	0	
	Federal Program 66.805 Total			**1,295,258**	**0**	
66.808	Solid Waste Management Assistance Grants		365	1,499	0	
	Federal Program 66.808 Total			**1,499**	**0**	
66.809	Superfund St & Indian Tribe Core Progm Coop Agreemnts		461	138,510	0	
	Federal Program 66.809 Total			**138,510**	**0**	
66.817	State & Tribal Response Program Grants		461	1,277,020	0	
	Federal Program 66.817 Total			**1,277,020**	**0**	
66.818	Brownfield Assessmnt & Cleanup Cooperative Agmnts		103	691,376	667,996	
	Federal Program 66.818 Total			**691,376**	**667,996**	
66.940	Environmental Policy and State Innovation Grants		461	236,571	0	
	Federal Program 66.940 Total			**236,571**	**0**	
66.951	Environmental Education Grants		365	21,286	0	
	Federal Program 66.951 Total			**21,286**	**0**	
	Environmental Protection Agy Total			**82,066,100**	**31,964,474**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Nuclear Regulatory Commission

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
77.006	US Nuclear Regulat Comm Nucl Educ Grant Prgm		365	151,040	0	
	Federal Program 77.006 Total			**151,040**	**0**	
	Nuclear Regulatory Commission Total			**151,040**	**0**	

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Federal Programs Not Clustered

Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	00028302	103	1,955,022	1,711,484	
81.000		00027293	360	(52)	0	
81.000		00028324	360	(218)	0	
81.000		00028555 AMD 002	360	138,847	0	
81.000		00028556	360	122,899	0	
81.000		00029621	360	20,627	0	
81.000		00029651	360	58,257	0	
81.000		00029676	360	215,575	0	
81.000		00030198	360	103,084	0	
81.000		00032152	360	69,076	0	
81.000		00033210	360	164,063	0	
81.000		00034571	360	272,629	0	
81.000		00034572	360	207,155	0	
81.000		00035148	360	97,532	0	
81.000		00035149	360	217,304	0	
81.000		00035477	360	167,084	0	
81.000		00035797	360	104,780	0	
81.000		00036748	360	1	0	
81.000		00037802	360	18,027	0	
81.000		00037892	360	6,414	0	
81.000		00066171	360	32,833	0	PT
81.000		2003-1389 AMEND 18	360	9,368	0	PT
81.000		26509	360	2,294	0	PT
81.000		32449-001-06 MOD02	360	123,669	0	PT
81.000		39189 MOD 3	360	236,716	0	
81.000		4000058152	360	14,548	0	PT
81.000		41398-MOD02	360	46,730	0	PT
81.000		56652	360	17,548	0	PT
81.000		61103	360	6,199	0	PT
81.000		62745-001-08	360	13,213	0	PT
81.000		650165	360	20,268	0	PT
81.000		6630,TO14622 MOD3	360	156,571	0	PT
81.000		6700882, MOD07	360	219,864	0	PT
81.000		6700882, MOD09	360	294,222	0	PT
81.000		6832585MOD1	360	27,751	0	PT
81.000		7F-00022	360	31,474	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	7F-00702	360	10,649	0	PT
81.000		889186-874J AM02	360	96,637	0	PT
81.000		B539664,A03	360	41,696	0	PT
81.000		CDS-1540-07MOD2	360	1,219	0	PT
81.000		DE-FC02-07ER41457,AM1	360	63,458	0	
81.000		DE-FC02-07ER41457,AM3	360	937,229	676,829	
81.000		DE-FC26-02NT41566 MOD3	360	(1)	0	
81.000		DE-FG-02-04ER54753	360	91,936	0	
81.000		DE-FG02-07ER41526	360	7,718	0	
81.000		DE-FG02-07ER46452	360	71,652	0	
81.000		DE-FG02-07ER46467	360	253,291	0	
81.000		DE-FG02-07ER64433	360	46,328	0	
81.000		DE-FG02-07ER64460	360	88,728	0	
81.000		DE-FG36-08GO18024	360	48,162	0	
81.000		DEFC0106EH06001AMD2	360	178,782	0	
81.000		DEFC0396SF21258A017	360	(265)	0	
81.000		DEFG0204ER46102A03	360	4,015	0	
81.000		DEFG0207ER64482AMENDA0	360	350,167	0	
81.000		DELS-7497-06-001 MOD06	360	416,753	0	PT
81.000		ER64485	360	229,102	0	
81.000		MASARG6630TO19856M03	360	40,266	0	PT
81.000		MASARG6630TO53473	360	25,624	0	PT
81.000		P.O.22934,AND MOD.1	360	52	0	PT
81.000		P0023820	360	28,185	0	PT
81.000		00014002	365	3,237,856	0	PT
81.000		00027718	365	3,077	0	
81.000		00034036	365	4,592	0	
81.000		00035424	365	9,297	0	
81.000		01019W01062	365	1,629,103	0	PT
81.000		2008001	365	127,730	0	PT
81.000		327422AN4	365	22,121	0	PT
81.000		32822	365	5,310	0	PT
81.000		3546300106	365	47,149	0	PT
81.000		35720	365	48,132	0	
81.000		36811	365	7,767	0	PT
81.000		39452	365	2,580	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	4000031344	365	2,177	0	PT
81.000		52468	365	3,144	0	PT
81.000		5478700107	365	6,961	0	PT
81.000		5F00539	365	46,788	0	PT
81.000		6633	365	665,644	0	PT
81.000		6714726	365	37,158	0	PT
81.000		6833311	365	7,185	0	PT
81.000		A0368	365	135,874	0	PT
81.000		B538882	365	214	0	PT
81.000		B541020	365	4,510	0	PT
81.000		B548970	365	22,655	0	PT
81.000		B568404	365	11,032	0	PT
81.000		B573264	365	3,020	0	PT
81.000		C10169	365	131,657	0	PT
81.000		CON00715	365	56,464	0	PT
81.000		DEAP0107PI22630 A000	365	23,487	0	
81.000		DEFC0705ID14643	365	221,489	0	
81.000		DEFC0705ID14644	365	211,965	0	
81.000		DEFG0203ER15481	365	46,026	0	
81.000		DEFG0204ER15559	365	70,535	0	
81.000		DEFG0204ER63924	365	77,533	0	
81.000		DEFG0205ER25709	365	365,320	22,878	
81.000		DEFG0206ER15782	365	81,565	0	
81.000		DEFG0206ER15820	365	128,590	0	
81.000		DEFG020SER63974	365	43,912	0	
81.000		DEFG0299ER20323	365	148,835	0	
81.000		G22107W0831	365	92,035	0	PT
81.000		GUAR24520770	365	1,968	0	
81.000		GUAR29372000	365	3,843	0	PT
81.000		GUAR29372235	365	3,707	0	PT
81.000		GUAR29372246	365	3,615	0	PT
81.000		GUAR29372313	365	20,864	0	PT
81.000		GUAR29372323	365	7,183	0	PT
81.000		GUAR29372560	365	6,316	0	PT
81.000		GUAR29372565	365	1,512	0	PT
81.000		GUAR29372566	365	983	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	GUAR29372567	365	2,203	0	PT
81.000		GUAR29372568	365	4,051	0	PT
81.000		GUAR29372569	365	1,597	0	PT
81.000		GUAR29372570	365	1,810	0	PT
81.000		GUAR29372571	365	1,622	0	PT
81.000		GUAR29372572	365	1,922	0	PT
81.000		GUAR29372573	365	1,666	0	PT
81.000		GUAR29372574	365	1,820	0	PT
81.000		GUAR29372575	365	1,666	0	PT
81.000		GUAR29372576	365	1,605	0	PT
81.000		GUAR29372577	365	1,884	0	PT
81.000		GUAR29372578	365	2,844	0	PT
81.000		GUAR29372579	365	1,716	0	PT
81.000		GUAR29372585	365	3,855	0	PT
81.000		GUAR29372747	365	1,394	0	PT
81.000		GUAR29372748	365	4,466	0	PT
81.000		GUAR29372749	365	4,503	0	PT
81.000		GUAR29372750	365	3,328	0	PT
81.000		GUAR29372756	365	45,090	0	PT
81.000		GUAR29372757	365	8,929	0	PT
81.000		GUAR29372758	365	43,569	0	PT
81.000		GUAR29372759	365	28,847	0	PT
81.000		GUAR29372760	365	21,951	0	PT
81.000		GUAR29372761	365	28,254	0	PT
81.000		GUAR29372762	365	40,379	0	PT
81.000		GUAR29372763	365	17,326	0	PT
81.000		GUAR29372764	365	10,186	0	PT
81.000		GUAR29372765	365	12,538	0	PT
81.000		GUAR29372766	365	20,305	0	PT
81.000		GUAR29372767	365	16,006	0	PT
81.000		GUAR29372774	365	4,644	0	PT
81.000		GUAR29372775	365	16,913	0	PT
81.000		GUAR29372776	365	5,679	0	PT
81.000		GUAR29372777	365	3,544	0	PT
81.000		GUAR29372851	365	3,809	0	PT
81.000		GUAR29372852	365	2,996	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	GUAR29372853	365	2,829	0	PT
81.000		GUAR29372854	365	683	0	PT
81.000		GUAR29372855	365	3,688	0	PT
81.000		GUAR29372856	365	1,213	0	PT
81.000		GUAR29372857	365	6,165	0	PT
81.000		GUAR29372858	365	2,040	0	PT
81.000		GUAR29372859	365	3,403	0	PT
81.000		GUAR29372860	365	1,965	0	PT
81.000		GUAR29372861	365	3,084	0	PT
81.000		GUAR29372862	365	16,671	0	PT
81.000		GUAR29372863	365	2,889	0	PT
81.000		GUAR29372864	365	2,115	0	PT
81.000		GUAR29372865	365	2,705	0	PT
81.000		GUAR2937290	365	2,622	0	PT
81.000		GUAR29372912	365	265	0	PT
81.000		GUAR29372913	365	91	0	PT
81.000		GUAR29372914	365	1,871	0	PT
81.000		GUAR29372915	365	2,914	0	PT
81.000		GUAR29372916	365	8,313	0	PT
81.000		GUAR29372917	365	4,301	0	PT
81.000		GUAR29372918	365	2,379	0	PT
81.000		GUAR29372920	365	1,803	0	PT
81.000		GUAR29372921	365	88	0	PT
81.000		GUAR29372929	365	962	0	PT
81.000		GUAR29372931	365	6,866	0	PT
81.000		GUAR29372933	365	1,566	0	PT
81.000		GUAR29372935	365	6,919	0	PT
81.000		GUAR29372936	365	5,598	0	PT
81.000		GUAR29372937	365	4,485	0	PT
81.000		GUAR29372938	365	1,265	0	PT
81.000		GUAR29372949	365	4,653	0	PT
81.000		GUAR29372950	365	2,928	0	PT
81.000		GUAR29372951	365	2,770	0	PT
81.000		GUAR29372952	365	3,983	0	PT
81.000		GUAR29372953	365	2,822	0	PT
81.000		GUAR29372954	365	3,837	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	GUAR29372955	365	2,780	0	PT
81.000		GUAR29372956	365	3,001	0	PT
81.000		GUAR29372957	365	2,338	0	PT
81.000		GUAR29372958	365	2,574	0	PT
81.000		GUAR29372976	365	4,940	0	PT
81.000		GUAR29372977	365	8,988	0	PT
81.000		GUAR29372978	365	7,456	0	PT
81.000		GUAR29372979	365	6,236	0	PT
81.000		GUAR29372980	365	5,376	0	PT
81.000		GUAR29372981	365	7,119	0	PT
81.000		GUAR29372982	365	5,004	0	PT
81.000		GUAR29372983	365	6,367	0	PT
81.000		GUAR29372984	365	6,694	0	PT
81.000		GUAR29372990	365	7,974	0	PT
81.000		GUAR29372991	365	6,612	0	PT
81.000		GUAR29372992	365	10,951	0	PT
81.000		GUAR29372993	365	5,141	0	PT
81.000		GUAR29372994	365	5,170	0	PT
81.000		GUAR29372996	365	6,675	0	PT
81.000		GUAR29373200	365	72,485	0	PT
81.000		GUAR29373201	365	71,577	0	PT
81.000		GUAR29373203	365	56,725	0	PT
81.000		GUAR29373204	365	67,304	0	PT
81.000		GUAR29373205	365	50,667	0	PT
81.000		GUAR29373206	365	61,256	0	PT
81.000		GUAR29373208	365	70,493	0	PT
81.000		GUAR29373209	365	72,471	0	PT
81.000		GUAR29373210	365	47,204	0	PT
81.000		GUAR29373211	365	72,671	0	PT
81.000		GUAR29373212	365	68,572	0	PT
81.000		GUAR29373213	365	53,078	0	PT
81.000		GUAR29373214	365	67,249	0	PT
81.000		GUAR29373215	365	66,947	0	PT
81.000		GUAR29373216	365	59,879	0	PT
81.000		GUAR29373217	365	69,005	0	PT
81.000		GUAR29373218	365	54,285	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Energy

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81.000	Energy, Contract Number Only Provided	GUAR29373219	365	23	0	PT
81.000		GUAR29373221	365	34,836	0	PT
81.000		GUAR29373222	365	50,760	0	PT
81.000		GUAR29373224	365	11	0	PT
81.000		GUAR29373225	365	10,853	0	PT
81.000		GUAR29373226	365	88	0	PT
81.000		GUAR29373227	365	1,985	0	PT
81.000		GUAR29373228	365	142	0	PT
81.000		GUAR29373229	365	4,167	0	PT
81.000		GUAR29373230	365	5,431	0	PT
81.000		GUAR29373231	365	13	0	PT
81.000		GUAR29373232	365	13	0	PT
81.000		GUAR29373233	365	59	0	PT
81.000		GUAR41771396	365	143,615	0	PT
81.000		GUAR41771450	365	64,627	0	PT
81.000		GUAR41771501	365	34,786	0	PT
81.000		GUAR41771502	365	57,182	0	PT
81.000		GUAR41771503	365	203,048	0	PT
81.000		GUAR41771504	365	487,339	0	PT
81.000		GUAR41771505	365	422,162	0	PT
81.000		GUAR41771506	365	127,390	0	PT
81.000		GUAR41771507	365	4,864	0	PT
81.000		GUAR41771508	365	5,724	0	PT
81.000		GUAR41771509	365	15,926	0	PT
81.000		GUAR41771510	365	148,206	0	PT
81.000		GUAR41771512	365	42,869	0	PT
81.000		GUAR41771513	365	2,252	0	PT
81.000		GUAR41771515	365	3,184	0	PT
81.000		GUAR41771516	365	474	0	PT
81.000		M234	365	208,568	0	PT
81.000		M262	365	527	0	PT
81.000		MUSC07007	365	99,170	0	PT
81.000		RELEASE00009	365	10,206	0	PT
81.000		RPA11427195	365	(9,114)	0	
81.000		RPA11427250	365	(1,305)	0	
81.000		RPA11427275	365	131,734	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	RPA11427285	365	(15,221)	0	
81.000		RPA11427315	365	3,147	0	
81.000		RPA7270	365	(22,351)	0	
81.000		RR1853329823147	365	33,168	0	PT
81.000		S1601AWSU	365	106,042	0	PT
81.000		WSU000287	365	102,089	0	PT
81.000		WSU000324	365	9,986	0	PT
81.000		WSU000355	365	50,677	0	PT
81.000		WSU000409	365	22,710	0	PT
81.000		WSU000647	365	2,729	0	PT
81.000		WSU000656	365	87,495	0	PT
81.000		WSU000684	365	81,155	0	PT
81.000		WSU000777	365	4,424	0	PT
81.000		XAA23149002	365	2,335	0	PT
81.000		XEA66600101	365	497	0	PT
81.000		XFT888521010	365	21,025	0	PT
81.000		00026628	477	43,644	0	
81.000		00028636	477	32,019	0	
81.000		00029302	477	91,587	0	
81.000		00029303	477	91,924	0	
81.000		00029455	477	52,901	0	
81.000		00029531	477	92,980	0	
81.000		00029532	477	84,182	0	
81.000		00029533	477	151,072	0	
81.000		00029534	477	30,050	0	
81.000		00029595	477	189,094	0	
81.000		00030131	477	55,395	0	
81.000		00030303	477	101,646	0	
81.000		00030626	477	92,657	0	
81.000		00030830	477	50,365	0	
81.000		00031167	477	174,581	0	
81.000		00031661	477	88,110	0	
81.000		00031712	477	189,503	0	
81.000		00032138	477	214,313	0	
81.000		00032185	477	97,973	0	
81.000		00032247	477	180,546	0	

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Dept of Energy

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81.000	Energy, Contract Number Only Provided	00032674	477	139,634	0	
81.000		00033295	477	300,000	0	
81.000		00033657	477	116,065	0	
81.000		00034407	477	56,037	0	
81.000		00034449	477	159,227	0	
81.000		00034450	477	921,429	0	
81.000		00034573	477	40,402	0	
81.000		00034579	477	72,153	0	
81.000		00034925	477	180,055	0	
81.000		00034926	477	178,007	0	
81.000		00034927	477	31,540	0	
81.000		00034928	477	69,737	0	
81.000		00035034	477	149,436	0	
81.000		00035035	477	127,025	0	
81.000		00035036	477	168,659	0	
81.000		00035070	477	153,299	0	
81.000		00035140	477	75,792	0	
81.000		00036072	477	421,732	0	
81.000		00036196	477	12,553	0	
81.000		00036582	477	71,978	0	
81.000		00036769	477	108,113	0	
81.000		00036877	477	37,331	0	
81.000		00037028	477	64,815	0	
81.000		00037080	477	76,801	0	
81.000		00037096	477	68,634	0	
81.000		00037118	477	76,818	0	
81.000		00037130	477	57,196	0	
81.000		00037239	477	99,257	0	
81.000		00037644	477	34,022	0	
81.000		00037649	477	117,355	0	
81.000		00037704	477	25,716	0	
81.000		0028742	477	14,119	0	
81.000		020-633-ISSA-Fish	477	160,267	0	PT
81.000		021-7353-ISA-Fish	477	282,090	0	PT
81.000		06-54	477	56,225	0	PT
81.000		07-29	477	134,303	0	PT

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy, Contract Number Only Provided	07-33	477	10,131	0	PT
81.000		07-35	477	54,091	0	PT
81.000		07-56	477	124,965	0	PT
81.000		07-62	477	502,242	0	PT
81.000		07-71	477	32,424	0	PT
81.000		07-72	477	58,853	0	PT
81.000		08-18	477	42,538	0	PT
81.000		08-34	477	206,569	0	PT
81.000		08-44	477	95,313	0	PT
81.000		08-45	477	72,161	0	PT
81.000		08-50	477	28,751	0	PT
81.000		08-56	477	21,647	0	PT
81.000		08-83	477	18,568	0	PT
81.000		08-84	477	25,744	0	PT
	Federal Program 81.000 Total			**28,812,252**	**2,411,191**	
81.042	Weatherization Assist-Low Inc		103	4,175,601	3,738,418	
	Federal Program 81.042 Total			**4,175,601**	**3,738,418**	
81.064	Scientific/Tech Info Office	19117	360	15,485	0	PT
81.064		19117 MOD 02	360	18,757	0	PT
	Federal Program 81.064 Total			**34,242**	**0**	
81.079	Regional Biomass Energy Pgms		365	7,178	0	
	Federal Program 81.079 Total			**7,178**	**0**	
81.092	Enviromental Restoration		245	786,063	613,579	
81.092			303	701,120	14,092	
81.092			461	2,541,420	0	
	Federal Program 81.092 Total			**4,028,603**	**627,671**	
81.106	States and Tribal Concerns, Proposed Solutions	C080240FED	225	76,633	0	PT
	Federal Program 81.106 Total			**76,633**	**0**	
81.108	Epidemiology & Other Health Studies Fin Asst Progs		365	1,603,364	121,283	
	Federal Program 81.108 Total			**1,603,364**	**121,283**	
81.112	Stewardship Science Grant Prog		360	218,823	0	
	Federal Program 81.112 Total			**218,823**	**0**	

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Dept of Energy

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81.114	University Reactor Infrastructure & Educ Support		365	16,727	0	
81.114		G0070AB	365	84,061	0	PT
	Federal Program 81.114 Total			**100,788**	**0**	
81.117	Energy Efficiency & Renewable Energy Info		103	76,727	9,020	
81.117			365	93,948	23,863	
	Federal Program 81.117 Total			**170,675**	**32,883**	
81.119	State Energy Program Special Projects		103	1,269,981	10,075	
	Federal Program 81.119 Total			**1,269,981**	**10,075**	
81.121	Nuclear Enrgy Resrch, Devlpmnt & Demonstration		365	151,649	34,587	
81.121		889192874P	365	79,343	0	PT
	Federal Program 81.121 Total			**230,992**	**34,587**	
81.999	DOE, UNKNOWN	None	477	51,302	0	PT
	Federal Program 81.999 Total			**51,302**	**0**	
	Dept of Energy Total			**40,780,434**	**6,976,108**	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.000	Educ, Contract Number Only Provided	070153	360	19,705	0	PT
84.000		070153 AM02	360	(4,244)	0	PT
84.000		92-WA03	360	19,712	0	PT
84.000		92-WA03 AM24	360	106,308	0	PT
84.000		H224A070046, ACT 01	360	357,795	36,791	
84.000		UW BUD# 631270	360	9,346	0	PT
84.000		UW BUD# 633205	360	25,837	0	PT
84.000		UW BUD# 633429	360	8,250	0	PT
84.000		UW BUD# 633746	360	8,392	0	PT
84.000		UW BUD# 801115	360	15,000	0	PT
84.000		UW BUD# 802414	360	72,230	0	PT
84.000		332282	365	63,439	0	PT
84.000		MUSC08029	365	63,954	0	PT
84.000		P016A070032	365	68,443	0	
84.000		P019A060032	365	8,541	0	
84.000		P044A060592	365	185,052	0	
84.000		P335A050202	365	194,025	0	
84.000		RPA11421000	365	(150,967)	0	
84.000		RPA11427095	365	12,650	0	
84.000		RPA11427280	365	(367)	0	
84.000		S149A06003407A	365	86,700	0	
84.000		92-WA02	375	88,088	0	PT
	Federal Program 84.000 Total			**1,257,889**	**36,791**	
84.002	Adult Education - State Grant Program		699	9,176,789	793,352	
	Federal Program 84.002 Total			**9,176,789**	**793,352**	
84.010	Title 1 Grants to Local Ed Agys		350	187,274,240	181,009,511	
	Federal Program 84.010 Total			**187,274,240**	**181,009,511**	
84.011	Migrant Education - State Grant Program		350	14,075,395	13,551,719	
	Federal Program 84.011 Total			**14,075,395**	**13,551,719**	
84.013	Neglected & Delinquent Child		350	769,683	763,102	
	Federal Program 84.013 Total			**769,683**	**763,102**	
84.015	Ntl Rsrce Cntrs Prgrm for Frgn Lang & Area Stud		360	3,738,367	126,083	
84.015		312H060 129145	360	1,455	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Federal Programs Not Clustered

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.015	Ntl Rsrce Cntrs Prgrm for Frgn Lang & Area Stud	UW BUD# 671759	360	2,340	0	PT
84.015		UW BUD# 671765	360	2,340	0	PT
	Federal Program 84.015 Total			**3,744,502**	**126,083**	
84.016	Undrgrad Intnl Studies/Languag		360	37,908	0	
	Federal Program 84.016 Total			**37,908**	**0**	
84.018	Overseas Seminars Abroad-Bilateral Projts	UW BUD# 669703	360	315	0	PT
	Federal Program 84.018 Total			**315**	**0**	
84.021	Overseas-Group Projects Abroad		360	185,988	0	
84.021			365	59,041	0	
	Federal Program 84.021 Total			**245,029**	**0**	
84.031	Higher Ed - Institutional Aid		699	3,984,372	0	
84.031		HU101105	699	159,571	0	PT
	Federal Program 84.031 Total			**4,143,943**	**0**	
84.048	Career and Technical Education - Basic Grants to States		354	22,950,127	0	
84.048		WDC0723	365	17,907	0	PT
	Federal Program 84.048 Total			**22,968,034**	**0**	
84.069	Leveraging Educational Assistance Partnership		343	1,590,973	1,590,973	
	Federal Program 84.069 Total			**1,590,973**	**1,590,973**	
84.101	Career and Technical Education - Indian Set-aside	V101A010017-03A	699	128,159	0	PT
	Federal Program 84.101 Total			**128,159**	**0**	
84.103	TRIO Staff Training Program		360	802,331	0	
	Federal Program 84.103 Total			**802,331**	**0**	
84.116	Fund - Improv Postsecondary Ed		350	98,236	0	
84.116			360	140,136	28,102	
84.116		06-0150	360	15,444	0	PT
84.116		SA0509155 AM01	360	3,812	0	PT
84.116		UTA07-187	360	1,879	0	PT
84.116		UTA07-187, AMEND #2	360	2,244	0	PT
84.116			365	23,018	0	
84.116			375	1,193	0	
84.116			699	253,279	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.116 Total			**539,241**	**28,102**	
84.126	Rehabilitation Services- Basic		300	35,884,413	0	
84.126			315	6,792,278	0	
	Federal Program 84.126 Total			**42,676,691**	**0**	
84.129	Rehabilitation Long -Term Trng		360	126,744	1,161	
84.129			380	269,077	0	
	Federal Program 84.129 Total			**395,821**	**1,161**	
84.133	Natl Inst -Disablty & Rehab Resch	ED087AC	365	73,334	0	PT
	Federal Program 84.133 Total			**73,334**	**0**	
84.141	Migrant Ed - High School Equiv		365	441,000	0	
84.141			375	469,923	0	
84.141			699	403,658	0	
	Federal Program 84.141 Total			**1,314,581**	**0**	
84.149	Migrant Ed-College Assist Pgm		365	339,245	0	
84.149			370	288,351	0	
84.149			375	398,713	0	
84.149			699	333,721	0	
	Federal Program 84.149 Total			**1,360,030**	**0**	
84.153	Business & International Education Projects		699	25,352	0	
	Federal Program 84.153 Total			**25,352**	**0**	
84.169	Independent Living-State Grant		300	311,216	345,793	
84.169			315	47,819	0	
	Federal Program 84.169 Total			**359,035**	**345,793**	
84.170	Javits Fellowships		360	2,065	0	
	Federal Program 84.170 Total			**2,065**	**0**	
84.177	Indepndnt Livg-Oldr Blind Prsn		315	640,957	0	
	Federal Program 84.177 Total			**640,957**	**0**	
84.181	Spec Ed-Infants & Families w Disabil		300	9,224,968	0	
	Federal Program 84.181 Total			**9,224,968**	**0**	
84.184	Safe & Drug-Free Schls & Communits-Natl Prg		350	424,324	0	

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Federal Programs Not Clustered

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.184 Total			**424,324**	**0**	
84.185	Byrd Honors Scholarships		350	752,125	752,125	
	Federal Program 84.185 Total			**752,125**	**752,125**	
84.186	Safe & Drug-Free Schls & Communits-St Grnts		103	1,059,481	1,028,461	
84.186			350	4,682,264	4,386,078	
	Federal Program 84.186 Total			**5,741,745**	**5,414,539**	
84.187	Employment Svs-Severe Disab		300	487,094	0	
84.187			315	46,101	0	
	Federal Program 84.187 Total			**533,195**	**0**	
84.195	Bilingual Ed - Professional Education		360	167,916	0	
84.195			365	121,785	0	
84.195			370	5,493	0	
84.195			380	228,364	3,359	
	Federal Program 84.195 Total			**523,558**	**3,359**	
84.196	Ed for Homeless Children/Youth		350	818,762	634,480	
	Federal Program 84.196 Total			**818,762**	**634,480**	
84.200	Graduate Assistance in Areas of National Needs		360	108,607	0	
84.200			365	122,672	0	
	Federal Program 84.200 Total			**231,279**	**0**	
84.213	Even Start-State Ed Agencies		350	1,428,153	1,371,830	
84.213		RSD 403 07/08	699	172,580	0	PT
84.213		WSMC08	699	137,428	0	PT
	Federal Program 84.213 Total			**1,738,161**	**1,371,830**	
84.214	Even Start-Migrant Education		699	380,718	0	
	Federal Program 84.214 Total			**380,718**	**0**	
84.215	Fund for Improv of Educ	AKK461	365	37,234	0	PT
84.215		WSU000752	365	8,608	0	PT
84.215		2703.21.7250.098 PO 16	370	132,308	0	PT
84.215		2704.21.7250.068	370	86,951	0	PT
84.215		AMEND 01	370	29,897	0	PT
84.215		PO 070323	370	12,864	0	PT

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Federal Programs Not Clustered

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.215	Fund for Improv of Educ	PO33535SUSB	370	54,868	0	PT
84.215		9007000084	375	14,484	0	PT
84.215			699	337,548	0	
	Federal Program 84.215 Total			**714,762**	**0**	
84.224	Assistive Technology		103	7,455	7,455	
84.224			360	164,667	31,258	
	Federal Program 84.224 Total			**172,122**	**38,713**	
84.229	Language Resource Ctrs	32659-B	360	1,665	0	PT
	Federal Program 84.229 Total			**1,665**	**0**	
84.234	Projects with Industry		360	252,512	0	
	Federal Program 84.234 Total			**252,512**	**0**	
84.235	Rehabilitation Srvs Demonstn & Trng Programs		360	156,549	0	
	Federal Program 84.235 Total			**156,549**	**0**	
84.243	Tech-Prep Education		354	2,072,341	0	
	Federal Program 84.243 Total			**2,072,341**	**0**	
84.264	Rehab Training-Continuing Educ		380	788,599	0	
	Federal Program 84.264 Total			**788,599**	**0**	
84.265	Rehab Training-St Voc Rehab Unit In-Service Train		300	95,175	0	
84.265			315	5,804	0	
	Federal Program 84.265 Total			**100,979**	**0**	
84.282	Charter Schools		360	784,906	74,396	
	Federal Program 84.282 Total			**784,906**	**74,396**	
84.287	21st Century Community Learning Ctrs		350	13,108,330	12,489,360	
	Federal Program 84.287 Total			**13,108,330**	**12,489,360**	
84.298	State Grants for Innovative Programs		350	1,887,550	1,624,608	
	Federal Program 84.298 Total			**1,887,550**	**1,624,608**	
84.318	Education Technology State Grants		350	3,608,090	3,300,640	
	Federal Program 84.318 Total			**3,608,090**	**3,300,640**	
84.323	Special Education-State Personnel Development		350	78,262	0	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.323 Total			**78,262**	**0**	
84.325	Specl Educ-Persnl Develop to Improve Svs & Results for Child w Disab		360	1,202,871	365,663	
	Federal Program 84.325 Total			**1,202,871**	**365,663**	
84.326	Spec Educ-Tech Assist to Improv Svs to Disabl Chil		350	208,489	208,489	
84.326			360	206,466	0	
	Federal Program 84.326 Total			**414,955**	**208,489**	
84.327	Spec Educ-Technology & Media Svs for Disabl Childr		370	46,075	16,092	
	Federal Program 84.327 Total			**46,075**	**16,092**	
84.330	Advanced Placement Program		350	1,101,614	442,385	
	Federal Program 84.330 Total			**1,101,614**	**442,385**	
84.331	Grnts to States for Incarcerated Youth Offenders		699	253,201	0	
	Federal Program 84.331 Total			**253,201**	**0**	
84.332	Comprehensive School Reform Demonstration		350	480,557	480,557	
84.332		DOE AGRMT #S332B050017	370	66,441	0	PT
	Federal Program 84.332 Total			**546,998**	**480,557**	
84.333	Demo Projts to Ensure Stdnts w/Disablts Rec Hi Ed		360	331,753	0	
84.333			370	211,127	0	
84.333			699	375,617	0	
	Federal Program 84.333 Total			**918,497**	**0**	
84.334	Gaining Early Awarenss & Readinss for Undergrad Pr		343	3,450,190	2,205,158	
84.334			360	4,185,611	2,502,262	
84.334			365	4,159,958	38,586	
84.334			370	477,480	11,254	
84.334			375	2,597,858	365,116	
84.334			376	1,154,535	0	
84.334		G062	699	226,599	0	PT
84.334		NLA	699	5,618	0	PT
	Federal Program 84.334 Total			**16,257,849**	**5,122,376**	
84.335	Child Care Access Means Parents in School		699	255,986	0	
	Federal Program 84.335 Total			**255,986**	**0**	
84.357	Reading First State Grants		350	15,570,539	13,167,109	

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State of Washington
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Federal Programs Not Clustered

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.357 Total			**15,570,539**	**13,167,109**	
84.358	Rural Education		350	745,876	699,389	
	Federal Program 84.358 Total			**745,876**	**699,389**	
84.363	School Leardership		360	657,164	0	
	Federal Program 84.363 Total			**657,164**	**0**	
84.365	English Language Acquisition Grants		350	11,016,534	10,447,155	
	Federal Program 84.365 Total			**11,016,534**	**10,447,155**	
84.366	Mathematics and Science Partnerships		350	2,512,219	2,271,327	
84.366		06278	365	5,468	0	PT
84.366		555018	365	9,432	0	PT
84.366		WSU000671	365	22,061	0	PT
84.366		2417-98-7250-98	370	10,035	0	PT
84.366		ACCT 2412-98-7500-07 C	370	57,696	0	PT
84.366		PO 32399 ACCT2409-98-5	370	(222)	0	PT
84.366		0555256	376	24,746	0	PT
84.366		916001648	699	17,043	0	PT
	Federal Program 84.366 Total			**2,658,478**	**2,271,327**	
84.367	Improving Teacher Quality Grants		343	1,193,388	557,484	
84.367			350	44,150,577	42,653,434	
84.367		07231	365	10,378	0	PT
84.367		7273000000	365	22,009	0	PT
84.367		DUR58130078	365	7,470	0	PT
	Federal Program 84.367 Total			**45,383,822**	**43,210,918**	
84.369	Grants for State Assessments & Related Activities		350	8,220,703	0	
	Federal Program 84.369 Total			**8,220,703**	**0**	
84.377	School Improvement Grants		350	168,376	0	
	Federal Program 84.377 Total			**168,376**	**0**	
84.999	Educ, UNKNOWN		360	586	0	
	Federal Program 84.999 Total			**586**	**0**	
	Dept of Education Total			**443,117,923**	**300,382,097**	

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Federal Programs Not Clustered

National Archives & Records Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
89.003	Natl Hist Pub & Records Grants		085	12,308	0	
	Federal Program 89.003 Total			**12,308**	**0**	
	National Archives & Records Admin Total			**12,308**	**0**	

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Federal Programs Not Clustered

Miscellaneous Commissions

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
90.401	Help America Vote Act Requirements Payments		085	7,363,820	4,362,166	
	Federal Program 90.401 Total			**7,363,820**	**4,362,166**	
	Miscellaneous Commissions Total			**7,363,820**	**4,362,166**	

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	#4221	360	12,759	0	PT
93.000		0000496885, MOD06	360	1,772	0	PT
93.000		0000613877	360	(2,901)	0	PT
93.000		0000616039	360	9,201	0	PT
93.000		0000626071	360	7,730	0	PT
93.000		0000632125	360	1,241	0	PT
93.000		0000639363	360	43,045	0	PT
93.000		0000643992 AMD 1	360	65,779	0	PT
93.000		000693;A02	360	12,625	0	PT
93.000		05-B07	360	20,502	0	PT
93.000		092903ADM042406DRH	360	1,648	0	PT
93.000		1 (ACC#: 5-20341)	360	667	0	PT
93.000		1 22048 00	360	400,606	0	PT
93.000		1 DP1 OD 000798-01	360	27,025	0	
93.000		1 F30 AG030316-01	360	4,768	0	
93.000		1 F31 NR 08074-01	360	1,057	0	
93.000		1 F32 A1077352-01A1	360	13,502	0	
93.000		1 F32 AI078768-01	360	1,978	0	
93.000		1 F32 AM 07535-01	360	68	0	
93.000		1 R21 HD057832-01	360	52	0	
93.000		1 RO1 HL089554	360	39,276	0	
93.000		1053 008 45 18	360	18,830	0	PT
93.000		1053-008-45-16	360	19,057	0	PT
93.000		107042 AM01	360	(655)	0	PT
93.000		110333-1	360	(3,635)	0	PT
93.000		117161	360	30,430	0	PT
93.000		16598 AMD 4	360	30,919	0	PT
93.000		1U01HL6901501SITE6200	360	6,028	0	PT
93.000		200-2005-10462	360	346,629	0	
93.000		2003-03-02, AM A	360	(44,600)	0	PT
93.000		2004.0009 AM05	360	24,862	0	PT
93.000		2005A007621/205723	360	26,371	0	PT
93.000		2005A007651/205723	360	26,533	0	PT
93.000		2006.0006	360	23,002	0	PT
93.000		2006.0007	360	14,853	0	PT
93.000		2007.0003	360	40,135	0	PT

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Health & Human Services Dept

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93.000	HHS, Contract Number Only Provided	2007.0007; PO# 19648	360	30,486	0	PT
93.000		2007114626	360	14,797	0	PT
93.000		2017	360	(4,714)	0	PT
93.000		2031-104 MOA4	360	3,729	0	PT
93.000		2031-104,MOA #3	360	4,237	0	PT
93.000		2112005M12158M0D00001	360	17,422	0	
93.000		214-2007-M-21811	360	12,799	0	
93.000		223038724TO1MOD3	360	68,367	0	
93.000		24XS036, MOD 1	360	(124)	0	PT
93.000		254-2007-M-22013 MOD04	360	10,066	0	
93.000		263-MI-704175	360	18,065	0	
93.000		277-01-6059	360	(3)	0	
93.000		2905423A	360	271,754	0	PT
93.000		2R42MH073199-02,MOD 5	360	215,882	0	PT
93.000		4 T73 MC00041-16-01	360	5,455	0	
93.000		412660060101	360	202,572	0	PT
93.000		412660060101UWMOD4	360	171,100	0	PT
93.000		4221	360	14,553	0	PT
93.000		4318SC AMEND 1	360	3,987	0	PT
93.000		4431, MOD04	360	36,130	0	PT
93.000		5 F31 NS049732-05	360	2,825	0	
93.000		5 F32 NS 07985-02	360	27	0	
93.000		5 P51 RR 00166-43	360	6,205	0	
93.000		5 U19 AI031448-15	360	56,968	0	
93.000		5 USC 3371-3376	360	158,542	0	
93.000		5-30474-8604 MOD01	360	(12,464)	0	PT
93.000		5-38162,AM08	360	112,124	0	PT
93.000		5-40257-G5 AMEND# 2	360	35,730	0	PT
93.000		5710002265 AM01	360	102,069	0	PT
93.000		5U01DK072493MOD1103075	360	26,113	0	PT
93.000		6279-06-208	360	2,390	0	PT
93.000		627906214SUPPLEMENT1	360	25,027	0	PT
93.000		632522	360	13,519	0	PT
93.000		7001146016100AMENDMENT	360	(21,062)	0	PT
93.000		703303-01 A01	360	(16)	0	PT
93.000		8298841N04	360	43,529	0	

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Health & Human Services Dept

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93.000	HHS, Contract Number Only Provided	8303-49867-2, MOD.#3	360	(34)	0	PT
93.000		93-2900-25 MOD#14	360	28,640	0	PT
93.000		A1015-21/22	360	(23,890)	0	PT
93.000		A32263	360	29,046	0	PT
93.000		ASU UXS0002	360	180,198	0	PT
93.000		AUCD RTOI 2004-01-05	360	(215)	0	PT
93.000		AUCDRT0I20040401AM02	360	6,415	0	PT
93.000		AUCDRTOI20040105A3	360	267,514	0	PT
93.000		BRSACIREQ0600130T001	360	10,755	0	PT
93.000		BRSACUREQ0600130T001MO	360	210,369	0	PT
93.000		BRSACUREQ0600130T002MO	360	270,032	0	PT
93.000		C24XS036POSS0207TO1MOD	360	1,090	0	PT
93.000		CBVCT 01-2006	360	(58)	0	PT
93.000		CFMS 636370	360	78,760	0	PT
93.000		CIPRA 03-2006	360	17,016	0	PT
93.000		CS120-MOD 2	360	25,007	0	PT
93.000		D34034D AMEND #4	360	66,709	0	PT
93.000		DD000153-01	360	5,536	0	PT
93.000		EH06201S9N01AG60007	360	125,940	0	PT
93.000		H36120	360	6,320	0	PT
93.000		HHS-N-260-2006-00005-C	360	602,428	0	
93.000		HHSA290200600022,TO2	360	167,918	0	PT
93.000		HHSF223200610011ITO02	360	63,282	0	
93.000		HHSF22320061011ITASKOR	360	2,874	0	
93.000		HHSH230200532040C*	360	9,274	0	PT
93.000		HHSH232200514124P	360	(328)	0	
93.000		HHSN03300040073C	360	4,746	0	PT
93.000		HHSN223200720091PREQ10	360	44,999	0	
93.000		HHSN261200700443P	360	16,543	0	
93.000		HHSN266200400068CAMEND	360	11,136	0	PT
93.000		HHSN266200500023CMOD5	360	1,313,002	495,945	
93.000		HHSN266200700013CMOD1	360	262,080	0	
93.000		HHSN267200700023C	360	289,236	0	
93.000		HHSN268200448194CAMD3	360	1,997,810	0	
93.000		HHSN268200525222C	360	964,219	123,229	
93.000		HHSN268200536173C	360	213,851	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	HHSN268200736195C	360	43,711	0	
93.000		HHSN2711200700226P	360	14,628	0	
93.000		HHSN275200403370I	360	44	0	
93.000		HHSN275200403370IMOD00	360	23,155	0	
93.000		HHSN291200555553CN01ES	360	206,207	0	PT
93.000		HHSN368200825239CNO1HC	360	41,760	0	
93.000		HHSP2332007004 20P	360	68,711	0	
93.000		HR7659119401UW1MOD04	360	(17)	0	PT
93.000		HR7659320203UW01MOD2	360	(33)	0	PT
93.000		ITN10064-00 AMD 1	360	48,565	0	PT
93.000		ITN10122-00SC AMEND 1	360	27,280	0	PT
93.000		ITN10220-00SC	360	10,269	0	PT
93.000		LBEEP03156BIOCHEMISTRY	360	110	0	PT
93.000		MH81757-01	360	2,757	0	PT
93.000		MOD02	360	223,855	0	PT
93.000		N01 AI 60006	360	2,723,431	0	
93.000		N01 DK 92318 AM12	360	135,773	0	
93.000		N01-A1-30070	360	60,965	0	PT
93.000		N01-AI-15450, MOD07	360	904,517	0	
93.000		N01-AI-40069	360	40,123	0	
93.000		N01-AI-40069 MOD 1	360	2,286,534	900,949	
93.000		N01-AI-95388 MOD14	360	1,023,152	39,049	
93.000		N01-AR-2-2263, AM. V	360	17,019	0	PT
93.000		N01-CM-37008 WA#01C	360	17,836	0	
93.000		N01-DE-72623 MOD14	360	22,379	0	
93.000		N01-HC-95095 AM02	360	17,273	0	PT
93.000		N01-HC-95159 MOD15	360	1,712,005	258,417	
93.000		N01-HC-95180, MOD#20	360	2,970,090	2,238,789	
93.000		N01-HC-95180, MOD09	360	1,469	0	
93.000		N01-HC-95180, MOD18	360	246,768	0	
93.000		N01-LM-1-3516, MOD14	360	(51)	0	
93.000		N01-LM-6-3506	360	944,157	0	
93.000		N01-LM-6-3506 AM#03	360	1,184,299	63,740	
93.000		N01AI40030HHSN26620040	360	23,963	0	PT
93.000		N01CM37008WA1A	360	11	0	
93.000		N01CM37008WA2MOD3	360	11,490	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	N01DK62203AMENDMENT13	360	475,782	0	PT
93.000		N01DK63429HHSN26720060	360	366,754	0	
93.000		N01LM43503MOD1011	360	1,424,117	45,746	
93.000		N02-CM-37008 WA#01D	360	35,832	0	
93.000		N02-CM-37008 WA#05A	360	363	0	
93.000		NIH.1311-07261	360	10,089	0	PT
93.000		NIH.1311-07261-SUB	360	123,529	0	PT
93.000		NIH121301708SUBAMEND5	360	83,408	0	PT
93.000		NIH121301708SUBMOD06	360	21,880	0	PT
93.000		NO1-ES-15478, MOD 9	360	1,077,557	0	
93.000		NO1-HC-95178 AMEND 9	360	1,556,529	0	PT
93.000		P808AMEND6COEUS001080	360	3,371	0	PT
93.000		PMU 06 WA AMD#2	360	139,077	0	PT
93.000		PO 10135316-011	360	16,465	0	PT
93.000		PO# 2007101086	360	4,755	0	PT
93.000		PO# 263-MD-612686-1	360	78,663	0	
93.000		PO# 5-73896	360	73,967	0	PT
93.000		PO# 950273	360	373	0	PT
93.000		PO#0000596327 AM02	360	9,889	0	PT
93.000		PO#5-73779	360	(4,661)	0	PT
93.000		PO: 10221507-005	360	149,831	0	PT
93.000		PO: 10221507-007	360	272,236	0	PT
93.000		POSS0208TO00324XS036MO	360	1,871	0	PT
93.000		R01 HL071988	360	29,449	0	PT
93.000		R01 HL079582	360	484,218	0	PT
93.000		R01GM074257	360	38,240	0	PT
93.000		R20981-2490005	360	20,334	0	PT
93.000		RES502558	360	34,050	0	PT
93.000		S2084-22/23	360	(539)	0	PT
93.000		S3447-24/24	360	9,274	0	PT
93.000		S3813-26/26	360	82,425	0	PT
93.000		SA0600317	360	(33)	0	PT
93.000		SA0700480 MOD1	360	4,322	0	PT
93.000		SA0700481	360	4,322	0	PT
93.000		SA0700503	360	3,887	0	PT
93.000		SA0800521	360	38,223	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	SA0800568	360	22,464	0	PT
93.000		SA0800569	360	16,112	0	PT
93.000		SC050205400102MOD4	360	37,807	0	PT
93.000		SPSID118204DUKEAC30399	360	74,444	0	PT
93.000		TASK ORDER 1	360	18,926	0	PT
93.000		TO#14625; MA#6630 MOD2	360	339,484	0	PT
93.000		TO#14625; MA#6630 MOD3	360	172,365	0	PT
93.000		UOW2004-9	360	38,166	0	PT
93.000		UW BUD# 630322	360	12,747	0	PT
93.000		UW BUD# 630431	360	182,773	0	PT
93.000		UW BUD# 630537	360	1	0	PT
93.000		UW BUD# 630857	360	11,715	0	PT
93.000		UW BUD# 630897	360	26,526	0	PT
93.000		UW BUD# 630922	360	5,345	0	PT
93.000		UW BUD# 631138	360	(244)	0	PT
93.000		UW BUD# 631207	360	43,618	0	PT
93.000		UW BUD# 631602	360	28,484	0	PT
93.000		UW BUD# 631622	360	98,657	0	PT
93.000		UW BUD# 631623	360	50,796	0	PT
93.000		UW BUD# 631698	360	(7,564)	0	PT
93.000		UW BUD# 631809	360	(106,980)	0	PT
93.000		UW BUD# 631859	360	39,414	0	PT
93.000		UW BUD# 631860	360	73,837	0	PT
93.000		UW BUD# 631871	360	17,290	0	PT
93.000		UW BUD# 631874	360	44,261	0	PT
93.000		UW BUD# 631880	360	8,548	0	PT
93.000		UW BUD# 631881	360	16,599	0	PT
93.000		UW BUD# 631925	360	8,156	0	PT
93.000		UW BUD# 631927	360	24,723	0	PT
93.000		UW BUD# 632122	360	28,729	0	PT
93.000		UW BUD# 632298	360	161,319	0	PT
93.000		UW BUD# 632332	360	5,688	0	PT
93.000		UW BUD# 632415	360	39,022	0	PT
93.000		UW BUD# 632469	360	96,055	0	PT
93.000		UW BUD# 632740	360	103,562	0	PT
93.000		UW BUD# 632921	360	527,642	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	UW BUD# 633031	360	21,641	0	PT
93.000		UW BUD# 633036	360	123,522	0	PT
93.000		UW BUD# 633037	360	121,743	0	PT
93.000		UW BUD# 633056	360	99,290	0	PT
93.000		UW BUD# 633469	360	43,731	0	PT
93.000		UW BUD# 633479	360	14,910	0	PT
93.000		UW BUD# 633562	360	149	0	PT
93.000		UW BUD# 633830	360	34,498	0	PT
93.000		UW BUD# 633861	360	5,180	0	PT
93.000		UW BUD# 633873	360	64,660	0	PT
93.000		UW BUD# 633913	360	17,418	0	PT
93.000		UW BUD# 633978	360	15,090	0	PT
93.000		UW BUD# 634070	360	34,195	0	PT
93.000		UW BUD# 634089	360	8,356	0	PT
93.000		UW BUD# 634138	360	28,326	0	PT
93.000		UW BUD# 634160	360	730	0	PT
93.000		UW BUD# 634209	360	52,321	0	PT
93.000		UW BUD# 634214	360	18,299	0	PT
93.000		UW BUD# 634244	360	27,605	0	PT
93.000		UW BUD# 634252	360	28,285	0	PT
93.000		UW BUD# 634286	360	20,784	0	PT
93.000		UW BUD# 634307	360	4,160	0	PT
93.000		UW BUD# 634362	360	267	0	PT
93.000		UW BUD# 634363	360	5,688	0	PT
93.000		UW BUD# 634369	360	15,669	0	PT
93.000		UW BUD# 634384	360	3,009	0	PT
93.000		UW BUD# 634387	360	1,505	0	PT
93.000		UW BUD# 634395	360	872	0	PT
93.000		UW BUD# 660125	360	(15)	0	PT
93.000		UW BUD# 660660	360	3,149	0	PT
93.000		UW BUD# 660940	360	137,837	0	PT
93.000		UW BUD# 661042	360	(3,773)	0	PT
93.000		UW BUD# 661170	360	12,579	0	PT
93.000		UW BUD# 661583	360	35,295	0	PT
93.000		UW BUD# 666406	360	(1,998)	0	PT
93.000		UW BUD# 666409	360	321	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	HHS, Contract Number Only Provided	UW BUD# 666580	360	70,344	0	PT
93.000		UW BUD# 666682	360	317,779	0	PT
93.000		UW BUD# 667453	360	6,656	0	PT
93.000		UW BUD# 668049	360	(10,383)	0	PT
93.000		UW BUD# 668266	360	31,463	0	PT
93.000		UW BUD# 669192	360	74	0	PT
93.000		UW BUD# 671171	360	1,523	0	PT
93.000		UW BUD# 671481	360	162	0	PT
93.000		UW BUD# 671852	360	111,322	0	PT
93.000		UW BUD# 671960	360	38,021	0	PT
93.000		UW BUD# 672049	360	1,838	0	PT
93.000		UW-1077N	360	52,849	0	PT
93.000		ZZ2647H AMENDMENT 13	360	(49,033)	0	PT
93.000		2002005M13848	365	9,748	0	
93.000		2R44DA01604402	365	9,576	0	PT
93.000		3112006M15078	365	(4,041)	0	
93.000		545145	365	4,217	0	PT
93.000		N01AI30055	365	2,072,654	158,667	
93.000		R1850SN003	365	11,370	0	PT
93.000		RPA11426000	365	27,017	0	
93.000		UFEIS0714033WSU	365	21,817	0	PT
93.000		WSU000181	365	1,754	0	PT
93.000		WSU000335	365	98,041	0	PT
93.000		WSU000491	365	640	0	PT
93.000		WSU000654	365	64,051	0	PT
93.000		WSU000678	365	63,043	0	PT
93.000		1030-53 DHHS U54 OH008	370	160,314	0	PT
93.000		1030-54 DHHS U54 OH008	370	10,900	0	PT
	Federal Program 93.000 Total			**38,241,020**	**4,324,531**	
93.007	Public Awareness Campaigns on Embryo Adoption	111-4693	699	13,139	0	PT
	Federal Program 93.007 Total			**13,139**	**0**	
93.009	Compassion Capital Fund	WSU000672	365	8,743	0	PT
	Federal Program 93.009 Total			**8,743**	**0**	
93.041	Spec Pgms Aging Title VII, Cp 3		300	89,764	76,238	

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.041 Total			**89,764**	**76,238**	
93.042	Spec Pgms/Aging Title VII Cp 2		300	301,120	0	
	Federal Program 93.042 Total			**301,120**	**0**	
93.043	Spec Pgms Aging Title III Pt D		300	438,247	435,970	
	Federal Program 93.043 Total			**438,247**	**435,970**	
93.048	Spec Pgms Aging Title IV & Title II Discretionary		160	234,179	0	
93.048			300	111,050	0	
	Federal Program 93.048 Total			**345,229**	**0**	
93.051	Alzheimer's Disease Demo Grnts to States		300	290,429	0	
	Federal Program 93.051 Total			**290,429**	**0**	
93.052	National Family Caregiver Support, Title III, Part E		300	2,808,099	2,680,952	
	Federal Program 93.052 Total			**2,808,099**	**2,680,952**	
93.063	Centers for Genomics and Public Health		360	162,852	3,898	
	Federal Program 93.063 Total			**162,852**	**3,898**	
93.069	Public Health Emergency Preparedness		303	12,354,052	7,093,353	
	Federal Program 93.069 Total			**12,354,052**	**7,093,353**	
93.104	Compre Comm Mentl Hlth Srvcs-Childn with S E D	KC214200	370	325,653	0	PT
	Federal Program 93.104 Total			**325,653**	**0**	
93.107	Model State-Supported Area Health Educ Centers		360	337,920	252,064	
	Federal Program 93.107 Total			**337,920**	**252,064**	
93.110	Maternal & Child Health		303	715,611	167,549	
93.110		N16988	303	19,988	0	PT
93.110			360	2,360,539	166,052	
93.110		1920 G EB631 A05	360	21,168	0	PT
93.110		RES502185	360	45,101	0	PT
	Federal Program 93.110 Total			**3,162,407**	**333,601**	
93.113	Bio Response to Environ Health	ABK14704A	365	37,903	0	PT
	Federal Program 93.113 Total			**37,903**	**0**	
93.116	Tuberculosis Control Programs		303	1,352,061	649,936	

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.116 Total			**1,352,061**	**649,936**	
93.127	Emerg Medical Services-Child		303	100,422	35,524	
93.127			360	154,333	1,319	
	Federal Program 93.127 Total			**254,755**	**36,843**	
93.130	Coop Agreem to States/Terr for the Coord & Devlpt of Prim Care Offcs		303	206,660	22,674	
	Federal Program 93.130 Total			**206,660**	**22,674**	
93.142	NIEHS Hazrdus Waste Safty Tng	2105 G EB227 AM03	360	2,020	0	PT
93.142		2105 G HB431 AM05	360	182,550	0	PT
93.142		2105 G HB431; A04	360	12,975	0	PT
	Federal Program 93.142 Total			**197,545**	**0**	
93.145	AIDS Education & Trng Centers		360	5,906,838	1,047,013	
	Federal Program 93.145 Total			**5,906,838**	**1,047,013**	
93.150	Proj for Asst Trans from Homel		300	1,028,251	1,024,769	
	Federal Program 93.150 Total			**1,028,251**	**1,024,769**	
93.157	Centers of Excellence		360	43,724	(2,872)	
	Federal Program 93.157 Total			**43,724**	**(2,872)**	
93.165	Grants to States for Loan Repayment Program		343	792,580	0	
	Federal Program 93.165 Total			**792,580**	**0**	
93.178	Nursing Workforce Diversity		365	1	0	
	Federal Program 93.178 Total			**1**	**0**	
93.188	Public Health Training Centers		699	28,930	0	
	Federal Program 93.188 Total			**28,930**	**0**	
93.189	Health Ed & Training Centers		360	(25,092)	0	
	Federal Program 93.189 Total			**(25,092)**	**0**	
93.204	Surveillance of Hazardous Substance Emerg Events		303	110,562	10	
	Federal Program 93.204 Total			**110,562**	**10**	
93.211	Rural Telemedicine Grants		360	279,694	24,593	
	Federal Program 93.211 Total			**279,694**	**24,593**	
93.217	Family Planning - Services		303	4,449,285	3,679,596	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.217 Total			**4,449,285**	**3,679,596**	
93.224	Consolidated Health Centers (Community Health Centers)	D28407D AMEND 8	360	(94)	0	PT
93.224		D37271D	360	23,684	0	PT
93.224		D37942D	360	28,506	0	PT
	Federal Program 93.224 Total			**52,096**	**0**	
93.228	Indian Health Svc-Health Mgmt		360	1,521	0	
	Federal Program 93.228 Total			**1,521**	**0**	
93.234	Traumatic Brain Injury-State Demo Grnt Prgm		300	110,207	0	
	Federal Program 93.234 Total			**110,207**	**0**	
93.235	Abstinence Education Program		303	727,768	671,535	
	Federal Program 93.235 Total			**727,768**	**671,535**	
93.236	Grnts for Dental Public Hlth Residency Trng		303	101,965	93,025	
	Federal Program 93.236 Total			**101,965**	**93,025**	
93.238	Coop Agreemnts for State Treatment Outcomes		360	(28,956)	0	
93.238		T02818T	360	16,563	0	PT
	Federal Program 93.238 Total			**(12,393)**	**0**	
93.239	Policy Research & Evaluation Grnts		360	445,105	33,544	
	Federal Program 93.239 Total			**445,105**	**33,544**	
93.240	State Capacity Building		303	585,443	100	
	Federal Program 93.240 Total			**585,443**	**100**	
93.241	State Rural Hospital Flexibility Program		303	659,484	462,227	
	Federal Program 93.241 Total			**659,484**	**462,227**	
93.243	Subst Abse & Mentl Hlth Svs-Regl & Natl Sgnificnce		300	9,526,035	2,694,996	
93.243			303	321,817	141,778	
93.243			360	310,175	0	
93.243		GPHPM0144-ADAI	360	51,996	0	PT
	Federal Program 93.243 Total			**10,210,023**	**2,836,774**	
93.247	Advanced Educ Nursing Grant Program		360	2,188,982	26,956	
	Federal Program 93.247 Total			**2,188,982**	**26,956**	
93.249	Public Hlth Training Centers Grant Program		360	442,516	126,699	

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.249 Total			**442,516**	**126,699**	
93.251	Universal Newborn Hearing Screen		303	175,884	112,127	
	Federal Program 93.251 Total			**175,884**	**112,127**	
93.253	Poison Control Stabilization & Enhancement Grnts	UW BUD# 671624	360	5,151	0	PT
93.253		UW BUD# 672024	360	32,302	0	PT
	Federal Program 93.253 Total			**37,453**	**0**	
93.256	St Planng Grant_Hlth Care Access for the Uninsured		105	16,677	0	
	Federal Program 93.256 Total			**16,677**	**0**	
93.264	Nurse Faculty Loan Program (NFLP)		360	76,342	0	
93.264			360	359,566	0	OL
	Federal Program 93.264 Total			**435,908**	**0**	
93.266	Rapid Expansion of Antirevitrovial Therapy/AIDS		360	26,478,068	4,953,517	
	Federal Program 93.266 Total			**26,478,068**	**4,953,517**	
93.268	Immunization Grants		303	8,021,200	3,884,996	
	Federal Program 93.268 Total			**8,021,200**	**3,884,996**	
93.275	Substnce Abuse & Mentl Hlth Svs-Access to Recvry		300	2,053,460	1,740,728	
	Federal Program 93.275 Total			**2,053,460**	**1,740,728**	
93.279	Drug Abuse and Addiction Research Programs	PIRE 00570101	365	8,783	0	PT
	Federal Program 93.279 Total			**8,783**	**0**	
93.283	Ctrs - Disease Cntrl- Inv & T A		235	170,252	0	
93.283			303	20,216,567	11,403,675	
93.283			360	2,530,202	89,263	
93.283		076092 AM02	360	142,321	0	PT
93.283		2000110652	360	12,289	0	PT
93.283		414230010101. UW	360	18,639	0	PT
93.283		414230010301.UW	360	47,933	0	PT
93.283		D34121D, AM03	360	28,378	0	PT
93.283		D37483D	360	48,540	0	PT
93.283		FY05.253.003, AMEND 1	360	(1,026)	0	PT
93.283		U48/CCU919219-04-4	360	(1,450)	0	PT
93.283		HC598700	365	16,534	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.283 Total			**23,229,179**	**11,492,938**	
93.296	State Partnership Grnt Prgm to Improve Minority Health		303	57,517	0	
	Federal Program 93.296 Total			**57,517**	**0**	
93.301	Small Rural Hospital Improvement Grant Program		303	453,388	428,062	
	Federal Program 93.301 Total			**453,388**	**428,062**	
93.307	Minority Health & Health Disparities Research		360	738,934	182,667	
93.307		UW BUD# 631136	360	4	0	PT
93.307		UW BUD# 632512	360	57,734	0	PT
93.307		UW BUD# 662059	360	(2)	0	PT
93.307			365	49,781	0	
	Federal Program 93.307 Total			**846,451**	**182,667**	
93.358	Advanced Educ Nursing Traineeships		360	155,249	0	
93.358			365	48,395	0	
	Federal Program 93.358 Total			**203,644**	**0**	
93.359	Nurse Education, Practice & Retention Grants		360	1,175,235	18,822	
93.359			365	444,623	31,057	
	Federal Program 93.359 Total			**1,619,858**	**49,879**	
93.389	Research Infrastructure		360	42,127,199	3,709,158	
93.389		15024040-469-A	360	64,639	0	PT
93.389		15024040-469-A AM03	360	17,653	0	PT
93.389		413450050301.UW	360	(2,245)	0	PT
93.389		P392792	360	(4,593)	0	PT
93.389		P395846	360	334,978	0	PT
93.389		SRS 20309/SAP 1004717	360	114,588	0	PT
93.389		UW BUD# 631687	360	40,731	0	PT
93.389			365	493,463	79,398	
	Federal Program 93.389 Total			**43,186,413**	**3,788,556**	
93.448	Food Safety and Monitoring Program		303	275,314	0	
	Federal Program 93.448 Total			**275,314**	**0**	
93.556	Promoting Safe & Stable Families		300	5,949,706	0	
	Federal Program 93.556 Total			**5,949,706**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.558	Temp Assistance for Needy Families		300	230,603,616	0	
	Federal Program 93.558 Total			**230,603,616**	**0**	
93.563	Child Support Enforcement		300	55,103,834	26,609,018	
	Federal Program 93.563 Total			**55,103,834**	**26,609,018**	
93.566	Refugee and Entrant Assistance		300	9,629,645	0	
	Federal Program 93.566 Total			**9,629,645**	**0**	
93.568	Low-Income Home Energy Asst		103	43,880,257	42,314,027	
	Federal Program 93.568 Total			**43,880,257**	**42,314,027**	
93.569	Community Services Block Grant		103	7,127,293	6,645,891	
	Federal Program 93.569 Total			**7,127,293**	**6,645,891**	
93.575	Child Care & Dev-Block Grnt	WSU000449	365	14,067	0	PT
93.575		WSU000451	365	9,342	0	PT
93.575		WSU000452	365	11,889	0	PT
93.575		WSU000640	365	55,838	0	PT
93.575		WSU000668	365	55,085	0	PT
	Federal Program 93.575 Total			**146,221**	**0**	
93.576	Refugee & Entrant Assist-Discret Grnts		300	1,744,708	1,066,248	
	Federal Program 93.576 Total			**1,744,708**	**1,066,248**	
93.579	U.S. Repatriation Program		300	(208)	0	
	Federal Program 93.579 Total			**(208)**	**0**	
93.584	Refugee & Entrant Asst-Targeted Asst		300	1,205,826	0	
	Federal Program 93.584 Total			**1,205,826**	**0**	
93.586	State Court Improvement Prog		055	436,220	0	
	Federal Program 93.586 Total			**436,220**	**0**	
93.590	Community-Based Child Abuse Prevention Grnts		300	437,084	437,084	
	Federal Program 93.590 Total			**437,084**	**437,084**	
93.597	Grnts to States for Access & Visitation Progs		300	178,469	0	
	Federal Program 93.597 Total			**178,469**	**0**	
93.599	Chafee Educ and Training Vouchers Program		300	837,884	5,884	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.599 Total			**837,884**	**5,884**	
93.600	Head Start		300	83,548	0	
93.600			357	46,724	0	
93.600			360	587,547	77,726	
93.600			365	6,533	0	
93.600		WSU000456	365	6,508	0	PT
93.600		WSU000676	365	9,496	0	PT
93.600			370	1,701,003	23,793	
93.600			699	19,289,553	0	
93.600		05378	699	42,949	0	PT
93.600		34402171935440	699	135,196	0	PT
93.600		570.265.1550	699	169,262	0	PT
93.600		LOA#5408	699	145,767	0	PT
	Federal Program 93.600 Total			**22,224,086**	**101,519**	
93.603	Adoption Incentive Payments		300	94,000	0	
	Federal Program 93.603 Total			**94,000**	**0**	
93.617	VotingAccess for Individuals w/ Disabilities-Sts/L		085	218,060	218,060	
	Federal Program 93.617 Total			**218,060**	**218,060**	
93.630	Devlp Disabilities-Basic		103	1,369,754	457,702	
	Federal Program 93.630 Total			**1,369,754**	**457,702**	
93.632	Univ Ctrs f/ Excelln in Develpmtl Disablts Educ, R		360	491,123	0	
	Federal Program 93.632 Total			**491,123**	**0**	
93.643	Childrens Justice Grants-State		300	275,810	0	
	Federal Program 93.643 Total			**275,810**	**0**	
93.645	Child Welfare Services - State		300	6,016,737	0	
	Federal Program 93.645 Total			**6,016,737**	**0**	
93.648	Child Welfare Services Tng		360	64,769	0	
	Federal Program 93.648 Total			**64,769**	**0**	
93.658	Foster Care - Title IV-E		300	97,339,353	0	
93.658		KC212100 AMEND 7	370	646,815	0	PT
93.658		KC212200 AMEND 4	370	929,246	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.658	Foster Care - Title IV-E	KC212700 AMEND 5	370	120,911	0	PT
93.658		KC212800 AMEND 3	370	630,493	0	PT
	Federal Program 93.658 Total			**99,666,818**	**0**	
93.659	Adoption Assistance		300	39,537,341	0	
	Federal Program 93.659 Total			**39,537,341**	**0**	
93.667	Social Services Block Grant		300	45,546,276	0	
	Federal Program 93.667 Total			**45,546,276**	**0**	
93.669	Child Abuse & Neglect St Grnts		300	539,131	0	
	Federal Program 93.669 Total			**539,131**	**0**	
93.670	Chld Abse & Neglt Discret Actv		300	267,625	0	
93.670			360	10,734	0	
	Federal Program 93.670 Total			**278,359**	**0**	
93.671	Family Violence Prevnt & Svcs-Grnts to Sts & Ind T		300	1,586,043	1,292,300	
	Federal Program 93.671 Total			**1,586,043**	**1,292,300**	
93.674	Chafee Foster Care Independence Program		300	2,773,824	2,055,161	
	Federal Program 93.674 Total			**2,773,824**	**2,055,161**	
93.767	State Children's Insurance Program		300	35,565,878	0	
	Federal Program 93.767 Total			**35,565,878**	**0**	
93.768	Mdcaid Infrstrctr, Suprt Cmpetive Emplyt, Disabld		300	392,053	0	
	Federal Program 93.768 Total			**392,053**	**0**	
93.793	Medicaid Transformation Grants		300	162,404	0	
	Federal Program 93.793 Total			**162,404**	**0**	
93.824	Basic/ Core Area Health Education Centers	PO0351387	360	11,065	0	PT
93.824		U76HP06096	360	27,299	0	PT
	Federal Program 93.824 Total			**38,364**	**0**	
93.879	Medical Library Assistance		360	1,969,130	64,800	
93.879		17111-01247-S01	360	21,624	0	PT
93.879		H36653	360	60,993	0	PT
	Federal Program 93.879 Total			**2,051,747**	**64,800**	
93.884	Grants for Training in Primary Care Medicine & Dentistry		360	1,062,595	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.884	Grants for Training in Primary Care Medicine & Dentistry	CS 120-BAKER08	360	6,857	0	PT
93.884		CS120-CHOLERTON08	360	7,312	0	PT
93.884		UW BUD# 630491	360	1,793	0	PT
	Federal Program 93.884 Total			**1,078,557**	**0**	
93.887	Health Care and Other Facilities		360	1,777	0	
93.887			699	140,728	0	
	Federal Program 93.887 Total			**142,505**	**0**	
93.889	National Bioterrorism Hospital Preparedness Program		303	8,602,083	6,469,176	
93.889		D37914D	360	239,583	0	PT
	Federal Program 93.889 Total			**8,841,666**	**6,469,176**	
93.913	Oper of Rural Health Offices		303	155,439	8,262	
	Federal Program 93.913 Total			**155,439**	**8,262**	
93.917	HIV Care Formula Grants		303	11,518,541	6,591,873	
	Federal Program 93.917 Total			**11,518,541**	**6,591,873**	
93.928	Spec Projs of Nat Significance		360	83,081	2,854	
	Federal Program 93.928 Total			**83,081**	**2,854**	
93.931	Demo Grnts to States for Comm Scholarshps		360	483,246	95,073	
93.931		0000612893	360	(297)	0	PT
93.931		5 R01 CA113663-03	360	16,650	0	PT
	Federal Program 93.931 Total			**499,599**	**95,073**	
93.936	NIH-AIDS Resch Loan Repayment Prog		360	3,153,248	310,136	
	Federal Program 93.936 Total			**3,153,248**	**310,136**	
93.938	Coop Agmts Spt Schl Hlth AIDS		350	519,044	14,812	
	Federal Program 93.938 Total			**519,044**	**14,812**	
93.940	HIV Prevention Activities		303	3,707,728	2,751,466	
	Federal Program 93.940 Total			**3,707,728**	**2,751,466**	
93.941	HIV Demo,Rsch,Public & Professnl Educ Prjts		303	43,985	0	
93.941			360	2,283,515	1,531,832	
	Federal Program 93.941 Total			**2,327,500**	**1,531,832**	
93.944	HIV/AIDS Surveillance		303	2,748,659	1,746,126	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.944	HIV/AIDS Surveillance	D35226D	360	(34)	0	PT
93.944		D35338D AM4	360	11,888	0	PT
93.944		D36858D	360	2,985	0	PT
	Federal Program 93.944 Total			**2,763,498**	**1,746,126**	
93.945	Assist Progs for Chronic Disease Prevntn & Control		303	324,844	161,963	
93.945		41334.009.01.01-UW02	360	7,512	0	PT
93.945		413340090301-UWHIRSCH	360	22,768	0	PT
93.945		413340090301-UWLIU	360	25,776	0	PT
93.945		835-41334-LIUUW-YR2	360	8,061	0	PT
93.945		T02531T AMEND.1	360	6,496	0	PT
93.945		WFUHS #11248	360	137,779	0	PT
93.945		WFUHS 11247	360	74,449	0	PT
	Federal Program 93.945 Total			**607,685**	**161,963**	
93.946	Coop Agmts to Supprt St-Basd Safe Motherhd & Inf H		303	167,302	0	
	Federal Program 93.946 Total			**167,302**	**0**	
93.947	TB Demo, Rsch, Public & Professnl Educ	G/P NO. 2 11992 00 03	360	9,502	0	PT
93.947		G/P NO. 21199200	360	2,388	0	PT
	Federal Program 93.947 Total			**11,890**	**0**	
93.952	Trauma Care Systems Planning & Development		360	7,966	0	
	Federal Program 93.952 Total			**7,966**	**0**	
93.958	Blk Grts Comm Mental Hlth Svcs		300	8,847,624	7,087,917	
93.958		841305	300	12,884	0	PT
	Federal Program 93.958 Total			**8,860,508**	**7,087,917**	
93.959	Block Grant Substance Abuse		300	40,212,980	11,546,543	
93.959		D35082D	360	(77)	0	PT
93.959		FEI#91-6001537	360	22,933	0	PT
93.959		200510008	365	2,778	0	PT
	Federal Program 93.959 Total			**40,238,614**	**11,546,543**	
93.969	Geriatric Education Centers		360	128,464	0	
	Federal Program 93.969 Total			**128,464**	**0**	
93.977	PHS-Sex Transmitted Disease		303	2,748,153	1,441,017	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.977 Total			**2,748,153**	**1,441,017**	
93.982	Mental Health Disaster Asst		300	136,513	0	
	Federal Program 93.982 Total			**136,513**	**0**	
93.988	Coop Agree- Diabetes Control		303	1,030,825	331,779	
	Federal Program 93.988 Total			**1,030,825**	**331,779**	
93.989	Senior International Fellowshi		360	2,145,477	121,126	
	Federal Program 93.989 Total			**2,145,477**	**121,126**	
93.991	Preventive Health Services Grt		303	807,789	428,169	
	Federal Program 93.991 Total			**807,789**	**428,169**	
93.994	Maternal & Child Health Blk Gt		303	8,043,196	6,612,934	
	Federal Program 93.994 Total			**8,043,196**	**6,612,934**	
93.995	Adolescent Family Life-Demo Prog	UW BUD# 671967	360	38,908	0	PT
	Federal Program 93.995 Total			**38,908**	**0**	
93.999	HHS, UNKNOWN		300	755	0	
93.999			360	199,056	0	
	Federal Program 93.999 Total			**199,811**	**0**	
	Health & Human Services Dept Total			**912,290,924**	**181,088,251**	

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Corp for National & Comm Serv

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
94.002	Retired & Senior Volunteer Program		375	72,333	0	
94.002			699	60,195	0	
	Federal Program 94.002 Total			**132,528**	**0**	
94.003	State Commissions		105	211,384	0	
	Federal Program 94.003 Total			**211,384**	**0**	
94.004	Learn & Serve-School & Comm		350	298,353	173,588	
	Federal Program 94.004 Total			**298,353**	**173,588**	
94.005	Learn & Serve-Higher Ed		380	356,673	0	
	Federal Program 94.005 Total			**356,673**	**0**	
94.006	AmeriCorps		105	11,661,284	11,661,284	
94.006		480200	360	16,101	0	PT
94.006			376	204,675	0	
94.006			699	29,467	0	
94.006		UN LOC	699	202,239	0	PT
	Federal Program 94.006 Total			**12,113,766**	**11,661,284**	
94.007	Plan & Prog Dev Grnts		105	5,897	0	
94.007			380	306,804	0	
	Federal Program 94.007 Total			**312,701**	**0**	
94.009	Training & Tech Assist		105	75,421	0	
	Federal Program 94.009 Total			**75,421**	**0**	
94.013	VISTA		380	28,372	0	
94.013			540	1,232,376	0	
	Federal Program 94.013 Total			**1,260,748**	**0**	
	Corp for National & Comm Serv Total			**14,761,574**	**11,834,872**	

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Social Security Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
96.008	Social Security-Wrk Incntivs Plann/Asst Prgm		540	271,242	0	
	Federal Program 96.008 Total			**271,242**	**0**	
	Social Security Administration Total			**271,242**	**0**	

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Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.000	HS, Contract Number Only Provided	22177	360	142,409	0	PT
97.000		22177 MOD01	360	843	0	PT
97.000		22177 MOD09	360	251,625	0	PT
97.000		UW BUD# 632318	360	52,144	0	PT
	Federal Program 97.000 Total			**447,021**	**0**	
97.008	Urban Areas Security Initative		245	6,635,679	6,585,249	
	Federal Program 97.008 Total			**6,635,679**	**6,585,249**	
97.012	Boating Safety Financial Assistance		465	1,533,418	0	
	Federal Program 97.012 Total			**1,533,418**	**0**	
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants		245	1,595,862	1,595,862	
	Federal Program 97.017 Total			**1,595,862**	**1,595,862**	
97.023	Community Asst Prog - St Spprt Svs Element		461	45,808	0	
	Federal Program 97.023 Total			**45,808**	**0**	
97.029	Flood Mitigation Assistance		245	54,719	53,615	
	Federal Program 97.029 Total			**54,719**	**53,615**	
97.032	Crisis Counseling		300	(214,447)	0	
	Federal Program 97.032 Total			**(214,447)**	**0**	
97.034	Disaster Unemployment Assistance		540	1,348,930	0	
	Federal Program 97.034 Total			**1,348,930**	**0**	
97.036	Disaster Grants - Public Assistance		245	40,957,869	40,111,361	
97.036			405	17,895	0	
	Federal Program 97.036 Total			**40,975,764**	**40,111,361**	
97.039	Hazard Mitigation Grant (HMGP)		245	43,586	37,012	
	Federal Program 97.039 Total			**43,586**	**37,012**	
97.040	Chemical Stockpile Emrgcy Prepardedness Program		245	6,052,207	3,319,704	
97.040		PS07010	360	10,508	0	PT
	Federal Program 97.040 Total			**6,062,715**	**3,319,704**	
97.041	National Dam Safety Program		461	39,184	0	
	Federal Program 97.041 Total			**39,184**	**0**	
97.042	Emergency Mgt Performance Grants (EMPG)		245	3,609,226	1,917,134	

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Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 97.042 Total			**3,609,226**	**1,917,134**	
97.043	State Fire Trng Systems Grnts (Natl Fire Acadmy)		225	13,191	0	
	Federal Program 97.043 Total			**13,191**	**0**	
97.045	Cooperating Technical Partners		461	566,460	0	
	Federal Program 97.045 Total			**566,460**	**0**	
97.046	Fire Management Assistance Grant		245	41,339	35,499	
	Federal Program 97.046 Total			**41,339**	**35,499**	
97.050	Presid/Declar/Dstr/ Asst/t/Indvdls/&/ Houshlds/ - Other Needs		245	2,374,628	2,374,628	
	Federal Program 97.050 Total			**2,374,628**	**2,374,628**	
97.053	Citizens Corps		245	291,020	292,836	
	Federal Program 97.053 Total			**291,020**	**292,836**	
97.056	Port Security Grant Program		225	297,954	0	
97.056			405	2,418,477	0	
	Federal Program 97.056 Total			**2,716,431**	**0**	
97.068	Competitive Training Grants		699	185,104	0	
	Federal Program 97.068 Total			**185,104**	**0**	
97.070	Map Modernization Management Support		461	118,673	0	
	Federal Program 97.070 Total			**118,673**	**0**	
97.071	Metropolitan Medical Response System		245	853,097	847,753	
	Federal Program 97.071 Total			**853,097**	**847,753**	
97.074	Law Enforcement Terrorism Prevention Program (LETPP)		245	7,115,278	7,115,278	
	Federal Program 97.074 Total			**7,115,278**	**7,115,278**	
97.075	Rail and Transit Security Grant Program		245	485,737	485,737	
	Federal Program 97.075 Total			**485,737**	**485,737**	
97.078	Buffer Zone Protection Program (BZPP)		245	1,465,407	1,394,596	
	Federal Program 97.078 Total			**1,465,407**	**1,394,596**	
	Homeland Security Total			**78,403,830**	**66,166,264**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

U.S. Agency for International Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
98.001	USAID Foreign Asst for Programs Overseas		365	204,005	0	
	Federal Program 98.001 Total			**204,005**	**0**	
98.002	Cooperative Development Program (CDP)		365	2,407,710	645,397	
	Federal Program 98.002 Total			**2,407,710**	**645,397**	
	U.S. Agency for International Development Total			**2,611,715**	**645,397**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Undetermined Fed Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
99.000	Unk Fed Agy, Contract Number Only Provided	07SUBC4400000112182AME	360	86,146	0	PT
99.000		5710002264 AM01	360	39,573	0	PT
99.000		642352	360	9,878	0	PT
99.000		HM158205C0004AM3P00003	360	151,091	0	
99.000		NR0000-01-C-0044	360	99,902	0	
99.000		NROOOO-07-C-0044 AM02	360	215,678	0	
99.000		UW BUD# 631156	360	939	0	PT
99.000		UW BUD# 660365	360	18,106	0	PT
99.000		UW BUD#999994	360	(62)	0	PT
99.000		WSU000613	365	25,367	0	
99.000		3822-GF-06	370	(455)	0	PT
99.000		3943-GF07	370	7,500	0	PT
99.000		C007015	461	37,507	0	PT
99.000		C008015	461	65,823	0	PT
	Federal Program 99.000 Total			**756,993**	**0**	
99.999	Miscellaneous, UNKNOWN	None	303	26,500	0	PT
99.999			360	75,224	0	
	Federal Program 99.999 Total			**101,724**	**0**	
	Undetermined Fed Agency Total			**858,717**	**0**	
Federal Programs Not Clustered Total				**2,945,675,427**	**833,199,645**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Research and Development

National Endowment for the Humanities

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
06.161	Promotion of the Humanities-Research		360	(20,014)	0	
	Federal Program 06.161 Total			**(20,014)**	**0**	
	National Endowment for the Humanities Total			**(20,014)**	**0**	
	National Endowment for the Humanities Total			**(20,014)**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Research and Development

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.001	Agricultural Research - Basic and Applied		360	829,706	25,991	
10.001		100571908	360	7,867	0	PT
10.001			365	1,509,214	0	
10.001		474768373	365	4,692	0	PT
10.001		5650	365	3,822	0	PT
	Federal Program 10.001 Total			**2,355,301**	**25,991**	
	Agricultural Research Service Total			**2,355,301**	**25,991**	
10.200	Grts - Agri Research - Special		360	679,150	423,221	
10.200		UAF 06-0072	360	11,689	0	PT
10.200		UAF 07-0072	360	14,440	0	PT
10.200		041535008	365	24,433	0	PT
10.200		041535047	365	5,386	0	PT
10.200		041535050	365	8,459	0	PT
10.200		041535051	365	1,643	0	PT
10.200		041535060	365	12,372	0	PT
10.200		051687035	365	3,027	0	PT
10.200		051687039	365	1,180	0	PT
10.200		06008ETX	365	32,135	0	PT
10.200		06016EXT	365	1,519	0	PT
10.200		06022ETX	365	11,947	0	PT
10.200		06024EXT	365	426	0	PT
10.200		061553001	365	30,821	0	PT
10.200		061553011	365	62,808	0	PT
10.200		061553035	365	1,938	0	PT
10.200		07010ETX	365	15,988	0	PT
10.200		07014ETX	365	81,861	0	PT
10.200		AFE765494	365	(2,341)	0	PT
10.200		BAK300WSU	365	3,920	0	PT
10.200		BAK301WSU	365	7,588	0	PT
10.200		BAK302SB001	365	3,027	0	PT
10.200		BAK462WSU	365	16,944	0	PT
10.200		BAK463WSU	365	112,447	0	PT
10.200		BAK631WSU	365	4,526	0	PT
10.200		C0299AI	365	(467)	0	PT
10.200		C031553	365	20,639	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.200	Grts - Agri Research - Special	C031569	365	12,157	0	PT
10.200		C031712	365	41,810	0	PT
10.200		C031713	365	10,187	0	PT
10.200		C0318AA	365	9,328	0	PT
10.200		C0318EA	365	886	0	PT
10.200		C0318FA	365	126	0	PT
10.200		C0336AA	365	80,817	0	PT
10.200		C0336EA	365	6,889	0	PT
10.200		C0340AI	365	20,408	0	PT
10.200		C0340AJ	365	13,636	0	PT
10.200		C0340AM	365	5,304	0	PT
10.200		C0340AR	365	30,692	0	PT
10.200		G01107W1120	365	17,983	0	PT
10.200		GPK260A	365	822	0	PT
10.200		GPK360WSU	365	110,020	0	PT
10.200		GPK643	365	54,856	0	PT
10.200		II015583	365	14,726	0	PT
10.200		SA7069	365	9,013	0	PT
10.200		SA7229	365	15,078	0	PT
10.200		UAF050087	365	28,098	0	PT
10.200		UAF05099	365	7,292	0	PT
10.200		UAF070070	365	28,916	0	PT
10.200		USDACSRE45214SB	365	45,701	0	PT
10.200		WSU000657	365	1,751	0	PT
10.200		068K725	375	1,649	0	PT
10.200		832G801	375	51,952	0	PT
	Federal Program 10.200 Total			**1,787,602**	**423,221**	
10.202	Cooperative Forestry Research		365	411,454	0	
	Federal Program 10.202 Total			**411,454**	**0**	
10.203	Paymnts to Agric Exper Stations under Hatch Act		365	5,196,441	0	
	Federal Program 10.203 Total			**5,196,441**	**0**	
10.206	Agri Research- Competitive Res		360	100,399	73,468	
10.206		K083652	360	77,593	0	PT
10.206		QL1-12	360	(5,332)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.206	Agri Research- Competitive Res		365	2,955,715	277,571	
10.206		2004157807	365	167,080	0	PT
10.206		2562220217002	365	22,203	0	PT
10.206		614151A	365	15,265	0	PT
10.206		C0307AA	365	18,583	0	PT
10.206		FY07.146.002	365	9,941	0	PT
10.206		FY07146002	365	9,854	0	PT
10.206		GUAR29170301	365	4,278	0	PT
10.206		IIRR012530WSU	365	(675)	0	PT
10.206		K01661814	365	42,516	0	PT
10.206		Q4096504901	365	42,588	0	PT
10.206		Q6736000501	365	50,689	0	PT
10.206		Y452468	365	48,583	0	PT
10.206			380	43,956	0	
	Federal Program 10.206 Total			**3,603,236**	**351,039**	
10.207	Animal Health & Disease Resch		365	159,488	0	
	Federal Program 10.207 Total			**159,488**	**0**	
10.212	Small Bus Innovation Resch	106783001	365	10,572	0	PT
10.212		WSU000651	365	28,940	0	PT
	Federal Program 10.212 Total			**39,512**	**0**	
	Coop.State Resch, Educ & Exten Serv Total			**11,197,733**	**774,260**	
10.250	Agri & Rural Economic Research		365	105,022	0	
	Federal Program 10.250 Total			**105,022**	**0**	
	Economic Research Service Total			**105,022**	**0**	
10.652	Forestry Research (B)		360	2,407,085	102,378	
10.652			365	9,375	0	
10.652		PG430403	365	8,376	0	PT
10.652			380	31,705	0	
	Federal Program 10.652 Total			**2,456,541**	**102,378**	
	Forest Service Total			**2,456,541**	**102,378**	
10.961	Scientific Cooperation & Research		360	16,697	5,200	
10.961			365	5,174	0	

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Research and Development

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 10.961 Total			**21,871**	**5,200**	
	Foreign Agricultural Service Total			**21,871**	**5,200**	
	Dept of Agriculture Total			**16,136,468**	**907,829**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Research and Development

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.420	Coastal Zone Mgmt Estuarine Rs		360	22,908	0	
11.420			380	14,704	0	
11.420			461	596,649	0	
	Federal Program 11.420 Total			**634,261**	**0**	
11.426	Fin Asst for Natl Ctrs for Coastl Ocean		360	21,425	0	
	Federal Program 11.426 Total			**21,425**	**0**	
11.430	Undersea Research	UAF070129	365	13,770	0	PT
	Federal Program 11.430 Total			**13,770**	**0**	
11.431	Climate & Atmospheric Research		360	568,332	0	
11.431		A100469	360	10,609	0	PT
	Federal Program 11.431 Total			**578,941**	**0**	
11.432	Off of Oceanic & Atmsphric Resch-JointCoop Instits		360	13,269,676	81,649	
	Federal Program 11.432 Total			**13,269,676**	**81,649**	
11.440	Environmntl Sciences, Applications, Data and Educ		360	7,133	0	
	Federal Program 11.440 Total			**7,133**	**0**	
11.455	Coop Science & Education Pgm		360	273,551	0	
	Federal Program 11.455 Total			**273,551**	**0**	
11.467	Meteorlgcl & Hydrologic Modernization		245	24,699	24,197	
	Federal Program 11.467 Total			**24,699**	**24,197**	
11.472	Unallied Science Prog	612	360	23,111	0	PT
11.472		622	360	79,712	0	PT
11.472		624	360	103,387	0	PT
11.472		F2609-00	360	56,805	0	PT
11.472		F2610-00	360	101,199	0	PT
11.472		F2623-00	360	23,410	0	PT
11.472		F2624-00	360	59,533	0	PT
11.472		F2628-01	360	20,725	0	PT
11.472		F2639-00	360	2,311	0	PT
11.472		F2707-00	360	21,438	0	PT
11.472		F2716-00	360	197,560	0	PT
11.472		F2719-01	360	12,104	0	PT
11.472		F2732-00	360	27,994	0	PT

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Research and Development

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.472	Unallied Science Prog	F2870-01	360	6,718	0	PT
11.472		F3859-01	360	4,743	0	PT
11.472		F3869-06	360	2,233	0	PT
	Federal Program 11.472 Total			**742,983**	**0**	
	Natl Oceanic &Atmospheric Admin (NOAA) Total			**15,566,439**	**105,846**	
11.609	Measuremt & Engineering Resch		360	72,394	0	
	Federal Program 11.609 Total			**72,394**	**0**	
	Natl Institute of Standards & Technology Total			**72,394**	**0**	
	Dept of Commerce Total			**15,638,833**	**105,846**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Research and Development

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	DOD, Contract Number Only Provided	0650-359-C496UOFWASH	360	(240,002)	0	
12.000		AM10	360	1,754	0	
12.000		AM11	360	10,574	0	
12.000		DAAD1303C0024P00005	360	(9,197)	0	
12.000		DAAD190210242MODP03	360	(230)	0	
12.000		DACA7202C0040MODP00011	360	105,734	56,979	
12.000		DAMD17-03-1-0203	360	144,738	137,319	
12.000		DAMD170310045POW23RYX2	360	126	0	
12.000		DAMD170310051P00001	360	(397)	0	
12.000		H98230-05-C-0442 AM#3	360	11,676	0	
12.000		H98230-06-1-0234	360	30,362	0	
12.000		H982300710244MODP00002	360	54,460	0	
12.000		HDTRA1-07-01-0033	360	272,220	0	
12.000		HM1582-05-C-0037 AM02	360	10,294	0	
12.000		HU0001-06-1-TS01 MOD3	360	313	0	
12.000		HU0001061TS10N06P15	360	59,786	0	
12.000		IPA 704	360	72,017	0	
12.000		N00014-01-G-0460/0001	360	31,292	20,365	
12.000		N00014-01-G-0460/0017	360	3,338	0	
12.000		N00014-01-G-0460/0018	360	(64)	0	
12.000		N00014-01-G-0460/0023	360	17,168	0	
12.000		N00014-01-G-0460/0025	360	(14)	0	
12.000		N00014-01-G-0460/0027	360	24,440	0	
12.000		N00014-01-G-0460/0034	360	79,654	0	
12.000		N00014-01-G-0460/0036	360	143,721	0	
12.000		N00014-01-G-0460/0038	360	(1,945)	0	
12.000		N00014-01-G-0460/0040	360	415,300	0	
12.000		N00014-01-G-0460/0042	360	2,521,022	1,065,529	
12.000		N00014-01-G-0460/0043	360	338,793	0	
12.000		N00014-01-G-0460/0045	360	(823)	0	
12.000		N00014-01-G-0460/0046	360	2,079	0	
12.000		N00014-01-G-0460/0048	360	156,675	0	
12.000		N00014-01-G-0460/0049	360	264,301	0	
12.000		N00014-01-G-0460/0051	360	23,000	0	
12.000		N00014-01-G-0460/0056	360	119,194	0	
12.000		N00014-02-1-0305	360	399	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	DOD, Contract Number Only Provided	N00014-06-1-0114	360	(3,615)	0	
12.000		N00014-07-G-0057/0012	360	4,660	0	
12.000		N00014-07-G-0557/0001	360	258,034	0	
12.000		N00014-07-G-0557/0002	360	55,648	0	
12.000		N00014-07-G-0557/0004	360	178,126	0	
12.000		N00014-07-G-0557/0006	360	26,683	0	
12.000		N00014-07-G-0557/0008	360	64,172	0	
12.000		N00014-07-G-0557/0009	360	74,304	0	
12.000		N00014-07-G-0557/0010	360	19,587	0	
12.000		N00014-07-G-0557/0011	360	59,022	0	
12.000		N00014-07-M-0261	360	31,404	0	
12.000		N00014-07-M-0300	360	19,841	0	
12.000		N00014-07-M-300	360	8,852	0	
12.000		N00024-02-D-6602	360	635,722	0	
12.000		N00024-02-D-6602/0050	360	1,594,111	435,643	
12.000		N00024-02-D-6602/0057	360	(575)	0	
12.000		N00024-02-D-6602/0058	360	(919)	0	
12.000		N00024-02-D-6602/0060	360	9,422	0	
12.000		N00024-02-D-6602/0061	360	481,423	92,375	
12.000		N00024-02-D-6602/0070	360	32,462	0	
12.000		N00024-02-D-6602/0071	360	19,821	0	
12.000		N00024-02-D-6602/0072	360	14,579	0	
12.000		N00024-02-D-6602/0074	360	(758)	0	
12.000		N00024-02-D-6602/0076	360	103,086	0	
12.000		N00024-02-D-6602/0077	360	245,724	0	
12.000		N00024-02-D-6602/0078	360	3,764	0	
12.000		N00024-02-D-6602/0079	360	(24)	0	
12.000		N00024-02-D-6602/0080	360	(247,348)	(197,788)	
12.000		N00024-02-D-6602/0081	360	109,572	0	
12.000		N00024-02-D-6602/0082	360	295,990	0	
12.000		N00024-02-D-6602/0083	360	87,113	0	
12.000		N00024-02-D-6602/0084	360	326,924	0	
12.000		N00024-02-D-6602/0085	360	92,000	0	
12.000		N00024-02-D-6602/0086	360	36,049	0	
12.000		N00024-02-D-6602/0087	360	16,132	0	
12.000		N00024-02-D-6602/0088	360	252,184	0	

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12.000	DOD, Contract Number Only Provided	N00024-02-D-6602/0089	360	129,551	0	
12.000		N00024-02-D-6602/0091	360	30,633	0	
12.000		N00024-02-D-6602/0092	360	104,904	0	
12.000		N00024-02-D-6602/0093	360	114,078	0	
12.000		N00024-02-D-6602/0094	360	11,510	0	
12.000		N00024-02-D-6602/0099	360	585	0	
12.000		N00104-07-P-LB42	360	1,446	0	
12.000		N00140-06-C-0074	360	80,044	0	
12.000		N00167-03-D-0024/0005	360	39,960	0	
12.000		N00167-03-D-0024/0007	360	1,381	0	
12.000		N00167-03-D-0024/0013	360	683,185	0	
12.000		N00167-03-D-0024/0014	360	46,326	0	
12.000		N00167-03-D-0024/0015	360	7,841	0	
12.000		N00167-03-D-0024/0016	360	70,150	0	
12.000		N00167-03-D-0024/0017	360	1,832,543	0	
12.000		N00167-03-D-0024/0018	360	298,600	0	
12.000		N00167-03-D-0024/0019	360	1,073,255	0	
12.000		N00167-03-D-0024/0020	360	64,035	0	
12.000		N00173-06-C-2045	360	148,238	0	
12.000		N68171-07-2-0001	360	117,778	0	
12.000		NBCHC050137 MOD 6	360	167,702	0	
12.000		NBCHC050137 MOD 7	360	182,201	0	
12.000		NBCHC050137 MOD 9	360	1,063,241	0	
12.000		W81XWH07P0481MODP00001	360	1,417	0	
12.000		W911NF-05-1-0176	360	74,629	0	
12.000		W911NF0610379P00001	360	126,005	0	
12.000		W911QY-05-1-0004 MOD2	360	(1,953)	0	
12.000		W912HQ-06-C-0052 AM	360	172,298	0	
12.000		W912HQ-07-C-0030	360	231,151	0	
12.000		W912HQ06C0037MODP0002	360	339,235	162,338	
12.000		W912HZ-07-C-0024	360	94,031	0	
12.000		W9132T-08-C-0020	360	86,479	0	
12.000		0811	365	2,217	0	PT
12.000		212379	365	6,186	0	PT
12.000		2645447	365	93,044	0	PT
12.000		2647792	365	75,806	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	DOD, Contract Number Only Provided	2662915	365	4,310	0	PT
12.000		27001223	365	4,263	0	PT
12.000		400051322	365	89,993	0	PT
12.000		889236874P	365	39,293	0	PT
12.000		AFRLYAG0003	365	36,377	0	PT
12.000		DAAD160120001	365	94,225	16,702	
12.000		DAAD190120020	365	196,333	0	
12.000		DASG6002C0084	365	703,851	0	
12.000		FA95500610112	365	126,293	0	
12.000		N0040606P7935	365	10,149	0	
12.000		N0040608P1258	365	7,516	0	
12.000		N0040608P2613	365	4,669	0	
12.000		W81XWH05C0155	365	118,149	0	PT
12.000		W911QY05C0090	365	106,696	0	
12.000		W911QY07C0080	365	271,627	19,757	
12.000		W911S805G4001	365	(10)	0	
12.000		W912EF05C0031	365	30,754	0	
12.000		W912EF07P0143	365	10,076	0	
12.000		W912EF07P0144	365	67,743	0	
12.000		W912HQ06C0048	365	180,527	0	
12.000		W912HQ07C0003	365	188,035	0	
12.000		WAFO161052907	365	14,932	0	PT
12.000		WSU000186	365	(34,412)	0	
12.000		WSU000539	365	480	0	PT
12.000		WSU000563	365	11,505	0	PT
	Federal Program 12.000 Total			**19,418,036**	**1,809,219**	
	Defense Undetermined Total			**19,418,036**	**1,809,219**	
12.300	Basic & Applied Scientific Research		360	20,634,894	2,926,086	
12.300		04-SC-ONR-1066	360	1	0	PT
12.300		10276960-002	360	97,610	0	PT
12.300		421-23-01-A	360	110,607	0	PT
12.300		F012919, AMEND 4	360	56,207	0	PT
12.300		UAF 08-0047	360	82,107	0	PT
12.300		WASHINGTON-01 M0D1	360	145,347	0	PT
12.300			365	3,269,064	94,220	

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.300	Basic & Applied Scientific Research	2503036	365	137,468	0	PT
12.300		5710002043	365	511,313	0	PT
12.300		G19207W0917	365	52,459	0	PT
12.300		KKK702B	365	51,265	0	PT
12.300		KKK760SB0012	365	11,471	0	PT
12.300		SB000007	365	67,892	0	PT
12.300		WSU01	365	4,921	0	PT
12.300			461	78,238	0	
	Federal Program 12.300 Total			**25,310,864**	**3,020,306**	
	Dept of Navy Total			**25,310,864**	**3,020,306**	
12.420	Military Med Rsch & Developt		360	2,128,918	48,781	
12.420		02-01-069 MOD08	360	258,460	0	PT
12.420		02-01-069, AMEND.#1**	360	20,018	0	PT
12.420		06068002	360	27	0	PT
12.420		2007.0007	360	9,750	0	PT
12.420		3000758933	360	15,095	0	PT
12.420		R-42332-27647-B*	360	43,698	0	PT
12.420		SUB # 135606 AM01	360	33,011	0	PT
12.420			365	1,239,986	0	
	Federal Program 12.420 Total			**3,748,963**	**48,781**	
	U S Army Medical Command Total			**3,748,963**	**48,781**	
12.431	Basic Scientific Research		360	1,502,861	555,029	
12.431		28D 1083900	360	29,051	0	PT
12.431		PATS19779SAP1003768	360	19,810	0	PT
12.431		SA5885-11146 AMD #2	360	42,916	0	PT
12.431		Z848401	360	228,864	0	PT
12.431			365	174,337	0	
	Federal Program 12.431 Total			**1,997,839**	**555,029**	
	U S Army Materiel Command Total			**1,997,839**	**555,029**	
12.630	Basic, Appld & Adv Rsch in Sci & Engin		360	739,309	93,168	
12.630		GC200014NGD	360	306,141	0	PT
	Federal Program 12.630 Total			**1,045,450**	**93,168**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Off of the Secretary of Defense Total			**1,045,450**	**93,168**	
12.800	Air Force Defense Rsrch Sciences		360	2,564,841	615,358	
12.800		0000003957	360	46,412	0	PT
12.800		1021080632	360	204,527	0	PT
12.800			365	63,213	17,678	
12.800		S000000377	365	76,703	0	PT
	Federal Program 12.800 Total			**2,955,696**	**633,036**	
	Air Force, Materiel Command Total			**2,955,696**	**633,036**	
12.910	Research & Technology Develop		360	3,242,668	1,969,309	
12.910			365	342,297	147,916	
	Federal Program 12.910 Total			**3,584,965**	**2,117,225**	
	Defense Advanced Rsrch Projects Agency Total			**3,584,965**	**2,117,225**	
12.999	DOD, UNKNOWN		350	149,763	0	
12.999			360	625,865	0	
	Federal Program 12.999 Total			**775,628**	**0**	
	Defense Undetermined Total			**775,628**	**0**	
12.999	DOD, UNKNOWN		477	7,299	0	
	Federal Program 12.999 Total			**7,299**	**0**	
	Dept of Navy Total			**7,299**	**0**	
	Dept of Defense Total			**58,844,740**	**8,276,764**	

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Research and Development

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.805	Water Resources Resch Institut		365	118,045	0	
	Federal Program 15.805 Total			**118,045**	**0**	
15.807	Earthquake Hazards Reduction		360	1,041,672	0	
15.807			365	4,054	0	
15.807			375	(1,600)	0	
	Federal Program 15.807 Total			**1,044,126**	**0**	
15.808	Geological Survey - Resrch & Data Acquisition		360	256,985	0	
15.808			365	74,838	0	
15.808		497878176	365	5,109	0	PT
15.808			370	20,154	0	
15.808			380	21,563	0	
15.808			405	34,808	0	
15.808			461	52,504	0	
15.808			490	5,000	0	
	Federal Program 15.808 Total			**470,961**	**0**	
	Geological Survey Total			**1,633,132**	**0**	
	Dept of the Interior Total			**1,633,132**	**0**	

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Research and Development

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.560	Nat'l Instit of Justice Rsch, Eval & Devlp Proj Gr	2007-1845, AM01	360	78,025	0	PT
16.560		T3996061101 AMEND 4	360	41,031	0	PT
16.560		2005007430800	365	(1,317)	0	PT
16.560		PO369196	365	12,791	0	PT
	Federal Program 16.560 Total			**130,530**	**0**	
	National Institute of Justice Total			**130,530**	**0**	
	Dept of Justice Total			**130,530**	**0**	

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Research and Development

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.108	Aviation Rsch Grnts	06-AAPTP-208107-UW	360	38,725	0	PT
	Federal Program 20.108 Total			**38,725**	**0**	
20.109	Air Transp Ctrs for Excellence		699	157,098	0	
	Federal Program 20.109 Total			**157,098**	**0**	
	Federal Aviation Administration Total			**195,823**	**0**	
20.514	Public Transportation Research		380	183,048	0	
20.514			405	270,224	0	
	Federal Program 20.514 Total			**453,272**	**0**	
	Federal Transit Administration Total			**453,272**	**0**	
	Dept of Transportation Total			**649,095**	**0**	

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National Science Foundation

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47.000	NSF, Contract Number Only Provided	002865-UW	360	3,453	0	PT
47.000		030209, MOD02	360	94,641	0	PT
47.000		06-201630-02 AM 3	360	152,603	0	PT
47.000		0637190	360	241,961	0	PT
47.000		12415 MOD 3	360	(1,360)	0	PT
47.000		1288051 MO 01	360	11,586	0	PT
47.000		412293-ARC-020-01	360	452,160	0	PT
47.000		A100416	360	12	0	PT
47.000		BCS0741651001	360	58,333	0	
47.000		DMS0604702	360	(173)	0	
47.000		IIP-0750508	360	22,178	0	PT
47.000		IOS0639343AM02	360	16,569	0	
47.000		P.O. 0000320654	360	4,291	0	PT
47.000		SA 4802 MOD 1	360	62,917	0	PT
47.000		SA4716, A04	360	18,388	0	PT
47.000		SA4816 AM#4	360	48,694	0	PT
47.000		SO6-47225 MOD.4	360	32,036	0	PT
47.000		SO6-47225 MOD.5	360	222,262	0	PT
47.000		UW BUD# 631724	360	5,006	0	PT
47.000		UW BUD# 633991	360	20,708	0	PT
47.000		UW BUD# 634074	360	1,517	0	PT
47.000		UW BUD# 634376	360	14,251	0	PT
47.000		UW BUD# 634469	360	5,173	0	PT
47.000		UW BUD# 666352	360	148	0	PT
47.000		UW BUD# 668740	360	(152)	0	PT
47.000		UW BUD# 801233	360	916	0	PT
47.000		CBET0600056001	365	13,595	0	
47.000		DBI0605016	365	423,271	0	
47.000		RPA11425000	365	(807,164)	0	
47.000		WSU000453	365	6,649	0	
	Federal Program 47.000 Total			**1,124,469**	**0**	
47.041	Engineering Grants		360	5,954,148	536,582	
47.041		3352-UW-NSF-4219	360	44,134	0	PT
47.041		44771-7473	360	114,873	0	PT
47.041		44771-7473 AM06	360	631,968	0	PT

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National Science Foundation

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47.041	Engineering Grants	52120-8459	360	18,203	0	PT
47.041		5710002247	360	66,698	0	PT
47.041		E-20-L05-G3 AMD 2	360	103,615	0	PT
47.041		SA5158 PO 1140320	360	15,529	0	PT
47.041		UCB SA4570, MOD01	360	30,341	0	PT
47.041		UCB SA4570, MOD02	360	55,347	0	PT
47.041		UW BUD# 632789	360	30,001	0	PT
47.041		UW BUD# 633477	360	39,523	0	PT
47.041			365	1,143,474	28,126	
47.041		0712584WSUSUB	365	21,917	0	PT
47.041		109111874P	365	78,107	0	PT
47.041		10915W	365	41,339	0	PT
47.041		433115874P	365	7,677	0	PT
47.041		UTA06818	365	25,299	0	PT
	Federal Program 47.041 Total			**8,422,193**	**564,708**	
47.049	Mathematical & Physical Sci's		360	15,945,496	3,049,965	
47.049		7443-2307, AMEND4	360	(2,546)	0	PT
47.049		7443-2307,AMD4	360	132,625	0	PT
47.049		8601-06862	360	4,962	0	PT
47.049		9 AMD 2	360	(38,769)	0	PT
47.049		C44009L AM03	360	269,904	0	PT
47.049		C44035L AM01	360	30,000	0	PT
47.049		C44036L	360	155,269	0	PT
47.049		IAS-EHR-0314808	360	46,411	0	PT
47.049		NO S0983A-A	360	45,685	0	PT
47.049		SIXTEEN AM04	360	327,805	0	PT
47.049		UW BUD# 630560	360	7,914	0	PT
47.049			365	1,388,930	0	
47.049		TUL1350203	365	20,221	0	PT
47.049		WSU000299	365	4,924	0	PT
47.049			380	436,002	0	
	Federal Program 47.049 Total			**18,774,833**	**3,049,965**	
47.050	Geosciences		360	26,626,353	4,236,276	
47.050		14-DMS AM03	360	63,869	0	PT
47.050		A100465	360	7,166	0	PT

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47.050	Geosciences	A100475	360	6,682	0	PT
47.050		A100510	360	19,743	0	PT
47.050		A100578	360	19,050	0	PT
47.050		F041005	360	25,104	0	PT
47.050		G-3045-5AM01	360	157,563	0	PT
47.050		GSTCN0001A7.UW	360	567,426	0	PT
47.050		KK4111, MOD02	360	36,286	0	PT
47.050		OCE0223951-2, AMEND 6	360	50,621	0	PT
47.050		PG-65900-02 AM#1	360	6,602	0	PT
47.050		PO 10258023-001	360	38,071	0	PT
47.050		PO 10281630-001	360	5,727	0	PT
47.050		PO.# 4000088273 AM06	360	13,970	0	PT
47.050		PO0611812PRIMEOCE22265	360	1,162	0	PT
47.050			365	1,506,509	(3,223)	
47.050		A100553	365	45,868	0	PT
47.050		PO136977	365	9,090	0	PT
47.050			375	328,239	0	
47.050		EAR-0350028-04	375	212,921	0	PT
47.050		EAR-0453975-08	375	132,786	0	PT
47.050			380	908,360	0	
	Federal Program 47.050 Total			**30,789,168**	**4,233,053**	
47.070	Computer/Info Sci/Engineering		360	9,590,920	318,391	
47.070		2007-03543-01	360	41,458	0	PT
47.070		501-1390-01	360	63,325	0	PT
47.070		C00004481-2	360	13,067	0	PT
47.070		C00014708-1	360	7,568	0	PT
47.070		PO 10267621	360	86,824	0	PT
47.070		S0790A-A AM03	360	91,648	0	PT
47.070		S1065A-A	360	37,996	0	PT
47.070		SA5249-23613	360	34,397	0	PT
47.070			365	361,142	0	
47.070		200504510002	365	3,113	0	PT
47.070		20050451002	365	172,877	0	PT
47.070			376	11,037	0	
	Federal Program 47.070 Total			**10,515,372**	**318,391**	

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47.074	Biological Sciences		360	5,817,583	43,185	
47.074		04SCNSF1029MOD3	360	185,327	0	PT
47.074		054F412144JW10MOD05	360	(182)	0	PT
47.074		0620022903S1394PO59698	360	1,440	0	PT
47.074		FY2008-04, MOD 01	360	13,400	0	PT
47.074		S0720E-A, AM03	360	52,536	0	PT
47.074		UF03012, AM01	360	1	0	PT
47.074		UW BUD# 633172	360	159,642	0	PT
47.074		W000068643	360	27,346	0	PT
47.074			365	3,471,883	461,962	
47.074		116475582062003804	365	7,608	0	PT
47.074		2004115603	365	107,802	0	PT
47.074		4204017	365	10,058	0	PT
47.074		AKK628	365	21,818	0	PT
47.074		G08607W1071	365	2,629	0	PT
47.074		GUAR24300301	365	5,941	0	PT
47.074		SA563411574	365	56,240	0	PT
47.074			375	135,677	1,616	
47.074		UTA02-120	375	5,714	0	PT
47.074			376	390,620	0	
47.074			380	612,753	0	
	Federal Program 47.074 Total			**11,085,836**	**506,763**	
47.075	Social Behav and Econ Sciences		360	2,482,806	64,943	
47.075		0751362	360	55,136	0	PT
47.075		13501190-31002-B, AM04	360	26,133	0	PT
47.075		154-1507,MOD 2	360	10,403	0	PT
47.075		18442820-36418-A	360	8,396	0	PT
47.075		S070076	360	10,694	0	PT
47.075		UKB1-2646-LV-05	360	869	0	PT
47.075			365	275,948	19,784	
47.075		WSU000140	365	(182)	0	PT
47.075			370	4,303	0	
47.075			380	12,707	0	
	Federal Program 47.075 Total			**2,887,213**	**84,727**	
47.076	Educational and Human Resource		360	10,481,026	1,318,356	

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47.076	Educational and Human Resource	154-2994	360	63,937	0	PT
47.076		G-3437	360	40,731	0	PT
47.076		UW BUD# 632132	360	14,134	0	PT
47.076			365	3,237,913	471,850	
47.076		3558WSUNSF3747	365	12,750	0	PT
47.076		H321304	365	17,378	0	PT
47.076		WSU000188	365	9,593	0	PT
47.076		WSU000470	365	5,268	0	PT
47.076			370	11,710	0	
47.076		N/A	370	12,000	0	PT
47.076			375	624,428	24,990	
47.076		SA08082341	375	6,147	0	PT
47.076			376	98,492	0	
47.076		0732521	376	6,382	0	PT
47.076		1225-102100-A	376	91,591	0	PT
47.076			380	2,460,030	0	
	Federal Program 47.076 Total			**17,193,510**	**1,815,196**	
47.078	Polar Programs		360	9,029,671	727,453	
47.078		PO# FP802943	360	6,425	0	PT
47.078		PO323242 CO2	360	(9,617)	0	PT
47.078		UW BUD# 631984	360	11,595	0	PT
47.078		UW BUD# 633387	360	55,162	0	PT
47.078			380	143,349	0	
	Federal Program 47.078 Total			**9,236,585**	**727,453**	
47.079	International Science and Engineering (OISE)	RUB12829ST06	365	6,841	0	PT
	Federal Program 47.079 Total			**6,841**	**0**	
47.999	NSF, UNKNOWN		360	12,558	0	
	Federal Program 47.999 Total			**12,558**	**0**	
	National Science Foundation Total			**110,048,578**	**11,300,256**	
	National Science Foundation Total			**110,048,578**	**11,300,256**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Environmental Protection Agy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.500	Environmental Protection-Consolidated Research		303	41,759	0	
66.500			360	(14,887)	(18,802)	
66.500		EPA82947901-236 AMC	360	3,103	0	PT
66.500		F008805	360	1,985	0	PT
66.500		UW BUD# 631603	360	5,712	0	PT
66.500			380	14,351	0	
	Federal Program 66.500 Total			**52,023**	**(18,802)**	
66.509	Science to Achieve Results (STAR) Research Program		360	4,636,313	2,005,470	
66.509			365	311,763	62,939	
66.509		505087	365	2,045	0	PT
66.509			380	157,631	0	
	Federal Program 66.509 Total			**5,107,752**	**2,068,409**	
	Office of Research & Development Total			**5,159,775**	**2,049,607**	
	Environmental Protection Agy Total			**5,159,775**	**2,049,607**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.049	Off of Science Financial Assistance Prog		360	13,554,012	111,818	
81.049		0700244	360	10,664	0	PT
81.049		234151M AM01	360	4,870	0	PT
81.049		234151M AM02	360	8,185	0	PT
81.049		39745/1055595 AM04	360	120,846	0	PT
81.049		4148	360	17,353	0	PT
81.049		MPC 35VA-01	360	36,751	0	PT
81.049		UW BUD# 633061	360	10,039	0	PT
81.049			365	4,551,073	32,385	
81.049		06SCDOE1072	365	35,880	0	PT
81.049		08X01	365	102,052	0	PT
81.049		SB000001	365	3,342	0	PT
	Federal Program 81.049 Total			**18,455,067**	**144,203**	
	Office of Energy Research Total			**18,455,067**	**144,203**	
81.057	University Coal Research		360	62,927	0	
	Federal Program 81.057 Total			**62,927**	**0**	
	Office of Fossil Energy Total			**62,927**	**0**	
81.086	Conservation Resch/Devlpmt		360	132,455	0	
81.086			365	52,469	0	
	Federal Program 81.086 Total			**184,924**	**0**	
81.087	Renewable Energy Research		360	262,732	0	
81.087		0000042951	365	30,277	0	PT
81.087		0625449HB	365	14,824	0	PT
81.087		CA2006TASK0609	365	71,607	0	PT
81.087		PO102756	365	142,258	0	PT
	Federal Program 81.087 Total			**521,698**	**0**	
	Off of Energy Efficiency & Renewable Energy Total			**706,622**	**0**	
81.113	Defense Nuclear Nonproliferation Rsch		360	263,504	40,000	
81.113			365	383,111	0	
	Federal Program 81.113 Total			**646,615**	**40,000**	
	Office of Nonproliferation & Natl Security Total			**646,615**	**40,000**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Research and Development

Dept of Energy Total	**19,871,231**	**184,203**

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Research and Development

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.017	International Resch & Studies		360	32,593	0	
	Federal Program 84.017 Total			**32,593**	**0**	
84.022	Overseas-Doctoral Dissertation		360	101,113	0	
	Federal Program 84.022 Total			**101,113**	**0**	
	Office of Postsecondary Education Total			**133,706**	**0**	
84.133	Natl Inst -Disablty & Rehab Resch		360	4,310,634	617,668	
84.133		990029-UW AM04	360	79,718	0	PT
84.133		H133G070143	360	47,158	0	PT
84.133			365	94,795	0	
84.133			380	1,136,418	0	
	Federal Program 84.133 Total			**5,668,723**	**617,668**	
	Off of Special Education & Rebabilitative Services Total			**5,668,723**	**617,668**	
84.220	Internatl Business Ed Centers		360	332,723	0	
	Federal Program 84.220 Total			**332,723**	**0**	
	Office of Postsecondary Education Total			**332,723**	**0**	
84.305	Educ Research, Develpmt & Dissemination		360	373,188	0	
84.305		R00844	360	100,779	0	PT
	Federal Program 84.305 Total			**473,967**	**0**	
	Office of Educational Research & Improvement Total			**473,967**	**0**	
84.324	Research in Special Education		360	1,705,132	348,541	
84.324		UF07089	360	56,025	0	PT
	Federal Program 84.324 Total			**1,761,157**	**348,541**	
	Off of Special Education & Rebabilitative Services Total			**1,761,157**	**348,541**	
	Dept of Education Total			**8,370,276**	**966,209**	

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Research and Development

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.061	Innovations in Applied Public Health Research		360	3,475,914	158,598	
	Federal Program 93.061 Total			**3,475,914**	**158,598**	
	Centers for Disease Control & Prevention, PHS Total			**3,475,914**	**158,598**	
93.103	Food & Drug Admin - Research	FD-R-001661-01	360	120	0	PT
93.103			495	3,156	0	
	Federal Program 93.103 Total			**3,276**	**0**	
	Food & Drug Administration, Public Health Service Total			**3,276**	**0**	
93.113	Bio Response to Environ Health		360	8,335,610	587,693	
93.113		04 102554-03-S0789	360	1,002	0	PT
93.113		23570.111008	360	11,203	0	PT
93.113		238017	360	(49)	0	PT
93.113		MOD31R41DA01971901REVI	360	2,559	0	PT
93.113		SA5306-11074 AM02	360	39,415	0	PT
93.113		SA5614-11560AM01	360	86,890	0	PT
93.113		SA5746-11753	360	65,622	0	PT
93.113		T02816T	360	24,674	0	PT
93.113		UW BUD# 631579	360	5,486	0	PT
93.113			365	1,097,851	13,417	
93.113			375	167,212	7,890	
93.113			380	46,675	0	
	Federal Program 93.113 Total			**9,884,150**	**609,000**	
93.114	Applied Toxicolgl Resch & Test		360	282,744	20,000	
93.114		112097 MOD01	360	35,481	0	PT
93.114		2 R01 ES009718	360	(945)	0	PT
93.114			365	483,033	0	
	Federal Program 93.114 Total			**800,313**	**20,000**	
93.115	Biometry & Risk Estimation-Env		360	618,247	0	
93.115		0576-06A MOD2	360	25,847	0	PT
93.115		CONVSO2022	360	7,530	0	PT
93.115		SR00000225	360	55,265	0	PT
93.115		WU07136PO29932PAM02	360	59,138	0	PT
	Federal Program 93.115 Total			**766,027**	**0**	

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Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Division of Research Grants, NIH, PHS Total			**11,450,490**	**629,000**	
93.121	Oral Diseases & Disorders Resc		360	11,108,558	969,853	
93.121		114038	360	145,955	0	PT
93.121		3408SC	360	40,601	0	PT
93.121		414450020101.UW01	360	5,717	0	PT
93.121		414730010101.UW MOD01	360	61,962	0	PT
93.121		5-50340	360	22,659	0	PT
93.121		6822-5,MC-494951-B-AJ	360	31,419	0	PT
93.121		8144145DE017741UW02	360	23,353	0	PT
93.121		B6146038205	360	(213)	0	PT
93.121		B6146038206	360	45,139	0	PT
93.121		SHOPPINGCARTN010034555	360	(922)	0	PT
	Federal Program 93.121 Total			**11,484,228**	**969,853**	
	Off of Extramural Rsrch, Nat'l Institutes of Healt Total			**11,484,228**	**969,853**	
93.135	Health Promo & Disease Prevent		360	3,143,789	844,273	
93.135		07-1358	360	2,181	0	PT
	Federal Program 93.135 Total			**3,145,970**	**844,273**	
93.136	Injury Prevnt/Cntrl Rsch/St & Commnty Progs		303	1,042,084	811,030	
93.136			360	1,910,340	200,691	
93.136		RS20061619-01	360	35,869	0	PT
93.136		RS20071627-01	360	59,280	0	PT
93.136			365	2,955	0	
	Federal Program 93.136 Total			**3,050,528**	**1,011,721**	
	Centers for Disease Control & Prevention, PHS Total			**6,196,498**	**1,855,994**	
93.143	NIEHS Suprfnd Hazard Substance		360	534,369	4,170	
	Federal Program 93.143 Total			**534,369**	**4,170**	
	Nat'l Instit of Envirnmtl Hlth Sci, Nat'l Instits Total			**534,369**	**4,170**	
93.155	Rural Health Research Centers		360	469,765	2,520	
	Federal Program 93.155 Total			**469,765**	**2,520**	
	Hlth Resources & Services Administration Total			**469,765**	**2,520**	
93.172	Human Genome Research		360	11,737,634	1,353,082	

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Health & Human Services Dept

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93.172	Human Genome Research	008283, AMEND 2	360	(2)	0	PT
93.172		08-877	360	790,401	0	PT
93.172		2007.1912	360	39,362	0	PT
93.172		2008103196	360	251,842	0	PT
93.172		GSONO0197-UW1	360	29,269	0	PT
93.172		WU-08-154, PO#2905919A	360	81,807	0	PT
93.172		WU-08-96, PO#2905430A	360	58,433	0	PT
93.172		Y-08-08	360	144,408	0	PT
	Federal Program 93.172 Total			**13,133,154**	**1,353,082**	
	Nat'l Ctr for Genome Rsrch, Nat'l Institutes of Hl Total			**13,133,154**	**1,353,082**	
93.173	Deafness & Communication Disor		360	7,622,585	320,568	
93.173		W000075035 AM 03	360	24,115	0	PT
93.173			365	10,441	0	
	Federal Program 93.173 Total			**7,657,141**	**320,568**	
	Nat'l Instit on Deafns & Other Comm Disordrs, NIH, Total			**7,657,141**	**320,568**	
93.184	Disabilities Prevention		303	21,993	21,300	
	Federal Program 93.184 Total			**21,993**	**21,300**	
	Centers for Disease Control & Prevention, PHS Total			**21,993**	**21,300**	
93.186	Natl Research Service Award in Primary Care Medicine		360	413,480	0	
	Federal Program 93.186 Total			**413,480**	**0**	
	Bur of Hlth Professions, Hlth Resrcs & Svs Admin, Total			**413,480**	**0**	
93.213	Resch & Traing in Complimntry & Altrnatve Medicine		360	1,507,275	180,768	
93.213		0000631889	360	7,906	0	PT
93.213		0000631899	360	32,928	0	PT
93.213		0005127/113430-1	360	374,410	0	PT
93.213		110980-1	360	37,655	0	PT
93.213		DKP108778 (A05509)	360	4,075	0	PT
93.213		H94B11	360	48,478	0	PT
	Federal Program 93.213 Total			**2,012,727**	**180,768**	
	Office of Alternative Medicine, NIH, PHS Total			**2,012,727**	**180,768**	
93.225	Natl Res Ser Award- Health Tng		360	283,117	0	

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Health & Human Services Dept

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	Federal Program 93.225 Total			**283,117**	**0**	
93.226	Rsch on Healthcare Costs, Quality &Outcomes		360	1,065,887	216,059	
93.226		1 R18 HS 11866-01	360	(107)	0	PT
93.226		412910010401UWMOD2	360	69,945	0	PT
93.226		5 R18 HS 11866-02	360	(1)	0	PT
93.226		FY06001013UWASHAMD5YR0	360	45,080	0	PT
93.226		FY07001009AMD5UWASHYR0	360	54,965	0	PT
	Federal Program 93.226 Total			**1,235,769**	**216,059**	
	Agency for Health Care Policy & Research, PHS Total			**1,518,886**	**216,059**	
93.230	Consolidtd Knowldge Develpmt & Applic Prog		300	24,147	0	
93.230		1 H79 T115917-03	360	(103)	0	PT
93.230		1 H79TI5917-04	360	24,221	0	PT
93.230		5 H79TI5917-05	360	67,501	0	PT
93.230		GPHPM0027B AM04	360	16,305	0	PT
	Federal Program 93.230 Total			**132,071**	**0**	
	Subst Abuse & Mentl Hlth Svs Admin, PHS Total			**132,071**	**0**	
93.233	National Ctr on Sleep Disorders Research		360	829,159	7,483	
93.233		22089602	360	26,389	0	PT
	Federal Program 93.233 Total			**855,548**	**7,483**	
	Division of Research Grants, NIH, PHS Total			**855,548**	**7,483**	
93.242	Mental Health Research Grants		360	12,032,981	2,078,036	
93.242		0875 G EE631 AM04	360	7,563	0	PT
93.242		1 R43 MH 082474-01A1	360	7,529	0	PT
93.242		1557 G JB518	360	14,366	0	PT
93.242		2006109177	360	(4,813)	0	PT
93.242		2007104157	360	34,594	0	PT
93.242		2007115231	360	100,626	0	PT
93.242		2007129862	360	25,328	0	PT
93.242		385	360	125,418	0	PT
93.242		5-31006.570	360	(1,522)	0	PT
93.242		5U01 MH622209	360	87,176	0	PT
93.242		9920060015, MOD #1	360	(24)	0	PT
93.242		A06-102 DIAMOND	360	17,288	0	PT

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93.242	Mental Health Research Grants	H31544, AM03	360	73,165	0	PT
93.242		ONE(1),A03	360	140,293	0	PT
93.242		PO# 0875PJC059	360	30,331	0	PT
93.242		PO# 2007129863	360	15,461	0	PT
93.242		PO#2006120137	360	1,141	0	PT
93.242		R01 MH065340 MOD#5	360	44,382	0	PT
93.242		R01 MH070311	360	(118)	0	PT
93.242		RS20031968-31	360	6,927	0	PT
93.242		UW BUD# 633383	360	37,549	0	PT
93.242		UW BUD# 634445	360	12,406	0	PT
93.242		W000084532	360	56,960	0	PT
93.242		Z182801AMDREVISED	360	16,327	0	PT
93.242			365	593,576	0	
	Federal Program 93.242 Total			**13,474,910**	**2,078,036**	
	Nat'l Institute of Mental Health, NIH, PHS Total			**13,474,910**	**2,078,036**	
93.262	Occupatnl Safety and Health Program		235	316,233	0	
93.262			360	2,361,227	232,485	
93.262		0000614551 AM01	360	14,629	0	PT
93.262		115-9327-01M3	360	2,741	0	PT
93.262		115-9327-01M4	360	8,033	0	PT
93.262		COEUS005180SAP1005581	360	77,245	0	PT
93.262		G-4606-3 AMEND 2	360	8,412	0	PT
93.262		UW BUD# 631059	360	3,195	0	PT
93.262		UW BUD# 632816	360	74,004	0	PT
	Federal Program 93.262 Total			**2,865,719**	**232,485**	
	Centers for Disease Control & Prevention, PHS Total			**2,865,719**	**232,485**	
93.271	Alcohol/Resch Scientist Award		360	384,437	0	
	Federal Program 93.271 Total			**384,437**	**0**	
93.272	Alcohol Natl Resch Svc Award		360	531,901	0	
	Federal Program 93.272 Total			**531,901**	**0**	
93.273	Alcohol Research Programs		360	4,262,634	124,561	
93.273		2827-UW-DHHS-2529 AM03	360	193,705	0	PT
93.273		430-78-12, AM03	360	161,892	0	PT

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Health & Human Services Dept

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93.273	Alcohol Research Programs	7-312-0207901 MOD#9	360	15,315	0	PT
93.273			365	306,467	0	
93.273			380	129,081	0	
	Federal Program 93.273 Total			**5,069,094**	**124,561**	
	Nat'l Instit on Alcohol Abuse & Alcoholism. NIH, P Total			**5,985,432**	**124,561**	
93.279	Drug Abuse and Addiction Research Programs		300	61,211	0	
93.279		B07A70	300	96,772	0	PT
93.279			360	17,198,976	2,545,818	
93.279		010059-07, AM02	360	98,542	0	PT
93.279		04-SC-NIH-1013, MOD03	360	79,205	0	PT
93.279		100685504	360	5,803	0	PT
93.279		1935 G JB131	360	35,607	0	PT
93.279		1935 G JE131	360	9,048	0	PT
93.279		2 R42 DA 020284-02A1	360	7,654	0	PT
93.279		2000 G GR012	360	6,195	0	PT
93.279		200700440	360	3,144	0	PT
93.279		2007115920	360	33,696	0	PT
93.279		ARIA 31603	360	12,564	0	PT
93.279		F015192	360	11,723	0	PT
93.279		PT091038-SC100202	360	41,953	0	PT
93.279		R446560 AM01	360	37,622	0	PT
93.279		SUBAWARD #R33627 AM1	360	21,164	0	PT
93.279			365	688,322	1,910	
93.279		141210	376	5,395	0	PT
	Federal Program 93.279 Total			**18,454,596**	**2,547,728**	
	Division of Research Grants, NIH, PHS Total			**18,454,596**	**2,547,728**	
93.281	Mntl Hlth Rsch Career/Scientst Devlpmt Awd		360	1,613,760	55,149	
	Federal Program 93.281 Total			**1,613,760**	**55,149**	
93.282	Mntl Hlth Natl Awrd-ReschTng		360	508,570	0	
93.282		PO# 3000646259	360	10,947	0	PT
	Federal Program 93.282 Total			**519,517**	**0**	
	Nat'l Institute of Mental Health, NIH, PHS Total			**2,133,277**	**55,149**	
93.286	Dscvry/Applied/Resch/f/ Technical/Innovation/t/Improve/ Human/Health		360	7,669,731	599,303	

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93.286	Dscvry/Applied/Resch/f/ Technical/Innovation/t/Improve/ Human/Health	107075582092005410M0D1	360	52,243	0	PT
93.286		2003-1328 MOD03	360	54,849	0	PT
93.286		NIH.1374-07556-SUB	360	88,764	0	PT
93.286		UNIVERSITYOFWASHINGTON	360	35,882	0	PT
93.286			365	43,738	0	
	Federal Program 93.286 Total			**7,945,207**	**599,303**	
93.310	Trans-NIH Research Support		360	1,192,693	0	
93.310		0000616041	360	1,753	0	PT
93.310		0000616042	360	5,626	0	PT
93.310		0000618604	360	81,390	0	PT
93.310		0000639673	360	41,643	0	PT
93.310		0000639725	360	11,648	0	PT
93.310		SUB07004392-UW	360	137,739	0	PT
93.310		UW BUD# 634510	360	898	0	PT
	Federal Program 93.310 Total			**1,473,390**	**0**	
	Off of Extramural Rsrch, Nat'l Institutes of Healt Total			**9,418,597**	**599,303**	
93.333	Clinical Research		360	683,935	366,281	
	Federal Program 93.333 Total			**683,935**	**366,281**	
	Clinical Research, Nat'l Cntr for Resrch Resrcs, N Total			**683,935**	**366,281**	
93.361	Nursing Research		360	6,384,603	319,747	
93.361		0525-UW-1	360	13,032	0	PT
93.361		2718SC AM05	360	6,198	0	PT
93.361		4308SC,AM02	360	176,419	0	PT
93.361		4600410470	360	12,401	0	PT
93.361		GS0N00135A	360	381	0	PT
93.361		PO 4600412829 AM05	360	3,480	0	PT
93.361		UW BUD# 632145	360	(16,453)	0	PT
93.361			365	382,444	106,734	
93.361		542457	365	25,002	0	PT
	Federal Program 93.361 Total			**6,987,507**	**426,481**	
	Nat'l Institute of Nursing Research, NIH, PHS Total			**6,987,507**	**426,481**	
93.389	Research Infrastructure	108520001	365	25,819	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.389 Total			**25,819**	**0**	
	Research Infrastructure, Nat'l Cntr for Resch Resr Total			**25,819**	**0**	
93.393	Cancer Cause/Prevention Resrch		360	7,102,777	900,606	
93.393		0000615021, AMD 2	360	87,511	0	PT
93.393		0000618458	360	25,706	0	PT
93.393		0000620311AM1	360	8,531	0	PT
93.393		0000624665	360	6,498	0	PT
93.393		0000632811	360	51,078	0	PT
93.393		0000632815	360	33,300	0	PT
93.393		0000633414	360	26,564	0	PT
93.393		0000633745	360	6,120	0	PT
93.393		0000636668	360	4,084	0	PT
93.393		0000636676	360	11,794	0	PT
93.393		0000636931, MOD 1	360	8,861	0	PT
93.393		0000638338	360	60,307	0	PT
93.393		0000638477	360	41,872	0	PT
93.393		0000641126	360	7,905	0	PT
93.393		0000645681	360	3,350	0	PT
93.393		0000649476	360	5,411	0	PT
93.393		0000651372	360	8,133	0	PT
93.393		0000654493	360	2,007	0	PT
93.393		2006124240	360	3,956	0	PT
93.393		2006124241	360	2,148	0	PT
93.393		2006133204	360	4,755	0	PT
93.393		2007114595	360	14,371	0	PT
93.393		2007114626	360	169,532	0	PT
93.393		2007114638	360	5,149	0	PT
93.393		2007127048	360	42,455	0	PT
93.393		5-40255-G5 MOD1	360	6,803	0	PT
93.393		631968	360	18,625	0	PT
93.393		632562	360	50,952	0	PT
93.393		R01CA097199	360	64	0	PT
93.393		SA0700478	360	11,202	0	PT
93.393		SA0800578	360	11,584	0	PT
93.393		SUBAWARDNO0000610722	360	1,444	0	PT

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93.393	Cancer Cause/Prevention Resrch		365	140,924	0	
	Federal Program 93.393 Total			**7,985,773**	**900,606**	
93.394	Cancer Detect/Diagnosis Resrch		360	6,001,095	438,150	
93.394		0000615027	360	(295)	0	PT
93.394		0000615301,A01	360	(130)	0	PT
93.394		0000631644	360	14,180	0	PT
93.394		0000634696	360	63,063	0	PT
93.394		0000652740	360	105,801	0	PT
93.394		000631152	360	14,782	0	PT
93.394		01-335-UW, AMD 4	360	6,304	0	PT
93.394		2005-02774-01 AM 2	360	25,196	0	PT
93.394		5710002137	360	17,295	0	PT
93.394		5710002138	360	2,891	0	PT
93.394		5710002256	360	36,276	0	PT
93.394		5710002257	360	6,029	0	PT
93.394			365	45,912	0	
	Federal Program 93.394 Total			**6,338,399**	**438,150**	
93.395	Cancer Treatment Research		360	4,190,974	129,876	
93.395		0000597129	360	(461)	0	PT
93.395		0000609029	360	(5,389)	0	PT
93.395		0000614456 AM01	360	6,292	0	PT
93.395		0000614457	360	3,469	0	PT
93.395		0000617186	360	68	0	PT
93.395		0000619115	360	78	0	PT
93.395		0000630227	360	309,706	0	PT
93.395		0000630228	360	49,039	0	PT
93.395		0000633432	360	10,691	0	PT
93.395		0000634539	360	12,883	0	PT
93.395		0000635192	360	56,210	0	PT
93.395		0000635332	360	19,974	0	PT
93.395		0000635732	360	36,762	0	PT
93.395		0000636125	360	62,958	0	PT
93.395		0000639191	360	64,551	0	PT
93.395		0000643677	360	4,024	0	PT
93.395		0000644527	360	37,903	0	PT

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.395	Cancer Treatment Research	0000644532 AM02	360	60,172	0	PT
93.395		0000652796	360	59,527	0	PT
93.395		0000653375	360	2,911	0	PT
93.395		16601	360	122,479	0	PT
93.395		18216/98017734	360	7,488	0	PT
93.395		2000056564 AM01	360	171,852	0	PT
93.395		2002-4163-474604	360	(28,519)	0	PT
93.395		20465/98016970	360	15,039	0	PT
93.395		20485/98016973	360	15,039	0	PT
93.395		597130	360	(738)	0	PT
93.395		617380 AM01	360	7,066	0	PT
93.395		630226	360	50,257	0	PT
93.395		638621	360	60,401	0	PT
93.395		F014889, AMEND 1	360	3,055	0	PT
93.395		F020110	360	4,656	0	PT
93.395		LS2-16-KUVER	360	42,185	0	PT
93.395		LS2-16-SAVARD	360	12,478	0	PT
93.395		LS2-16-WONG	360	11,113	0	PT
93.395		SA0700486	360	60,609	0	PT
93.395		SUBAWARD 0000612029	360	19,397	0	PT
93.395		SUBAWARD 8610-07509-X	360	176,598	0	PT
93.395		UW BUD# 633810	360	48,459	0	PT
93.395		UW BUD# 667650	360	915	0	PT
93.395			365	550,077	0	
93.395		0000614745	365	55,300	0	PT
93.395		0000637512	365	87,500	0	PT
93.395		1R01CA10255801A1	365	27,911	0	PT
93.395		FY2008076	365	1,807	0	PT
93.395			380	34,331	0	
	Federal Program 93.395 Total			**6,539,097**	**129,876**	
93.396	Cancer Biology Research		360	3,550,332	275,764	
93.396		0000628534	360	37,426	0	PT
93.396		0000631876	360	8,510	0	PT
93.396		0000649766	360	10,285	0	PT
93.396		UW BUD# 632201	360	6,329	0	PT

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.396	Cancer Biology Research		365	336,742	0	
	Federal Program 93.396 Total			**3,949,624**	**275,764**	
93.397	Cancer Centers Support		360	838,660	510,739	
93.397		0000606985	360	(5,208)	0	PT
93.397		0000611484 MOD 1	360	1,278	0	PT
93.397		0000611601	360	24,829	0	PT
93.397		0000612230	360	9,849	0	PT
93.397		0000612240	360	(5,418)	0	PT
93.397		0000613078	360	28	0	PT
93.397		0000617655 AMEND 4	360	96,251	0	PT
93.397		0000618114	360	5,691	0	PT
93.397		0000618136	360	20,642	0	PT
93.397		0000618161	360	5,547	0	PT
93.397		0000618167	360	10,128	0	PT
93.397		0000618168	360	9,751	0	PT
93.397		0000618246	360	10,615	0	PT
93.397		0000618489	360	7,987	0	PT
93.397		0000620656 AM01	360	11,361	0	PT
93.397		0000620680	360	3,381	0	PT
93.397		0000626329	360	8,851	0	PT
93.397		0000627606	360	110,474	0	PT
93.397		0000629522	360	9,023	0	PT
93.397		0000632755 AMEND 01	360	102,722	0	PT
93.397		0000639073	360	49,793	0	PT
93.397		0000639074 AM01	360	60,009	0	PT
93.397		0000639075	360	45,554	0	PT
93.397		0000639077	360	50,161	0	PT
93.397		0000639129	360	207,870	0	PT
93.397		0000639134 AM01	360	8,878	0	PT
93.397		0000639233	360	40,923	0	PT
93.397		0000639361	360	25,763	0	PT
93.397		0000640701	360	15,493	0	PT
93.397		0000643015	360	1,461	0	PT
93.397		0000646819	360	44,677	0	PT
93.397		0000646824	360	14,124	0	PT

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93.397	Cancer Centers Support	0000646830	360	12,628	0	PT
93.397		0000646844	360	749	0	PT
93.397		0000647110	360	6,852	0	PT
93.397		0000648863	360	25,049	0	PT
93.397		0000648865	360	10,770	0	PT
93.397		0000649134	360	51,947	0	PT
93.397		0000651228	360	14,341	0	PT
93.397		000605118	360	45,551	0	PT
93.397		0520028902S1057PO00005	360	(2)	0	PT
93.397		5 P50 CA093683-04	360	16,921	0	PT
93.397		5P30CA0157043400006276	360	60,697	0	PT
93.397		5P30CA01570434623982	360	17,507	0	PT
93.397		5P30CA01570434S3AMEND5	360	191,069	0	PT
93.397		600651	360	(5,587)	0	PT
93.397		611455 AMEND 1	360	16,085	0	PT
93.397		618232	360	2,363	0	PT
93.397		618234	360	1,227	0	PT
93.397		618251	360	27,437	0	PT
93.397		624013	360	98,647	0	PT
93.397		624016	360	56,173	0	PT
93.397		624018	360	31,638	0	PT
93.397		624034	360	57,518	0	PT
93.397		624041	360	119,314	0	PT
93.397		625783	360	11,317	0	PT
93.397		626372 AMEND 1	360	23,445	0	PT
93.397		632752	360	47,060	0	PT
93.397		632759 AM01	360	70,515	0	PT
93.397		639126	360	9,343	0	PT
93.397		644234, AMEND #1	360	39,757	0	PT
93.397		646853	360	3,553	0	PT
93.397		PO6181180620030603S142	360	19,844	0	PT
93.397		SUBAWARD #0000618120	360	9,770	0	PT
93.397		SUBAWARD NO 0000615660	360	18,538	0	PT
93.397		SUBNO0000611489AM01	360	28,799	0	PT
	Federal Program 93.397 Total			**2,981,983**	**510,739**	

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93.398	Cancer Research Manpower		360	4,043,107	174,518	
	Federal Program 93.398 Total			**4,043,107**	**174,518**	
93.399	Cancer Control		360	2,354,353	290,059	
93.399		0000604181 AM01	360	2,379	0	PT
93.399		0000608524	360	12	0	PT
93.399		0000612235	360	(2,682)	0	PT
93.399		0000618886, AM01	360	8,677	0	PT
93.399		0000620515	360	(256)	0	PT
93.399		0000620710	360	(21,238)	0	PT
93.399		0000620731	360	623	0	PT
93.399		0000622475	360	854	0	PT
93.399		0000631645	360	5,963	0	PT
93.399		0000631659	360	22,373	0	PT
93.399		0000643987	360	38,880	0	PT
93.399		0000643988 AMD 1	360	174,050	0	PT
93.399		0000646098	360	477	0	PT
93.399		0000646118	360	14,580	0	PT
93.399		000646103	360	6,827	0	PT
93.399		2003-5199-504388	360	(1,435)	0	PT
93.399		5-40255-G4	360	2,397	0	PT
93.399		5-40257-G4, AM02	360	2,988	0	PT
93.399		612991	360	(3,978)	0	PT
93.399		616538	360	5,784	0	PT
93.399		620703	360	(617)	0	PT
93.399		620733	360	(866)	0	PT
93.399		620833	360	18,828	0	PT
93.399		620841	360	12,137	0	PT
93.399		629429	360	79,008	0	PT
93.399		643981	360	59,772	0	PT
93.399		C00005916-1	360	(1,968)	0	PT
93.399		C00005916-1, AM02	360	21,869	0	PT
93.399		K-013506-UW AMEND. 2	360	52,365	0	PT
93.399		K-013506-UW AMEND. 3	360	13,518	0	PT
93.399		SELECT-06008 MOD 1	360	(648)	0	PT
93.399		SELECT-07008	360	47,699	0	PT

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93.399	Cancer Control	UW BUD# 631179	360	24,661	0	PT
93.399		UW BUD# 633213	360	15,998	0	PT
93.399		UW-YR 22	360	25,627	0	PT
93.399			365	203,508	0	
	Federal Program 93.399 Total			**3,182,519**	**290,059**	
	National Cancer Institute, Nat'l Institutes of Hlt Total			**35,020,502**	**2,719,712**	
93.564	Child Support Enforcement - Research		300	112,465	0	
	Federal Program 93.564 Total			**112,465**	**0**	
	Administration for Children and Families Total			**112,465**	**0**	
93.779	Ctrs f/ Medicare & Medicaid Services (CMS) Rsch, D		160	548,533	0	
93.779			300	318,296	0	
93.779			302	69,973	0	
	Federal Program 93.779 Total			**936,802**	**0**	
	Health Care Financing Administration Total			**936,802**	**0**	
93.837	Heart & Vascular Disease Resch		360	48,297,353	5,741,753	
93.837		0000615554	360	63	0	PT
93.837		0000634675	360	104,539	0	PT
93.837		01; 1 R43 HL083578-01	360	43,415	0	PT
93.837		0600370D3531406MO01	360	11,353	0	PT
93.837		1 U01 HL087422-01	360	67,324	0	PT
93.837		12.8044_UNIV OF WASH.	360	244,270	0	PT
93.837		2 FRAM 761-02 AM 02	360	222,990	0	PT
93.837		2 FRAM 761-03, AM04	360	80,004	0	PT
93.837		2000011167AM01	360	42,070	0	PT
93.837		205514, AMEND 01	360	93,994	0	PT
93.837		205514, AMEND 1	360	25,361	0	PT
93.837		20636-01-01	360	4	0	PT
93.837		20636-05-01 MOD. 3	360	90,491	0	PT
93.837		23570-113954-UW	360	27	0	PT
93.837		414410030101.UW01	360	1,501	0	PT
93.837		5 R01 HL072011-05	360	36,222	0	PT
93.837		5 R01 HL073824-04	360	33,773	0	PT
93.837		66143-04UW *	360	7,346	0	PT

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93.837	Heart & Vascular Disease Resch	8402-14575-2, MOD 2	360	2	0	PT
93.837		8607-93920-X	360	(5)	0	PT
93.837		9-526-5210, A02	360	36,621	0	PT
93.837		9920060157 AM1	360	52	0	PT
93.837		A06490	360	216,989	0	PT
93.837		AM04	360	48,773	0	PT
93.837		AM3	360	14,124	0	PT
93.837		CSMC PO# 382289	360	(56)	0	PT
93.837		CSMC PO#434500 MOD03	360	83	0	PT
93.837		F009109, AMEND # 3	360	11,203	0	PT
93.837		FO11689 AMEND 3	360	25,763	0	PT
93.837		FY05.001.012, AMEND #1	360	79	0	PT
93.837		HL069757-06	360	16,903	0	PT
93.837		NHL243-01	360	820,439	0	PT
93.837		PO 101389 MOD 2	360	(47)	0	PT
93.837		PO 101389 MOD 4	360	21,996	0	PT
93.837		PO 10222708-006	360	13,052	0	PT
93.837		PO 491965, MOD 4	360	46,542	0	PT
93.837		PO# 10283220	360	8,604	0	PT
93.837		PO#489044 AM05	360	168,958	0	PT
93.837		Q66362669M7 AM2	360	2,005	0	PT
93.837		R01-HL085710	360	144,455	0	PT
93.837		UW 155030-11129 AM02	360	9,270	0	PT
93.837		UW BUD# 630548	360	60,878	0	PT
93.837		UW BUD# 630737	360	1,534	0	PT
93.837		UW BUD# 632613	360	41,119	0	PT
93.837		UW BUD# 662678	360	(330,853)	0	PT
93.837		WFUHS 10120	360	(149)	0	PT
93.837		WFUHS 10800-AMD01	360	22,820	0	PT
93.837		WFUHS 11128	360	25,929	0	PT
93.837			365	895,255	161,507	
	Federal Program 93.837 Total			**51,724,438**	**5,903,260**	
93.838	Lung Diseases Research		360	11,079,002	1,040,786	
93.838		0000615077	360	6,633	0	PT
93.838		1000557300	360	12,706	0	PT

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93.838	Lung Diseases Research	106908-3 AM01	360	10,854	0	PT
93.838		5352	360	2,164	0	PT
93.838		636677	360	91,075	0	PT
93.838		AM02, PO # 4600598892	360	17,051	0	PT
93.838		PONO29161QWU04224A2	360	52,355	0	PT
93.838		PONO29161QWU04224A3	360	249,929	0	PT
93.838		SUB7ACC536585AM04	360	53,876	0	PT
93.838		UW BUD# 631436	360	(7,579)	0	PT
93.838		UW BUD# 664314	360	555	0	PT
93.838		UW BUD# 666674	360	19,076	0	PT
93.838		WFUHS17168 AMD#2	360	118,166	0	PT
	Federal Program 93.838 Total			**11,705,863**	**1,040,786**	
93.839	Blood Diseases & Resources Rsc		360	7,060,393	796,763	
93.839		0000635742	360	174,232	0	PT
93.839		0000641634	360	4,914	0	PT
93.839		0000650164	360	12,959	0	PT
93.839		5 R01HL084345-03	360	35,614	0	PT
93.839		969-UW-2006-02	360	15,419	0	PT
93.839		969-UW-2007-01	360	113,771	0	PT
	Federal Program 93.839 Total			**7,417,302**	**796,763**	
	Nat'l Heart, Lung & Blood Institute, NIH, PHS Total			**70,847,603**	**7,740,809**	
93.846	Arthritis Skin Disease Resch		360	11,192,635	1,027,342	
93.846		13458140-30300-B-AM02	360	94,037	0	PT
93.846		16026-0-2000	360	61	0	PT
93.846		20000100073	360	2,193	0	PT
93.846		20000100073-AMD3	360	40,583	0	PT
93.846		5 R01 AR 049373-REV04	360	16,543	0	PT
93.846		5 RO1 AR049373-05	360	65,667	0	PT
93.846		5-34061	360	6,587	0	PT
93.846		8407-50967-1, AMD2	360	(1,924)	0	PT
93.846		EH04-179-S5	360	9,831	0	PT
93.846		PO # 10266442-002	360	275,172	0	PT
93.846		PO#10266442-002	360	28,648	0	PT
93.846		RO1 AR 49373	360	798	0	PT

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93.846	Arthritis Skin Disease Resch	YL11-ZIELINSKA	360	25,950	0	PT
93.846		YL11-ZOU	360	58,521	0	PT
93.846			365	166,210	0	
	Federal Program 93.846 Total			**11,981,512**	**1,027,342**	
	Nat'l Instit of Arthritis & Musculoskeletal & Skin Total			**11,981,512**	**1,027,342**	
93.847	Diabetes, Endoc & Metabolism		360	11,366,551	2,524,965	
93.847		05E08PRI5U01DK06105506	360	247,218	0	PT
93.847		06-N27	360	1,250	0	PT
93.847		06A025U01DK06105506	360	8,106	0	PT
93.847		06A07PRI5U01DK06105506	360	199	0	PT
93.847		06M11PRI5U01DK06105506	360	1,260	0	PT
93.847		06M11PRI5U01DK06105507	360	123,603	0	PT
93.847		07D195U01DK06123006	360	421,032	0	PT
93.847		07D225U01DK06123006	360	20,020	0	PT
93.847		07N025U01DK04848914	360	572,960	0	PT
93.847		08 - D17	360	20,003	0	PT
93.847		08-1467 / 11590 FA17	360	843	0	PT
93.847		08-D-18	360	193,200	0	PT
93.847		115.9347	360	2,817	0	PT
93.847		19802-056238	360	206,784	0	PT
93.847		20497-12	360	23,905	0	PT
93.847		5-50803	360	10,448	0	PT
93.847		ACSWR0005-A	360	40,872	0	PT
93.847		ACSWR0005AAMENDMENT1	360	4,318	0	PT
93.847		KS1-21-MONTGOMERY	360	71,837	0	PT
93.847		KS1-21-MURILLO	360	24,538	0	PT
93.847		KS1-21-SOCHA	360	29,809	0	PT
93.847		KS1-21-SPIVEY	360	3,357	0	PT
93.847		LW1-15	360	48,172	0	PT
93.847		S-DPP0809-JT02	360	256,104	0	PT
93.847		S-TRN0708-NL07	360	305,230	0	PT
93.847		STRN0708NL025U01DK0610	360	214,113	0	PT
93.847		STRN0708NL075U01DK6610	360	4,180	0	PT
93.847		STRN0708NL115U01DK0610	360	11	0	PT
93.847			365	781,838	0	

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93.847	Diabetes, Endoc & Metabolism	WSU000418	365	22,684	0	PT
	Federal Program 93.847 Total			**15,027,262**	**2,524,965**	
93.848	Digestve Disease-Nutritn Resch		360	4,275,963	468,262	
93.848		112067-1	360	46,554	0	PT
93.848		2-ACCOUNT5-31565 AM 2	360	13,076	0	PT
93.848		5 R01 DK56924-04 A2	360	158	0	PT
93.848		5 R01 DK56924-05	360	47	0	PT
93.848		5 U01 DK057131-08	360	6,979	0	PT
93.848		5-52022	360	70,751	0	PT
93.848		GMO500801MOD1WILLIAMML	360	20,538	0	PT
93.848		GMO500801PIWILLIAMMLEE	360	(13,763)	0	PT
93.848		KS1-21-3	360	2,710	0	PT
93.848		KS1-21-5	360	1,656	0	PT
93.848		KS1-21-7	360	293	0	PT
93.848		KS1-21-SUB1	360	9,772	0	PT
93.848		KS121SUB15U01DK0571310	360	106,083	0	PT
93.848		Q6636457103	360	9,610	0	PT
93.848		R01DK068598BIDMCPIDARY	360	2,079	0	PT
93.848		SUBAWARD000531PROJECT1	360	190,712	0	PT
93.848		WFUHS 14107	360	34,680	0	PT
93.848		WFUHS 14108 AM01	360	297,147	0	PT
93.848			365	621,083	85,980	
	Federal Program 93.848 Total			**5,696,128**	**554,242**	
93.849	Kidney,Urology,Hematology Resc		360	6,557,160	489,086	
93.849		0000617630	360	13,013	0	PT
93.849		0000626328	360	20,000	0	PT
93.849		0000645864 AMENDMENT 1	360	2,056	0	PT
93.849		00006488059	360	19,876	0	PT
93.849		29618S/WU-02-85, AM04	360	74,051	0	PT
93.849		623973	360	11,645	0	PT
93.849		626362	360	14,056	0	PT
93.849		GCROE0102A AMEND. #1	360	4,488	0	PT
93.849		UW BUD# 668667	360	364,109	0	PT
93.849		VUMC 32483-R	360	72,145	0	PT
93.849		VUMC32483-R AM02	360	9,491	0	PT

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93.849	Kidney,Urology,Hematology Resc		365	30,097	0	
	Federal Program 93.849 Total			**7,192,187**	**489,086**	
	Nat'l Instit of Diabetes, Digestive & Kidney Disea Total			**27,915,577**	**3,568,293**	
93.853	Extrmurl Resch in Neuroscience & Neurolog Disordrs		360	16,572,768	1,178,749	
93.853		00005174	360	125,818	0	PT
93.853		0181302	360	38,737	0	PT
93.853		1 R01 NS045085 AMEND 5	360	5,142	0	PT
93.853		112008-5	360	10,917	0	PT
93.853		117006/115709	360	27,093	0	PT
93.853		2000011567	360	71,073	0	PT
93.853		2017 AM02	360	29,265	0	PT
93.853		2017 AM03	360	17,561	0	PT
93.853		41507-00 07 A	360	26,741	0	PT
93.853		41507-00 08 A	360	1,299	0	PT
93.853		5 K23 NS 049100	360	23,037	0	PT
93.853		9235-R A04	360	31	0	PT
93.853		AMENDMENT #7	360	142,805	0	PT
93.853		P808AM06COEUS001080	360	3,576	0	PT
93.853		R00582-A	360	96,670	0	PT
93.853		UF06069	360	2,270	0	PT
93.853		UF07075	360	15,155	0	PT
93.853		UKRF46368300324AM04	360	(12,603)	0	PT
93.853		UW BUD# 631072	360	40,701	0	PT
93.853		UW BUD# 633004	360	12,342	0	PT
93.853		W000056245 AMEND 8	360	12,476	0	PT
93.853		W000056245 AMEND. 8	360	28,458	0	PT
93.853		W000075588, AMEND. 10	360	103,511	0	PT
93.853		WU-06-42	360	(26)	0	PT
93.853		WU07103PO29990P	360	17,593	0	PT
93.853			365	1,570,586	875	
93.853		95265672	365	605	0	PT
	Federal Program 93.853 Total			**18,983,601**	**1,179,624**	
	Nat'l Instit of Neurological Disorders & Stroke, N Total			**18,983,601**	**1,179,624**	
93.855	Allergy, Immunology & Transplt		360	45,658,727	7,245,051	

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93.855	Allergy, Immunology & Transplt	0000618015 AM02	360	90,544	0	PT
93.855		0000622962	360	49,190	0	PT
93.855		0000624066	360	56,151	0	PT
93.855		0000625004	360	2,722	0	PT
93.855		0000629406 AM02	360	287,011	0	PT
93.855		0000635740	360	7,767	0	PT
93.855		0000641438	360	52,986	0	PT
93.855		0000641441	360	122,492	0	PT
93.855		0000641448	360	178,305	0	PT
93.855		0000644903	360	34,760	0	PT
93.855		0000648315	360	180,553	0	PT
93.855		0000651096	360	31,654	0	PT
93.855		000643701	360	10,540	0	PT
93.855		0254-6483-4609	360	(1,776)	0	PT
93.855		0254-6834-4609/6A	360	221,763	0	PT
93.855		0254-6834-4609/6B	360	623,759	0	PT
93.855		0600 370 F572 UNIVWA	360	4,692	0	PT
93.855		068618	360	50,256	0	PT
93.855		07-004309 B 01	360	56,609	0	PT
93.855		0720226101S1907PO62956	360	3,765	0	PT
93.855		08-013 PO524330&524360	360	271,965	0	PT
93.855		1 R24 AI067039-01A1	360	562,568	0	PT
93.855		112905-05	360	168,461	0	PT
93.855		18042630-34937-A	360	13	0	PT
93.855		18042630-34937-A, AM01	360	29,686	0	PT
93.855		1R24AI06703901A1SUBCOD	360	51,354	0	PT
93.855		2007-01064-02-02 AM04	360	11,131	0	PT
93.855		219866	360	20	0	PT
93.855		219866 AMD 1	360	18,325	0	PT
93.855		26-3301-4210	360	10,438	0	PT
93.855		26-3301-4236	360	46,113	0	PT
93.855		26-3301-4236, AM02	360	564,919	0	PT
93.855		30.914123	360	92,241	0	PT
93.855		413910020101UWFANNMOD3	360	22,886	0	PT
93.855		5-50817	360	12,988	0	PT
93.855		629329 AM01	360	107,467	0	PT

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93.855	Allergy, Immunology & Transplt	629391 AM01	360	192,965	0	PT
93.855		633538	360	92,439	0	PT
93.855		639695	360	1,144,604	0	PT
93.855		639728, AMD #3	360	633,506	0	PT
93.855		639804	360	5,380	0	PT
93.855		642890	360	140,414	0	PT
93.855		643550	360	1,483,514	0	PT
93.855		645053	360	49,537	0	PT
93.855		649770	360	10,655	0	PT
93.855		6694-915858	360	261,572	0	PT
93.855		BRSACUREQ0600130T001MO	360	17,201	0	PT
93.855		BRSACUREQ0600130T002MO	360	22,643	0	PT
93.855		DREXEL 232284, AM01	360	107,511	0	PT
93.855		DREXEL 232284, AM02	360	98,562	0	PT
93.855		JHU PO 8609-04589-X	360	107,788	0	PT
93.855		JHU PO2000056550	360	309,425	0	PT
93.855		PA-03-047	360	71,521	0	PT
93.855		PA-03-047, AMEND 3	360	107,520	0	PT
93.855		PO6210701U01AI06861401	360	(91,655)	0	PT
93.855		SUB 412660240101.UW	360	6,145	0	PT
93.855		SUB AWARD NO.619930	360	31,850	0	PT
93.855		UW BUD# 630786	360	4,858	0	PT
93.855		UW BUD# 631301	360	1,440	0	PT
93.855		UW BUD# 631311	360	63,179	0	PT
93.855		UW BUD# 633143	360	497,535	0	PT
93.855		UW BUD# 634274	360	11,444	0	PT
93.855		UW BUD# 634548	360	2,642	0	PT
93.855		UW-1071	360	14,538	0	PT
93.855		UW-1100 MOD 1	360	12,373	0	PT
93.855			365	929,740	62,804	
93.855		126265125086	365	102,770	0	PT
	Federal Program 93.855 Total			**56,136,661**	**7,307,855**	
93.856	Microbio & Infectious Diseases		360	7,922,277	777,063	
93.856		0000610132 AM01	360	(27)	0	PT
93.856		0000614189	360	3,828	0	PT

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93.856	Microbio & Infectious Diseases	0000629354 AM01	360	151,488	0	PT
93.856		0000629433 AM01	360	155,605	0	PT
93.856		0000647470	360	56,483	0	PT
93.856		0410490105S0773AMEND02	360	(3,765)	0	PT
93.856		0510455905S1162A1	360	(29)	0	PT
93.856		110333-1 AMENDMENT 2	360	33,953	0	PT
93.856		113911.0007,AMEND 03	360	56,504	0	PT
93.856		1556 G FD985	360	7,319	0	PT
93.856		2 P01 AI048240	360	195,368	0	PT
93.856		204VC001 MOD04	360	(42,549)	0	PT
93.856		26-3301-4443 MOD #7	360	154,685	0	PT
93.856		5 PO1 AI-48240, AM06	360	(187)	0	PT
93.856		629351 AM01	360	146,664	0	PT
93.856		629880 AMD 2	360	195,667	0	PT
93.856		FY06284002AW1U19AI0663	360	(6,344)	0	PT
93.856		FY07.284.002,AMD#2	360	165,963	0	PT
93.856		FY07284002AW5U19AI0663	360	30,832	0	PT
93.856		G-4727-2 AM04	360	290,956	0	PT
93.856		G-4727-2 AM05	360	19,247	0	PT
93.856		GMO-400421 MOD3	360	98,850	0	PT
93.856		PO SM9157867V	360	102,024	0	PT
93.856		PO SM9157868V	360	36,838	0	PT
93.856		REF A30732	360	64,550	0	PT
93.856		SUB NO. 628256, AM01	360	16,972	0	PT
93.856		SUB#0000616034 AM02	360	23,204	0	PT
93.856		UW-1555 MO3	360	18,741	0	PT
93.856		WU-06-287*	360	(71)	0	PT
93.856		WU0440MOD4PO29740F	360	63,183	0	PT
93.856			365	456,041	0	
93.856		S050053	365	133,133	0	PT
93.856		UFO3039	365	91,911	0	PT
	Federal Program 93.856 Total			**10,639,314**	**777,063**	
	Nat'l Instit of Allergy & Infectious Diseases, NIH Total			**66,775,975**	**8,084,918**	
93.859	Pharmacology, Physiology & Biologcl Chem		360	33,088,288	961,698	
93.859		05-003292 B 00	360	32,982	0	PT

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93.859	Pharmacology, Physiology & Biologcl Chem	06-0734	360	23,769	0	PT
93.859		0600 350 H377 1281	360	2,381	0	PT
93.859		1068602-2-45609	360	80,402	0	PT
93.859		11138-02	360	171,126	0	PT
93.859		11138-02 MOD01	360	31,266	0	PT
93.859		11138-03	360	132,908	0	PT
93.859		113936 AM02	360	38,495	0	PT
93.859		113936 AM1	360	64,445	0	PT
93.859		18821-S1	360	92,075	0	PT
93.859		18821-S1 AMD. 1	360	38	0	PT
93.859		2 P50 GMO15431-39	360	26,743	0	PT
93.859		2-U54-GM062119-06	360	47,812	0	PT
93.859		2-U54-GM204795-06	360	57,715	0	PT
93.859		3189-UW-DHHS-2432	360	89,040	0	PT
93.859		5 U54 GM062119-06	360	107,296	0	PT
93.859		5 U54 GM062119-07	360	457,505	0	PT
93.859		5-34803 AM01	360	59,789	0	PT
93.859		AM 01	360	27,022	0	PT
93.859		FY07,001-007 AMEND #3	360	151,272	0	PT
93.859		G126-07-W1286	360	231,544	0	PT
93.859		P01-2	360	128,555	0	PT
93.859		RES502582	360	26,133	0	PT
93.859		UW BUD# 631263	360	2,802	0	PT
93.859			365	1,332,108	0	
93.859		08011	365	22,107	0	PT
93.859		40123501	365	122,541	0	PT
93.859		4302119	365	57,788	0	PT
93.859			376	70,633	0	
	Federal Program 93.859 Total			**36,776,580**	**961,698**	
	Nat'l Institute of General Medical Sciences, NIH, Total			**36,776,580**	**961,698**	
93.865	Natl Instit of Child Hlth & Human Devlpmnt Extramural Rsch		360	22,868,191	2,418,284	
93.865		03.81804	360	510	0	PT
93.865		03.81804, AMEND #1	360	45,317	0	PT
93.865		1215 G JB215	360	10,986	0	PT
93.865		2 P01 HD022657-21A1	360	148,076	0	PT

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93.865	Natl Instit of Child Hlth & Human Devlpmnt Extramural Rsch	2005-5638-01 AM02	360	17,446	0	PT
93.865		2007113730	360	13,560	0	PT
93.865		223 8019-RGF004236-00	360	30,803	0	PT
93.865		414160010101	360	6,979	0	PT
93.865		5-50299	360	217,102	0	PT
93.865		642059	360	85,142	0	PT
93.865		FY2007-091	360	102,025	0	PT
93.865		HD022657	360	30,493	0	PT
93.865		P.S 3748	360	(31,105)	0	PT
93.865		PNWILMFNIH962106MO7	360	49,297	0	PT
93.865		UW BUD# 633375	360	12,677	0	PT
93.865		UW-1061 MOD04	360	101,837	0	PT
93.865			365	3,190,060	122,602	
93.865		0600370A5741229	365	97,151	0	PT
93.865		3000610867	365	64,557	0	PT
93.865		F014757	365	129,743	0	PT
93.865		GUAR24280180	365	92,745	0	PT
93.865		GUAR24280185	365	50,370	0	PT
93.865		PROJ0000476	365	18,026	0	PT
93.865			380	37,202	3,214	
93.865		07-11	380	5,021	0	PT
	Federal Program 93.865 Total			**27,394,211**	**2,544,100**	
	Nat'l Instit of Child Hlth & Human Develpmnt, NIH, Total			**27,394,211**	**2,544,100**	
93.866	Aging Research		360	20,710,785	3,000,831	
93.866		00000056/P.O. P992706	360	179,605	0	PT
93.866		0000616337	360	3,042	0	PT
93.866		0000636773 AMEND 1	360	58,398	0	PT
93.866		00600 370 F371 UW	360	637	0	PT
93.866		08-00-01	360	128,406	0	PT
93.866		109452-1 AM02	360	176,257	0	PT
93.866		109452-1, A01	360	12,488	0	PT
93.866		139170, AMENDMENT #6	360	26,800	0	PT
93.866		1558 G HB859 AM01	360	(62)	0	PT
93.866		1558G HB859 AM01	360	7,507	0	PT
93.866		2000 G HG940; AM-01	360	37,650	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	2000073393	360	19,775	0	PT
93.866		2006126272	360	3	0	PT
93.866		2007122534	360	544,010	0	PT
93.866		2008102765	360	28,862	0	PT
93.866		2508176-08 AMENDMENT 2	360	26,974	0	PT
93.866		2803240-S021 AM07	360	258,008	0	PT
93.866		2803240-S021,A05	360	187,589	0	PT
93.866		2803240SO21AMEND1	360	(617)	0	PT
93.866		3065UWDHHS4102AMEND1	360	60,732	0	PT
93.866		40151	360	(204)	0	PT
93.866		40152	360	(1)	0	PT
93.866		5-44030	360	260,908	0	PT
93.866		545901	360	48,808	0	PT
93.866		5R01AG23195-03 AM02	360	5,055	0	PT
93.866		9920080003	360	12,897	0	PT
93.866		A02	360	87,005	0	PT
93.866		BT123 ELMORE	360	15,109	0	PT
93.866		BT123-LEE	360	6,881	0	PT
93.866		BT123-STEINBART	360	32,879	0	PT
93.866		BT12302 STEINBART	360	(179)	0	PT
93.866		C00013153-1	360	11,964	0	PT
93.866		CS1 19 GILLETT	360	6,249	0	PT
93.866		CS1 20 GILLETT	360	4,675	0	PT
93.866		CS1-19 BAKER/UW 33178	360	20,696	0	PT
93.866		CS1-19 NELSON	360	7,233	0	PT
93.866		CS1-20	360	7,233	0	PT
93.866		CS119CHOLERTONUWA32867	360	17,424	0	PT
93.866		CS120-GILLET08	360	1,311	0	PT
93.866		CS120BAKEREGC1A35421	360	13,714	0	PT
93.866		CSI-20, MOD 1	360	524	0	PT
93.866		F09684 AM04	360	323,960	0	PT
93.866		FY08.001.004 AMEND 5	360	10,700	0	PT
93.866		FY08001011UWASHYR11	360	162,395	0	PT
93.866		GNEURO283A4 A, AM02	360	9,803	0	PT
93.866		PO 10229917-004	360	134,754	0	PT
93.866		PO 10229917-005	360	18,993	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	PO2007106132	360	4,154	0	PT
93.866		QL 1-14/02	360	57,472	0	PT
93.866		QL114/ANDERSON 03	360	34,877	0	PT
93.866		R01 AG024180-02A2	360	23,277	0	PT
93.866		STEPHAN- 03- 05	360	26,751	0	PT
93.866		STEPHAN-03-05	360	1,050	0	PT
93.866		UW BUD# 632383	360	24,455	0	PT
93.866		UW BUD# 633691	360	43,519	0	PT
93.866			365	63,809	(176)	
93.866			380	49,655	0	
	Federal Program 93.866 Total			**24,016,654**	**3,000,655**	
	National Institute on Aging, NIH, PHS Total			**24,016,654**	**3,000,655**	
93.867	Vision Research		360	9,288,332	32,505	
93.867		5-20621	360	15,548	0	PT
93.867		9-29-03	360	16,261	0	PT
93.867			365	512,109	24,853	
	Federal Program 93.867 Total			**9,832,250**	**57,358**	
	National Eye Institute, NIH, PHS Total			**9,832,250**	**57,358**	
93.894	Enviro Sci-Resource/Manpwr Dev		360	29,750	0	
	Federal Program 93.894 Total			**29,750**	**0**	
	Nat'l Instit of Envirnmtl Hlth Sci, Nat'l Instits Total			**29,750**	**0**	
93.933	Demonstration Projects for Indian Health	ANTHC-06-U-15978	360	21,574	0	PT
	Federal Program 93.933 Total			**21,574**	**0**	
	Indian Health Service, PHS Total			**21,574**	**0**	
93.978	PHS-Sex Trans Disease Research		360	453,129	0	
	Federal Program 93.978 Total			**453,129**	**0**	
	Centers for Disease Control & Prevention, PHS Total			**453,129**	**0**	
	Health & Human Services Dept Total			**450,487,517**	**43,033,928**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.000	HS, Contract Number Only Provided	2865974	365	51,280	0	PT
97.000		HSHQDC05C0004WSU	365	68,105	0	PT
	Federal Program 97.000 Total			**119,385**	**0**	
97.002	Research Projects		365	29,605	0	
	Federal Program 97.002 Total			**29,605**	**0**	
	Dept of Homeland Security Total			**148,990**	**0**	
	Homeland Security Total			**148,990**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

U.S. Agency for International Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
98.001	USAID Foreign Asst for Programs Overseas	19276425631	365	109	0	PT
98.001		613128	365	165,402	0	PT
98.001		PGA725107008	365	30,355	0	PT
98.001		PGAP280179	365	31,618	0	PT
98.001		REQ000351	365	111,940	0	PT
	Federal Program 98.001 Total			**339,424**	**0**	
98.002	Cooperative Development Program (CDP)	19276425678	365	70,447	0	PT
98.002		9040023	365	72	0	PT
98.002		99475582152095170	365	30,922	0	PT
98.002		WSU000185	365	28,034	0	PT
	Federal Program 98.002 Total			**129,475**	**0**	
	US Agy for International Development Total			**468,899**	**0**	
	U.S. Agency for International Development Total			**468,899**	**0**	
Research and Development Total				**687,568,050**	**66,824,642**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Student Financial Aid

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.007	Supplemental Ed Opport Grants		360	2,189,618	0	
84.007			365	1,141,636	0	
84.007			370	401,554	0	
84.007			375	292,095	0	
84.007			376	264,891	0	
84.007			699	3,562,441	0	
	Federal Program 84.007 Total			**7,852,235**	**0**	
84.032	Federal Family Education Loans		365	108,696,373	0	AL
84.032			370	45,630,652	0	AL
84.032			376	18,619,874	0	AL
84.032			380	14,674,437	0	AL
84.032			699	73,486,376	0	AL
	Federal Program 84.032 Total			**261,107,712**	**0**	
84.033	Federal Work-Study Program		360	1,670,028	0	
84.033			365	915,646	0	
84.033			370	433,434	0	
84.033			375	315,159	0	
84.033			376	310,385	0	
84.033			380	463,954	0	
84.033			699	4,293,841	0	
	Federal Program 84.033 Total			**8,402,447**	**0**	
84.038	Federal Perkins Loan Program		360	1,005,563	0	
84.038			360	51,479,443	0	OL
84.038			365	19,954,554	0	OL
84.038			370	6,382,860	0	OL
84.038			370	127,414	0	
84.038			375	7,344,604	0	OL
84.038			376	4,068,542	0	OL
84.038			380	8,218,204	0	OL
84.038			699	2,763,693	0	OL
	Federal Program 84.038 Total			**101,344,877**	**0**	
84.063	Federal Pell Grant Program		360	20,298,802	0	
84.063			365	13,502,291	0	
84.063			370	8,844,398	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Student Financial Aid

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.063	Federal Pell Grant Program		375	7,374,035	0	
84.063			376	4,868,480	0	
84.063			380	7,672,639	0	
84.063			699	88,232,964	0	
	Federal Program 84.063 Total			**150,793,609**	**0**	
84.268	Federal Direct Student Loans (Direct Loan)		360	172,603,580	0	AL
84.268			375	42,922,708	0	AL
84.268			380	30,540,934	0	AL
84.268			699	30,492,181	0	AL
	Federal Program 84.268 Total			**276,559,403**	**0**	
84.375	Academic Competitiveness Grants		360	956,476	0	
84.375			365	451,076	0	
84.375			370	235,996	0	
84.375			375	297,367	0	
84.375			376	77,535	0	
84.375			380	245,276	0	
84.375			699	426,895	0	
	Federal Program 84.375 Total			**2,690,621**	**0**	
84.376	Natnl Science & Mathematics Access to Retain Talent (SMART) Grnts		360	2,229,420	0	
84.376			365	766,572	0	
84.376			370	329,724	0	
84.376			375	198,722	0	
84.376			376	175,543	0	
84.376			380	178,752	0	
	Federal Program 84.376 Total			**3,878,733**	**0**	
	Dept of Education Total			**812,629,637**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Student Financial Aid

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.342	Health Profesnl Student Loans (HPSL / PCL / LDS)		360	9,003,395	0	OL
93.342			360	1,108,881	0	
93.342			365	10,615	0	
93.342			365	2,600,336	0	OL
	Federal Program 93.342 Total			**12,723,227**	**0**	
93.364	Nursing Student Loans		360	1,608,910	0	OL
93.364			365	1,333,811	0	OL
	Federal Program 93.364 Total			**2,942,721**	**0**	
93.925	Scholar Hlth Students - Disadv		360	470,070	0	
93.925			365	57,047	0	
93.925			370	156,234	0	
	Federal Program 93.925 Total			**683,351**	**0**	
	Health & Human Services Dept Total			**16,349,299**	**0**	
Student Financial Aid Total				**828,978,936**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Food Stamp

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.551	Food Stamps (C)		300	655,233,615	0	NC
	Federal Program 10.551 Total			**655,233,615**	**0**	
10.561	State Admin Match- Food Stamps		300	50,381,541	1,903,656	
	Federal Program 10.561 Total			**50,381,541**	**1,903,656**	
	Dept of Agriculture Total			**705,615,156**	**1,903,656**	
Food Stamp Total				**705,615,156**	**1,903,656**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Emergency Food Assistance

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.568	Temp Emerg Food Assist - Admin		150	1,080,502	967,212	
	Federal Program 10.568 Total			**1,080,502**	**967,212**	
10.569	Temp Emergency Food Assist		150	1,255,196	0	NC
	Federal Program 10.569 Total			**1,255,196**	**0**	
	Dept of Agriculture Total			**2,335,698**	**967,212**	
Emergency Food Assistance Total				**2,335,698**	**967,212**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Child Nutrition

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.553	School Breakfast Program (A)		350	36,563,420	36,553,589	
	Federal Program 10.553 Total			**36,563,420**	**36,553,589**	
10.555	Nat'l School Lunch Program (A)		350	129,214,294	129,214,294	
	Federal Program 10.555 Total			**129,214,294**	**129,214,294**	
10.556	Spec Milk Pgm for Children		350	258,984	258,984	
	Federal Program 10.556 Total			**258,984**	**258,984**	
10.559	Summer Food Service Program		350	3,648,831	3,480,414	
	Federal Program 10.559 Total			**3,648,831**	**3,480,414**	
	Dept of Agriculture Total			**169,685,529**	**169,507,281**	
Child Nutrition Total				**169,685,529**	**169,507,281**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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CDBG-Entitlmnt & (HUD) Sml Cities

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.218	Commun Dev Blk Grts/Entitlemnt	OPR20060895	365	2,999	0	PT
14.218		HUD-CDBG-2007	370	10,547	0	PT
14.218			699	124,263	0	
	Federal Program 14.218 Total			**137,809**	**0**	
	Housing & Urban Development Total			**137,809**	**0**	
CDBG-Entitlmnt & (HUD) Sml Cities Total				**137,809**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Fish & Wildlife

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.605	Sport Fish Restoration Program		477	7,308,260	0	
	Federal Program 15.605 Total			**7,308,260**	**0**	
15.611	Wildlife Restoration		376	6,000	0	
15.611			477	5,986,375	0	
	Federal Program 15.611 Total			**5,992,375**	**0**	
	Dept of the Interior Total			**13,300,635**	**0**	
Fish & Wildlife Total				**13,300,635**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Employment Services

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.207	Employment Service/Wagner-Peyser Funded Activities		540	17,936,736	0	
	Federal Program 17.207 Total			**17,936,736**	**0**	
17.801	Disabled Vets Outreach Program		540	1,754,342	0	
	Federal Program 17.801 Total			**1,754,342**	**0**	
17.804	Local Vets Emplymnt Repres Pgm		540	2,102,765	0	
	Federal Program 17.804 Total			**2,102,765**	**0**	
	Dept of Labor Total			**21,793,843**	**0**	
Employment Services Total				**21,793,843**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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WIA

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.258	WIA Adult Program		540	32,159,041	26,028,620	
17.258		Local Contract	540	1,659,080	0	PT
17.258		Sk808	699	4,024	0	PT
	Federal Program 17.258 Total			**33,822,145**	**26,028,620**	
17.259	WIA Youth Activities		540	16,316,698	16,316,698	
17.259		Local Contract	540	364,487	0	PT
	Federal Program 17.259 Total			**16,681,185**	**16,316,698**	
17.260	WIA Dislocated Workers		540	21,258,868	20,476,209	
17.260		Local Contract	540	5,652,730	0	PT
17.260			699	673,518	0	
	Federal Program 17.260 Total			**27,585,116**	**20,476,209**	
	Dept of Labor Total			**78,088,446**	**62,821,527**	
WIA Total				**78,088,446**	**62,821,527**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Transit

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.500	Federal Transit-Capital Investmnt Grants		380	583,139	0	
20.500			405	10,916,894	1,410,314	
	Federal Program 20.500 Total			**11,500,033**	**1,410,314**	
	Dept of Transportation Total			**11,500,033**	**1,410,314**	
Federal Transit Total				**11,500,033**	**1,410,314**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Highway Safety

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.600	State & Community Hghwy Safety		228	2,925,110	1,437,062	
20.600			360	515,516	0	
20.600		N/A	370	1,900	0	PT
	Federal Program 20.600 Total			**3,442,526**	**1,437,062**	
20.601	Alcohol Traffic Safety&Drunk Drvg Prevention		228	1,735,261	1,709,509	
	Federal Program 20.601 Total			**1,735,261**	**1,709,509**	
20.602	Occupant Protection		228	413,042	413,042	
20.602		N/A	370	1,106	0	PT
	Federal Program 20.602 Total			**414,148**	**413,042**	
20.604	Safety Incentive Grnts for Use of Seatbelts		228	48,383	48,383	
	Federal Program 20.604 Total			**48,383**	**48,383**	
20.609	Safety Belt Performance Grants		228	1,481,095	1,474,720	
	Federal Program 20.609 Total			**1,481,095**	**1,474,720**	
20.610	State Traffic Safety Information System Improvement Grants		228	532,986	532,986	
	Federal Program 20.610 Total			**532,986**	**532,986**	
20.611	Incentive Grant Prg to Prohibit Racial Profiling		228	413,589	413,589	
	Federal Program 20.611 Total			**413,589**	**413,589**	
20.612	Incentive Grant Prg Increase Motorcyclist Safety		228	103,000	103,000	
	Federal Program 20.612 Total			**103,000**	**103,000**	
20.613	Child Safety & Child Booster Seats Incentive Grants		228	4,549	4,549	
	Federal Program 20.613 Total			**4,549**	**4,549**	
	Dept of Transportation Total			**8,175,537**	**6,136,840**	
Highway Safety Total				**8,175,537**	**6,136,840**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Special Education (IDEA)

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.027	Special Ed - State Grants		350	211,415,743	208,016,070	
	Federal Program 84.027 Total			**211,415,743**	**208,016,070**	
84.173	Special Ed - Preschool Grants		350	8,131,539	7,898,751	
	Federal Program 84.173 Total			**8,131,539**	**7,898,751**	
	Dept of Education Total			**219,547,282**	**215,914,821**	
Special Education (IDEA) Total				**219,547,282**	**215,914,821**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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TRIO

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.042	TRIO - Student Support Services		360	373,066	0	
84.042			365	271,297	0	
84.042			370	355,921	0	
84.042			375	239,378	0	
84.042			376	254,495	0	
84.042			699	4,837,169	0	
	Federal Program 84.042 Total			**6,331,326**	**0**	
84.044	TRIO - Talent Search		360	269,161	0	
84.044			699	1,068,607	0	
	Federal Program 84.044 Total			**1,337,768**	**0**	
84.047	TRIO - Upward Bound		360	407,766	0	
84.047			365	850,173	0	
84.047			376	391,813	0	
84.047			699	19,268,330	0	
	Federal Program 84.047 Total			**20,918,082**	**0**	
84.066	TRIO - Educational Opportunity Centrs		360	143,853	0	
84.066			375	265,219	0	
	Federal Program 84.066 Total			**409,072**	**0**	
84.217	TRIO-McNair Post-Baccalaureate Achv		360	209,308	0	
84.217			365	182,618	0	
84.217			370	259,359	0	
84.217			375	77,294	0	
	Federal Program 84.217 Total			**728,579**	**0**	
	Dept of Education Total			**29,724,827**	**0**	
TRIO Total				**29,724,827**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Aging

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.044	Spec Pgms Aging Title III Pt B		300	7,675,832	7,262,920	
	Federal Program 93.044 Total			**7,675,832**	**7,262,920**	
93.045	Spec Pgms Aging Title III Pt C		300	9,321,932	9,239,609	
	Federal Program 93.045 Total			**9,321,932**	**9,239,609**	
93.053	Nutitional Services Incentive Program		300	1,837,284	1,837,491	
	Federal Program 93.053 Total			**1,837,284**	**1,837,491**	
	Health & Human Services Dept Total			**18,835,048**	**18,340,020**	
Aging Total				**18,835,048**	**18,340,020**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

CCDF

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.575	Child Care & Dev-Block Grnt		300	152,406,173	0	
93.575			357	20,763,461	0	
	Federal Program 93.575 Total			**173,169,634**	**0**	
93.596	Child Care Mandatory & Matching Funds		300	5,618,126	0	
93.596			357	61,108,973	0	
	Federal Program 93.596 Total			**66,727,099**	**0**	
	Health & Human Services Dept Total			**239,896,733**	**0**	
CCDF Total				**239,896,733**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Medicaid

Health & Human Services Dept

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.775	State Medicaid Fraud Control		100	1,946,250	0	
	Federal Program 93.775 Total			**1,946,250**	**0**	
93.777	Hlth Care Prvdrs Srvy & Certif		300	8,555,653	0	
93.777			303	1,156,586	408	
	Federal Program 93.777 Total			**9,712,239**	**408**	
93.778	Medical Assistance Program		300	3,527,461,093	71,250,664	
93.778			305	4,376,598	0	
93.778		D36418D	360	10,170	0	PT
	Federal Program 93.778 Total			**3,531,847,861**	**71,250,664**	
	Health & Human Services Dept Total			**3,543,506,350**	**71,251,072**	
Medicaid Total				**3,543,506,350**	**71,251,072**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Schools & Roads

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.665	School & Roads Grants to State		005	42,950,578	0	
	Federal Program 10.665 Total			**42,950,578**	**0**	
	Dept of Agriculture Total			**42,950,578**	**0**	
Schools & Roads Total				**42,950,578**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Disability Insurance/SSI

Social Security Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
96.001	Social Sec-Disability Ins		300	33,512,333	0	
	Federal Program 96.001 Total			**33,512,333**	**0**	
	Social Security Administration Total			**33,512,333**	**0**	
Disability Insurance/SSI Total				**33,512,333**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Highway Planning & Construction

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.205	Highway Planning & Constructn		405	715,630,964	235,668,550	
	Federal Program 20.205 Total			**715,630,964**	**235,668,550**	
	Dept of Transportation Total			**715,630,964**	**235,668,550**	
Highway Planning & Construction Total				**715,630,964**	**235,668,550**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Public Works & Economic Development

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.307	Economic Adjustment Assistance		380	165,367	0	
	Federal Program 11.307 Total			**165,367**	**0**	
	Dept of Commerce Total			**165,367**	**0**	
Public Works & Economic Development Total				**165,367**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Homeland Security

Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.004	State Domestic Preparedness Equipt Supprt Prog		245	10,616,826	8,819,917	
	Federal Program 97.004 Total			**10,616,826**	**8,819,917**	
	Homeland Security Total			**10,616,826**	**8,819,917**	

Homeland Security Total **10,616,826** **8,819,917**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Transit Services Programs Cluster

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.513	Capital Assist.- Elderly & Hdcp		405	721,983	662,895	
	Federal Program 20.513 Total			**721,983**	**662,895**	
20.515	State Planning & Research		405	(3,681)	5,016	
	Federal Program 20.515 Total			**(3,681)**	**5,016**	
20.521	New Freedom Program		405	277,376	277,376	
	Federal Program 20.521 Total			**277,376**	**277,376**	
	Dept of Transportation Total			**995,678**	**945,287**	
Transit Services Programs Cluster Total				**995,678**	**945,287**	

Total Federal Assistance	**10,328,237,085**	**1,693,710,784**

Footnotes:
NC - Expenditure amount noncash in nature
PT - Expenditure, Pass-through in nature (federal funds received through another nonfederal entity).
AL - Loan Amount (total annual loan issuance activity).

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Note A: **Purpose of the Schedule**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the State's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Note B: **Significant Accounting Policies**

Note B1: Basis of Presentation - The information in the Schedule is presented in accordance with OMB Circular A-133.

- Federal Financial Assistance - Pursuant to the Single Audit Act of 1984 (Public Law 98-502); the Single Audit Act Amendments of 1996 (Public Law 104-156); and OMB Circular A-133, federal financial assistance, hereafter referred to as federal assistance, is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Accordingly, non-monetary or non-cash federal assistance, including food stamps, food commodities, immunization supplies and surplus property, is federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the State and federal agencies for which the State provides tangible goods or services, acting as a vendor, are not considered to be federal assistance.

- Catalog of Federal Domestic Assistance (CFDA) - OMB Circular A-133 requires the Schedule to show total expenditures for each of the State's federal assistance programs as identified in the CFDA. The Federal Single Audit Clearinghouse has modified several of the CFDA programs for reporting purposes. The Schedule includes those modifications.

- Each program included in the CFDA is assigned a five-digit program identification number (CFDA number), the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The CFDA number is reflected in the Schedule. Federal assistance programs and awards which have not been assigned a CFDA number, but have a grant award or agreement number, are assigned a five digit code consisting of the first two digits indicating federal agency and the last three digits all zeros. Where no CFDA number has been identified and no award or agreement number was identifiable, a five-digit code consisting of two digits indicating federal agency followed by three nines, is displayed on the Schedule.

- Cluster of Programs - Closely related programs with different CFDA numbers that share common compliance requirements are to be considered a cluster of programs. The only program clusters presented on the Schedule are those mandated by OMB in the most recent Circular A-133 *Compliance Supplement* (March 2008). No expenditures of federal awards were recorded in six of the mandated clusters in the report year:

  1. Rural Rental Housing
  2. Section 8 Project-Based
  3. Bilingual Education
  4. Foster Grandparent/Senior Companion
  5. Foreign Food Donation
  6. Native American Employment and Training

  The Schedule is structured to present the federal assistance information by cluster with the title of the cluster appearing in the heading. Programs not included within a designated cluster are presented under the title "Programs Not Clustered."

Note B2: Reporting Entity - The State reporting entity is fully described in Note 1A of the State's basic financial statements. The Schedule includes all federal assistance programs administered by the State during the fiscal year ended June 30, 2008.

Note B3: Basis of Accounting - Federal assistance programs included in the Schedule are reported in the State's basic financial statements as federal grants-in-aid in the General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds and as other revenue in proprietary and fiduciary funds. The Schedule is presented using the same basis of accounting as that used in reporting the expenditures of the related funds in the State's fund financial statements. The basis of accounting used for each fund type is described in Note 1C of the State's basic financial statements.

- Indirect Costs - The Schedule includes a portion of costs associated with general activities which is allocated to federal assistance programs under negotiated formulas commonly referred to as indirect cost rates and federally approved cost allocation plans. Reimbursement of state central service costs, achieved via the federally approved Statewide Central Services Cost Allocation Plan, is not reflected on the Schedule. No expenditures are recorded in the state operating agencies and institutions. A total of $ 1,646,961was recovered for state central service costs during the fiscal year ended June 30, 2008.

- Matching Costs - The Schedule does not include matching expenditures with the exception specified in Note C.

- Non-monetary Assistance - The Schedule contains values for several non-monetary assistance programs (identified with an NC).

  1. The **Food Stamp** program is administered through Electronic Benefit cards that provide each eligible client with an authorized limit of service (purchase of specific food products). The dollar expenditure reported for the Food Stamp program consists of actual disbursements for client purchases of authorized food products via the EBT card program.

  2. The **Commodities and Immunization Vaccine** programs are presented at the federally assigned value of product disbursed by the State.

  3. The **Surplus Property** program is presented at the fair market value of the property distributed. The fair market value was estimated to be 23.3% of the property's original acquisition value.

- Endowment, Loan and Loan Guarantee Programs – Additional information on federal endowment, federal loan, and federal loan guarantee programs is included in Footnote G. Amounts in Footnote G included in the Schedule of Expenditures of Federal Awards are indicated with an (**s**).

- Indirect (Pass-Through) Federal Assistance - The majority of the State's federal assistance is received directly from federal awarding agencies (i.e., the State is the primary recipient). However, agencies and institutions of the State receive some federal assistance that is passed through a separate entity prior to receipt by the State (i.e., the State is a subrecipient). Although this type of assistance is included on the Schedule as "Pass-Through" (PT), it is not reported as federal revenue on the State's basic financial statements because it was not awarded directly from the Federal Government to the State.

- Federal Transactions Between State Agencies and Institutions - Some state agencies and institutions subaward federal assistance to other state agencies or institutions (i.e., a pass-through of funds by the primary recipient organization to a subrecipient state organization). In these situations, the federal revenue and expenditures are only reported once within the same fund in the State's basic financial statements in accordance with generally accepted accounting principles (GAAP) and reported once on the Schedule. This method avoids duplication and the overstatement of the aggregate level of federal assistance expended by the State. However, purchases of services between state organizations using federal monies are reported in the financial statements as expenditures or expenses by the purchasing organization and as revenues for services rendered by the providing organization.

Note B4: Presentation Comments

- Private company rebate activity is no longer included on the Schedule of Expenditures of Federal Awards. Due to the significance of the resources provided by this rebate activity, the following amounts are disclosed for the fiscal year ending June 30, 2008:

  10.557 - Special Supplemental Nutrition Program for WIC……$36,418,577
  (Infant Formula rebates provided by private companies)

  93.917 – HIV Care……..……. $10,104,868
  (Immunization rebates provided by private pharmaceutical companies)

- Expenditures for the federal share of bond repayment are no longer included on the Schedule of Expenditures of Federal Awards. Due to the significance of the federal participation, the following amount is disclosed for the fiscal year ending June 30, 2008:

  20.205 Federal share of debt service costs for Referendum 49 bonds……$4,118,556

- State agency numbers used in the Schedule can be referenced, either by number (listed numerically) or name of the agency (listed alphabetically), in the Appendix.

Note C: **U.I. Program, Employer (State) Financial Participation**

As required by U.S. Department of Labor letter dated December 24, 1997, the expenditures reported on the Schedule for Unemployment Insurance, CFDA Program No. 17.225, for the fiscal year ending June 30, 2008 include:

State of Washington/Employer Funded……..	$ 760,468,197
Federal Funds……..	130,108,349
Total	$ 890,576,546

Note D: **Non-monetary Assistance Inventory**

As described previously in Note B3, non-monetary assistance is reported in the Schedule based on the amount disbursed. As of June 30, 2008, the following inventories of non-monetary assistance existed:

Assistance	Inventory Balance June 30, 2008
Food Commodities (10.550)……..……..	$ 6,431,972
Temp. Emergency Food Assistance (10.569)……..	173,120
Total	$ 6,605,092

Note E: **Other Footnote Designations**

The following footnote codes are utilized in the Schedule of Expenditures of Federal Awards (far right column):

NC - Non-cash expenditures.

PT - Pass Through (expenditures of resources received from a nonfederal entity outside of the State entity which the nonfederal entity recognized as federal assistance).

AL - Value of loans made during the year.

OL - Value of new loans made during the year plus balance of loans from previous years, net of payments to date, for which the federal government imposes continuing compliance requirements.

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
03.000	360	MICHIGAN STATE UNIV	61-5202A	12,632
03.301	360	FLORIDA STATE U	R00403	2,081
05.024	360	NEW ENGLAND FOUNDATION FOR THE ARTS	11812	3,000
05.025	360	NEW ENGLAND FOUNDATION FOR THE ARTS	111662	5,000
06.129	365	HUMANITIES WA FED FLOW	3977GF07	4,264
06.149	360	CORNELL UNIVERSITY	49503-8226	108,833
06.149	365	CO ST UNIV FED FLOW	G10102	7,203
06.149	365	OR ST UNIV FED	X0073AA	17,008
07.000	080	Northwest HIDTA	9007000120	44,999
10.000	365	CORNELL UNIV FED FLOW	497128095	28,400
10.000	365	HORTICULTURAL RSCH INST	06008200701	137,136
10.000	365	KING CNTY	D36692D	10,089
10.000	365	KING CNTY	GUAR41661372	239
10.000	365	KING CNTY	WSU000566	33,248
10.000	365	NW HORTICULTURE CNCL	0094849	5,373
10.000	365	OH ST UNIV RSCH FNDN FED FLOW	GUAR30473582	2,079
10.000	365	PIERCE CNTY FED FLOW	05295900	32,941
10.000	365	PIERCE CNTY FED FLOW	60090	25,898
10.000	365	SNOHOMISH CNTY	WSU000662	4,264
10.000	365	TROUTLODGE INC FED FLOW	GUAR24300293	12,665
10.000	365	UNIV OF CA DAVIS FED	05014ETX	11,645
10.000	365	UNIV OF CA DAVIS FED	05020ETX	2,443
10.000	365	UNIV OF CA DAVIS FED	05024ETX	18
10.000	365	UNIV OF CA DAVIS FED	9901707V	5,265
10.000	365	UNIV OF ID FED	BJKF48WSU	64,020
10.000	365	UNIV OF TN FED FLOW	AES00792300104	8,017
10.000	365	WA WINE INDUST FNDN	WSU000522	15,633
10.000	365	WA WINE INDUST FNDN	WSU000773	32,788

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.001	360	BAYLOR COLLEGE OF MEDICINE	100571908	7,867
10.001	365	CORNELL UNIV FED FLOW	474768373	4,692
10.001	365	UNIV OF CT FED FLOW	5650	3,822
10.200	360	UNIV OF ALASKA FAIRBANKS	UAF 06-0072	11,689
10.200	360	UNIVERSITY OF ALASKA FAIRBANKS	UAF 07-0072	14,440
10.200	365	CO ST UNIV FED FLOW	AFE765494	-2,341
10.200	365	CO ST UNIV FED FLOW	WSU000657	1,751
10.200	365	MT ST UNIV-FED FLOW	G01107W1120	17,983
10.200	365	OR ST UNIV FED	C0299AI	-467
10.200	365	OR ST UNIV FED	C0318AA	9,328
10.200	365	OR ST UNIV FED	C0318EA	886
10.200	365	OR ST UNIV FED	C0318FA	126
10.200	365	OR ST UNIV FED	C0336AA	80,817
10.200	365	OR ST UNIV FED	C0336EA	6,889
10.200	365	OR ST UNIV FED	C0340AI	20,408
10.200	365	OR ST UNIV FED	C0340AJ	13,636
10.200	365	OR ST UNIV FED	C0340AM	5,304
10.200	365	OR ST UNIV FED	C0340AR	30,692
10.200	365	UNIV OF AK FAIRBANKS FED FLOW	UAF050087	28,098
10.200	365	UNIV OF AK FAIRBANKS FED FLOW	UAF05099	7,292
10.200	365	UNIV OF AK FAIRBANKS FED FLOW	UAF070070	28,916
10.200	365	UNIV OF CA DAVIS FED	06008ETX	32,135
10.200	365	UNIV OF CA DAVIS FED	06016EXT	1,519
10.200	365	UNIV OF CA DAVIS FED	06022ETX	11,947
10.200	365	UNIV OF CA DAVIS FED	06024EXT	426
10.200	365	UNIV OF CA DAVIS FED	07010ETX	15,988
10.200	365	UNIV OF CA DAVIS FED	07014ETX	81,861
10.200	365	UNIV OF CA DAVIS FED	II015583	14,726

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.200	365	UNIV OF CA DAVIS FED	SA7069	9,013
10.200	365	UNIV OF CA DAVIS FED	SA7229	15,078
10.200	365	UNIV OF ID FED	BAK300WSU	3,920
10.200	365	UNIV OF ID FED	BAK301WSU	7,588
10.200	365	UNIV OF ID FED	BAK302SB001	3,027
10.200	365	UNIV OF ID FED	BAK462WSU	16,944
10.200	365	UNIV OF ID FED	BAK463WSU	112,447
10.200	365	UNIV OF ID FED	BAK631WSU	4,526
10.200	365	UNIV OF ID FED	GPK260A	822
10.200	365	UNIV OF ID FED	GPK360WSU	110,020
10.200	365	UNIV OF ID FED	GPK643	54,856
10.200	365	UNIV OF WY FED FLOW	USDACSRE45214SB	45,701
10.200	365	UT ST UNIV - FED FLOW	041535008	24,433
10.200	365	UT ST UNIV - FED FLOW	041535047	5,386
10.200	365	UT ST UNIV - FED FLOW	041535050	8,459
10.200	365	UT ST UNIV - FED FLOW	041535051	1,643
10.200	365	UT ST UNIV - FED FLOW	041535060	12,372
10.200	365	UT ST UNIV - FED FLOW	051687035	3,027
10.200	365	UT ST UNIV - FED FLOW	051687039	1,180
10.200	365	UT ST UNIV - FED FLOW	061553001	30,821
10.200	365	UT ST UNIV - FED FLOW	061553011	62,808
10.200	365	UT ST UNIV - FED FLOW	061553035	1,938
10.200	365	UT ST UNIV - FED FLOW	C031553	20,639
10.200	365	UT ST UNIV - FED FLOW	C031569	12,157
10.200	365	UT ST UNIV - FED FLOW	C031712	41,810
10.200	365	UT ST UNIV - FED FLOW	C031713	10,187
10.200	375	U of Wisconsin	068K725	1,649
10.200	375	U of wisconsin	832G801	51,952

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.206	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	QL1-12	-5,332
10.206	360	UNIVERSITY OF WISCONSIN	K083652	77,593
10.206	365	MI ST UNIV	614151A	15,265
10.206	365	NC ST UNIV - FED FLOW	2004157807	167,080
10.206	365	OR ST UNIV FED	C0307AA	18,583
10.206	365	UNIV OF AZ FED FLOW	Y452468	48,583
10.206	365	UNIV OF CA DAVIS FED	IIRR012530WSU	-675
10.206	365	UNIV OF CA DAVIS FED	K01661814	42,516
10.206	365	UNIV OF CO FED FLOW	FY07.146.002	9,941
10.206	365	UNIV OF CO FED FLOW	FY07146002	9,854
10.206	365	UNIV OF CO FED FLOW	GUAR29170301	4,278
10.206	365	UNIV OF MN FED FLOW	Q4096504901	42,588
10.206	365	UNIV OF MN FED FLOW	Q6736000501	50,689
10.206	365	UNIV OF NE FED	2562220217002	22,203
10.212	365	MCD TECHNOLOGIES INC	106783001	10,572
10.212	365	MULTIFORM HARVEST INC FED FLOW	WSU000651	28,940
10.215	365	UT ST UNIV - FED FLOW	080019009	14,519
10.217	365	UNIV OF ID FED	BFK842B	42,420
10.217	365	UNIV OF ID FED	BJKE16WSU	3,511
10.303	365	OH ST UNIV RSCH FNDN FED FLOW	745914962099	51,346
10.303	365	UNIV OF AZ FED FLOW	Y432650	48,002
10.303	365	UNIV OF CA DAVIS FED	00RA2416WA2	-35
10.303	365	UNIV OF CA DAVIS FED	07001492WA1	2,796
10.303	365	UNIV OF CA DAVIS FED	07001492WA2	28,811
10.303	365	UNIV OF CA DAVIS FED	K009607WA1	7,084
10.303	365	UNIV OF CA DAVIS FED	K009607WA3	17,425
10.303	365	UNIV OF CA DAVIS FED	K009607WA5	607
10.303	365	UNIV OF CA DAVIS FED	K009607WA8	5,691

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.303	365	UNIV OF CA DAVIS FED	K009607WA9	3,178
10.303	365	UNIV OF CA FED	K009607WA7	7,173
10.303	365	UNIV OF CA-BERKELEY FED FLOW	SA4197	525
10.303	365	UNIV OF ID FED	BJKE27WSUCES	124,346
10.303	365	UNIV OF ID FED	BLK594SB001	3,171
10.303	365	UNIV OF NE FED	2563210113004	4,099
10.304	365	UNIV OF CA FED	8700255817	35,903
10.304	365	UNIV OF CA FED	K00779713	36,140
10.457	365	ORGANIC SEED ALLIANCE	06IE08310083E	1,773
10.500	365	AUBURN UNIV FED FLOW	08USDAARMYWSU	71,105
10.500	365	AUBURN UNIV FED FLOW	ACESASATPYD807	34,879
10.500	365	KS ST UNIV FED FLOW	S04048	19,679
10.500	365	KS ST UNIV FED FLOW	S08058	2,973
10.500	365	TX A&M UNIV FED	TCE622155	10,771
10.500	365	TX A&M UNIV FED	TCEIRAQ1	212,192
10.500	365	UNIV OF ID FED	BJKF14SB002	434
10.500	365	UNIV OF MN FED FLOW	S4079036501	296,353
10.500	365	UNIV OF WY FED FLOW	6128STATE	6,011
10.500	365	UNIV OF WY FED FLOW	UTSTUNV46456WA	-403
10.500	365	UNIV OF WY FED FLOW	UTSTUNV46460WA	3,070
10.500	365	UNIV OF WY FED FLOW	UTSTUNV46465WA	8,954
10.500	365	UT ST UNIV - FED FLOW	061306002	5,759
10.500	365	UT ST UNIV - FED FLOW	061554013	3,104
10.652	365	UNIV OF MT FED FLOW	PG430403	8,376
11.000	360	CALIFORNIA SEA GRANT COLLEGE PROGRAM	R/F-196D	1,988
11.000	360	CALIFORNIA SEA GRANT COLLEGE PROGRAM	R/F-196D YEAR 2	13,877
11.000	360	CALIFORNIA SEA GRANT COLLEGE PROGRAM	R/F-200B	-6,394
11.000	360	CALIFORNIA SEA GRANT COLLEGE PROGRAM	RENV129PDPO10235189	9,949

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
11.000	360	N PACIFIC RSCH BOARD	UW BUD# 801191	7,755
11.000	360	NORTH PACIFIC RESEARCH BOARD	620	30,799
11.000	360	NORTH PACIFIC RESEARCH BOARD	F2511-01	-4,646
11.000	360	NORTH PACIFIC RESEARCH BOARD	F2610-00	55,594
11.000	360	OCEANGRAPHIC	NA07SEC4690001	17,522
11.000	360	PACIFIC SHELLFISH INST	NA16RG1668	-757
11.000	360	PACIFIC SHELLFISH INST	UW BUD# 667560	-2,733
11.000	360	PACIFIC SHELLFISH INST	UW BUD# 669051	1
11.000	360	PACIFIC SHELLFISH INST	UW BUD# 669062	269
11.000	360	RESEARCH CORP OF THE UNIV OF HAWAII	Z806572	47,157
11.000	360	UNIV OF CALIFORNIA, SAN DIEGO	10249342	24,042
11.000	365	MONTEREY BAY SANCTUARY FNDN	WSU000295	3,530
11.000	365	UNIV OF CA SAN DIEGO	PO#10267786001	22,395
11.000	365	UNIV OF CA SAN DIEGO	RSF8	67,546
11.000	365	UNIV OF WA	363065	7,935
11.000	477	Pacific Fishery Mgmt Council	06-07	72,628
11.000	477	Columbia Basin Fish & Wildlife Foundation	Agreement	12,569
11.000	477	Columbia Basin Fish & Wildlife Foundation	CBFWF Agreement	21,547
11.000	477	North Pacific Fishery Mgmt Council	2007-3	15,015
11.000	477	Pacific Fishery Mgmt Council	06-08	45,875
11.000	477	Pacific States Marine Fisheries Commission	07-03	1,520
11.000	477	Pacific States Marine Fisheries Commission	07-08	142,157
11.000	477	Pacific States Marine Fisheries Commission	07-30	20,248
11.000	477	Pacific States Marine Fisheries Commission	07-58	5,379
11.000	477	Pacific States Marine Fisheries Commission	07-59	20,075
11.000	477	Pacific States Marine Fisheries Commission	07-60	5,009
11.000	477	Pacific States Marine Fisheries Commission	08-52	9,458
11.000	477	Pacific States Marine Fisheries Commission	08-65	2,022

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
11.000	477	Pacific States Marine Fisheries Commission	08-66	2,601
11.000	477	Pacific States Marine Fisheries Commission	08-67	13,738
11.000	477	Pacific States Marine Fisheries Commission	08-90	211,639
11.000	699	Washington Manufacturing	WMS01	-13,580
11.417	360	OREGON STATE UNIVERSITY	NA157A-C	27,890
11.417	360	OREGON STATE UNIVERSITY	NA157A-C, AMEND#2	88,192
11.417	365	SAN JOSE STATE UNIV RSCH FNDN	WSU000661	50,266
11.417	380	Wheaton College	None	23,491
11.417	477	Pacific States Marine Fisheries Commission	07-11	66,494
11.417	477	Pacific States Marine Fisheries Commission	08-46	30,882
11.419	360	ISLAND COUNTY	UW BUD# 660009	21,474
11.430	365	UNIV OF AK FAIRBANKS FED FLOW	UAF070129	13,770
11.431	360	WOODS HOLE OCEANOGRAPHIC INST	A100469	10,609
11.437	477	Pacific States Marine Fisheries Commission	07-37	4,376
11.437	477	Pacific States Marine Fisheries Commission	07-62	205,372
11.437	477	Pacific States Marine Fisheries Commission	07-82	171,639
11.437	477	Pacific States Marine Fisheries Commission	07-83	20,728
11.437	477	Pacific States Marine Fisheries Commission	07-84	210,024
11.437	477	Pacific States Marine Fisheries Commission	08-21	38,018
11.437	477	Pacific States Marine Fisheries Commission	08-91	102,708
11.437	477	Pacific States Marine Fisheries Commission	08-92	96,306
11.437	477	Pacific States Marine Fisheries Commission	08-93	39,464
11.438	360	ALASKA DEPT OF FISH & GAME	COOP 07-038	60,807
11.438	360	ALASKA DEPT OF FISH AND GAME	COOP 08-005	193,049
11.438	360	ALASKA DEPT OF FISH AND GAME	COOP 08-083	2,340
11.439	360	NORTH PACIFIC MARINE SCIENCE FOUNDATION	NA05NMF4391068	1
11.439	477	Pacific States Marine Fisheries Commission	06-46	27,806
11.441	477	North Pacific Fishery Mgmt Council	WA-SSL-2003	52,893

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
11.460	360	UC SANTA BARBARA	KK4136 MOD02	6,293
11.472	360	NORTH PACIFIC RESEARCH BOARD	612	23,111
11.472	360	NORTH PACIFIC RESEARCH BOARD	622	79,712
11.472	360	NORTH PACIFIC RESEARCH BOARD	624	103,387
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2609-00	56,805
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2610-00	101,199
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2623-00	23,410
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2624-00	59,533
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2628-01	20,725
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2639-00	2,311
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2707-00	21,438
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2716-00	197,560
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2719-01	12,104
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2732-00	27,994
11.472	360	NORTH PACIFIC RESEARCH BOARD	F2870-01	6,718
11.472	360	NORTH PACIFIC RESEARCH BOARD	F3859-01	4,743
11.472	360	NORTH PACIFIC RESEARCH BOARD	F3869-06	2,233
11.611	365	WA MFG SVCS FED FLOW	WSU000137	2,770
11.611	365	WA MFG SVCS FED FLOW	WSU000192	3,908
11.999	477	Columbia Basin Fish & Wildlife Foundation	None	57,311
12.000	360	ADVANCED TECH INST	2004-331 MOD02	26,429
12.000	360	ADVANCED TECH INST	2004-331 MOD05	20,168
12.000	360	ADVANCED TECH INST	2004-380 MOD04	11,390
12.000	360	APPLIED MARINE SOLUTIONS	UW BUD# 661120	-269
12.000	360	CALSPAN-UB RESEARCH CENTER, INC.	06832-03 AM04	209,190
12.000	360	CALSPAN-UB RESEARCH CENTER, INC.	06836-03	180,573
12.000	360	EAGLE HARBOR TECHNOLOGIES, INC.	UW BUD# 632440	40,371
12.000	360	EWING TECHNOLOGY ASSOCIATES	UW BUD# 668973	-56

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12.000	360	EXTRUDE HONE INC.	UW BUD# 667416	-59
12.000	360	FNDN FOR HLTH CARE QUALITY	UW BUD# 668965	787
12.000	360	FNDN FOR HLTH CARE QUALITY	UW BUD# 668990	39,162
12.000	360	FOSTER MILLER INC	SUB1-00178	1
12.000	360	GCAS INCORPORATED	UW BUD# 630630	-25
12.000	360	GROUP HEALTH COOPERATIVE	2007121128	23,334
12.000	360	HONEYWELL LABS	P.O. C09340028 REV04	68,683
12.000	360	IMPLICIT BIOSCIENCE PTY LTD	UW BUD# 634007	95,630
12.000	360	IMPULSE DEVICES, INC.	UW BUD# 633206	11,623
12.000	360	IMPULSE DEVICES, INC.	W9113M-07-S4-BASE	14,650
12.000	360	INSITU GROUP	P006977	41,385
12.000	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002101-02	315,841
12.000	360	MICRO MAGNETICS, INC.	UW BUD# 631537	71,818
12.000	360	MOBILISA, INC.	UW BUD# 634021	18,711
12.000	360	MOBILISA, INC.	UW BUD# 634057	125,980
12.000	360	MSNW	UW BUD# 632320	47,189
12.000	360	NOVELTECH	UW BUD# 631853	-6,449
12.000	360	NOVELTECH	UW BUD# 663527	-3,252
12.000	360	OASIS, INC.	OASIS07-SC-09	49,509
12.000	360	PENNSYLVANIA STATE UNIVERSITY	S05-04	728,850
12.000	360	PENNSYLVANIA STATE UNIVERSITY	S05-04 MOD 2	628,231
12.000	360	PHILIPS RESEARCH NORTH AMERICA	UW BUD# 662535	319,826
12.000	360	PHILIPS RESEARCH NORTH AMERICA	UW BUD# 662805	123,225
12.000	360	PHILIPS RESEARCH NORTH AMERICA	UW BUD# 662811	1,844
12.000	360	PHILIPS RESEARCH NORTH AMERICA	UW BUD# 663226	-2,007
12.000	360	PHOTON-X	UW BUD# 633478	20,024
12.000	360	ROBUST CHIP, INC,	UW BUD# 669016	81,369
12.000	360	SENDERO GROUP, LLC	UW BUD# 634223	7,517

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12.000	360	SIGNAL SYSTEMS LABORATORY, INC.	05-3528-01 AMEND 1	864
12.000	360	SILICON SPEECH	UW BUD# 633307	50,943
12.000	360	SRI INTERNATIONAL, INC.	03-000225, TO 18	48,938
12.000	360	SRI INTERNATIONAL, INC.	55-000916 MOD 2	15,985
12.000	360	SRI INTERNATIONAL, INC.	71-000134, MOD. #1	80,624
12.000	360	SRI INTERNATIONAL, INC.	71-000144	359,043
12.000	360	SRI INTL INC	02-000225, TO09	-201
12.000	360	SRI INTL INC	03-000225, T016	120,412
12.000	360	SRI INTL INC	03-000225, TO014	290,593
12.000	360	SRI INTL INC	03-000225, TO015	66,317
12.000	360	SRI INTL INC	03-000225, TO17	84,551
12.000	360	SRI INTL INC	03000225TASKORDER4MOD2	-6
12.000	360	SRI INTL INC	55-000754	579,381
12.000	360	SRI INTL INC	55-000916	1,678
12.000	360	SRI INTL INC	OP2-000225, TO10	-12
12.000	360	TELCORDIA TECHNOLOGIES INC	10083184 AM16	58,022
12.000	360	THE GENEVA FNDN	S-2004-TSNRP-03, MOD01	16,018
12.000	360	THE GENEVA FNDN	S-2005-TSNRP-01, MOD02	7,048
12.000	360	US ARMY	W911NF-05-1-0313	232,106
12.000	360	VERIDIAN ENGR	DSC0089	-333
12.000	365	ACADEMY OF APPLIED SCI-FED	0811	2,217
12.000	365	ACADEMY OF APPLIED SCI-FED	WSU000539	480
12.000	365	ALCOA INC	400051322	89,993
12.000	365	NORTHROP GRUMMAN CORP	2645447	93,044
12.000	365	NORTHROP GRUMMAN CORP	2647792	75,806
12.000	365	NORTHROP GRUMMAN CORP	2662915	4,310
12.000	365	PULSAR INFORMATICS INC	W81XWH05C0155	118,149
12.000	365	SRI INT'L FED FLOW	27001223	4,263

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12.000	365	TERRAGRAPHICS ENVIRONMENT ENGR	WSU000563	11,505
12.000	365	THE NATURE CONSERVANCY	WAFO161052907	14,932
12.000	365	TPL INC	212379	6,186
12.000	365	UNIV OF NM	889236874P	39,293
12.000	365	VLOC INC	AFRLYAG0003	36,377
12.110	477	OR Dept of Fish & Wildlife	005-5065-S-Fish	24,800
12.300	360	DUKE UNIVERSITY	04-SC-ONR-1066	1
12.300	360	INSTITUTE FOR STUDY OF LEARNING	WASHINGTON-01 M0D1	145,347
12.300	360	IOWA STATE UNIV	421-23-01-A	110,607
12.300	360	UNIV OF MICHIGAN	F012919, AMEND 4	56,207
12.300	360	UNIVERSITY OF ALASKA FAIRBANKS	UAF 08-0047	82,107
12.300	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10276960-002	97,610
12.300	365	INST FOR STUDY LEARNING & EXPERT	WSU01	4,921
12.300	365	MASS INST OF TECH-FED FLOW	5710002043	511,313
12.300	365	MT ST UNIV-FED FLOW	G19207W0917	52,459
12.300	365	UNIV OF ID FED	KKK702B	51,265
12.300	365	UNIV OF ID FED	KKK760SB0012	11,471
12.300	365	UNIV OF ID FED	SB000007	67,892
12.300	365	UNIV OF UT FED FLOW	2503036	137,468
12.420	360	DUKE UNIVERSITY	SUB # 135606 AM01	33,011
12.420	360	INSTITUTE FOR SYSTEMS BIOLOGY	2007.0007	9,750
12.420	360	LELAND STANFORD JUNIOR UNIVERSITY	R-42332-27647-B*	43,698
12.420	360	UNIV OF MICHIGAN	3000758933	15,095
12.420	360	UNIVERSITY OF CINCINNATI	06068002	27
12.420	360	UNIVERSITY OF MISSISSIPPI	02-01-069 MOD08	258,460
12.420	360	UNIVERSITY OF MISSISSIPPI	02-01-069, AMEND.#1**	20,018
12.431	360	CALIFORNIA INSTITUTE OF TECHNOLOGY	28D 1083900	29,051
12.431	360	UNIV OF CINCINNATI	PATS19779SAP1003768	19,810

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12.431	360	UNIVERSITY OF CALIFORNIA, BERKELEY	SA5885-11146 AMD #2	42,916
12.431	360	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z848401	228,864
12.550	360	CENTER FOR APPLIED LINGUISTICS	4926-1	213,499
12.630	360	BOSTON UNIVERSITY	GC200014NGD	306,141
12.800	360	CALIFORNIA INSTITUTE OF TECHNOLOGY	1021080632	204,527
12.800	360	UNIVERSITY OF MARYLAND, BALTIMORE COUNTY	0000003957	46,412
12.800	365	AT&T	S000000377	76,703
14.000	360	SEATTLE HOUSING AUTHORITY	SUBGRANT #9920 ORDER#5	24,558
14.000	365	TACOMA HOUSING AUTH	WSU000499	1,847
14.218	365	SPOKANE CITY OF	OPR20060895	2,999
14.218	370	City of Spokane	HUD-CDBG-2007	10,547
14.239	148	City of Seattle	FY 2007-2008 HK SEA	1,454,952
14.239	148	Community Trade & Economic Development	CTED 05-40404-3001	335,281
14.239	148	County of King	2007-2008 Arch Program	150,000
15.000	360	NATIONAL FISH & WILDLIFE FOUNDATION	2006-0094-007	-6
15.000	360	NORTHWESTERN UNIV	0650-350-C496-601AM03	238,868
15.000	360	ROCHESTER INSTITUTE OF TECHNOLOGY	30558-07	12,111
15.000	360	ROCHESTER INSTITUTE OF TECHNOLOGY	30729-01	8,696
15.000	365	MT ST UNIV-FED FLOW	G23707W0094	1,549
15.000	365	OR DEPT OF FISH & WILDLIFE	0118109ISAWILDLIFE	4,334
15.000	365	OR DEPT OF ST LANDS	52210455	10,046
15.000	365	OR DEPT OF ST LANDS	E637WSU52210511	6,775
15.000	365	OR DEPT OF ST LANDS	E647WSU52211534	436
15.000	365	PEND OREILLE CONSERV DIST	WSU000769	4,572
15.000	365	UNIV OF WY FED FLOW	DOINPS44151WA	3,916
15.000	477	National Fish & Wildlife Foundation	2005-0012-007	17,356
15.608	365	UNIV OF CA FED	S0180146	2,080
15.615	360	DEPT. OF LAND & NATURAL RESOURCE-MARINA	438401-OC, AM04	169,835

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15.617	380	Montana State University	G272-08-W1033	9,099
15.808	365	CORNELL UNIV FED FLOW	497878176	5,109
15.916	365	UNIV OF ID FED	P0015437	3,025
15.926	370	Frenchtown Historical Foundation	GA-2255-06-004	13,064
16.000	365	BENTON FRANKLIN JUV JUST FED FLO	WSU000559	3,452
16.000	365	BENTON FRANKLIN JUV JUST FED FLO	WSU000637	3,670
16.000	365	WOMENSPIRIT COALITION	WSU000584	6,084
16.302	360	SEATTLE SENSOR SYSTEMS, INC	UW BUD# 632779	36,428
16.541	360	PACIFIC INSTITUTE FOR RESEARCH AND EVALU	2007-JF-FX-0064MOD #4	220,397
16.560	360	PROFESSOR JEFFREY EDLESON	T3996061101 AMEND 4	41,031
16.560	360	UNIV OF CALIFORNIA IRVINE MEDICAL CTR	2007-1845, AM01	78,025
16.560	365	UNIV OF AK FED FLOW	PO369196	12,791
16.560	365	UNIV OF IL FED FLOW	2005007430800	-1,317
16.564	225	Wa Association of Sheriffs & Police Chiefs	C080195FED	58,194
16.610	225	California DOJ	C070745FED	186,814
16.610	225	California DOJ	C080728FED	196,415
16.728	360	PACIFIC INSTITUTE FOR RESEARCH AND EVALU	0082.01.01	97
16.728	360	PACIFIC INSTITUTE FOR RESEARCH AND EVALU	2003-DR-FX-011	61,261
17.000	365	PACIFIC MOUNTAIN WORKFORCE CONSO	WR07C700	29,863
17.235	540	WDC01	Local Contract	90,019
17.253	540	WDC09	Local Contract	68,537
17.258	540	WDC01	Local Contract	337,961
17.258	540	WDC02	Local Contract	197,219
17.258	540	WDC04	Local Contract	64,158
17.258	540	WDC05	Local Contract	28,957
17.258	540	WDC07	Local Contract	229,033
17.258	540	WDC08	Local Contract	188,637
17.258	540	WDC09	Local Contract	163,463

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17.258	540	WDC10	Local Contract	72,734
17.258	540	WDC11	Local Contract	175,695
17.258	540	WDC12	Local Contract	201,223
17.258	699	SkillSource	Sk808	4,024
17.259	540	WDC08	Local Contract	186,002
17.259	540	WDC09	Local Contract	178,485
17.260	540	WDC01	Local Contract	903,895
17.260	540	WDC02	Local Contract	2,040,180
17.260	540	WDC04	Local Contract	74,503
17.260	540	WDC05	Local Contract	2,615
17.260	540	WDC06	Local Contract	3,839
17.260	540	WDC07	Local Contract	249,675
17.260	540	WDC08	Local Contract	120,167
17.260	540	WDC09	Local Contract	386,235
17.260	540	WDC10	Local Contract	562,469
17.260	540	WDC11	Local Contract	747,969
17.260	540	WDC12	Local Contract	561,183
17.261	699	Forsyth Comm College	145.111.1V77	67,655
17.267	699	Eastern Wash Partnership	6110-7906-02	20,882
17.267	699	Seattle King Cty Workforce Dev	145.1611V7A	12,985
17.267	699	Workforce Dev of Snohomish Cty	07EDCO718503	15,802
17.268	540	WDC02	Local Contract	60,974
17.805	540	WDC04	Local Contract	215,834
19.000	360	CONRAD	MSA-06-442	144,672
19.000	360	ENGENDERHEALTH	APN-501-00 MD 01	130,824
19.000	360	GEORGETOWN UNIVERSITY	UW-RX2050-866-07-E	20,549
19.000	360	GEORGETOWN UNIVERSITY	UW-RX2050-874-06-E	1,125
19.000	360	INSTITUTE OF INTERNATIONAL EDUCATION	S-ECAAS-06-CA-001	203,309

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19.000	360	INSTITUTE OF INTERNATIONAL EDUCATION	S-ECAAS-08-CA-005	2
19.000	360	MANAGEMENT SCIENCES FOR HEALTH	UW BUD# 632746	6,479
19.000	360	PATH	AID12331307425SUBAM01	17,972
19.000	360	PUBLIC HLTH INST	UW BUD# 671589	23,486
20.000	360	KING COUNTY DEPT OF TRANSPORTATION	UW BUD# 668470	29,531
20.000	360	MARICOPA ASSOCIATION OF GOVERNMENTS	333	200,488
20.000	360	PUGET SOUND REGIONAL COUNCIL	2003-05, AM05	487
20.000	360	REG. PLAN. CM'SN FOR JEFFERSON	92-0017-UW	29,589
20.000	360	UNIVERSITY OF CALIFORNIA, SANTA BARBARA	UW BUD# 633178	38,694
20.000	365	ND ST UNIV FED FLOW	WSU000193	6,051
20.000	365	OR ST UNIV FED	T0013GA	140,130
20.000	365	SPOKANE TRANSIT AUTH	WSU000305	141,604
20.000	365	UNIV OF AK FAIRBANKS FED FLOW	UAF080032	49,459
20.000	365	VA TECH	M025	15,957
20.108	360	AUBURN UNIVERSITY	06-AAPTP-208107-UW	38,725
20.600	370	WASPC	N/A	1,900
20.602	370	WTSC	N/A	1,106
20.701	365	UNIV OF AK FAIRBANKS FED FLOW	UAF080032	49,459
32.001	365	CORP FOR PUBLIC BROADCASTING	11035006	13,644
32.001	365	CORP FOR PUBLIC BROADCASTING	11309	66,268
32.001	365	PUBLIC BROADCASTING SERVICE	8607	41,798
43.000	360	ARIZONA STATE UNIVERSITY	08964	9,213
43.000	360	ASPEN AEROGELS	305538	34,546
43.000	360	BATTELLE PACIFIC NW LABS	34797	23,887
43.000	360	BAYLOR COLLEGE OF MEDICINE	SMS00401	69,342
43.000	360	BAYLOR COLLEGE OF MEDICINE	SMS00402 AMEND #9	55,187
43.000	360	BAYLOR COLLEGE OF MEDICINE	SMS00402 AMEND 12	348,563
43.000	360	CA INST OF TECH JPL	1277173	13,037

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	360	CA INST OF TECH JPL	1277179	-75
43.000	360	CA INST OF TECH JPL	1294581	24,742
43.000	360	CA INST OF TECH JPL	1315034	29,303
43.000	360	CA INST OF TECH JPL	1331892	36,216
43.000	360	CARNEGIE INSTITUTION OF WASHINGTON	DTM-3159-07, AM10	68,476
43.000	360	CARNEGIE MELLON UNIV	1110126-197839	41,435
43.000	360	HAMPTON UNIVERSITY	107-2007	27,079
43.000	360	HARVARD UNIVERSITY	500497200HU130691AM01	13,066
43.000	360	JET PROLULSON LABORATORY	1285663 MOD 5	88,321
43.000	360	JET PROLULSON LABORATORY	1285663 MOD2	56,479
43.000	360	JET PROLULSON LABORATORY	1292807	75,033
43.000	360	JET PROPULSION	1313529 MOD 01	68,507
43.000	360	JET PROPULSION	1317617	22,399
43.000	360	JET PROPULSION	1317624	281
43.000	360	JET PROPULSION	1318943	60,926
43.000	360	JET PROPULSION LAB	1263191 MOD.3&4	46,486
43.000	360	JET PROPULSION LAB	1267029 MO3	35,853
43.000	360	JET PROPULSION LAB	1267196 MOD04	80,100
43.000	360	JET PROPULSION LAB	1267196 MOD04	83,354
43.000	360	JET PROPULSION LAB	1268416	180,235
43.000	360	JET PROPULSION LAB	1285662	72,743
43.000	360	JET PROPULSION LAB	1285662 MOD.6	180,553
43.000	360	JET PROPULSION LAB	1303809	85,102
43.000	360	JET PROPULSION LAB	1320625 MOD 01	36,216
43.000	360	JET PROPULSION LAB	1332735	16,515
43.000	360	JET PROPULSION LABORATORY	1292175	40,866
43.000	360	JOHNS HOPKINS UNIVERSITY	935531	8,736
43.000	360	JOHNS HOPKINS UNIVERSITY	935532	12,096

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	360	NASA JET PROPULSION LABORATORY	1279184	3
43.000	360	OHIO STATE U RESEARCH FOUNDATION	RF00970997744679MOD03	-1,226
43.000	360	SMITHSONIAN A. O.	G05-6022B, AMEND. #1	15,836
43.000	360	SMITHSONIAN A. O.	G06-7023X AM01	23,664
43.000	360	SMITHSONIAN A. O.	G06-7058X AM01	5,212
43.000	360	SMITHSONIAN A. O.	G06-7107X AM1	21,947
43.000	360	SMITHSONIAN A. O.	GO7-8028X AM01	1,068
43.000	360	SMITHSONIAN A. O.	TM7-8006X AM 01	12,525
43.000	360	SPACE TELESCOPE SCI INST	HST GO 10132.01 A01	5,122
43.000	360	SPACE TELESCOPE SCI INST	HST GO 10907 01A	7,235
43.000	360	SPACE TELESCOPE SCI INST	HST GO 11163 01-A	4,963
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-10289.02-A AM01	7,455
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-10637-01-A	15,187
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-10933.01-A	24,528
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-10945.01-A	10,951
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-11251.02-A	14,138
43.000	360	SPACE TELESCOPE SCI INST	HST-AR-11255.01.A	26,197
43.000	360	SPACE TELESCOPE SCI INST	HST-G0-09157.11-A,AM02	879
43.000	360	SPACE TELESCOPE SCI INST	HST-G0-09724.06-A AM3	2,794
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-09806.01-A AM1	6,656
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-09899.01-A	4,603
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10146.08-A AM3	10,511
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10259.02-A	226
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10401.07-A AM02	880
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10424.10-A AM02	5,856
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10523.04-A AM1	2,532
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10525.01-A AM02	30,521
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10615.01-A AM1	37,509

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10775.09-A AM01	1,032
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10915.01-A AM2	299,103
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-10922.01-A	7,150
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-11079.02-A	5,368
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-11122.01-A	7,081
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-11225-02-A	2,562
43.000	360	SPACE TELESCOPE SCI INST	HST-GO-11233.01-A AM01	3,785
43.000	360	SPACE TELESCOPE SCI INST	HSTG00981501AAMEND2	14,582
43.000	360	SPACE TELESCOPE SCI INST	HSTGO1023301AAM1	45,574
43.000	360	SPACE TELESCOPE SCI INST	HSTGO1025202AAM03	2,326
43.000	360	SPACE TELESCOPE SCI INST	HSTHF0117501AAMD2	21,279
43.000	360	STANFORD UNIVERISTY	PY-2426, AMEND 17	155,598
43.000	360	UNIV OF ARIZONA	Y453391	9,980
43.000	360	UNIV OF CALIFORNIA, BERKELEY	SA4347-24309 AMEND 5	30,272
43.000	360	UNIV OF CALIFORNIA, SAN DIEGO	10234024-004	14,143
43.000	360	UNIV OF MARYLAND	Z689203 & MOD L	67,344
43.000	360	UNIVERSITIES SPACE RESEARCH ASSOCIATION	07605-003-038	-40
43.000	360	UNIVERSITY OF CALIFORNIA, BERKELEY	SA5800-11838 AM01	5,532
43.000	360	UNIVERSITY OF CALIFORNIA, LOS ANGELES	0965 G GB839 AMD2	6,808
43.000	360	UNIVERSITY OF PENNSYLVANIA	547974	6,176
43.000	360	USRA	07605-003-027 MOD02	-10,880
43.000	360	WCARNEGIE MELLON UNIVERSITY	1110097-191452 AM2	71,874
43.000	365	CA INST OF TECH JET PROP LAB	1236947	79,287
43.000	365	SPACE TELESCOPE SCI INST	HSTAR1064206A	19,332
43.000	365	SPACE TELESCOPE SCI INST	HSTG01042906A	85,813
43.000	365	SPACE TELESCOPE SCI INST	HSTG01059709A	12,252
43.000	365	SPACE TELESCOPE SCI INST	HSTG01108301A	76,828
43.000	365	SPACE TELESCOPE SCI INST	HSTGO0939202A	3,306

State of Washington
Schedule of Expenditures of Federal Awards
Note F:
Supplemental Information for Pass-Through Funds

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	365	SPACE TELESCOPE SCI INST	HSTGO1021712A	40,867
43.000	375	jpl	1316886	35,000
43.001	360	DARTMOUTH COLLEGE	213	16,651
43.001	360	DARTMOUTH COLLEGE	213 AM02	57,408
43.002	360	JET PROPULSION LAB	1289924	42,287
43.002	699	N Olympic Peninsula Res Cons & Dev	NNA06CN06A	94,324
47.000	360	ASSOCIATION FOR INSTITUTIONAL RESEARCH	UW BUD# 634074	1,517
47.000	360	BATTELLE PACIFIC NW LABS	12415 MOD 3	-1,360
47.000	360	CARNEGIE MELON INST	UW BUD# 634469	5,173
47.000	360	COMPUTING RESEARCH ASSOCIATION	0637190	241,961
47.000	360	JET PROPULSION LAB	1288051 MO 01	11,586
47.000	360	LSST	UW BUD# 634376	14,251
47.000	360	NASFINE PHOTONICS INC	UW BUD# 633991	20,708
47.000	360	NEW MEXICO INST OF MINING & TECH	UW BUD# 801233	916
47.000	360	PACIFIC EARTHQUAKE ENGINEERING RESEARCH	SA 4802 MOD 1	62,917
47.000	360	PACIFIC EARTHQUAKE ENGR RSCH CTR	SA4716, A04	18,388
47.000	360	PORTLAND STATE UNIVERSITY	030209, MOD02	94,641
47.000	360	RESEARCH CORP OF THE UNIVERSITY OF HAWAI	UW BUD# 631724	5,006
47.000	360	RESEARCH CORP OF THE UNIVERSITY OF HAWAI	UW BUD# 666352	148
47.000	360	TAU THETA INSTRUMENTS LLC	IIP-0750508	22,178
47.000	360	TENNEESSEE TECHNOLOGICAL UNIV	UW BUD# 668740	-152
47.000	360	UNIV CORP FOR ATMOSPHERIC RSCH	SO6-47225 MOD.4	32,036
47.000	360	UNIV CORP FOR ATMOSPHERIC RSCH	SO6-47225 MOD.5	222,262
47.000	360	UNIV OF CA BERKELEY	SA4816 AM#4	48,694
47.000	360	UNIVERSITY OF CALIFORNIA, DAVIS	002865-UW	3,453
47.000	360	UNIVERSITY OF COLORADO	P.O. 0000320654	4,291
47.000	360	VECO USA, INC.	412293-ARC-020-01	452,160
47.000	360	WHOI	A100416	12

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.000	360	WORCESTER POLYTECHNIC INSTITUTE	06-201630-02 AM 3	152,603
47.000	365	INLAND NW CMNTY ACCESS NETWORK	WSU000547	4,425
47.000	365	PUGET SOUND CTR TEACH LEARN TECH	WSU000407	71,105
47.000	365	PUGET SOUND CTR TEACH LEARN TECH	WSU000776	853
47.041	360	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473	114,873
47.041	360	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473 AM06	631,968
47.041	360	CORNELL NANOSCALE SCI & TECH FACILITY	52120-8459	18,203
47.041	360	GEORGIA INSTITUTE OF TECHNOLOGY	E-20-L05-G3 AMD 2	103,615
47.041	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002247	66,698
47.041	360	NANOFACTURE	UW BUD# 633477	39,523
47.041	360	OCEAN NANOTECH, LLC	UW BUD# 632789	30,001
47.041	360	PACIFIC EARTHQUAKE ENGR RSCH CTR	SA5158 PO 1140320	15,529
47.041	360	THE PENNSYLVANIA STATE UNIVERSITY	3352-UW-NSF-4219	44,134
47.041	360	UNIV OF CA BERKELEY	UCB SA4570, MOD01	30,341
47.041	360	UNIV OF CA BERKELEY	UCB SA4570, MOD02	55,347
47.041	365	BEST LLC	0712584WSUSUB	21,917
47.041	365	ND ST UNIV FED FLOW	10915W	41,339
47.041	365	UNIV OF NM	109111874P	78,107
47.041	365	UNIV OF NM	433115874P	7,677
47.041	365	UNIV OF TX	UTA06818	25,299
47.049	360	COLUMBIA UNIV	SIXTEEN AM04	327,805
47.049	360	COLUMBIA UNIVERSITY	9 AMD 2	-38,769
47.049	360	INSTITUTE FOR ADVANCED STUDY	7443-2307, AMEND4	-2,546
47.049	360	INSTITUTE FOR ADVANCED STUDY	7443-2307,AMD4	132,625
47.049	360	INSTITUTE FOR ADVANCED STUDY	IAS-EHR-0314808	46,411
47.049	360	JOHN HOPKINS UNIVERSITY	8601-06862	4,962
47.049	360	LSSTC, INC	C44035L AM01	30,000
47.049	360	LSSTC, INC.	C44009L AM03	269,904

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.049	360	LSSTC, INC.	C44036L	155,269
47.049	360	OREGON STATE UNIVERSITY	NO S0983A-A	45,685
47.049	360	UNIVERSITY OF NOTRE DAME	UW BUD# 630560	7,914
47.049	365	AMER ED RES ASSN FED FLOW	WSU000299	4,924
47.049	365	TULANE UNIV FED FLOW	TUL1350203	20,221
47.049	699	Brevard Comm College	DUE 0532618	46,308
47.050	360	COLORADO STATE UNIVERSITY	G-3045-5AM01	157,563
47.050	360	COLUMBIA UNIV	OCE0223951-2, AMEND 6	50,621
47.050	360	IRIS	14-DMS AM03	63,869
47.050	360	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	PO0611812PRIMEOCE22265	1,162
47.050	360	OREGON HEALTH SCIENCES UNIVERSITY	GSTCN0001A7.UW	567,426
47.050	360	UNIV OF IOWA	PO.# 4000088273 AM06	13,970
47.050	360	UNIV OF WISCONSIN - MADISON	F041005	25,104
47.050	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10258023-001	38,071
47.050	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10281630-001	5,727
47.050	360	UNIVERSITY OF CALIFORNIA, SANTA BARBARA	KK4111, MOD02	36,286
47.050	360	UNIVERSITY OF MONTANA	PG-65900-02 AM#1	6,602
47.050	360	WOODS HOLE OCEANOGRAPHIC INST	A100465	7,166
47.050	360	WOODS HOLE OCEANOGRAPHIC INST	A100475	6,682
47.050	360	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100510	19,743
47.050	360	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100578	19,050
47.050	365	IN UNIV FED FLOW	PO136977	9,090
47.050	365	WOODS HOLE OCEANOGRAPHIC INST	A100553	45,868
47.050	375	UNAVCO	EAR-0350028-04	212,921
47.050	375	UNAVCO	EAR-0453975-08	132,786
47.070	360	OREGON STATE UNIVERSITY	S0790A-A AM03	91,648
47.070	360	OREGON STATE UNIVERSITY	S1065A-A	37,996
47.070	360	PURDUE UNIVERSITY	501-1390-01	63,325

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.070	360	UNIVERSITY OF CALIFORNIA, BERKELEY	SA5249-23613	34,397
47.070	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10267621	86,824
47.070	360	UNIVERSITY OF ILLINOIS	2007-03543-01	41,458
47.070	360	UNIVERSITY OF MISSOURI-COLUMBIA	C00004481-2	13,067
47.070	360	UNIVERSITY OF MISSOURI-COLUMBIA	C00014708-1	7,568
47.070	365	UNIV OF IL FED FLOW	200504510002	3,113
47.070	365	UNIV OF IL FED FLOW	20050451002	172,877
47.074	360	DUKE UNIV	04SCNSF1029MOD3	185,327
47.074	360	FHCRC	0620022903S1394PO59698	1,440
47.074	360	KECK GRADUATE INSTITUTE	UW BUD# 633172	159,642
47.074	360	OREGON STATE UNIVERSITY	S0720E-A, AM03	52,536
47.074	360	UNIV OF WISCONSIN MADISON	054F412144JW10MOD05	-182
47.074	360	UNIVERSITY OF FLORIDA	UF03012, AM01	1
47.074	360	UNIVERSITY OF IOWA	W000068643	27,346
47.074	360	UNIVERSITY OF KANSAS CENTER FOR RESEARCH	FY2008-04, MOD 01	13,400
47.074	365	CLEMSON UNIV	116475582062003804	7,608
47.074	365	IA ST UNIV	4204017	10,058
47.074	365	MT ST UNIV-FED FLOW	G08607W1071	2,629
47.074	365	NC ST UNIV - FED FLOW	2004115603	107,802
47.074	365	NEON INC	GUAR24300301	5,941
47.074	365	UNIV OF CA-BERKELEY FED FLOW	SA563411574	56,240
47.074	365	UNIV OF ID FED	AKK628	21,818
47.074	375	U of TX	UTA02-120	5,714
47.075	360	PORTLAND STATE UNIV	0751362	55,136
47.075	360	STANFORD UNIVERSITY	13501190-31002-B, AM04	26,133
47.075	360	STANFORD UNIVERSITY	18442820-36418-A	8,396
47.075	360	TEXAS A&M RESEARCH FDN	S070076	10,694
47.075	360	UNIVERSITY OF COLORADO	154-1507,MOD 2	10,403

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.075	360	US CIVILIAN RESEARCH AND DEVELOPMENT FDN	UKB1-2646-LV-05	869
47.075	365	UNIV OF WI GREEN BAY FED FLOW	WSU000140	-182
47.076	360	FACET INNOVATIONS, LLC	UW BUD# 632132	14,134
47.076	360	UNIV OF ALASKA ANCHORAGE	G-3437	40,731
47.076	360	UNIVERSITY OF COLORADO	154-2994	63,937
47.076	365	COMM COLLEGES OF SPOKANE	WSU000470	5,268
47.076	365	GA ST UNIV FED FLOW	H321304	17,378
47.076	365	PA ST UNIV FED FLOW	3558WSUNSF3747	12,750
47.076	365	UNIV OF MI	WSU000188	9,593
47.076	370	TINCAN-GIS	N/A	12,000
47.076	375	U of Arkansas	SA08082341	6,147
47.076	376		0732521	6,382
47.076	376		1225-102100-A	91,591
47.076	699	Am Math Assoc of 2-Yr Colleges	DUE 0442439	28,557
47.076	699	Saddleback College	DUE 0702912	13,824
47.076	699	St Petersburg College	0000013064	47,357
47.078	360	LAUCKS FOUNDATION	UW BUD# 633387	55,162
47.078	360	NORTHERN ILLINOIS UNIVERSITY	UW BUD# 631984	11,595
47.078	360	UNIV OF ALASKA ANCHORAGE	PO323242 CO2	-9,617
47.078	360	UNIVERSITY OF ALASKA FAIRBANKS	PO# FP802943	6,425
47.079	360	US CIVILIAN RESEARCH AND DEVELOPMENT FDN	KAM1-2851-AL-07	6,415
47.079	360	US CIVILIAN RESEARCH AND DEVELOPMENT FDN	RUG1-2828-KS-06	4,249
47.079	365	US CIVILIAN RSCH & DEV FNDN	RUB12829ST06	6,841
64.000	365	VA NY	GUAR57012024	4,572
66.000	360	BATTELLE MEMORIAL INST	212695	3,288
66.000	360	BATTELLE MEMORIAL INST	212695 AM04	16,682
66.000	360	BATTELLE MEMORIAL INST	212695 MOD03	8,937
66.000	360	NORTHWEST COMMUNITIES EDUCATION CTR	UW BUD# 633284	7,037

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
66.000	360	NTNL ENVIRONMENTAL EDUCATION FNDTN	UW BUD# 671662	2,153
66.000	360	NTNL ENVIRONMENTAL EDUCATION FNDTN	UW BUD# 671981	8,317
66.000	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-2600 MOD01	11,198
66.000	365	AMER FARMLAND TRUST	R10200803	12,237
66.000	365	PORTLAND ST UNIV FED FLOW	RD831034010	4,978
66.000	365	RJ LEE GROUP INC	CEL410826WSU09282007	14,168
66.000	365	THE NATURE CONSERVANCY	WAFO149042806	25,970
66.000	365	THE NATURE CONSERVANCY	WAFO162052306	74,186
66.500	360	CONSORTIUM FOR PLANT BIOTECHNOLOGY	EPA82947901-236 AMC	3,103
66.500	360	HARVARD SCHOOL OF PUBLIC HEALTH	UW BUD# 631603	5,712
66.500	360	UNIV OF MICHIGAN	F008805	1,985
66.509	365	KS ST UNIV FED FLOW	505087	2,045
66.606	365	BOISE ST UNIV FED FLOW	134G106100	62,204
66.606	365	MT ST UNIV-FED FLOW	G18908W1316	33,497
66.606	365	WATER ENV RSCH FNDN	04DEC11SG	15,815
81.000	360	ARGONNE NATIONAL LABORATORY	7F-00022	31,474
81.000	360	ARGONNE NATIONAL LABORATORY	7F-00702	10,649
81.000	360	BATTELLE ENERGY ALLIANCE LLC	00066171	32,833
81.000	360	BATTELLE PACIFIC NW LABS	26509	2,294
81.000	360	BATTELLE PACIFIC NW LABS	41398-MOD02	46,730
81.000	360	BATTELLE PACIFIC NW LABS	56652	17,548
81.000	360	BATTELLE PACIFIC NW LABS	61103	6,199
81.000	360	BATTELLE PACIFIC NW LABS	6630,TO14622 MOD3	156,571
81.000	360	BATTELLE PACIFIC NW LABS	MASARG6630TO19856M03	40,266
81.000	360	BATTELLE PACIFIC NW LABS	MASARG6630TO53473	25,624
81.000	360	BATTELLE PACIFIC NW LABS	P.O.22934,AND MOD.1	52
81.000	360	KETTERING UNIVERSITY	P0023820	28,185
81.000	360	NATIONAL ACADEMIES	DELS-7497-06-001 MOD06	416,753

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	360	OAK RIDGE NATIONAL LABORATORY (ORNL)	4000058152	14,548
81.000	360	REGENTS OF UNIVERSITY OF CALIFORNIA	6832585MOD1	27,751
81.000	360	SANDIA CORPORATION	650165	20,268
81.000	360	UC - LOS ALAMOS NATIONAL LABORATORY	32449-001-06 MOD02	123,669
81.000	360	UC - LOS ALAMOS NATIONAL LABORATORY	62745-001-08	13,213
81.000	360	UC - LOS ALAMOS NATIONAL LABORATORY	CDS-1540-07MOD2	1,219
81.000	360	UNIV OF CA IRVINE	2003-1389 AMEND 18	9,368
81.000	360	UNIV OF CA, ERNEST ORLANDO	6700882, MOD07	219,864
81.000	360	UNIV OF CA, ERNEST ORLANDO	6700882, MOD09	294,222
81.000	360	UNIVERSITY OF CALIFORNIA(LAWRENCE LAB)	B539664,A03	41,696
81.000	360	UNIVERSITY OF NEW MEXICO	889186-874J AM02	96,637
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	00014002	3,237,856
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372000	3,843
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372235	3,707
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372246	3,615
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372313	20,864
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372323	7,183
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372560	6,316
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372565	1,512
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372566	983
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372567	2,203
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372568	4,051
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372569	1,597
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372570	1,810
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372571	1,622
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372572	1,922
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372573	1,666
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372574	1,820

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372575	1,666
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372576	1,605
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372577	1,884
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372578	2,844
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372579	1,716
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372585	3,855
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372747	1,394
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372748	4,466
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372749	4,503
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372750	3,328
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372756	45,090
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372757	8,929
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372758	43,569
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372759	28,847
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372760	21,951
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372761	28,254
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372762	40,379
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372763	17,326
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372764	10,186
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372765	12,538
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372766	20,305
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372767	16,006
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372774	4,644
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372775	16,913
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372776	5,679
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372777	3,544
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372851	3,809
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372852	2,996

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372853	2,829
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372854	683
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372855	3,688
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372856	1,213
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372857	6,165
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372858	2,040
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372859	3,403
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372860	1,965
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372861	3,084
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372862	16,671
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372863	2,889
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372864	2,115
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372865	2,705
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR2937290	2,622
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372912	265
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372913	91
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372914	1,871
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372915	2,914
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372916	8,313
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372917	4,301
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372918	2,379
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372920	1,803
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372921	88
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372929	962
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372931	6,866
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372933	1,566
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372935	6,919
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372936	5,598

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372937	4,485
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372938	1,265
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372949	4,653
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372950	2,928
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372951	2,770
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372952	3,983
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372953	2,822
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372954	3,837
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372955	2,780
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372956	3,001
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372957	2,338
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372958	2,574
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372976	4,940
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372977	8,988
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372978	7,456
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372979	6,236
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372980	5,376
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372981	7,119
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372982	5,004
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372983	6,367
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372984	6,694
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372990	7,974
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372991	6,612
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372992	10,951
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372993	5,141
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372994	5,170
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29372996	6,675
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373200	72,485

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373201	71,577
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373203	56,725
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373204	67,304
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373205	50,667
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373206	61,256
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373208	70,493
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373209	72,471
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373210	47,204
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373211	72,671
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373212	68,572
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373213	53,078
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373214	67,249
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373215	66,947
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373216	59,879
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373217	69,005
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373218	54,285
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373219	23
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373221	34,836
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373222	50,760
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373224	11
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373225	10,853
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373226	88
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373227	1,985
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373228	142
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373229	4,167
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373230	5,431
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373231	13
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373232	13

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	GUAR29373233	59
81.000	365	BATTELLE ENERGY ALLIANCE FED FLO	RELEASE00009	10,206
81.000	365	BATTELLE LABS	327422AN4	22,121
81.000	365	BATTELLE LABS	36811	7,767
81.000	365	BATTELLE LABS	39452	2,580
81.000	365	BATTELLE LABS	52468	3,144
81.000	365	BATTELLE LABS	6633	665,644
81.000	365	CH2M HILL HANFORD GRP INC	32822	5,310
81.000	365	CONSOL	GUAR41771450	64,627
81.000	365	CONSOL	WSU000355	50,677
81.000	365	ECOS CONSULTING	GUAR41771396	143,615
81.000	365	ECOS CONSULTING	GUAR41771501	34,786
81.000	365	ECOS CONSULTING	GUAR41771502	57,182
81.000	365	ECOS CONSULTING	GUAR41771503	203,048
81.000	365	ECOS CONSULTING	GUAR41771504	487,339
81.000	365	ECOS CONSULTING	GUAR41771505	422,162
81.000	365	ECOS CONSULTING	GUAR41771506	127,390
81.000	365	ECOS CONSULTING	GUAR41771507	4,864
81.000	365	ECOS CONSULTING	GUAR41771508	5,724
81.000	365	ECOS CONSULTING	GUAR41771509	15,926
81.000	365	ECOS CONSULTING	GUAR41771510	148,206
81.000	365	ECOS CONSULTING	GUAR41771512	42,869
81.000	365	ECOS CONSULTING	GUAR41771513	2,252
81.000	365	ECOS CONSULTING	GUAR41771515	3,184
81.000	365	ECOS CONSULTING	GUAR41771516	474
81.000	365	ECOS CONSULTING	WSU000409	22,710
81.000	365	ENERGY ENTERPRISE SOLUTIONS LLC	01019W01062	1,629,103
81.000	365	ENVIRO ASSESSMENT SERVICE	WSU000324	9,986

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	ID FISH & GAME DEPT	WSU000656	87,495
81.000	365	ID OFFICE OF ENERGY RESOURCES	CON00715	56,464
81.000	365	INLAND NW RES ALLIANCE FED FLOW	M234	208,568
81.000	365	LAWRENCE LIVERMORE NATL SCTY LAB	B538882	214
81.000	365	LAWRENCE LIVERMORE NATL SCTY LAB	B541020	4,510
81.000	365	LAWRENCE LIVERMORE NATL SCTY LAB	B548970	22,655
81.000	365	LAWRENCE LIVERMORE NATL SCTY LAB	B573264	3,020
81.000	365	LOS ALAMOS NAT'L SECURITY LLC	3546300106	47,149
81.000	365	LOS ALAMOS NAT'L SECURITY LLC	5478700107	6,961
81.000	365	MED UNIV OF SC	MUSC07007	99,170
81.000	365	MIDWEST RSCH INST-FED FLOW	XAA23149002	2,335
81.000	365	MIDWEST RSCH INST-FED FLOW	XEA66600101	497
81.000	365	MIDWEST RSCH INST-FED FLOW	XFT888521010	21,025
81.000	365	MT ST UNIV-FED FLOW	G22107W0831	92,035
81.000	365	NASULGC FED FLOW	WSU000287	102,089
81.000	365	NASULGC FED FLOW	WSU000647	2,729
81.000	365	NASULGC FED FLOW	WSU000777	4,424
81.000	365	NW ENERGY EFFICIENCY ALLIANCE	C10169	131,657
81.000	365	PROJ PERFORMANCE CORP	M262	527
81.000	365	PUGET SOUND CLEAN AIR AGCY	2008001	127,730
81.000	365	RS INFO SYST INC	S1601AWSU	106,042
81.000	365	SANDIA NAT'L LAB FED	A0368	135,874
81.000	365	UNIV OF CA FED	B568404	11,032
81.000	365	UNIV OF CA-BERKELEY FED FLOW	6714726	37,158
81.000	365	UNIV OF CA-BERKELEY FED FLOW	6833311	7,185
81.000	365	UNIV OF CHICAGO/ARGONNE NAT'L	5F00539	46,788
81.000	365	UNIV OF GA FED FLOW	RR1853329823147	33,168
81.000	365	UT-BATTELLE LLC FED FLOW	4000031344	2,177

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	365	WASHINGTON CLOSURE HANFORD LLC	WSU000684	81,155
81.000	477	OR Dept of Fish & Wildlife	020-633-ISSA-Fish	160,267
81.000	477	OR Dept of Fish & Wildlife	021-7353-ISA-Fish	282,090
81.000	477	Pacific States Marine Fisheries Commission	06-54	56,225
81.000	477	Pacific States Marine Fisheries Commission	07-29	134,303
81.000	477	Pacific States Marine Fisheries Commission	07-33	10,131
81.000	477	Pacific States Marine Fisheries Commission	07-56	124,965
81.000	477	Pacific States Marine Fisheries Commission	07-62	502,242
81.000	477	Pacific States Marine Fisheries Commission	07-71	32,424
81.000	477	Pacific States Marine Fisheries Commission	07-72	58,853
81.000	477	Pacific States Marine Fisheries Commission	08-18	42,538
81.000	477	Pacific States Marine Fisheries Commission	08-34	206,569
81.000	477	Pacific States Marine Fisheries Commission	08-44	95,313
81.000	477	Pacific States Marine Fisheries Commission	08-45	72,161
81.000	477	Pacific States Marine Fisheries Commission	08-50	28,751
81.000	477	Pacific States Marine Fisheries Commission	08-56	21,647
81.000	477	Pacific States Marine Fisheries Commission	08-83	18,568
81.000	477	Pacific States Marine Fisheries Commission	08-84	25,744
81.000	477	Spokane Tribes	07-35	54,091
81.049	360	AWWA RSCH FNDN	4148	17,353
81.049	360	NORTHERN ARIZONA UNIVERSITY	MPC 35VA-01	36,751
81.049	360	THE RESEARCH FOUNDATION OF SUNY	39745/1055595 AM04	120,846
81.049	360	UNIVERSITY OF CALIFORNIA DAVIS	0700244	10,664
81.049	360	UNIVERSITY OF OREGON	234151M AM01	4,870
81.049	360	UNIVERSITY OF OREGON	234151M AM02	8,185
81.049	360	UNIVERSITY OF OREGON	UW BUD# 633061	10,039
81.049	365	DUKE UNIV FED FLOW	06SCDOE1072	35,880
81.049	365	UNIV OF ID FED	SB000001	3,342

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.049	365	UNIV OF NV LAS VEGAS FED FLOW	08X01	102,052
81.064	360	BATTELLE PACIFIC NW LABS	19117	15,485
81.064	360	BATTELLE PACIFIC NW LABS	19117 MOD 02	18,757
81.087	365	NATL CENTER FOR ENERGY MGT BLDG	CA2006TASK0609	71,607
81.087	365	UNIV OF CENTRAL FL	PO102756	142,258
81.087	365	UNIV OF CO FED FLOW	0000042951	30,277
81.087	365	UNIV OF NV LAS VEGAS FED FLOW	0625449HB	14,824
81.106	225	Western Governors Association	C080240FED	76,633
81.114	365	OR ST UNIV FED	G0070AB	84,061
81.121	365	UNIV OF NM	889192874P	79,343
81.999	477	Columbia Basin Fish & Wildlife Foundation	None	51,302
84.000	360	DREXEL UNIV	UW BUD# 633429	8,250
84.000	360	HEALTH IMPROVEMENT PAR	UW BUD# 633205	25,837
84.000	360	HEALTH IMPROVEMENT PARTNERSHIP	UW BUD# 631270	9,346
84.000	360	KRELL INST	UW BUD# 802414	72,230
84.000	360	NCTAF	UW BUD# 633746	8,392
84.000	360	NTL WRITING PROJECT CORP	92-WA03	19,712
84.000	360	NTL WRITING PROJECT CORP	92-WA03 AM24	106,308
84.000	360	UNCF	UW BUD# 801115	15,000
84.000	360	UNIVERSITY OF PITTSBURGH	070153	19,705
84.000	360	UNIVERSITY OF PITTSBURGH	070153 AM02	-4,244
84.000	365	MED UNIV OF SC	MUSC08029	63,954
84.000	365	UNIV OF WA	332282	63,439
84.000	375	National Writing Project	92-WA02	88,088
84.015	360	UNIV OF INDIANA	UW BUD# 671765	2,340
84.015	360	UNIVERSITY OF MINNESOT	UW BUD# 671759	2,340
84.015	360	UNIVERSITY OF WISCONSI	312H060 129145	1,455
84.018	360	MACEE	UW BUD# 669703	315

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
84.031	699	Heritage University	HU101105	159,571
84.048	365	SW WA WORKFORCE DEV COUN FED	WDC0723	17,907
84.101	699	Tulalip Tribes	V101A010017-03A	128,159
84.116	360	BRIGHAM YOUNG UNIVERSITY	06-0150	15,444
84.116	360	UNIV OF ARKANSAS	SA0509155 AM01	3,812
84.116	360	UNIV OF TEXAS	UTA07-187, AMEND #2	2,244
84.116	360	UNIVERSITY OF TEXAS, AUSTIN	UTA07-187	1,879
84.133	360	ALBERT EINSTEIN HEALTHCARE NETWORK	H133G070143	47,158
84.133	360	UNIV OF CALIFORNIA DAVIS	990029-UW AM04	79,718
84.133	365	OR ST UNIV FED	ED087AC	73,334
84.213	699	Renton Federal Evenstart	RSD 403 07/08	172,580
84.213	699	Wahluke Even Start	WSMC08	137,428
84.215	365	UNIV OF ID FED	AKK461	37,234
84.215	365	WASHOUGAL SCHOOL DIST	WSU000752	8,608
84.215	370	ESD 101	2703.21.7250.098 PO 16	132,308
84.215	370	ESD 101	2704.21.7250.068	86,951
84.215	370	ESD 101	PO33535SUSB	54,868
84.215	370	Medical Lake School District	AMEND 01	29,897
84.215	370	Spokane Public Schools	PO 070323	12,864
84.215	375	WA ESD 105	9007000084	14,484
84.229	360	THE UNIVERSITY OF CHICAGO	32659-B	1,665
84.305	360	FLORIDA STATE UNIVERSITY	R00844	100,779
84.324	360	UNIVERSITY OF FLORIDA	UF07089	56,025
84.332	370	Center for Applied Research	DOE AGRMT #S332B050017	66,441
84.334	699	Gear Up	NLA	5,618
84.334	699	Yakima School District	G062	226,599
84.366	365	EDUC SERVICE DIST 101	555018	9,432
84.366	365	EDUC SERVICE DIST 101	WSU000671	22,061

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
84.366	365	EDUC SVC DIST #112 FED FLOW	06278	5,468
84.366	370	ESD 101	2417-98-7250-98	10,035
84.366	370	ESD 101	ACCT 2412-98-7500-07 C	57,696
84.366	370	ESD 101	PO 32399 ACCT2409-98-5	-222
84.366	376		0555256	24,746
84.366	699	Bellingham School District	916001648	17,043
84.367	365	EDUC SVC DIST #112	DUR58130078	7,470
84.367	365	EDUC SVC DIST #112 FED FLOW	07231	10,378
84.367	365	EDUC SVC DIST #112 FED FLOW	7273000000	22,009
93.000	360	ACULIGHT CORPORATION	PO# 950273	373
93.000	360	AEHN	UW BUD# 632469	96,055
93.000	360	AFYA, INC	UW BUD# 631602	28,484
93.000	360	ALBERT EINSTEIN COLLEGE OF MEDICINE	UW BUD# 671852	111,322
93.000	360	ALBERT EINSTEIN HEALTHCARE NETWORK	UW BUD# 671481	162
93.000	360	ALLEZ PHYSIONIX LTD	UW BUD# 631622	98,657
93.000	360	ALLEZ PHYSIONIX LTD	UW BUD# 631623	50,796
93.000	360	AMER COLL OF RADIOLOGY	UW BUD# 668266	31,463
93.000	360	AMERICAN COLLEGE OF RADIOLOGY IMAGING	#4221	12,759
93.000	360	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4221	14,553
93.000	360	AMERICAN COLLEGE OF RADIOLOGY IMAGING	UW BUD# 634252	28,285
93.000	360	AMERICAN INSTITUTES FOR RESEARCH	SC050205400102MOD4	37,807
93.000	360	AOEC	UW BUD# 631207	43,618
93.000	360	AOEC	UW BUD# 633036	123,522
93.000	360	ARIZONA ST UNIV	UW BUD# 631809	-106,980
93.000	360	ARIZONA STATE UNIVERSITY	ASU UXS0002	180,198
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631859	39,414
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631860	73,837
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631874	44,261

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93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631880	8,548
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631881	16,599
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631925	8,156
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 631927	24,723
93.000	360	ARIZONA STATE UNIVERSITY	UW BUD# 632122	28,729
93.000	360	ASOCIACION CIVIL IMPACTA SALUD Y EDUCACI	CBVCT 01-2006	-58
93.000	360	ASOCIACION CIVIL IMPACTA SALUD Y EDUCACI	CIPRA 03-2006	17,016
93.000	360	ASSOC OF SCHS OF PUBLIC HLTH	A1015-21/22	-23,890
93.000	360	ASSOC OF SCHS OF PUBLIC HLTH	S2084-22/23	-539
93.000	360	ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH	S3447-24/24	9,274
93.000	360	ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH	S3813-26/26	82,425
93.000	360	AUCD	2003-03-02, AM A	-44,600
93.000	360	AUCD	AUCD RTOI 2004-01-05	-215
93.000	360	AUCD	AUCDRT0I20040401AM02	6,415
93.000	360	AUCD	AUCDRTOI20040105A3	267,514
93.000	360	AUCD	PMU 06 WA AMD#2	139,077
93.000	360	BATTELLE PACIFIC NW LABS	TO#14625; MA#6630 MOD2	339,484
93.000	360	BATTELLE PACIFIC NW LABS	TO#14625; MA#6630 MOD3	172,365
93.000	360	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	N01AI40030HHSN26620040	23,963
93.000	360	BOEING COMPANY	UW BUD# 631138	-244
93.000	360	BUCK CTR FOR RSCH IN AGING	2017	-4,714
93.000	360	BUCK INST	UW BUD# 633913	17,418
93.000	360	CASE WESTERN RESERVE UNIV	N01DK62203AMENDMENT13	475,782
93.000	360	CASE WESTERN RESERVE UNIV	ZZ2647H AMENDMENT 13	-49,033
93.000	360	CASE WESTERN RESERVE UNIVERSITY	RES502558	34,050
93.000	360	CDM	2031-104 MOA4	3,729
93.000	360	CDM	2031-104,MOA #3	4,237
93.000	360	CHILDREN'S HOSPITAL & REGIONAL MEDICAL C	412660060101	202,572

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93.000	360	CHILDREN'S HOSPITAL & REGIONAL MEDICAL C	412660060101UWMOD4	171,100
93.000	360	CHILDREN'S HOSPITAL RESEARCH FOUNDATION	5U01DK072493MOD1103075	26,113
93.000	360	CHILDRENS HOSP AND REGIONAL MED. CENTER	HR7659119401UW1MOD04	-17
93.000	360	CHILDRENS HOSP PITTSBURGH	7001146016100AMENDMENT	-21,062
93.000	360	CHILDRENS HOSPITAL & REGIONAL MEDICAL	HR7659320203UW01MOD2	-33
93.000	360	CHILDRENS HOSPITAL LOS ANGELES	UW BUD# 634363	5,688
93.000	360	CITY OF BOULDER	UW BUD# 631871	17,290
93.000	360	COLUMBIA UNIVERSITY	1 (ACC#: 5-20341)	667
93.000	360	CONSTELLA GROUP, INC	HHSN291200555553CN01ES	206,207
93.000	360	DANA FARBER CANCER INST	UW BUD# 634286	20,784
93.000	360	DUKE CLINICAL RESEARCH INSTITUTE	117161	30,430
93.000	360	DUKE UNIV	1U01HL6901501SITE6200	6,028
93.000	360	DUKE UNIV	UW BUD# 634089	8,356
93.000	360	DUKE UNIV	UW BUD# 669192	74
93.000	360	DUKE UNIVERSITY	SPSID118204DUKEAC30399	74,444
93.000	360	EMORY UNIVERSITY	5-40257-G5 AMEND# 2	35,730
93.000	360	EVANSTON NORTHWESTERN HEALTHCARE	EH06201S9N01AG60007	125,940
93.000	360	FHCRC	0000496885, MOD06	1,772
93.000	360	FHCRC	0000613877	-2,901
93.000	360	FHCRC	0000616039	9,201
93.000	360	FHCRC	0000626071	7,730
93.000	360	FHCRC	0000639363	43,045
93.000	360	FHCRC	0000643992 AMD 1	65,779
93.000	360	FHCRC	632522	13,519
93.000	360	FHCRC	93-2900-25 MOD#14	28,640
93.000	360	FHCRC	PO#0000596327 AM02	9,889
93.000	360	FHCRC	SA0600317	-33
93.000	360	FHCRC	SA0700480 MOD1	4,322

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93.000	360	FHCRC	SA0700481	4,322
93.000	360	FHCRC	SA0700503	3,887
93.000	360	FHCRC	SA0800521	38,223
93.000	360	FHCRC	SA0800568	22,464
93.000	360	FHCRC	SA0800569	16,112
93.000	360	FHCRC	UW BUD# 634138	28,326
93.000	360	FHCRC	UW BUD# 634160	730
93.000	360	FHCRC	UW BUD# 634209	52,321
93.000	360	FHCRC	UW BUD# 634244	27,605
93.000	360	FOCALPOINT CONSULTING GROUP	HHSH230200532040C*	9,274
93.000	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000632125	1,241
93.000	360	GEORGE WASHINGTON UNIV	05-B07	20,502
93.000	360	GROUP HEALTH	PO# 2007101086	4,755
93.000	360	GROUP HEALTH COOPERATI	2007114626	14,797
93.000	360	HEALTH RESEARCH & EDUCATION TRUST	HHSA290200600022,TO2	167,918
93.000	360	IMPERIAL COLLEGE	LBEEP03156BIOCHEMISTRY	110
93.000	360	IMPERIAL COLLEGE	UW BUD# 630857	11,715
93.000	360	IMPERIAL COLLEGE	UW BUD# 630897	26,526
93.000	360	IMPERIAL COLLEGE	UW BUD# 632740	103,562
93.000	360	INSTITUTE FOR SYSTEMS BIOLOGY	2004.0009 AM05	24,862
93.000	360	INSTITUTE FOR SYSTEMS BIOLOGY	2006.0006	23,002
93.000	360	INSTITUTE FOR SYSTEMS BIOLOGY	2006.0007	14,853
93.000	360	INSTITUTE FOR SYSTEMS BIOLOGY	2007.0003	40,135
93.000	360	INSTITUTE FOR SYSTEMS BIOLOGY	2007.0007; PO# 19648	30,486
93.000	360	JEAB CENTER FOR HLTH RSCH	092903ADM042406DRH	1,648
93.000	360	JOHNS HOPKINS UNIV	UW BUD# 633978	15,090
93.000	360	JOHNS HOPKINS UNIVERSITY	DD000153-01	5,536
93.000	360	KESSLER MEDICAL	UW BUD# 633469	43,731

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93.000	360	MASSACHUSETTS GENERAL HOSPITAL	2005A007621/205723	26,371
93.000	360	MASSACHUSETTS GENERAL HOSPITAL	2005A007651/205723	26,533
93.000	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002265 AM01	102,069
93.000	360	MATHMATICA POLICY RESE	6279-06-208	2,390
93.000	360	MATHMATICA POLICY RESEARCH, INC.	627906214SUPPLEMENT1	25,027
93.000	360	MIMOSA ACOUSTICS, INC.	UW BUD# 630322	12,747
93.000	360	MOUNT SINAI SCHOOL OF	R01 HL071988	29,449
93.000	360	MOUNT SINAI SCHOOL OF	UW BUD# 634362	267
93.000	360	NANOFACTURE	UW BUD# 633479	14,910
93.000	360	NAT'L INST OF ALLERGY & INFEC DESEASES	UW BUD# 634214	18,299
93.000	360	NATL ASSOC OF CHRONIC DISEASE DIRECTORS	UW BUD# 632298	161,319
93.000	360	NATL INST-OF-HEALTH	R01 HL079582	484,218
93.000	360	NCIRE	000693;A02	12,625
93.000	360	NORTH SHORE LONG ISLAND JEWISH RESEARCH	N01-AR-2-2263, AM. V	17,019
93.000	360	NSABP FNDN	UW BUD# 634395	872
93.000	360	OAK RIDGE ASSOC UNIV	UW BUD# 671960	38,021
93.000	360	OREGON HEALTH SCI UNIV	UW BUD# 633830	34,498
93.000	360	OSEL, INC.	UW BUD# 660940	137,837
93.000	360	PATH	NIH.1311-07261	10,089
93.000	360	PATH	NIH.1311-07261-SUB	123,529
93.000	360	PATH	NIH121301708SUBAMEND5	83,408
93.000	360	PATH	NIH121301708SUBMOD06	21,880
93.000	360	PENNINGTON BIOMEDICAL RESEARCH CENTER	CFMS 636370	78,760
93.000	360	PHANTOMS BY DESIGN INC	UW BUD# 633861	5,180
93.000	360	PHANTOMS BY DESIGN INC	UW BUD# 661583	35,295
93.000	360	PRIMARY IMMUNODEFICIENCY RSCH CONSORTIUM	N01-A1-30070	60,965
93.000	360	RAND CONTRACT & GRANT SERV	4431, MOD04	36,130
93.000	360	RECONNECTING YOUTH COMPANY	2R42MH073199-02,MOD 5	215,882

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93.000	360	RECONNECTING YOUTH COMPANY	UW BUD# 660125	-15
93.000	360	SAIC FREDERICK INC	24XS036, MOD 1	-124
93.000	360	SAIC FREDERICK INC	C24XS036POSS0207TO1MOD	1,090
93.000	360	SAIC FREDERICK INC	POSS0208TO00324XS036MO	1,871
93.000	360	SAINT LOUIS UNIVERSITY	UW BUD# 666682	317,779
93.000	360	SCRIPPS RSCH INST	PO#5-73779	-4,661
93.000	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW BUD# 630431	182,773
93.000	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW BUD# 632921	527,642
93.000	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077N	52,849
93.000	360	SEATTLE BIOMEDICAL RSCH INST	UW BUD# 632415	39,022
93.000	360	SEATTLE BIOMEDICAL RSCH INST	UW BUD# 634307	4,160
93.000	360	SEATTLE INST FOR CARDIAC RSCH	UW BUD# 630922	5,345
93.000	360	SEATTLE INST FOR CARDIAC RSCH	UW BUD# 668049	-10,383
93.000	360	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D34034D AMEND #4	66,709
93.000	360	SIBCR	CS120-MOD 2	25,007
93.000	360	SLOAN-KETTERING INSTITUTE	R01GM074257	38,240
93.000	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACIREQ0600130T001	10,755
93.000	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T001MO	210,369
93.000	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T002MO	270,032
93.000	360	SOUTH PUGET INTERTRIBAL PLANNING AGENCY	UW BUD# 630537	1
93.000	360	SOUTHWEST ONCOLOGY GRP	UW BUD# 666406	-1,998
93.000	360	SOUTHWEST ONCOLOGY GRP	UW BUD# 666409	321
93.000	360	SOUTHWEST ONCOLOGY GRP	UW BUD# 667453	6,656
93.000	360	ST LOUIS UNIVERSITY	MOD02	223,855
93.000	360	ST LOUIS UNIVERSITY	UW BUD# 666580	70,344
93.000	360	STARPHARMA, LTD.	UOW2004-9	38,166
93.000	360	TALARIA	UW BUD# 661170	12,579
93.000	360	TALARIA, INC.	A32263	29,046

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93.000	360	THE JOHNS HOPKINS UNIVERSITY, SOM	8303-49867-2, MOD.#3	-34
93.000	360	THE SCRIPPS RESEARCH INSTITUTE	PO# 5-73896	73,967
93.000	360	THE UNIVERSITY OF IOWA	1 22048 00	400,606
93.000	360	THE UNIVERSITY OF MICHIGAN	UW BUD# 632332	5,688
93.000	360	UC DAVIS MIND INST	MH81757-01	2,757
93.000	360	UCSF	ITN10064-00 AMD 1	48,565
93.000	360	UCSF	ITN10220-00SC	10,269
93.000	360	UNIV OF ALABAMA	HHSN266200400068CAMEND	11,136
93.000	360	UNIV OF ALABAMA	N01-HC-95095 AM02	17,273
93.000	360	UNIV OF ALABAMA	UW BUD# 660660	3,149
93.000	360	UNIV OF CA SAN DIEGO	PO 10135316-011	16,465
93.000	360	UNIV OF CA SAN DIEGO	PO: 10221507-005	149,831
93.000	360	UNIV OF CA SAN DIEGO	PO: 10221507-007	272,236
93.000	360	UNIV OF CINCINNATI	P808AMEND6COEUS001080	3,371
93.000	360	UNIV OF IOWA	UW BUD# 633562	149
93.000	360	UNIV OF MINNESOTA	UW BUD# 633037	121,743
93.000	360	UNIV OF N CAROLINA CHA	5-38162,AM08	112,124
93.000	360	UNIV OF PITTSBURGH	UW BUD# 634070	34,195
93.000	360	UNIV OF PUERTO RICO	UW BUD# 661042	-3,773
93.000	360	UNIVERSITY OF ALABAMA, BIRMINGHAM	HHSN03300040073C	4,746
93.000	360	UNIVERSITY OF ALABAMA, BIRMINGHAM	TASK ORDER 1	18,926
93.000	360	UNIVERSITY OF CALIFORN	UW BUD# 634369	15,669
93.000	360	UNIVERSITY OF CALIFORNIA	4318SC AMEND 1	3,987
93.000	360	UNIVERSITY OF CALIFORNIA	ITN10122-00SC AMEND 1	27,280
93.000	360	UNIVERSITY OF CHICAGO	5-30474-8604 MOD01	-12,464
93.000	360	UNIVERSITY OF CHICAGO	UW BUD# 631698	-7,564
93.000	360	UNIVERSITY OF NEW JERSEY MEDICINE	UW BUD# 671171	1,523
93.000	360	UNIVERSITY OF PITTSBURGH	107042 AM01	-655

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93.000	360	UNIVERSITY OF PITTSBURGH	110333-1	-3,635
93.000	360	UNIVERSITY OF PITTSBURGH	703303-01 A01	-16
93.000	360	UNIVERSITY OF SOUTHERN	UW BUD# 633031	21,641
93.000	360	UNIVERSITY OF SOUTHERN CALIFORNIA	H36120	6,320
93.000	360	UNIVERSITY OF TEXAS	UW BUD# 634384	3,009
93.000	360	UNIVERSITY OF TEXAS	UW BUD# 634387	1,505
93.000	360	UNIVERSITY OF VERMONT	16598 AMD 4	30,919
93.000	360	VANDERBILT UNIV	UW BUD# 672049	1,838
93.000	360	VP DIAGNOSTICS	UW BUD# 633873	64,660
93.000	360	WA UNIV	2905423A	271,754
93.000	360	WAKE FOREST UNIVERSITY	NO1-HC-95178 AMEND 9	1,556,529
93.000	360	WILLIAM MARSH RICE UNIVERSITY	R20981-2490005	20,334
93.000	360	XTRIA, LLC	1053 008 45 18	18,830
93.000	360	XTRIA, LLC	1053-008-45-16	19,057
93.000	360	YALE UNIV	UW BUD# 633056	99,290
93.000	365	ACULIGHT CORP	R1850SN003	11,370
93.000	365	AXIO RES CO LLC	WSU000335	98,041
93.000	365	INNOVATION RSCH & TRNG INC	2R44DA01604402	9,576
93.000	365	SAIGENE CORP	WSU000181	1,754
93.000	365	SCHOOLS OUT WA	WSU000491	640
93.000	365	SCHOOLS OUT WA	WSU000678	63,043
93.000	365	TULANE UNIV FED FLOW	545145	4,217
93.000	365	UNIV OF FL FED FLOW	UFEIS0714033WSU	21,817
93.000	365	WA ST CHILD CARE RES & REF NETW	WSU000654	64,051
93.000	370	CPWR-Center for Construction	1030-53 DHHS U54 OH008	160,314
93.000	370	CPWR-Research and Training	1030-54 DHHS U54 OH008	10,900
93.007	699	Am Assoc of Community Colleges	111-4693	13,139
93.009	365	S PUGET INTERTRIBAL PLAN AGCY	WSU000672	8,743

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93.103	360	UNIVERSITY OF TEXAS/SOUTHWESTERN MEDICAL CENTER	FD-R-001661-01	120
93.104	370	Idaho - Dept of Health & Welfare	KC214200	325,653
93.110	303	State of Hawaii - Department of Health	N16988	19,988
93.110	360	CASE WESTERN RESERVE UNIVERSITY	RES502185	45,101
93.110	360	UCLA	1920 G EB631 A05	21,168
93.113	360	ENERTECHNIX	UW BUD# 631579	5,486
93.113	360	FHCRC	04 102554-03-S0789	1,002
93.113	360	HARVARD SCHOOL OF PUBLIC HEALTH	23570.111008	11,203
93.113	360	RECONNECTING YOUTH COMPANY	MOD31R41DA01971901REVI	2,559
93.113	360	SEATTLE KING COUNTY OF PUBLIC HEALTH	T02816T	24,674
93.113	360	UNIV OF ALASKA ANCHORAGE	238017	-49
93.113	360	UNIV OF CA BERKELEY	SA5306-11074 AM02	39,415
93.113	360	UNIV OF CA BERKELEY	SA5614-11560AM01	86,890
93.113	360	UNIV OF CA BERKLEY	SA5746-11753	65,622
93.113	365	UNIV OF ID FED	ABK14704A	37,903
93.114	360	HARVARD SCHOOL OF PUBLIC HEALTH	112097 MOD01	35,481
93.114	360	HARVARD SCHOOL OF PUBLIC HEALTH	2 R01 ES009718	-945
93.115	360	SWEDISH MED CTR	WU07136PO29932PAM02	59,138
93.115	360	SWEDISH MEDICAL CENTER	0576-06A MOD2	25,847
93.115	360	UNIVERSITY OF MARYLAND, BALTIMORE	CONVSO2022	7,530
93.115	360	UNIVERSITY OF MARYLAND, BALTIMORE	SR00000225	55,265
93.121	360	BAYLOR COLLEGE OF MEDICINE	SHOPPINGCARTN010034555	-922
93.121	360	BOSTON UNIVERSITY	6822-5,MC-494951-B-AJ	31,419
93.121	360	CHILDREN'S HOSPITAL & REGIONAL MEDICAL	8144145DE017741UW02	23,353
93.121	360	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414450020101.UW01	5,717
93.121	360	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414730010101.UW MOD01	61,962
93.121	360	UNIV OF NORTH CAROLINA CHAPEL HILL	5-50340	22,659
93.121	360	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	3408SC	40,601

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93.121	360	UNIVERSITY OF MINNESOTA	B6146038205	-213
93.121	360	UNIVERSITY OF MINNESOTA	B6146038206	45,139
93.121	360	USC	114038	145,955
93.135	360	UNIVERSITY OF SOUTH CAROLINA	07-1358	2,181
93.136	360	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20061619-01	35,869
93.136	360	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20071627-01	59,280
93.142	360	UCLA	2105 G EB227 AM03	2,020
93.142	360	UCLA	2105 G HB431 AM05	182,550
93.142	360	UCLA	2105 G HB431; A04	12,975
93.172	360	ARIZONA STATE UNIVERSITY	08-877	790,401
93.172	360	GROUP HEALTH COOPERATIVE	2008103196	251,842
93.172	360	OREGON HEALTH SCIENCES UNIVERSITY	GSONO0197-UW1	29,269
93.172	360	UNIVERSITY OF CALIFORNIA, DAVIS	008283, AMEND 2	-2
93.172	360	UNIVERSITY OF CALIFORNIA, IRVINE	2007.1912	39,362
93.172	360	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-08-154, PO#2905919A	81,807
93.172	360	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-08-96, PO#2905430A	58,433
93.172	360	YALE UNIVERSITY	Y-08-08	144,408
93.173	360	UNIV OF IOWA	W000075035 AM 03	24,115
93.213	360	BASTYR UNIVERSITY	H94B11	48,478
93.213	360	FHCRC	0000631899	32,928
93.213	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000631889	7,906
93.213	360	UNIVERSITY OF PITTSBURGH(NEUROLOGY)	0005127/113430-1	374,410
93.213	360	UNIVERSITY OF PITTSBURGH(NEUROLOGY)	110980-1	37,655
93.213	360	YALE UNIV	DKP108778 (A05509)	4,075
93.224	360	PUBLIC HEALTH-SEATTLE & KING COUNTY	D37942D	28,506
93.224	360	SEATTLE KING COUNTY	D37271D	23,684
93.224	360	SEATTLE KING COUNTY DEPT OF HLTH	D28407D AMEND 8	-94
93.226	360	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	412910010401UWMOD2	69,945

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93.226	360	MONTEFIORE MEDICAL CENTER	1 R18 HS 11866-01	-107
93.226	360	MONTEFIORE MEDICAL CENTER	5 R18 HS 11866-02	-1
93.226	360	UNIVERSITY OF COLORADO HEALTH SCIENCES	FY06001013UWASHAMD5YR0	45,080
93.226	360	UNIVERSITY OF COLORADO HEALTH SCIENCES	FY07001009AMD5UWASHYR0	54,965
93.230	360	OREGON HEALTH AND SCIENCE UNIVERSITY	GPHPM0027B AM04	16,305
93.230	360	POCAAN	1 H79 T115917-03	-103
93.230	360	POCAAN	1 H79TI5917-04	24,221
93.230	360	POCAAN	5 H79TI5917-05	67,501
93.233	360	NATIONAL JEWISH MEDICAL & RESEARCH CENTE	22089602	26,389
93.238	360	PUBLIC HEALTH-SEATTLE & KING COUNTY	T02818T	16,563
93.242	360	BEHAVORIAL TECH.	1 R43 MH 082474-01A1	7,529
93.242	360	CAMBRIDGE HEALTH ALLIANCE	5U01 MH622209	87,176
93.242	360	DARTMOUTH COLLEGE	385	125,418
93.242	360	DARTMOUTH COLLEGE	5-31006.570	-1,522
93.242	360	GROUP HEALTH COOPERATIVE	2006109177	-4,813
93.242	360	GROUP HEALTH COOPERATIVE	2007115231	100,626
93.242	360	GROUP HEALTH COOPERATIVE	2007129862	25,328
93.242	360	GROUP HEALTH COOPERATIVE	PO# 2007129863	15,461
93.242	360	GROUP HEALTH COOPERATIVE	PO#2006120137	1,141
93.242	360	GRP HLTH COOP PUGET SOUND	2007104157	34,594
93.242	360	HEALTHPARTNERS RESEARCH FOUNDATION	A06-102 DIAMOND	17,288
93.242	360	NEW YORK UNIV	UW BUD# 634445	12,406
93.242	360	OREGON RSCH INST	R01 MH065340 MOD#5	44,382
93.242	360	RAND CORPORATION	9920060015, MOD #1	-24
93.242	360	UCLA	0875 G EE631 AM04	7,563
93.242	360	UCLA	PO# 0875PJC059	30,331
93.242	360	UCLA MED-GIM & HSR	1557 G JB518	14,366
93.242	360	UNIV OF COLUMBIA	ONE(1),A03	140,293

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93.242	360	UNIVERSITY OF CALIFORNIA	R01 MH070311	-118
93.242	360	UNIVERSITY OF IOWA	W000084532	56,960
93.242	360	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z182801AMDREVISED	16,327
93.242	360	UNIVERSITY OF OKLAHOMA	RS20031968-31	6,927
93.242	360	UNIVERSITY OF SOUTHERN CA	H31544, AM03	73,165
93.242	360	VROON VANDENBERG, LLP	UW BUD# 633383	37,549
93.243	360	OREGON HEALTH SCIENCES UNIVERSITY	GPHPM0144-ADAI	51,996
93.253	360	WASHINGTON POISON CONTROL CENTER	UW BUD# 671624	5,151
93.253	360	WASHINGTON POISON CONTROL CENTER	UW BUD# 672024	32,302
93.262	360	COLORADO ST UNIV	G-4606-3 AMEND 2	8,412
93.262	360	FHCRC	0000614551 AM01	14,629
93.262	360	HARVARD SCHOOL OF PUBLIC HEALTH	UW BUD# 631059	3,195
93.262	360	HARVARD SCHOOL OF PUBLIC HEALTH	UW BUD# 632816	74,004
93.262	360	KAISER FOUNDATION RSCH INST	115-9327-01M3	2,741
93.262	360	KAISER FOUNDATION RSCH INST	115-9327-01M4	8,033
93.262	360	UNIVERSITY OF CINCINNATI	COEUS005180SAP1005581	77,245
93.273	360	IOWA STATE UNIVERSITY	430-78-12, AM03	161,892
93.273	360	PENNSYLVANIA STATE UNIVERSITY	2827-UW-DHHS-2529 AM03	193,705
93.273	360	RESEARCH TRIANGLE INST	7-312-0207901 MOD#9	15,315
93.279	300	NIDA Project	B07A70	96,772
93.279	360	BAYLOR COLLEGE OF MEDICINE	100685504	5,803
93.279	360	DUKE UNIV	04-SC-NIH-1013, MOD03	79,205
93.279	360	GROUP HEALTH COOPERATIVE	200700440	3,144
93.279	360	GROUP HEALTH COOPERATIVE	2007115920	33,696
93.279	360	SUNY	R446560 AM01	37,622
93.279	360	SUNY	SUBAWARD #R33627 AM1	21,164
93.279	360	TALARIA INC.	2 R42 DA 020284-02A1	7,654
93.279	360	UCLA	1935 G JE131	9,048

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93.279	360	UNIV OF MICHIGAN	F015192	11,723
93.279	360	UNIV. OF ARKANSAS FOR MEDICAL SCIENCES	ARIA 31603	12,564
93.279	360	UNIVERSITY OF CALIFORNIA - UCLA	1935 G JB131	35,607
93.279	360	UNIVERSITY OF CALIFORNIA DAVIS	010059-07, AM02	98,542
93.279	360	UNIVERSITY OF CALIFORNIA, LOS ANGELES	2000 G GR012	6,195
93.279	360	VIRGINIA COMMONWEALTH	PT091038-SC100202	7,467
93.279	360	VIRGINIA COMMONWEALTH UNIVERSITY	PT091038-SC100202	34,486
93.279	365	PACIFIC INST FOR RES & EVAL	PIRE 00570101	8,783
93.279	376		141210	5,395
93.282	360	UNIVERSITY OF MICHIGAN	PO# 3000646259	10,947
93.283	360	CHILDREN'S HOSPITAL (SEATTLE)	414230010101. UW	18,639
93.283	360	CHILDREN'S HOSPITAL (SEATTLE)	414230010301.UW	47,933
93.283	360	JOHN HOPKINS UNIVERSITY	2000110652	12,289
93.283	360	SEATTLE-KING COUNTY DEPT OF PUBLIC HLTH	D34121D, AM03	28,378
93.283	360	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D37483D	48,540
93.283	360	SOUTHERN CALIFORNIA PERMANENTE MED GROUP	U48/CCU919219-04-4	-1,450
93.283	360	UNIVERSITY OF COLORADO	FY05.253.003, AMEND 1	-1,026
93.283	360	UTAH DEPARTMENT OF HEALTH	076092 AM02	142,321
93.283	365	ID DEPT HLTH & WELFARE-FED FLOW	HC598700	16,534
93.286	360	CLEMSON UNIV	107075582092005410M0D1	52,243
93.286	360	PATH	NIH.1374-07556-SUB	88,764
93.286	360	UNIV OF CA, IRVINE	2003-1328 MOD03	54,849
93.286	360	UNIVERSITY OF UTAH	UNIVERSITYOFWASHINGTON	35,882
93.307	360	MOUNTAIN STATES GROUP, INC	UW BUD# 631136	4
93.307	360	MOUNTAIN STATES GROUP, INC	UW BUD# 632512	57,734
93.307	360	MOUNTAIN STATES GROUP, INC	UW BUD# 662059	-2
93.310	360	FHCRC	0000616041	1,753
93.310	360	FHCRC	0000616042	5,626

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93.310	360	FHCRC	0000639673	41,643
93.310	360	FHCRC	0000639725	11,648
93.310	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000618604	81,390
93.310	360	UNIVERSITY OF CALIFORNIA DAVIS	SUB07004392-UW	137,739
93.310	360	UNIVERSITY OF CALIFORNIA DAVIS	UW BUD# 634510	898
93.361	360	BAYLOR COLLEGE OF MEDICINE	4600410470	12,401
93.361	360	BAYLOR COLLEGE OF MEDICINE	PO 4600412829 AM05	3,480
93.361	360	OREGON HEALTH SCIENCES UNIVERSITY	GS0N00135A	381
93.361	360	SWEDISH HEALTH SERVICES	0525-UW-1	13,032
93.361	360	UNIV OF CA SAN FRANCISCO	2718SC AM05	6,198
93.361	360	UNIVERSITY OF CALIFORNIA	4308SC,AM02	176,419
93.361	360	UNIVERSITY OF CALIFORNIA	UW BUD# 632145	-16,453
93.361	365	UNIV OF PA FED FLOW	542457	25,002
93.389	360	CHILDREN'S HOSPITAL&REGIONAL MEDICAL CTR	413450050301.UW	-2,245
93.389	360	STANFORD UNIV.	15024040-469-A	64,639
93.389	360	STANFORD UNIV.	15024040-469-A AM03	17,653
93.389	360	UNIVERSITY OF CINCINNATI	SRS 20309/SAP 1004717	114,588
93.389	360	UNIVERSITY OF WISCONSIN-MADISON	P392792	-4,593
93.389	360	UNIVERSITY OF WISCONSIN-MADISON	P395846	334,978
93.389	360	VIRGINIA MASON HOSP ASSOC	UW BUD# 631687	40,731
93.389	365	EXCELLIMS CORP	108520001	25,819
93.393	360	EMORY UNIV	5-40255-G5 MOD1	6,803
93.393	360	FHCRC	0000615021, AMD 2	87,511
93.393	360	FHCRC	0000618458	25,706
93.393	360	FHCRC	0000620311AM1	8,531
93.393	360	FHCRC	0000624665	6,498
93.393	360	FHCRC	0000632811	51,078
93.393	360	FHCRC	0000632815	33,300

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93.393	360	FHCRC	0000633414	26,564
93.393	360	FHCRC	0000636668	4,084
93.393	360	FHCRC	0000636676	11,794
93.393	360	FHCRC	0000636931, MOD 1	8,861
93.393	360	FHCRC	0000638338	60,307
93.393	360	FHCRC	0000638477	41,872
93.393	360	FHCRC	0000641126	7,905
93.393	360	FHCRC	0000645681	3,350
93.393	360	FHCRC	0000649476	5,411
93.393	360	FHCRC	0000651372	8,133
93.393	360	FHCRC	0000654493	2,007
93.393	360	FHCRC	631968	18,625
93.393	360	FHCRC	632562	50,952
93.393	360	FHCRC	R01CA097199	64
93.393	360	FHCRC	SA0700478	11,202
93.393	360	FHCRC	SA0800578	11,584
93.393	360	FHCRC	SUBAWARDNO0000610722	1,444
93.393	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000633745	6,120
93.393	360	GROUP HEALTH	2006133204	4,755
93.393	360	GROUP HEALTH COOPERATIVE	2006124240	3,956
93.393	360	GROUP HEALTH COOPERATIVE	2006124241	2,148
93.393	360	GROUP HEALTH COOPERATIVE	2007114595	14,371
93.393	360	GROUP HEALTH COOPERATIVE	2007114626	169,532
93.393	360	GROUP HEALTH COOPERATIVE	2007114638	5,149
93.393	360	GROUP HEALTH COOPERATIVE	2007127048	42,455
93.394	360	FHCRC	0000615027	-295
93.394	360	FHCRC	0000615301,A01	-130
93.394	360	FHCRC	0000631644	14,180

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93.394	360	FHCRC	0000634696	63,063
93.394	360	FHCRC	0000652740	105,801
93.394	360	FHCRC	000631152	14,782
93.394	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002137	17,295
93.394	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002256	36,276
93.394	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002257	6,029
93.394	360	MIT	5710002138	2,891
93.394	360	UNIVERSITY OF ILLINOIS	2005-02774-01 AM 2	25,196
93.394	360	WEST VIRGINIA UNIVERSITY	01-335-UW, AMD 4	6,304
93.395	360	DUKE UNIV	UW BUD# 667650	915
93.395	360	FHCRC	0000597129	-461
93.395	360	FHCRC	0000609029	-5,389
93.395	360	FHCRC	0000614457	3,469
93.395	360	FHCRC	0000617186	68
93.395	360	FHCRC	0000619115	78
93.395	360	FHCRC	0000630227	309,706
93.395	360	FHCRC	0000633432	10,691
93.395	360	FHCRC	0000634539	12,883
93.395	360	FHCRC	0000635192	56,210
93.395	360	FHCRC	0000635332	19,974
93.395	360	FHCRC	0000635732	36,762
93.395	360	FHCRC	0000636125	62,958
93.395	360	FHCRC	0000639191	64,551
93.395	360	FHCRC	0000643677	4,024
93.395	360	FHCRC	0000644527	37,903
93.395	360	FHCRC	0000644532 AM02	60,172
93.395	360	FHCRC	0000652796	59,527
93.395	360	FHCRC	2002-4163-474604	-28,519

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93.395	360	FHCRC	597130	-738
93.395	360	FHCRC	617380 AM01	7,066
93.395	360	FHCRC	630226	50,257
93.395	360	FHCRC	SA0700486	60,609
93.395	360	FHCRC	SUBAWARD 0000612029	19,397
93.395	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000614456 AM01	6,292
93.395	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000630228	49,039
93.395	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000653375	2,911
93.395	360	FRED HUTCHINSON CANCER RESEARCH CENTER	638621	60,401
93.395	360	JOHNS HOPKINS UNIVERSITY	2000056564 AM01	171,852
93.395	360	JOHNS HOPKINS UNIVERSITY	SUBAWARD 8610-07509-X	176,598
93.395	360	NATIONAL CHILDHOOD CANCER FOUNDATION	16601	122,479
93.395	360	NATIONAL CHILDHOOD CANCER FOUNDATION	UW BUD# 633810	48,459
93.395	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	LS2-16-WONG	11,113
93.395	360	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	LS2-16-KUVER	42,185
93.395	360	SIBCR	LS2-16-SAVARD	12,478
93.395	360	UNIVERSITY OF MICHIGAN	F014889, AMEND 1	3,055
93.395	360	UNIVERSITY OF MICHIGAN	F020110	4,656
93.395	360	UNIVERSITY OF TEXAS	18216/98017734	7,488
93.395	360	UNIVERSITY OF TEXAS	20465/98016970	15,039
93.395	360	UNIVERSITY OF TEXAS	20485/98016973	15,039
93.395	365	FRED HUTCHINSON CANCER RSCH FED	0000614745	55,300
93.395	365	FRED HUTCHINSON CANCER RSCH FED	0000637512	87,500
93.395	365	MED UNIV OF SC	1R01CA10255801A1	27,911
93.395	365	UNIV OF KS FED FLOW	FY2008076	1,807
93.396	360	FHCRC	0000628534	37,426
93.396	360	FHCRC	0000631876	8,510
93.396	360	FHCRC	0000649766	10,285

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93.396	360	FHCRC	UW BUD# 632201	6,329
93.397	360	FHCRC	0000606985	-5,208
93.397	360	FHCRC	0000611484 MOD 1	1,278
93.397	360	FHCRC	0000611601	24,829
93.397	360	FHCRC	0000612230	9,849
93.397	360	FHCRC	0000612240	-5,418
93.397	360	FHCRC	0000613078	28
93.397	360	FHCRC	0000617655 AMEND 4	96,251
93.397	360	FHCRC	0000618114	5,691
93.397	360	FHCRC	0000618136	20,642
93.397	360	FHCRC	0000618161	5,547
93.397	360	FHCRC	0000618167	10,128
93.397	360	FHCRC	0000618168	9,751
93.397	360	FHCRC	0000618246	10,615
93.397	360	FHCRC	0000618489	7,987
93.397	360	FHCRC	0000620656 AM01	11,361
93.397	360	FHCRC	0000620680	3,381
93.397	360	FHCRC	0000626329	8,851
93.397	360	FHCRC	0000627606	110,474
93.397	360	FHCRC	0000629522	9,023
93.397	360	FHCRC	0000632755 AMEND 01	102,722
93.397	360	FHCRC	0000639073	49,793
93.397	360	FHCRC	0000639074 AM01	60,009
93.397	360	FHCRC	0000639075	45,554
93.397	360	FHCRC	0000639077	50,161
93.397	360	FHCRC	0000639129	207,870
93.397	360	FHCRC	0000639134 AM01	8,878
93.397	360	FHCRC	0000640701	15,493

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93.397	360	FHCRC	0000643015	1,461
93.397	360	FHCRC	0000646819	44,677
93.397	360	FHCRC	0000646824	14,124
93.397	360	FHCRC	0000646830	12,628
93.397	360	FHCRC	0000646844	749
93.397	360	FHCRC	0000647110	6,852
93.397	360	FHCRC	0000648863	25,049
93.397	360	FHCRC	0000648865	10,770
93.397	360	FHCRC	0000649134	51,947
93.397	360	FHCRC	0000651228	14,341
93.397	360	FHCRC	000605118	45,551
93.397	360	FHCRC	0520028902S1057PO00005	-2
93.397	360	FHCRC	5P30CA0157043400006276	60,697
93.397	360	FHCRC	5P30CA01570434623982	17,507
93.397	360	FHCRC	5P30CA01570434S3AMEND5	191,069
93.397	360	FHCRC	600651	-5,587
93.397	360	FHCRC	611455 AMEND 1	16,085
93.397	360	FHCRC	618232	2,363
93.397	360	FHCRC	618234	1,227
93.397	360	FHCRC	618251	27,437
93.397	360	FHCRC	624013	98,647
93.397	360	FHCRC	624016	56,173
93.397	360	FHCRC	624018	31,638
93.397	360	FHCRC	624034	57,518
93.397	360	FHCRC	624041	119,314
93.397	360	FHCRC	625783	11,317
93.397	360	FHCRC	626372 AMEND 1	23,445
93.397	360	FHCRC	632752	47,060

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93.397	360	FHCRC	632759 AM01	70,515
93.397	360	FHCRC	639126	9,343
93.397	360	FHCRC	644234, AMEND #1	39,757
93.397	360	FHCRC	646853	3,553
93.397	360	FHCRC	PO6181180620030603S142	19,844
93.397	360	FHCRC	SUBAWARD #0000618120	9,770
93.397	360	FHCRC	SUBAWARD NO 0000615660	18,538
93.397	360	FHCRC	SUBNO0000611489AM01	28,799
93.397	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000639233	40,923
93.397	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000639361	25,763
93.397	360	HARVARD MEDICAL SCHOOL	5 P50 CA093683-04	16,921
93.399	360	EMORY UNIVERSITY	5-40255-G4	2,397
93.399	360	EMORY UNIVERSITY	5-40257-G4, AM02	2,988
93.399	360	FHCRC	0000604181 AM01	2,379
93.399	360	FHCRC	0000608524	12
93.399	360	FHCRC	0000612235	-2,682
93.399	360	FHCRC	0000618886, AM01	8,677
93.399	360	FHCRC	0000620515	-256
93.399	360	FHCRC	0000620731	623
93.399	360	FHCRC	0000622475	854
93.399	360	FHCRC	0000631645	5,963
93.399	360	FHCRC	0000631659	22,373
93.399	360	FHCRC	0000643987	38,880
93.399	360	FHCRC	0000643988 AMD 1	174,050
93.399	360	FHCRC	0000646098	477
93.399	360	FHCRC	0000646118	14,580
93.399	360	FHCRC	000646103	6,827
93.399	360	FHCRC	2003-5199-504388	-1,435

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93.399	360	FHCRC	612991	-3,978
93.399	360	FHCRC	616538	5,784
93.399	360	FHCRC	620703	-617
93.399	360	FHCRC	629429	79,008
93.399	360	FHCRC	643981	59,772
93.399	360	FHCRC	UW BUD# 633213	15,998
93.399	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000620710	-21,238
93.399	360	FRED HUTCHINSON CANCER RESEARCH CENTER	620733	-866
93.399	360	FRED HUTCHINSON CANCER RESEARCH CENTER	620833	18,828
93.399	360	FRED HUTCHINSON CANCER RESEARCH CENTER	620841	12,137
93.399	360	NSABP FNDN	UW-YR 22	25,627
93.399	360	UNIV OF MISSOURI	C00005916-1	-1,968
93.399	360	UNIVERSITY OF CALIFORNIA, DAVIS	K-013506-UW AMEND. 2	52,365
93.399	360	UNIVERSITY OF CALIFORNIA, DAVIS	K-013506-UW AMEND. 3	13,518
93.399	360	UNIVERSITY OF ILLINOIS, CHICAGO	UW BUD# 631179	24,661
93.399	360	UNIVERSITY OF MISSOURI-COLUMBIA	C00005916-1, AM02	21,869
93.399	360	UTHSCSA - UNIVERSITY OF TEXAS HEALTH	SELECT-06008 MOD 1	-648
93.399	360	UTHSCSA - UNIVERSITY OF TEXAS HEALTH	SELECT-07008	47,699
93.575	365	SCHOOLS OUT WA	WSU000449	14,067
93.575	365	SCHOOLS OUT WA	WSU000451	9,342
93.575	365	SCHOOLS OUT WA	WSU000452	11,889
93.575	365	SCHOOLS OUT WA	WSU000640	55,838
93.575	365	SCHOOLS OUT WA	WSU000668	55,085
93.600	365	CHILDREN'S HOME SOC WA	WSU000456	6,508
93.600	365	CHILDREN'S HOME SOC WA	WSU000676	9,496
93.600	699	Headstart	34402171935440	135,196
93.600	699	Headstart	570.265.1550	169,262
93.600	699	Puget Sound ESD	LOA#5408	145,767

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93.600	699	Puget Sound ESD Headstart	05378	42,949
93.658	370	Idaho - Dept of Health & Welfare	KC212100 AMEND 7	646,815
93.658	370	Idaho - Dept of Health & Welfare	KC212200 AMEND 4	929,246
93.658	370	Idaho - Dept of Health & Welfare	KC212700 AMEND 5	120,911
93.658	370	Idaho - Dept of Health & Welfare	KC212800 AMEND 3	630,493
93.778	360	SEATTLE KING COUNTY DEPT OF HLTH	D36418D	10,170
93.824	360	UNIV OF ALASKA ANCHORAGE	PO0351387	11,065
93.824	360	UNIV OF ALASKA ANCHORAGE	U76HP06096	27,299
93.837	360	ALBERT EINSTEIN COLLEGE OF MEDICINE	9-526-5210, A02	36,621
93.837	360	AXIO RESEARCH CORP	NHL243-01	820,439
93.837	360	AXIO RESEARCH CORP	UW BUD# 630548	60,878
93.837	360	AXIO RESEARCH CORP	UW BUD# 662678	-330,853
93.837	360	BLACK HILLS CENTER FOR	1 U01 HL087422-01	66,870
93.837	360	BLACK HILLS CENTER FOR AMERICAN INDIAN H	1 U01 HL087422-01	454
93.837	360	CEDARS-SINAI MED CTR	CSMC PO# 382289	-56
93.837	360	CEDARS-SINAI MED CTR	CSMC PO#434500 MOD03	83
93.837	360	CEDARS-SINAI MED CTR	PO 491965, MOD 4	46,542
93.837	360	CEDARS-SINAI MED CTR	PO#489044 AM05	168,958
93.837	360	CHILDRENS HOSP & RSCH CENTER AT OAKLAND	12.8044_UNIV OF WASH.	244,270
93.837	360	CHILDRENS HOSP & RSCH CENTER AT OAKLAND	HL069757-06	16,903
93.837	360	CHILDRENS HOSP OF PHILADELPHIA	20636-01-01	4
93.837	360	CHILDRENS HOSP OF PHILADELPHIA	20636-05-01 MOD. 3	90,491
93.837	360	CHRMC	414410030101.UW01	1,501
93.837	360	CLEVELAND CLINIC LERNER COLLEGE OF MED.	AM3	14,124
93.837	360	CLEVELAND CLINIC LERNER COLLEGE OF MED.	UW BUD# 630737	1,534
93.837	360	FHCRC	0000615554	63
93.837	360	FHCRC	0000634675	104,539
93.837	360	HARVARD SCHOOL OF PUBLIC HEALTH	23570-113954-UW	27

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93.837	360	HARVARD SCHOOL OF PUBLIC HEALTH	R01-HL085710	144,455
93.837	360	INSILICOS	01; 1 R43 HL083578-01	43,415
93.837	360	JOHNS HOPKINS UNIVERSITY	8402-14575-2, MOD 2	2
93.837	360	JOHNS HOPKINS UNIVERSITY (JHU)	2000011167AM01	42,070
93.837	360	JOHNS HOPKINS UNIVERSITY (JHU)	8607-93920-X	-5
93.837	360	LA BIOMED INST AT HARBOR-UCLA MED CTR	PO 101389 MOD 2	-47
93.837	360	LA BIOMED INST AT HARBOR-UCLA MED CTR	PO 101389 MOD 4	21,996
93.837	360	MASSACHUSETTS GENERAL HOSPITAL	205514, AMEND 01	93,994
93.837	360	MASSACHUSETTS GENERAL HOSPITAL	205514, AMEND 1	25,361
93.837	360	MEDICAL COLLEGE OF WISCONSIN	5 R01 HL072011-05	36,222
93.837	360	N CA INST RSCH EDUC	2 FRAM 761-02 AM 02	222,990
93.837	360	N CA INST RSCH EDUC	2 FRAM 761-03, AM04	80,004
93.837	360	NEW ENGLAND MEDICAL CENTER	AM04	48,773
93.837	360	NORTHWESTERN UNIV	0600370D3531406MO01	11,353
93.837	360	RAND CONTRACT & GRANT SERV	9920060157 AM1	52
93.837	360	UNIV OF CA SAN DIEGO	PO 10222708-006	13,052
93.837	360	UNIV OF MICHIGAN	F009109, AMEND # 3	11,203
93.837	360	UNIV OF MINNESOTA	Q66362669M7 AM2	2,005
93.837	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10283220	8,604
93.837	360	UNIVERSITY OF COLORADO	5 R01 HL073824-04	33,773
93.837	360	UNIVERSITY OF COLORADO	FY05.001.012, AMEND #1	79
93.837	360	UNIVERSITY OF COLORADO	UW BUD# 632613	41,119
93.837	360	UNIVERSITY OF MICHIGAN	FO11689 AMEND 3	25,763
93.837	360	UNIVERSITY OF MISSISSIPPI MEDICAL CNTR	66143-04UW *	7,346
93.837	360	WAKE FOREST UNIVERSITY	UW 155030-11129 AM02	9,270
93.837	360	WAKE FOREST UNIVERSITY	WFUHS 10120	-149
93.837	360	WAKE FOREST UNIVERSITY	WFUHS 10800-AMD01	22,820
93.837	360	WAKE FOREST UNIVERSITY	WFUHS 11128	25,929

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93.837	360	YALE UNIVERSITY	A06490	216,989
93.838	360	BAYLOR COLLEGE OF MEDICINE	AM02, PO # 4600598892	17,051
93.838	360	CHILDREN'S HOSPITAL	UW BUD# 664314	555
93.838	360	CHILDREN'S HOSPITAL	UW BUD# 666674	19,076
93.838	360	COLUMBIA UNIV	SUB7ACC536585AM04	53,876
93.838	360	EDUCATION DEVELOPMENT CENTER, INC.	5352	2,164
93.838	360	FHCRC	0000615077	6,633
93.838	360	FHCRC	636677	91,075
93.838	360	UNIV OF IOWA	1000557300	12,706
93.838	360	UNIVERSITY OF PITTSBURGH	106908-3 AM01	10,854
93.838	360	UNIVERSITY OF PITTSBURGH	UW BUD# 631436	-7,579
93.838	360	WAKE FOREST UNIV	WFUHS17168 AMD#2	23,712
93.838	360	WAKE FOREST UNIVERSITY	WFUHS17168 AMD#2	94,454
93.838	360	WASHINGTON UNIVERSITY IN ST. LOUIS	PONO29161QWU04224A2	52,355
93.838	360	WASHINGTON UNIVERSITY IN ST. LOUIS	PONO29161QWU04224A3	249,929
93.839	360	FHCRC	0000635742	174,232
93.839	360	FHCRC	5 R01HL084345-03	35,614
93.839	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000641634	4,914
93.839	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000650164	12,959
93.839	360	PUGET SOUND BLOOD CTR	969-UW-2006-02	15,419
93.839	360	PUGET SOUND BLOOD CTR	969-UW-2007-01	113,771
93.846	360	EVANSTON NORTHWESTERN HEALTHCARE	EH04-179-S5	9,831
93.846	360	JOHN HOPKINS UNIVERSITY	20000100073-AMD3	40,583
93.846	360	JOHNS HOPKINS UNIVERSITY	20000100073	2,193
93.846	360	JOHNS HOPKINS UNIVERSITY	8407-50967-1, AMD2	-1,924
93.846	360	MAYO CLINIC ROCHESTER	5 R01 AR 049373-REV04	16,543
93.846	360	MAYO CLINIC ROCHESTER	5 RO1 AR049373-05	65,667
93.846	360	MAYO CLINIC ROCHESTER	RO1 AR 49373	798

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93.846	360	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	YL11-ZIELINSKA	25,950
93.846	360	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	YL11-ZOU	58,521
93.846	360	STANFORD UNIVERSITY	13458140-30300-B-AM02	94,037
93.846	360	UNIV. OF NORTH CAROLINA AT CHAPEL HILL	5-34061	6,587
93.846	360	UNIVERSITY OF CALIFORNIA (SD)	PO # 10266442-002	275,172
93.846	360	UNIVERSITY OF CALIFORNIA (SD)	PO#10266442-002	28,648
93.846	360	UNIVERSITY OF TEXAS	16026-0-2000	61
93.847	360	CHILDREN'S HOSPITAL OF PITTSBURGH	19802-056238	206,784
93.847	360	GEORGE WASHINGTON UNIV	05E08PRI5U01DK06105506	247,218
93.847	360	GEORGE WASHINGTON UNIV	06-N27	1,250
93.847	360	GEORGE WASHINGTON UNIV	06A025U01DK06105506	8,106
93.847	360	GEORGE WASHINGTON UNIV	06A07PRI5U01DK06105506	199
93.847	360	GEORGE WASHINGTON UNIV	06M11PRI5U01DK06105506	1,260
93.847	360	GEORGE WASHINGTON UNIV	06M11PRI5U01DK06105507	123,603
93.847	360	GEORGE WASHINGTON UNIV	07D225U01DK06123006	20,020
93.847	360	GEORGE WASHINGTON UNIV	S-TRN0708-NL07	305,230
93.847	360	GEORGE WASHINGTON UNIV	STRN0708NL025U01DK0610	214,113
93.847	360	GEORGE WASHINGTON UNIV	STRN0708NL075U01DK6610	4,180
93.847	360	GEORGE WASHINGTON UNIV	STRN0708NL115U01DK0610	11
93.847	360	GEORGE WASHINGTON UNIVERSITY	07D195U01DK06123006	421,032
93.847	360	GEORGE WASHINGTON UNIVERSITY	07N025U01DK04848914	572,960
93.847	360	GEORGE WASHINGTON UNIVERSITY	08 - D17	20,003
93.847	360	GEORGE WASHINGTON UNIVERSITY	08-D-18	193,200
93.847	360	GEORGE WASHINGTON UNIVERSITY	S-DPP0809-JT02	256,104
93.847	360	KAISER FOUNDATION RSCH INST	115.9347	2,817
93.847	360	MEDICAL COLLEGE OF GEORGIA	20497-12	23,905
93.847	360	OREGON HEALTH & SCIENCE UNIVERSITY	ACSWR0005-A	40,872
93.847	360	OREGON HEALTH & SCIENCE UNIVERSITY	ACSWR0005AAMENDMENT1	4,318

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93.847	360	SEATTLE INST. FOR BIOMED. & CLINICAL RES	KS1-21-MURILLO	24,538
93.847	360	SEATTLE INST. FOR BIOMED. & CLINICAL RES	KS1-21-SOCHA	29,809
93.847	360	SEATTLE INST. FOR BIOMED. & CLINICAL RES	KS1-21-SPIVEY	3,357
93.847	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	KS1-21-MONTGOMERY	71,837
93.847	360	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	LW1-15	36,920
93.847	360	SIBCR	LW1-15	11,252
93.847	360	UNIVERSITY OF NORTH CAROLINA	5-50803	10,448
93.847	360	UNIVERSITY OF SOUTH CAROLINA	08-1467 / 11590 FA17	843
93.847	365	ARCADIA BIOSCIENCES INC	WSU000418	22,684
93.848	360	BETH ISRAEL DEACONESS MEDICAL CENTER	R01DK068598BIDMCPIDARY	2,079
93.848	360	COLUMBIA UNIVERSITY	2-ACCOUNT5-31565 AM 2	13,076
93.848	360	MAYO CLINIC ROCHESTER	5 R01 DK56924-04 A2	158
93.848	360	MAYO CLINIC ROCHESTER	5 R01 DK56924-05	47
93.848	360	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KS121SUB15U01DK0571310	106,083
93.848	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	5 U01 DK057131-08	6,979
93.848	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	KS1-21-SUB1	9,772
93.848	360	SIBCR	KS1-21-3	2,710
93.848	360	SIBCR	KS1-21-5	1,656
93.848	360	SIBCR	KS1-21-7	293
93.848	360	THE UNIVERISTY OF TEXA	GMO500801MOD1WILLIAMML	1,235
93.848	360	THE UNIVERISTY OF TEXAS SOUTHWESTERN	GMO500801MOD1WILLIAMML	19,303
93.848	360	THE UNIVERISTY OF TEXAS SOUTHWESTERN	GMO500801PIWILLIAMMLEE	-13,763
93.848	360	UNIVERSITY OF MINNESOTA	Q6636457103	9,610
93.848	360	UNIVERSITY OF NORTH CAROLINA-CH	5-52022	70,751
93.848	360	UNIVERSITY OF PITTSBURGH	112067-1	46,554
93.848	360	UNIVERSITY OF PITTSBURGH	SUBAWARD000531PROJECT1	190,712
93.848	360	WAKE FOREST UNIVERSITY	WFUHS 14107	34,680
93.848	360	WAKE FOREST UNIVERSITY	WFUHS 14108 AM01	297,147

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93.849	360	FHCRC	0000617630	13,013
93.849	360	FHCRC	0000645864 AMENDMENT 1	2,056
93.849	360	FHCRC	623973	11,645
93.849	360	FHCRC	626362	14,056
93.849	360	FRED HUTCHINSON CANCER RESEARCH CENTER	0000626328	20,000
93.849	360	FRED HUTCHINSON CANCER RESEARCH CENTER	00006488059	19,876
93.849	360	INDIANA UNIVERSITY	UW BUD# 668667	364,109
93.849	360	OREGON HEALTH SCIENCES UNIVERSITY	GCROE0102A AMEND. #1	4,488
93.849	360	VANDERBILT UNIVERSITY MEDICAL CTR	VUMC 32483-R	72,145
93.849	360	VANDERBILT UNIVERSITY MEDICAL CTR	VUMC32483-R AM02	9,491
93.849	360	WA UNIV	29618S/WU-02-85, AM04	74,051
93.853	360	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	0181302	38,737
93.853	360	BUCK CENTER FOR RESEARCH IN AGING	2017 AM02	29,265
93.853	360	BUCK CENTER FOR RESEARCH IN AGING	2017 AM03	17,561
93.853	360	EMORY	5 K23 NS 049100	6,789
93.853	360	EMORY UNIV	5 K23 NS 049100	16,248
93.853	360	JOHNS HOPKINS UNIV	2000011567	14,060
93.853	360	JOHNS HOPKINS UNIVERSITY	2000011567	57,013
93.853	360	N CA INST RSCH EDUC	1 R01 NS045085 AMEND 5	5,142
93.853	360	PUGET SOUND ACTION TEAM	UW BUD# 633004	12,342
93.853	360	PUGET SOUND ACTION TEAM	W000056245 AMEND 8	12,476
93.853	360	RESEARCH FOUNDATION OF CUNY	41507-00 07 A	26,741
93.853	360	RESEARCH FOUNDATION OF CUNY	41507-00 08 A	1,299
93.853	360	THE J. DAVID GLADSTONE INSTITUTES	R00582-A	96,670
93.853	360	UNIV OF FLORIDA	UF06069	2,270
93.853	360	UNIV OF FLORIDA	UF07075	15,155
93.853	360	UNIV OF KENTUCKY	UKRF46368300324AM04	-12,603
93.853	360	UNIV OF MED & DENTISTRY OF NEW JERSEY	UW BUD# 631072	40,701

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93.853	360	UNIV OF MED AND DENTISTRY OF NEW JERSEY	AMENDMENT #7	142,805
93.853	360	UNIV OF TEXAS	117006/115709	27,093
93.853	360	UNIVERSITY OF CINCINNATI	P808AM06COEUS001080	3,576
93.853	360	UNIVERSITY OF IOWA	W000056245 AMEND. 8	28,458
93.853	360	UNIVERSITY OF IOWA	W000075588, AMEND. 10	103,511
93.853	360	UNIVERSITY OF PITTSBURGH	00005174	125,818
93.853	360	UNIVERSITY OF PITTSBURGH	112008-5	10,917
93.853	360	VANDERBILT UNIVERSITY MEDICAL CENTER	9235-R A04	31
93.853	360	WA UNIV	WU-06-42	-26
93.853	360	WASHINGTON UNIVERSITY IN ST. LOUIS	WU07103PO29990P	17,593
93.853	365	ALBERT EINSTEIN COLL MED FED FLO	95265672	605
93.855	360	BECKMAN RESH. INST. OF THE CITY OF HOPE	30.914123	92,241
93.855	360	BECKMAN RESH. INST. OF THE CITY OF HOPE	6694-915858	261,572
93.855	360	BECKMAN RSRCH INST OF THE CITY OF HOPE	UW BUD# 630786	4,858
93.855	360	CHILDREN'S HOSPITAL	413910020101UWFANNMOD3	22,886
93.855	360	CHILDRENS HOSPITAL & REG. MEDICAL CENTER	SUB 412660240101.UW	6,145
93.855	360	DREXEL UNIVERSITY	DREXEL 232284, AM01	107,511
93.855	360	DREXEL UNIVERSITY	DREXEL 232284, AM02	98,562
93.855	360	FHCRC	0000618015 AM02	90,544
93.855	360	FHCRC	0000622962	49,190
93.855	360	FHCRC	0000624066	56,151
93.855	360	FHCRC	0000625004	2,722
93.855	360	FHCRC	0000629406 AM02	287,011
93.855	360	FHCRC	0000635740	7,767
93.855	360	FHCRC	0000641438	52,986
93.855	360	FHCRC	0000641441	122,492
93.855	360	FHCRC	0000641448	178,305
93.855	360	FHCRC	0000644903	34,760

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93.855	360	FHCRC	0000648315	180,553
93.855	360	FHCRC	0000651096	31,654
93.855	360	FHCRC	000643701	10,540
93.855	360	FHCRC	068618	50,256
93.855	360	FHCRC	0720226101S1907PO62956	3,765
93.855	360	FHCRC	629329 AM01	107,467
93.855	360	FHCRC	629391 AM01	192,965
93.855	360	FHCRC	633538	92,439
93.855	360	FHCRC	639695	1,144,604
93.855	360	FHCRC	639728, AMD #3	633,506
93.855	360	FHCRC	639804	5,380
93.855	360	FHCRC	642890	140,414
93.855	360	FHCRC	643550	1,483,514
93.855	360	FHCRC	645053	49,537
93.855	360	FHCRC	649770	10,655
93.855	360	FHCRC	PO6210701U01AI06861401	-91,655
93.855	360	FHCRC	SUB AWARD NO.619930	31,850
93.855	360	FHCRC	UW BUD# 634274	11,444
93.855	360	JOHNS HOPKINS UNIVERSITY	JHU PO 8609-04589-X	107,788
93.855	360	JOHNS HOPKINS UNIVERSITY	JHU PO2000056550	309,425
93.855	360	LELAND STANFORD JUNIOR UNIVERSITY	18042630-34937-A, AM01	29,686
93.855	360	LELAND STANFORD UNIV	18042630-34937-A	13
93.855	360	MAGEE-WOMEN'S RESEARCH	26-3301-4236	46,113
93.855	360	MAGEE-WOMEN'S RESEARCH INST.& FDTN	26-3301-4210	10,438
93.855	360	MAGEE-WOMEN'S RESEARCH INST.& FDTN	26-3301-4236, AM02	564,919
93.855	360	MEDICINE FOR MALARIA VENTURES	UW BUD# 633143	497,535
93.855	360	MOUNT SINAI SCHOOL OF MEDICINE	0254-6483-4609	-1,776
93.855	360	MOUNT SINAI SCHOOL OF MEDICINE	0254-6834-4609/6A	221,763

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93.855	360	MOUNT SINAI SCHOOL OF MEDICINE	0254-6834-4609/6B	623,759
93.855	360	NORTHWESTERN UNIV	0600 370 F572 UNIVWA	4,692
93.855	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1071	14,538
93.855	360	SEATTLE BIOMEDICAL RSCH INST	UW-1100 MOD 1	12,373
93.855	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T001MO	17,201
93.855	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T002MO	22,643
93.855	360	UNIVERSITY OF ALABAMA AT BIRMINGHAM	1R24AI06703901A1SUBCOD	51,354
93.855	360	UNIVERSITY OF ALABAMA AT BIRMINGHAM	UW BUD# 631301	1,440
93.855	360	UNIVERSITY OF ALABAMA AT BIRMINGHAM	UW BUD# 631311	63,179
93.855	360	UNIVERSITY OF ALABAMA BIRGMINHAM	219866	20
93.855	360	UNIVERSITY OF ALABAMA BIRGMINHAM	219866 AMD 1	18,325
93.855	360	UNIVERSITY OF ALABAMA, BIRMINGHAM	1 R24 AI067039-01A1	562,568
93.855	360	UNIVERSITY OF ILLINOIS, CHICAGO	2007-01064-02-02 AM04	11,131
93.855	360	UNIVERSITY OF MASSACHUSETTS-AMHERST	07-004309 B 01	56,609
93.855	360	UNIVERSITY OF NORTH CAROLINA	5-50817	12,988
93.855	360	UNIVERSITY OF PITTSBURGH	112905-05	168,461
93.855	360	UNIVERSITY OF TEXAS	08-013 PO524330&524360	271,965
93.855	360	UNIVERSITY OF TEXAS	UW BUD# 634548	2,642
93.855	360	WAKE FOREST UNIVERSITY	PA-03-047	71,521
93.855	360	WAKE FOREST UNIVERSITY	PA-03-047, AMEND 3	107,520
93.855	365	UNIV TX HEALTH SCIENCE CENTER	126265125086	102,770
93.856	360	COLORADO STATE UNIVERSITY	G-4727-2 AM04	290,956
93.856	360	COLORADO STATE UNIVERSITY	G-4727-2 AM05	19,247
93.856	360	DANA-FARBER CANCER INST	5 PO1 AI-48240, AM06	-187
93.856	360	DANA-FARBER CANCER INSTITUTE	2 P01 AI048240	195,368
93.856	360	FHCRC	0000610132 AM01	-27
93.856	360	FHCRC	0000614189	3,828
93.856	360	FHCRC	0000629354 AM01	151,488

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93.856	360	FHCRC	0000629433 AM01	155,605
93.856	360	FHCRC	0000647470	56,483
93.856	360	FHCRC	0410490105S0773AMEND02	-3,765
93.856	360	FHCRC	0510455905S1162A1	-29
93.856	360	FHCRC	629351 AM01	146,664
93.856	360	FHCRC	629880 AMD 2	195,667
93.856	360	FHCRC	SUB NO. 628256, AM01	16,972
93.856	360	FHCRC	SUB#0000616034 AM02	23,204
93.856	360	HARVARD SCHOOL OF PUBLIC HEALTH	113911.0007,AMEND 03	56,504
93.856	360	MAGEE-WOMENS HOSP	26-3301-4443 MOD #7	154,685
93.856	360	MOUNT SINAI SCHOOL OF MEDICINE	PO SM9157867V	102,024
93.856	360	MOUNT SINAI SCHOOL OF MEDICINE	PO SM9157868V	36,838
93.856	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1555 MO3	18,741
93.856	360	SOCIAL & SCIENTIFIC SYSTEMS, INC	204VC001 MOD04	-42,549
93.856	360	U OF TEXAS SW MEDICAL CTR	GMO-400421 MOD3	98,850
93.856	360	UCLA CENTER FOR PREVENTION RESEARCH	1556 G FD985	7,319
93.856	360	UNIVERSITY OF COLORADO	FY06284002AW1U19AI0663	-6,344
93.856	360	UNIVERSITY OF COLORADO	FY07.284.002,AMD#2	165,963
93.856	360	UNIVERSITY OF COLORADO	FY07284002AW5U19AI0663	30,832
93.856	360	UNIVERSITY OF PITTSBURGH	110333-1 AMENDMENT 2	33,953
93.856	360	VICAL INCORPORATED	REF A30732	64,550
93.856	360	WA UNIV	WU0440MOD4PO29740F	63,183
93.856	360	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-06-287*	-71
93.856	365	TX A & M RSCH FNDN FED FLOW	S050053	133,133
93.856	365	UNIV OF FL FED FLOW	UFO3039	91,911
93.859	360	CASE WESTERN RESERVE UNIVERSITY	RES502582	26,133
93.859	360	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	P01-2	128,555
93.859	360	COLORADO UNIV	FY07,001-007 AMEND #3	151,272

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93.859	360	FOX CHASE CANCER CENTER	11138-02	171,126
93.859	360	FOX CHASE CANCER CENTER	11138-03	132,908
93.859	360	HARVARD SCHOOL OF PUBLIC HEALTH	113936 AM02	38,495
93.859	360	HARVARD SCHOOL OF PUBLIC HEALTH	113936 AM1	64,445
93.859	360	INST. FOR CANCER RESEARCH/FOX CHASE CENT	11138-02 MOD01	31,266
93.859	360	MASSACHUSETTES GENERAL HOSPITAL	5 U54 GM062119-07	457,505
93.859	360	MASSACHUSETTS GENERAL HOSPITAL	2-U54-GM062119-06	47,812
93.859	360	MASSACHUSETTS GENERAL HOSPITAL	2-U54-GM204795-06	57,715
93.859	360	MASSACHUSETTS GENERAL HOSPITAL	5 U54 GM062119-06	107,296
93.859	360	MEDICAL COLLEGE OF WISCONSIN	AM 01	27,022
93.859	360	MEDICAL COLLEGE OF WISCONSIN	UW BUD# 631263	2,802
93.859	360	MONTANA STATE UNIVERSITY	G126-07-W1286	231,544
93.859	360	NORTHWESTERN UNIV	0600 350 H377 1281	2,381
93.859	360	THE PENNSYLVANIA STATE UNIVERSITY	3189-UW-DHHS-2432	89,040
93.859	360	THE RESEARCH FOUNDATION OF SUNY	1068602-2-45609	80,402
93.859	360	UNIVERSITY OF LOUISVILLE	06-0734	23,769
93.859	360	UNIVERSITY OF MASSACHUSETTS-AMHERST	05-003292 B 00	32,982
93.859	360	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5-34803 AM01	59,789
93.859	360	VANDERBILT UNIV	2 P50 GMO15431-39	26,743
93.859	360	VANDERBILT UNIVERSITY	18821-S1	92,075
93.859	360	VANDERBILT UNIVERSITY	18821-S1 AMD. 1	38
93.859	365	IA ST UNIV FED FLOW	4302119	57,788
93.859	365	MIAMI UNIV-FED FLOW	40123501	122,541
93.859	365	UNIV OF ALABAMA	08011	22,107
93.865	360	CEDARS-SINAI MED CTR	2 P01 HD022657-21A1	148,076
93.865	360	CEDARS-SINAI MED CTR	HD022657	30,493
93.865	360	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414160010101	6,979
93.865	360	CHILDRENS HOSPITAL LOS ANGELES	223 8019-RGF004236-00	30,803

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.865	360	FHCRC	642059	85,142
93.865	360	FOCUSED SCIENTIFIC INC.	UW BUD# 633375	12,677
93.865	360	GROUP HEALTH COOPERATIVE	2007113730	13,560
93.865	360	REHABILITATION INSTITUTE OF CHICAGO	03.81804	510
93.865	360	REHABILITATION INSTITUTE OF CHICAGO	03.81804, AMEND #1	45,317
93.865	360	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1061 MOD04	101,837
93.865	360	SWEDISH MEDICAL CENTER	PNWILMFNIH962106MO7	49,297
93.865	360	UCLA	1215 G JB215	10,986
93.865	360	UNIV OF CONNECTICUT	P.S 3748	-31,105
93.865	360	UNIV OF ILLINOIS URBANA-CHAMPAIGN	2005-5638-01 AM02	17,446
93.865	360	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2007-091	102,025
93.865	360	UNIV OF NORTH CAROLINA-CHAPEL HILL	5-50299	217,102
93.865	365	N WESTERN UNIV FED FLOW	0600370A5741229	97,151
93.865	365	N WESTERN UNIV FED FLOW	GUAR24280180	92,745
93.865	365	N WESTERN UNIV FED FLOW	GUAR24280185	50,370
93.865	365	N WESTERN UNIV FED FLOW	PROJ0000476	18,026
93.865	365	UNIV OF MI	3000610867	64,557
93.865	365	UNIV OF MI	F014757	129,743
93.865	380	State University of New York	07-11	5,021
93.866	360	BROWN UNIVERSITY	00000056/P.O. P992706	179,605
93.866	360	CALIFORNIA PACIFIC MED CTR RESEARCH INST	2803240-S021 AM07	258,008
93.866	360	CALIFORNIA PACIFIC MED CTR RESEARCH INST	2803240-S021,A05	187,589
93.866	360	CALIFORNIA PACIFIC MED CTR RESEARCH INST	2803240SO21AMEND1	-617
93.866	360	DUKE UNIV	139170, AMENDMENT #6	26,800
93.866	360	FHCRC	0000616337	3,042
93.866	360	FHCRC	0000636773 AMEND 1	58,398
93.866	360	GROUP HEALTH COOPERATIVE	2006126272	3
93.866	360	GROUP HEALTH COOPERATIVE	2007122534	544,010

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.866	360	GROUP HEALTH COOPERATIVE	2008102765	28,862
93.866	360	GROUP HEALTH COOPERATIVE	40151	-204
93.866	360	GROUP HEALTH COOPERATIVE	40152	-1
93.866	360	GROUP HEALTH COOPERATIVE	R01 AG024180-02A2	23,277
93.866	360	GRP HLTH COOP PUGET SOUND	PO2007106132	4,154
93.866	360	JOHNS HOPKINS AT EASTERN A/P SVC CTR	2000073393	19,775
93.866	360	MAYO CLINIC ROCHESTER	5R01AG23195-03 AM02	5,055
93.866	360	NORTHWESTERN UNIVERSITY	00600 370 F371 UW	637
93.866	360	OREGON HEALTH & SCIENCE UNIVERSITY	UW BUD# 632383	24,455
93.866	360	OREGON HEALTH SCIENCES UNIVERSITY	GNEURO283A4 A, AM02	9,803
93.866	360	PENNSYLVANIA STATE UNIVERSITY	3065UWDHHS4102AMEND1	60,732
93.866	360	RAND CORP	9920080003	12,897
93.866	360	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CSI-20, MOD 1	524
93.866	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	CS120BAKEREGC1A35421	13,714
93.866	360	SIBCR	BT123 ELMORE	15,109
93.866	360	SIBCR	BT123-LEE	6,881
93.866	360	SIBCR	BT123-STEINBART	32,879
93.866	360	SIBCR	BT12302 STEINBART	-179
93.866	360	SIBCR	CS1 19 GILLETT	6,249
93.866	360	SIBCR	CS1 20 GILLETT	4,675
93.866	360	SIBCR	CS1-19 BAKER/UW 33178	20,696
93.866	360	SIBCR	CS1-19 NELSON	7,233
93.866	360	SIBCR	CS1-20	7,233
93.866	360	SIBCR	CS119CHOLERTONUWA32867	17,424
93.866	360	SIBCR	CS120-GILLET08	1,311
93.866	360	SIBCR	QL 1-14/02	57,472
93.866	360	SIBCR	QL114/ANDERSON 03	34,877
93.866	360	TRANSLATIONAL GENOMICS RSCH INT TGEN	STEPHAN- 03- 05	26,751

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.866	360	TRANSLATIONAL GENOMICS RSCH INT TGEN	STEPHAN-03-05	1,050
93.866	360	TUFTS MEDICAL CENTER	A02	87,005
93.866	360	UCLA	2000 G HG940; AM-01	37,650
93.866	360	UNIV OF CA SAN DIEGO	08-00-01	128,406
93.866	360	UNIV OF CALIFORNIA, SAN DIEGO	PO 10229917-004	131,372
93.866	360	UNIV OF MICHIGAN	UW BUD# 633691	43,519
93.866	360	UNIVERSITY OF CALIFORNIA (UCLA)	1558 G HB859 AM01	-62
93.866	360	UNIVERSITY OF CALIFORNIA (UCLA)	1558G HB859 AM01	7,507
93.866	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10229917-004	3,382
93.866	360	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10229917-005	18,993
93.866	360	UNIVERSITY OF COLORADO HEALTH SCIENCES	FY08.001.004 AMEND 5	10,700
93.866	360	UNIVERSITY OF COLORADO HEALTH SCIENCES	FY08001011UWASHYR11	162,395
93.866	360	UNIVERSITY OF MICHIGAN	F09684 AM04	323,960
93.866	360	UNIVERSITY OF MISSOURI-COLUMBIA	C00013153-1	11,964
93.866	360	UNIVERSITY OF PENNSYLVANIA	5-44030	260,908
93.866	360	UNIVERSITY OF PENNSYLVANIA	545901	48,808
93.866	360	UNIVERSITY OF PITTSBURGH	109452-1 AM02	176,257
93.866	360	UNIVERSITY OF PITTSBURGH	109452-1, A01	12,488
93.866	360	UNIVERSITY OF UTAH	2508176-08 AMENDMENT 2	26,974
93.867	360	EMORY UNIV	5-20621	15,548
93.867	360	JEAB CENTER FOR HLTH RSCH	9-29-03	16,261
93.879	360	SYRACUSE UNIV	17111-01247-S01	21,624
93.879	360	UNIVERSITY OF SOUTHERN CALIFORNIA	H36653	60,993
93.884	360	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	CS 120-BAKER08	6,857
93.884	360	SIBCR	CS120-CHOLERTON08	7,312
93.884	360	UNIVERSITY OF HAWAII	UW BUD# 630491	1,793
93.889	360	SEATTLE-KING COUNTY DOPH	D37914D	239,583
93.931	360	FHCRC	0000612893	-297

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.931	360	FHCRC	5 R01 CA113663-03	16,650
93.933	360	ALASKA NATIVE TRIBAL HEALTH CONSORTIUM	ANTHC-06-U-15978	21,574
93.944	360	SEATTLE KING COUNTY PUBLIC HEALTH	D35338D AM4	11,888
93.944	360	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D35226D	-34
93.944	360	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D36858D	2,985
93.945	360	CHILDREN'S HOSPITAL & REGIONAL MED CTR	413340090301-UWHIRSCH	22,768
93.945	360	CHILDREN'S HOSPITAL & REGIONAL MED CTR	835-41334-LIUUW-YR2	8,061
93.945	360	CHILDREN'S HOSPITAL & REGIONAL MED. CTR	413340090301-UWLIU	25,776
93.945	360	CHILDRENS HOSP SEATTLE	41334.009.01.01-UW02	7,512
93.945	360	PUBLIC HEALTH-SEATTLE & KING COUNTY	T02531T AMEND.1	6,496
93.945	360	WAKE FOREST UNIVERSITY	WFUHS #11248	137,779
93.945	360	WAKE FOREST UNIVERSITY	WFUHS 11247	74,449
93.947	360	UNIVERSITY OF IOWA	G/P NO. 2 11992 00 03	9,502
93.947	360	UNIVERSITY OF IOWA	G/P NO. 21199200	2,388
93.958	300	New Freedom Int.	841305	12,884
93.959	360	OKLAHOMA DEPT OF MENTAL HLTH & SUBSTANCE	FEI#91-6001537	22,933
93.959	360	SEATTLE-KING CO DEPT OF PUBLIC HLTH	D35082D	-77
93.959	365	WHATCOM CNTY FED FLOW	200510008	2,778
93.995	360	CHILDREN'S HOME SOCIETY OF WASHINGTON	UW BUD# 671967	38,908
94.006	360	JUMPSTART FOR YOUNG CHILDREN	480200	16,101
94.006	699	Americorp	UN LOC	202,239
97.000	360	ALCORN STATE UNIVERSITY	UW BUD# 632318	52,144
97.000	360	BATTELLE PACIFIC NW LABS	22177	142,409
97.000	360	BATTELLE PACIFIC NW LABS	22177 MOD01	843
97.000	360	BATTELLE PACIFIC NW LABS	22177 MOD09	251,625
97.000	365	HAMILTON SUNSTRAND	2865974	51,280
97.000	365	ION METRICS INC	HSHQDC05C0004WSU	68,105
97.040	360	OREGON DEPT OF LAND CONSERVATION & DEV	PS07010	10,508

State of Washington
Schedule of Expenditures of Federal Awards
Note F:
Supplemental Information for Pass-Through Funds

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
98.001	365	MI ST UNIV FED FLOW	613128	165,402
98.001	365	NAT'L ACADEMY OF SCIENCES	PGA725107008	30,355
98.001	365	NAT'L ACADEMY OF SCIENCES	PGAP280179	31,618
98.001	365	SRA INT'L INC	REQ000351	111,940
98.001	365	VA TECH	19276425631	109
98.002	365	CLEMSON UNIV	99475582152095170	30,922
98.002	365	INT'L INST OF TROPICAL AG	WSU000185	28,034
98.002	365	SRA INT'L INC	9040023	72
98.002	365	VA TECH	19276425678	70,447
99.000	360	ENERTECHNIX	UW BUD# 631156	939
99.000	360	FHCRC	642352	9,878
99.000	360	GCA UNIDENTIFIED	UW BUD#999994	-62
99.000	360	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002264 AM01	39,573
99.000	360	NORTH DAKOTA ST UNIV	UW BUD# 660365	18,106
99.000	360	SMITHSONIAN ENVIRONMENTAL RSCH CTR	07SUBC4400000112182AME	86,146
99.000	370	Humanities WA Get Lit Writers 07-08	3943-GF07	7,500
99.000	370	Humanities WA Rural Schools 06-07	3822-GF-06	-455
99.000	461	National Fish & Wildlife Foundation/BPA	C007015	37,507
99.000	461	National Fish & Wildlife Foundation/BPA	C008015	65,823
99.999	303	Association of State and Territorial Health Officials	None	26,500
			Total Pass-Through Funds	**115,747,319**

State of Washington
Schedule of Expenditures of Federal Awards
Note G: Supplemental Information - Annual Loan Activity and Outstanding Loan Balances

For the Year Ended June 30, 2008 (Expressed in whole dollars)

Federal Catalog No.	Federal Program Title	Fiscal Year Activity	June 30, 2008 Outstanding Loan Balances
University of Washington (Agency 360)			
84.038	Federal Perkins Loan Program	7,579,777	51,479,443 s
84.268	Federal Direct Student Loans (Direct Loan)	172,603,580 s	
93.264	Nurse Faculty Loan Program (NFLP)	80,300	359,566 s
93.342	Health Profesnl Student Loans (HPSL / PCL / LDS)	2,132,346	9,003,395 s
93.364	Nursing Student Loans	474,296	1,608,910 s
	University of Washington Total	**182,870,299**	**62,451,314**
Washington State University (Agency 365)			
84.032	Federal Family Education Loans	108,696,373 s	
84.038	Federal Perkins Loan Program	4,099,323	19,954,554 s
93.342	Health Profesnl Student Loans (HPSL / PCL / LDS)	18,500	2,600,336 s
93.364	Nursing Student Loans	409,461	1,333,811 s
	Washington State University Total	**113,223,657**	**23,888,701**
Eastern Washington University (Agency 370)			
84.032	Federal Family Education Loans	45,630,652 s	
84.038	Federal Perkins Loan Program	765,585	6,382,860 s
	Eastern Washington University Total	**46,396,237**	**6,382,860**
Central Washington University (Agency 375)			
84.038	Federal Perkins Loan Program	1,040,376	7,344,604 s
84.268	Federal Direct Student Loans (Direct Loan)	42,922,708 s	
	Central Washington University Total	**43,963,084**	**7,344,604**
the Evergreen State College (Agency 376)			
84.032	Federal Family Education Loans	18,619,874 s	
84.038	Federal Perkins Loan Program	737,451	4,068,542 s
	the Evergreen State College Total	**19,357,325**	**4,068,542**

State of Washington
Schedule of Expenditures of Federal Awards
Note G: Supplemental Information - Annual Loan Activity and Outstanding Loan Balances

For the Year Ended
June 30, 2008
(Expressed in whole dollars)

Federal Catalog No.	Federal Program Title	Fiscal Year Activity	June 30, 2008 Outstanding Loan Balances
Western Washington University (Agency 380)			
84.032	Federal Family Education Loans	14,674,437 s	
84.038	Federal Perkins Loan Program	1,041,243	8,218,204 s
84.268	Federal Direct Student Loans (Direct Loan)	30,540,934 s	
	Western Washington University Total	**46,256,614**	**8,218,204**
Community College Systems (Agency 699)			
84.032	Federal Family Education Loans	73,486,376 s	
84.038	Federal Perkins Loan Program	251,408	2,763,693 s
84.268	Federal Direct Student Loans (Direct Loan)	30,492,181 s	
	Community College Systems Total	**104,229,965**	**2,763,693**
	Total Loan Activity / Balances	**556,297,181**	**115,117,918**

Footnote:
s - Amount included on schedule of expenditures of federal awards

State of Washington
Corrective Action Plan

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2008

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

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Finding No.	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
08-01	Department of Social and Health Services	G – 4	E – 8
08-02	Department of Social and Health Services	G – 5	E – 10
08-03	Department of Social and Health Services	G – 6	E – 13
08-04	Department of Social and Health Services	G – 8	E – 17
08-05	Department of Social and Health Services	G – 11	E – 22
08-06	Recreation and Conservation Funding Board	G – 13	E – 26
08-07	The Department of Community, Trade, and Economic Development	G – 15	E – 29
08-08	The Department of Community, Trade, and Economic Development	G – 16	E – 31
08-09	Washington State Patrol (WSP)	G – 17	E – 33
08-10	Department of Social and Health Services	G – 18	E – 35
08-11	Department of Social and Health Services	G – 19	E – 38
08-12	Department of Social and Health Services	G – 20	E – 41
08-13	Department of Early Learning/Department of Social and Health Services	G – 21	E – 43
08-14	Department of Social and Health Services	G – 22	E – 46

State of Washington
Corrective Action Plan

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2008

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

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08-16	Department of Social and Health Services	G – 24	E – 51
08-17	Department of Social and Health Services	G – 25	E – 53
08-18	Department of Social and Health Services	G – 27	E – 59
08-19	Department of Social and Health Services	G – 28	E – 62
08-20	Department of Social and Health Services	G – 29	E – 64
08-21	Department of Social and Health Services	G – 30	E – 68
08-22	Department of Social and Health Services	G – 32	E – 73
08-23	Department of Social and Health Services	G – 34	E – 84
08-24	Department of Social and Health Services	G – 36	E – 89
08-25	Department of Social and Health Services	G – 37	E – 92
08-26	Department of Social and Health Services	G – 38	E – 98
08-27	Department of Social and Health Services	G – 40	E – 105
08-28	Department of Social and Health Services	G – 42	E – 111

State of Washington
Corrective Action Plan

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2008

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

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08-30	Department of Social and Health Services	G – 46	E – 122
08-31	Department of Social and Health Services	G – 47	E – 126
08-32	Department of Social and Health Services	G – 48	E – 132
08-33	Department of Social and Health Services	G – 49	E – 135
08-34	Department of Social and Health Services	G – 51	E – 141
08-35	Department of Social and Health Services	G – 53	E – 144
08-36	Department of Social and Health Servcies	G – 54	E – 151
08-37	University of Washington	G – 56	E – 156

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	01	Finding:	The Department of Social and Health Services does not ensure that retroactive Food Assistance payments to clients are calculated correctly as prescribed by state and federal law.
		Questioned Costs:	CFDA # / Amount 10.551 / $13,995 10.561
		Status:	Corrective action in progress
		Corrective Action:	In March 2009, Economic Services Administration (ESA) reviewed all cases (24) cited in this audit. Nineteen cases were identified as having a potential error. Community Services Division (CSD) Headquarter staff reviewed these cases and determined nine cases were acceptable and did not require additional work; ten were returned to field staff for correction. The remaining five cases were for incorrect payments. For these five, the Department will follow established rules and policies to determine the amount of overpayment. By April 30, 2009, ESA will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid. By July 2009, all staff responsible for issuing food stamp benefits will be re-trained on the proper calculation of retroactive payments. The training will focus on circumstances when a retroactive payment is indicated, allowed, and time limitations required by law.
		Completion Date:	Estimated July 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	02	Finding:	Food Assistance public funds were misappropriated at the Department of Social and Health Services' Economic Services Administration.
		Questioned Costs:	CFDA # / Amount 10.551 / $3,795.03 10.561
		Status:	Corrective action in progress
		Corrective Action:	The Department has taken the following steps to prevent an incident such as the one noted in the finding from happening again: • In the initial stages of the internal investigation, the Economic Services Administration (ESA) ran a query that included characteristics of the misappropriated cases. No additional cases were identified from the report. • In addition to mandatory monthly random supervisory audits and the Basic Food Program Management Evaluation audits, ESA now requires supervisors to run and review a monthly barcode processed date report to see if there are any questionable timeframes. The Alderwood Community Service Office has implemented this action and has been reviewing the information monthly. On April 10, 2009, ESA will issue the first progress report. • The Department will work closely with the Attorney General and the State Auditors Office on guidance on pursuing recoupment of the misappropriated public funds. • The Department will send a reminder to all administrations reminding them to promptly notify the State Auditor's Office of any suspected loss of public funds as directed by RCW 43.09.185 and the DSHS Administrative Policy 16.10. By April 2009, ESA will contact the appropriate federal agency to determine if identified costs need to be adjusted or repaid.
		Completion Date:	Estimated April 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	03	Finding: The Department of Social and Health Services, Economic Services Administration, did not comply with documentation requirements for its Random Moment Time Sample to ensure administrative costs was properly charged to federal and state funds. Questioned Costs: CFDA # / Amount 10.561 / $0 93.778 93.558 93.667 93.596 93.566 Status: Corrective action in progress Corrective Action: The Department has taken or will take the following steps to address the issues noted in this finding: • In October 2008, Random Moment Time Sample (RMTS) instructions and RMTS-Barcode instructions were sent electronically to all RMTS Coordinators. Communication included contact information for Coordinators with questions or those in need of technical assistance. . • In December 2008, an iESA news article was published to educate all staff on RMTS requirements, processes and responsibilities. This was followed by the Operations Support Division (OSD)/Fiscal creating a monthly report for CSO Administrators that communicates audit results by location. • In January 2009, the OSD Fiscal Chief attended a Community Services Division Regional Administrator meeting to discuss RMTS requirements and audit results. This was followed by OSD/Fiscal identifying members of a workgroup to update the current RMTS Instructions. • By March 31, 2009, training materials will be developed for Community Service Office (CSO) Administrators and RMTS Coordinators. • By April 30, 2009, ESA will work with the respective federal

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	03 (Cont'd)	• agencies to determine if the costs identified need to be adjusted or repaid. • OSD/Fiscal will continue to conduct monthly audits of RMTS samples. Each CSO will be audited annually. Completion Date: Estimated May 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	04	Finding:	The Department of Social and Health Services is not complying with federal requirements for allocating employee salaries and wages in accordance with its Public Assistance Agency Cost Allocation Plan.
			CFDA # / Amount
		Questioned Costs:	10.561, 93.563, 93.658, 93.667, 93.775 — $23,394
		Status:	Corrective action in progress
		Corrective Action:	In October 2008, the Operations Support Division (OSD)/Fiscal placed the discussion of Time & Effort requirements, and how it relates to the written Public Assistance Cost Allocation Plan (PACAP) maintained by OSD/Fiscal, as a standing agenda item on the quarterly Community Services Division (CSD) Regional Business Manager (RBM) meeting agenda. In December 2008, OSD/Fiscal contacted the CSD RBM's regarding the six Economic Services Administration staff identified by the State Auditor's Office (SAO) to determine why the positions were split coded and if the language needs to be added to the written PACAP. The outcome of the contacts with the RBMs was that there currently was language in the PACAP about four of the employees positions being split coded. The RBM initiated and is maintaining the proper documentation to support the split coding. For the remaining two employees, language will be added to the PACAP to support their positions being split coded. In February 2009, the following measures were taken: • The Social Services Payment System (SSPS) Office Chief worked with the affected administrations and developed a Memorandum of Understanding (MOU), which established a specific methodology for accurately allocating the costs of the four staff in the Provider File Unit to the correct federal funding source. The MOU was reviewed and signed by administrations.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	04 (Cont'd)	• The Office of Financial Recovery (OFR) began maintaining documentation on how the Enforcement Manager position is charged to the benefiting funding sources as described in Public Assistance Cost Allocation Plan's base (ICP) 531 methodology. • The SSPS Office Chief submitted the MOU to administrations for signature. In March 2009, the following measures were taken: • The SSPS implemented the methodology agreed upon in the MOU. • OSD/Fiscal submitted an update to the written PACAP to the Fiscal Services Administration that includes language regarding staff identified by the SAO as requiring adjustments. This will be completed in April 2009. • The Information and Technology Office (ITO) and the Office of Accounting Services (OAS) began maintaining documentation on how the ITO staff time is charged to the benefiting funding sources as described in PACAP. Documentation will be maintained by the Grants Management Section within OAS. • OAS began working with the Center for Medicare and Medicaid Services federal contact to determine if any repayments are required. In April 2009, the following measures will be taken: • OSD/Fiscal will submit an update to the written PACAP to the Fiscal Services Administration with language describing staff costs that are allocated to various DSHS Administrations based on the lease matrix (i.e. square footage). • The PACAP will be updated to reflect the exception for the allocation of the four Provider File Unit staff using the methodology agreed to in the MOU. • The Economic Services Administration will work with the

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	04 (Cont'd)	appropriate federal agencies to determine if costs identified during the audit need to be adjusted or repaid. **The condition noted in this finding was previously reported in finding 07-18.** Completion Date: Estimated April 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	05	Finding:	The Department of Social and Health Services did not comply with federal requirements for time and effort documentation for the Medical Assistance and Food Stamps Employment and Training programs.
		Questioned Costs:	CFDA # / Amount 10.561 / $141,515 93.775
		Status:	Corrective action in progress
		Corrective Action:	In January 2008, prior to the audit undertaken by the State Auditor's Office, Economic Services Administration's (ESA's) Regional Business Managers (RBM's) received time & effort training from the Office of Accounting Services Grants Management Manager. The RBMs are responsible for monitoring compliance with time and effort requirements in their respective regions. In August 2008, DSHS Office of Accounting Services updated the DSHS Administrative Policies regarding time & effort (19.50.01A and 19.50.01B) to more clearly reflect federal requirements. In October 2008, the updated DSHS Administrative Policies 19.50.01A and 19.50.01B were presented and discussed with the Community Service Division (CSD) RBMs at their quarterly meeting. The Operations Support Division (OSD)/Fiscal placed the discussion of time & effort requirements as a standing agenda item on the quarterly CSD RBM meeting agenda. RBMs will be available for technical assistance upon request. In January 2009, OSD's Fiscal Office Chief attended a CSD Regional Administrator meeting to discuss time & effort requirements and audit findings. In April 2009, the CSD Director will follow up by requiring the RBMs to train CSD field staff. Also in April 2009, the ESA will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid. In June 2009, the newly formed Random Moment Time Study (RMTS) workgroup will evaluate the process to determine if additional programs

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	05 (Cont'd)	can be included in the sample as a means to automate reporting functionality and decrease the need for time sheets. Any changes will be incorporated into the Public Assistance Cost Allocation Plan, which will be submitted to the federal grantor for approval. Completion Date: Estimated June 2009

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	06	Finding: The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring. Questioned Costs: CFDA # 11.438 — Amount $0 Status: Corrective action in progress The Recreation and Conservation Funding Board (RCFB) is addressing this audit finding as follows: The Agency is working to develop a formal risk assessment tool and process and has contacted the Office of Financial Management, Risk Management Division for assistance. Once the tool is developed, risk assessments will be conducted on a biennial basis of all new grantees and for all existing grantees with active agreements. At a minimum, this assessment will include a review of financial data, prior performance, and audit records. The results of the assessment will be used to identify the grantee as high, medium, or low risk and will be presented to the Agency's grant program review group for additional review as appropriate, based on the level of risk. This group, comprised of section managers of the Agency's grant management program, will review the audits, check recommendations, and determine if corrective action plans are adequate. In August 2008, staff started reviewing subrecipient financial records to ensure that costs reimbursed are accurate and allowable. In November 2008, staff began presenting the results to the internal audit review group. This group analyzes the results of the staff review and makes recommendations for changes that a specific subrecipient needs to make or changes that the Agency should implement to its policies or internal business practices to improve overall compliance with federal regulations. In order to ensure that site inspections and final reports are adequately documented in the Agency's PRoject Information SysteM (PRISM) and the grant project file, the section manager or designee will conduct a monthly review of closed grants to ensure that PRISM and the grant project files are complete. In November 2008, a senior outdoor grant manager (OGM) position was established in each of the Agency's grant management sections. One of their responsibilities is to review completed projects to ensure that they are properly closed. Senior OGMs are developing a checklist to help with this process.

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	06 (Cont'd)	In February 2009, fiscal staff started reviewing subrecipient source documents such as time sheet records, invoices, and bank information. Fiscal staff will conduct training for subrecipients and is developing training materials, which will be available on the internet. The training will cover the RCO grant reimbursement process and will teach subrecipients how to use PRISM to check the status of invoices and view agreement terms, such as eligible costs, contract limits by category, and matching percentage. Fiscal staff will also visit subrecipients to review documents and train staff. Agency fiscal staff will review subrecipient administrative charges to provide reasonable assurance that costs are allowable. **The condition noted in this finding was previously reported in finding 07-02.** Completion Date: Estimated June 2009

The Department of Community, Trade, and Economic Development (CTED)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	07	Finding:	The Department of Community, Trade, and Economic Development did not comply with federal performance reporting requirements.
		Questioned Costs:	CFDA # 14.239 — Amount $0
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with the finding. As stated in the finding, the U.S. Department of Housing and Urban Development (HUD) has not provided clear direction on the scope of the report or made an issue of the fact that the report has not been submitted. The Section 3 reporting issue was not raised during several program reviews conducted by HUD personnel at CTED. CTED's Housing Division has determined the performance reporting requirements and will file the required report by the due date of March 31, 2009.
		Completion Date:	Estimated March 2009

The Department of Community, Trade, and Economic Development (CTED)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	08	Finding:	The Department of Community, Trade, and Economic Development did not comply with federal suspension and debarment requirements for subrecipients.
		Questioned Costs:	CFDA # 16.575 — Amount $0
		Status:	Corrective action in progress
		Corrective Action:	The Department's Office of Crime Victims Advocacy followed contract language recommended by the Office of Justice Programs Financial Guide located on their website. The Department now understands that the guidance was inaccurate. This contract language issue was not raised during a program review by the Department of Justice, Office of Justice Programs, Office for Victims of Crime conducted within the past year. All new contracts effective July 1, 2009 will have the required suspension and debarment language as found in the agency's standard contract template.
		Completion Date:	Estimated July 2009

Washington State Patrol (WSP)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	09	Finding:	The Washington State Patrol did not comply with federal requirements for suspension and debarment for the National Motor Carrier Safety program.
		Questioned Costs:	CFDA # 20.218 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	The State Patrol has implemented written procedures in its Supply Section requiring that the Excluded Parties List System be checked to insure a vendor is not listed as suspended or debarred. This requirement will be carried out for all purchases of $25,000 or greater which use federal funds and will be done regardless of whether being purchased off a master state contract or with delegated purchasing authority.
		Completion Date:	February 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	10	Finding:	Federal funds were misappropriated at the Department of Social and Health Services' Division of Children and Family Services.
		Questioned Costs:	CFDA # / Amount 93.658 / $3,783.07 93.667 93.558 93.777 93.659
		Status:	Corrective action in progress
		Corrective Action:	Effective internal controls in this case, which involved a two level review, resulted in discovery of the misappropriation. The supervisor referred the travel reimbursement request to the area administrator due to the amount requested. The area administrator reviewed case entries and contacted clients to confirm whether the social worker actually made home visits as claimed. This led to the discovery of employee's falsified records. Disciplinary action resulted in the termination of the employee involved. By April 30, 2009, Children's Administration (CA) will refer this case to the Office of Financial Recovery (OFR). During the month of April, CA will determine the exact amount to be recommended for recovery by OFR and contact the appropriate federal agencies to determine if identified costs need to be adjusted or repaid.
		Completion Date:	Estimated April 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	11	Finding:	The Department of Social and Health Services does not ensure that Temporary Assistance to Needy Families payments are reduced for clients who do not participate in WorkFirst activities as required by state and federal law.
		Questioned Costs:	CFDA # 93.558 — Amount $4,119.20
		Status:	Corrective action in progress
		Corrective Action:	By March 31, 2009, the Department will review the cases cited in this audit to determine if the children are in school. For cases where they are not in school, appropriate actions will be taken to follow state policy and pursue the sanction process. In April 2009, the Economic Services Administration will work with the appropriate federal agency to determine if the costs identified during this audit need to be adjusted or repaid. As a result of this finding, the Department's further review of applicable state statutes has clarified that the state statutes governing teen education requirements apply to teens who are themselves parents and not teens in general. Neither state nor federal law or regulation require dependent teens age 16 or older (i.e., teens who are not parents) to complete an Individual Responsibility Plan (IRP) and participate in WorkFirst activities. The Department will amend the TANF State Plan by July 2009 to eliminate the requirement to sanction dependent children (16 and 17 years of age) who are not in school. In addition, the Department will revise the WAC and WorkFirst Handbook to eliminate documentation of dependent teen school attendance as a program requirement.
		Completion Date:	Estimated July 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	12	Finding:	The Department of Social and Health Services is not reimbursing the federal government its proper share of child support collections.
		Questioned Costs:	CFDA # 93.563 — Amount $1,006,459
		Status:	Corrective action complete
		Corrective Action:	The questioned costs were the result of a failure to update the accounting system to reflect the correct Federal Medical Assistance Percentage (FMAP) rate for State fiscal year 2008. Only the Department of Social and Health Services Office of Accounting Services (OAS) can change the FMAP rate in the accounting system. The Division of Child Support Accounting Unit did not communicate the correct rates to the OAS. To ensure the correct federal/state split of child support collections, in September 2008, the Economic Services Administration (ESA) Fiscal Services Office began incorporating a review of the FMAP rate in the administration's monthly cost allocation review process and began notifying OAS if any changes are needed based on the results. In October 2008, a journal voucher was prepared to move questioned costs from federal expenditures to state expenditures by reducing the subsequent federal draw.
		Completion Date:	October 2008

Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	13	Finding:	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
		Questioned Costs:	CFDA # / Amount 93.575 / $0 93.596
		Status:	Corrective action complete
		Corrective Action:	In July 2008, the Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS) implemented a process to reconcile child care payments to child care provider attendance records to determine the payments were supported by appropriate documentation. The Departments documented their respective responsibilities in the October 8, 2008 Service Level Agreement. On a monthly basis, licensed child center and child care licensed family home payment files are randomly selected from the Social Service Payment System (SSPS) by DSHS. DEL sends a written request to the providers to obtain attendance records from providers and provides them to DSHS to reconcile with the SSPS payment files. If a discrepancy is found, DSHS follows DEL policy to write the overpayment. If providers fail to provide DEL with the requested attendance records, DSHS finds the case in error and writes an overpayment. **The condition noted in this finding was previously reported in finding 07-06.**
		Completion Date:	October 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	14	Finding:	Child Care public funds were misappropriated at the Department of Social and Health Service's Economic Services Administration.
		Questioned Costs:	CFDA # / Amount 93.575 / $66,304.57 93.596
		Status:	Corrective action in progress
		Corrective Action:	The Department will work closely with Attorney General's Office and the State Auditor's Office in pursuing recoupment of the misappropriated public funds. Personnel actions, as appropriate, against employees involved have been taken pursuant to results of the investigation by law enforcement agencies. To address the internal control issues noted, the Department will review controls currently in place and determine the need for additional controls to monitor child care authorizations. If gaps in the internal controls are identified, they will be revised. After the internal controls review is completed, a memo will be sent to Department staff by April 30, 2009, instructing them to follow internal controls. If an area warrants training, it will be provided to staff. Annually, all Department employees are required to review and sign the Employee Annual Review Checklist that covers Administrative Policy 18.64 Standards of Ethical Conduct for Employees.
		Completion Date:	Estimated April 2009

Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	15	Finding:	The Department of Early Learning does not have adequate controls to ensure that contractors have not been suspended or debarred from working on federally funded programs.
		Questioned Costs:	CFDA # 93.575 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	As a result of this finding, the Department of Early Learning (DEL) began checking the Federal Suspension and Debarment website for all federally funded contracts, prior to the issuance of a contract. Additionally, DEL is working with the Attorney General's Office to ensure the Department's basic contract templates meet all state and federal regulations.
		Completion Date:	November 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	16	Finding:	The Department of Social and Health Services does not have internal controls to ensure Child Welfare Services complies with earmarking compliance requirements.
		Questioned Costs:	CFDA # 93.645 — Amount $847,751.58
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding and understands the "Assurance" required by the change to Title IV-E of the Social Security Act by P.L. 109-288 as signed into law September 28, 2006. The Department currently has a manual process in place for allocating costs to the Child Welfare grant. Journal vouchers are created by staff and approved by the Senior Finance Manager who verifies that only 10% of the total costs (the maximum allowed by the new law) charged to the grant are administrative costs prior to approving the journal voucher for processing. This process will remain in place until an automated system is implemented and functional. By March 31, 2009, the Children's Administration will discuss the amounts charged to the 2008 grant with the federal grantor and return any amounts the federal agency deems unallowable. The Department will have an automated structure in place for the cost allocation to ensure expenditures match the eligibility requirements.
		Completion Date:	Estimated December 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	17	Finding:	The Department of Social and Health Services, Children's Administration, is not following established internal controls over the eligibility of clients receiving adoption assistance payments.
		Questioned Costs:	CFDA # 93.659 — Amount $163,832
		Status:	Corrective action in progress
		Corrective Action:	The Department has taken or will take the following actions regarding staff compliance with internal controls surrounding adoption support: • In March 2009, the Department reviewed internal adoption support processing and documentation procedures with region staff. Emphasis was on program eligibility, review and documentation requirements specified in state laws and regulations. Since the audit, new staff have taken over these duties and received training for the duties, which included an explanation of these requirements. • In April 2009, the Department will utilize program requirements as well as lessons learned from the audit to share with staff in all regions and Adoption Support Program Managers to enhance overall documentation of eligibility and payment/benefits. A statewide conference call is scheduled with all adoption support coordinators to discuss requirements and information from the audit. • In May 2009, all regions will train adoption support staff in internal adoption support processing guidelines. • In June 2009, Regional Adoption Support Supervisors will begin spot checking current adoption support files on a quarterly basis as a way to verify guidelines are followed. Once implemented spot checking will be an ongoing part of the supervisors tasks. With respect to the questioned costs, the Department has or will take the following actions:

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	17 (Cont'd)	• In February 2009, the Department obtained the list of files reviewed during the audit. • In April 2009, the Department will work with the grantor to determine if questioned costs need to be repaid or if documentation to support the questioned costs will be accepted. • In June 2009, the Department will submit documentation to the grantor that outlines corrections to individual case deficiencies. The Department will request that the documentation be reviewed and considered for satisfying case eligibility. • In August 2009, the Department will request the federal grantor provide a written response stating which cases are not in compliance with the federal program requirements and the amount of associated funds that must be repaid. Completion Date: Estimated August 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	18	Finding:	The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have internal controls to ensure that interest penalty collections are refunded to the federal government.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action complete
		Corrective Action:	In November 2008, the Department remitted the 2008 State Fiscal Year federal portion of the interest to the Center for Medicare and Medicaid Services (CMS) through the federal draw process. In March 2009, the Department implemented a process and created an interest report for remitting the federal share of the interest to the CMS each month through the federal revenue draw process. The transaction was a credit to the federal draw, which reduced the draw by the amount of the interest. The transaction detail was shown on the quarterly Federal CMS-64 claim. **The condition noted in this finding was previously reported in finding 07-07.**
		Completion Date:	March 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	19	Finding:	Public funds were misappropriated at the Department of Social and Health Services' Division of Developmental Disabilities.
		Questioned Costs:	CFDA # / Amount 93.775 / $ 0 93.776 93.777 93.778
		Status:	Corrective action complete
		Corrective Action:	In February 2008, the Department referred the employee who misappropriated $8,289.92 and the home health agency that received approximately $91,000 to the Attorney General's Office and Medicaid Fraud Control Unit (MFCU). Criminal charges against the employee and home health agency will be filed. The date for filing criminal charges will be determined by the prosecutors. The Department will seek to recover the amount misappropriated as well as all investigative costs. In April 2008, the Division of Developmental Disabilities (DDD) implemented changes to DDD Policy 6.01-Social Services Payment System (SSPS) regarding SSPS monitoring to specify monitoring roles and what documents need to be reviewed. Supervisors now review payment output reports on a monthly basis and document findings in the Client Authorization Services Input System-Social Services Payment System (CASIS-SSPS) database, which are retained for at least three years. Supervisors select and review three case files per month to monitor for appropriateness of services currently authorized. Any suspected fraud is reported to the Central Contract Services Office and the Division of Fraud Investigations or MFCU as appropriate.
		Completion Date:	April 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	20	Finding:	The Department of Social and Health Services did not have adequate internal controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action:	By March 31, 2009: • The Office of Accounting Services (OAS) will ensure that grants management staff is trained on the process of repayment of prior-prior biennium recoveries. • The Office of Financial Recovery (OFR) and OAS will clearly identify in the overpayment written procedures the title and position numbers of the managers and supervisors that have responsibility and authority for each aspect of the overpayment refunding process. • The Department's OAS Title 19 Financial Coordinator will work with the appropriate staff of the U.S. Department of Health and Human Services, Center for Medicare and Medicaid Services, Region X, to ensure that they are satisfied that the state has refunded the federal share of overpayments. **The condition noted in this finding was previously reported in finding 07-08.**
		Completion Date:	Estimated March 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	21	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are inadequate to identify and recover Medicaid overpayments to pharmaceutical providers made when billing codes are used inappropriately.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action:	The Department does not concur with this finding but the Health and Recovery Services Administration (HRSA) will continue working with the Washington State Pharmacy Association (WSPA) to prevent inappropriate payments for pharmacy claims that are not allowable under the Medicaid program. The HRSA is now performing an on-going risk analysis and assessment to determine the appropriate level of post payment audit coverage for Third Party Liability (TPL) claims in light of current staffing resources. This effort resulted in a plan being devised and implemented to ensure that audits are focused on the most aberrant providers. On a quarterly basis, paid claims data is run to identify providers with the highest usage of manual override codes. The providers are ranked by paid amount and those with the highest dollars are prioritized and are reviewed by the Office of Payment Review and Audit. The Department believes it is maximizing use of its post payment audit efforts through this quarterly review process because the pharmacies selected for audit are those with claims where the Department knows the Medicaid client has primary insurance. HRSA will continue to enhance strategies for ensuring post payment audit coverage. The process will continue to focus on identifying and prioritizing audits by risk exposure (i.e. dollars by other coverage code), but may include additional steps or resources to strengthen the overall post payment review process and provide reasonable assurance that improper payments are recovered.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	21 (Cont'd)	In January 2010, as a result of a ProviderOne Change Request (CR) submitted in August 2008, there will be a revision to a system edit requiring Other Payer Date. Tightening the TPL edit will only allow an override code 3 to process if there is a valid date in the *Other Payer Date* field. **The condition noted in this finding was previously reported in finding 07-09.** Completion Date: Estimated April 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	22	Finding:	The Department of Social and Health Services does not have adequate internal controls to ensure new applicants meet federal citizenship requirements before receiving Medicaid benefits.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action: .	Beginning May 2008, the following measures were taken: • Citizenship verification and identity processes were developed by the Health and Recovery Services Administration (HRSA) to ensure accurate eligibility decisions for all applicants 19 years of age and older. • HRSA provided citizenship verification, identity training and communication related to eligibility for non-pregnant applicants under the age of 19 to medical eligibility staff. • HRSA began requiring citizenship verification and proof of identity (with a 90 day grace period) for all non-pregnant applicants under the age of 19 prior to Medicaid approval. • Citizenship verification and identity processes were developed by HRSA to ensure accurate eligibility decisions for all non-pregnant applicants under the age of 19. Beginning July 2008, the following measures were taken: • HRSA provided citizenship verification, identity training and communication related to eligibility for applicants 19 years of age and older to medical eligibility staff. • HRSA began requiring citizenship verification and proof of identity for all applicants 19 years of age and older prior to

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	22 (Cont'd)	Medicaid approval. • HRSA began providing a weekly report of approved new applicants who did not have correct citizenship codes in the Automated Client Eligibility System (ACES) to field staff. If citizenship had not been verified, then the client's Medicaid coverage was terminated. In September 2008, manual accounting entries were completed by the Division of Rates and Finance to fund expenditures with state funds for enrollees who have not satisfied federal requirements. In July 2009, a change will be made to the ACES eligibility system to support Medicaid termination or denial of adults who must verify their citizenship and do not have the correct citizenship codes. **The condition noted in this finding was previously reported in finding 07-11**. Completion Date: Estimated July 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	23	Finding: The Department of Social and Health Services does not have adequate internal controls to ensure people receiving Medicaid benefits have valid Social Security numbers. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Corrective action in progress Corrective Action: Beginning in February 2007, Health and Recovery Services Administration (HRSA) has been sending "No Social Security Number (SSN)" reports to the Community Services Division (CSD) of the Economic Services Administration (ESA), Aging and Disability Services Administration (ADSA), and staff within HRSA. The "No SSN" report lists individuals who have received services without a valid SSN. HRSA supervisors use the report to monitor and audit staff to ensure SSNs are requested, received, and verified. CSD Headquarters (HQ) sends the report to field staff to review every other month. This schedule allows the system to remove a case from the report after it has been updated and completed. CSD HQ staff use the "No SSN" report to monitor staff action for claims without valid SSNs. Beginning in March 2008, CSD HQ staff has been reviewing a minimum of 10 randomly selected cases per region each month from the "No SSN" report. The cases are reviewed to determine if the "No SSN" reports are worked and acted upon by staff. Beginning August 2008, HRSA's Medical Eligibility Determination Services staff enters and verifies all SSNs for HRSA non-adoption support cases. Supervisors consistently perform random audits to confirm that verification of all SSNs is occurring. The audit testing revealed 79 clients for whom the Department could not provide evidence of a correct SSN. The administrations involved in the audit reviewed these clients with the following results: • In December 2008, HRSA resolved 32 cases that did not include evidence of a correct SSN: two were corrected; three were opened in error; 11were closed; one was in process; seven had

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	23 (Cont'd)	adoption support verified; and eight had adoption support in process. • In January 2009, ESA resolved 30 cases that did not include evidence of a correct SSN: 27 were closed and no longer receiving assistance and three were never approved for services and subsequently closed because the client did not provide a SSN. • In February 2009, Children's Administration (CA) resolved 17 cases that did not have a correct SSN: all 17 cases were for adoption subsidy with SSNs being obtained by cross matching the child's pre-adoption name with their post-adoption name. In March 2009, ESA/CSD developed a policy that established clear monitoring expectations for supervisors regarding their monitoring of staff responses to SSN mismatch alerts. These were shared with CSD Financial Coordinators and will be shared again in April 2009. The Financial Coordinators will in turn share the information with their Financial Supervisors at the end of April 2009. Finally, a memo was sent to field offices instructing them to consistently review the SSN alerts they receive. By March 31, 2009, HRSA will send a "Do You Know" document to staff reminding them to consistently and properly resolve SSN mismatch alerts. This document is also meant to remind supervisors and Office Chiefs how important it is for HRSA staff to resolve SSN problems as part of their normal business practices. By July 31, 2009, HRSA Foster Care Medicaid Team (FCMT) is planning to review active caseloads for non-federally verified SSNs, which include adoption support cases. If an SSN is not found, HRSA will continue working with the Foster Care Health Program Manager at CA to get a verified SSN for the child. In each case where a SSN cannot be verified, termination procedures will be initiated. **The condition noted in this finding was previously reported in finding 07-12.** Completion Date: Estimated July 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	24	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	N/A
		Corrective Action:	The Department does not concur with the finding and will not be taking additional corrective action. The Department is of the opinion that the process currently in place is sufficient. Although the Department does not directly review costs reported by managed care organizations (MCO) to the Department's actuaries, there is a significant and sufficient verification of the accuracy and completeness of the information. Each MCO must have the submitted information certified in writing as accurate and complete by an independent actuary. The Department's actuary then validates the information submitted by comparison to the audited financials submitted to the Office of the Insurance Commissioner. The actuary also compares costs between MCOs and resolves outliers. The rate setting methodology and rates have been approved by the Centers for Medicare and Medicaid Services (CMS) annually as a part of contract approval and CMS. Additionally, in an audit of Healthy Options, CMS had no findings concerning rate setting. **The condition noted in this finding was previously reported in finding 07-13.**
		Completion Date:	N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	25	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not comply with the state law (RCW 74.09A) and the federal Deficit Reduction Act of 2005 to identify all third parties liable for payment of Medicaid services.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action:	The Department believes that it is in compliance with the Deficit Reduction Act of 2005. Health and Recovery Services Administration (HRSA) meets this standard by making data available to "all" insurers to use for Third Party Liability reporting and by matching data directly with those insurers most likely to provide third party coverage to Medicaid recipients. While the Department believes it meets legal requirements now, with the implementation of the new ProviderOne, which will replace the Medicaid Management Payment System, the Department will further enhance data matching activities. October 31, 2009 is the anticipated go-live date for the new ProviderOne. When the system goes live, HRSA will be able to send an electronic Coordination of Benefits eligibility inquiry to health plans who have signed Trading Partner Agreements with the Department of Social and Health Services, (DSHS) HRSA. Trading Partner Agreements will not be implemented until the Center for Medicare and Medicaid (CMS) approves the data elements jointly agreed to by the state and insurers. Once CMS approves the data elements, they will be included in the agreements. The trading partners will be able to respond with an electronic response to eligibility inquiries that indicates the availability of health care coverage at a particular time. For those insurers or carriers who may not have their systems ready to participate, HRSA will continue working with them using the methods currently in place.
		Completion Date:	Estimated October 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	26	Finding: The Department of Social and Health Services does not have adequate internal controls to ensure non-emergency medical transportation expenditures are allowable and adequately supported. Questioned Costs: CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 Status: N/A Corrective Action: The Department does not agree that it lacks adequate internal controls to ensure that Washington State's Non-emergency Transportation (NEMT) expenditures are legitimate, allowable and adequately supported, or that the Department does not monitor brokers to ensure all Medicaid rules are followed and costs are appropriate. The Department performs the following activities in line with DSHS administrative policy for risk assessment and contract monitoring: • Department staff performs annual pre-contract risk assessments for all brokers. These contracts are defined as client service contracts and not sub-recipients. Contracts that are designated as sub-recipients require a higher standard of fiscal monitoring; • Department staff review monthly broker invoices, back-up documentation, and reports before the invoices are approved for payment; • Program managers review monthly for service delivery patterns and trends including use of low-cost modes of transportation as well as cost per trip; • Program managers monitor and respond to "daily operations" activities including inquiries, complaints, and all client incident/accident reports; • The team of program managers prioritizes, based on risk assessment and historical information, which brokers need on-site reviews for consultation, technical assistance, and compliance monitoring to ensure broker activities comply with state and federal regulations; • Annually, the program managers rotate on-site reviews of the 8 brokers; each broker is reviewed every other year for specific issues or general contract compliance. Six of eight total brokers

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	26 (Cont'd)	were visited in 2008. These on-site reviews include direct observation, documentation review, interviews with broker managers, bookkeeping, and direct-service staff; • Annually, program managers review broker service delivery and service expenditures in detail, looking at multi-year historical data and reviewing broker regions against others of similar size and characteristics. This in-depth review is done in preparation for contract/budget negotiations for the next contract year in order to negotiate the best value for the state; • The Department requires all NEMT brokers, by contract, to annually complete and provide the state with copies of independent audits. Seven of eight brokers are required to complete A-133 level audits. The eighth broker is very small and must meet single audit requirements. All brokers are in compliance with this annual audit requirement. Completion Date: N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	27	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services division, does not have internal controls to ensure Medicaid payments to in-home service providers are allowable and supported. Questioned Costs: CFDA # — Amount 93.775 — $472,432 93.776 93.777 93.778 Status: Corrective action in progress Corrective Action: The Department agrees with the auditor on the importance of assuring that payments for personal care are accurate and reasonable. Many significant safeguards are in place such as: • Personal care services by definition provide assistance with very basic needs such as eating, bathing, transferring, turning and ambulation. It is readily apparent if a client is not receiving these services. Medicaid funded personal care does not claim to cover the entire spectrum of client needs 24 hours per day 7 days a week. The plan produced by the Comprehensive Assessment and Reporting Evaluation (CARE) assessment covers a very basic and limited number of hours related to necessary assistance with activities of daily living. It would be close to impossible to complete the tasks in the care plan in a number of hours significantly under the authorization. • Consistent with statute, the client supervises their care provider. The assessment includes information as to whether the client is able to supervise their provider and, in the case where they are not able, agency managed personal care is available or the case manager will identify how the services will be monitored. Clients are given information on how to contact their case manager if there are concerns about service delivery. The Department has the authority to terminate payment in the event there is a good faith belief that services are not being provided as authorized to a Medicaid client.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	27 (Cont'd)	While the Department maintains that state law assigns the responsibility for scheduling, tracking, and time keeping to the client, in response to this finding: • In March 2009, the Department will issue a management bulletin to Area Agencies on Aging and the Division of Developmental Disabilities that addresses the statutory mandate to review a sample of timesheets. • By September 2009, the Department will issue a written communication to clients on employer responsibilities including time tracking and record keeping. Completion Date: Estimated September 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	28	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure all controlled substances prescribed for Medicaid clients are authorized and allowable.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	N/A
		Corrective Action:	The Department does not agree with this finding for the following reasons: • There are not any federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Department disagrees that the lack of an edit that validates the DEA number for Schedule III - V drugs constitutes inadequate internal controls or that the lack of such validation renders the payment unallowable. • The Department believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. There are not any provisions in the Controlled Substance Act (21 USC Sec. 821) or the state Uniform Controlled Substance Act (RCW 69.50) that could be interpreted as a requirement relating to payment of claims for controlled substances. The Department has the following controls in place regarding DEA numbers and Schedule II drugs: The Department implemented a Pharmacy Point of Sale (POS) edit in July 2002 for the purpose of validating the DEA number of the prescribing physician for Schedule II drugs. While the Department considered this to

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	28 (Cont'd)	be an essential validation to add to the POS, it was not implemented because of any federal/state requirement. Rather, the Department implemented this because Schedule II drugs are subject to the highest risk of abuse. The Department considered it prudent to provide this additional validation to guard against the potential for fraud and abuse. In addition to the edit in the POS that validates the DEA for Schedule II drugs, the Department has a set of robust Program Integrity activities that includes pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm. In the absence of any requirement to validate DEA numbers for controlled substances, DSHS considers that this set of Program Integrity activities provide adequate controls to ensure that controlled substances are authorized and allowable. Completion Date: N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	29	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not perform a quarterly retrospective drug use review as required by federal law. Questioned Costs: CFDA # 93.775, 93.776, 93.777 — Amount $0 Status: N/A Corrective Action: The Department maintains that it is in compliance with federal regulations, Title 42 CFR, pertaining to retrospective and prospective Drug Utilization Review. Specifically, Title 42 CFR stipulates the Department must perform quarterly retrospective Drug Utilization Review (DUR) via: "(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following: (1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards. (2) Overutilization and underutilization, as defined in Sec. 456.702. (3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws. (4) Therapeutic duplication as described in Sec. 456.705(b)(1). (5) Drug-disease contraindication as described in Sec. 456.705(b)(2). (6) Drug-drug interaction as described in Sec. 456.705(b)(3). (7) Incorrect drug dosage as described in Sec. 456.705(b)(4). (8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5).

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	29 (Cont'd)	(9) Clinical abuse or misuse as described in Sec. 456.705(b)(7)" The Department conducts retrospective reviews as required every quarter. For each of the measures cited above, an analysis is completed and the results of that analysis are reported to Center for Medicare and Medicaid Services (CMS) Region 10. These results are reported on forms CMS specifically created for reporting the results of the analysis on each of these measures, including overutilization and abuse and misuse. The Department believed it had presented reports to the State Auditor's Office (SAO), which document its compliance with the CFR and will continue to work with the SAO to understand what additional documentation would meet their needs. Additionally, the Department utilizes algorithms, conducts provider modeling, conducts audits, and uses client specific prior authorization processes to identify inappropriate use of health care services. The Department's focus has been on the appropriateness of prescribing physicians drug selection, while the auditors focused on the usefulness of utilization review in detecting fraud. Even though the Department did not agree with the finding, the Department will continue to work with the (SAO) to resolve any differences. The next meeting will take place on or before April 15, 2009. Also, the Department will work with the SAO to coordinate a meeting with the CMS and request a review of the Department's efforts to comply with the applicable CFR by April 30, 2009. Completion Date: N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	30	Finding:	The Department of Social and Health Services, Economic Services Administration, Medicaid Eligibility Quality Control Unit (MEQC), did not retain documentation to support the results of its federally required audits of Medicaid client eligibility.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action complete
		Corrective Action:	The Medicaid Eligibility Quality Control (MEQC) Unit took the following actions: • In July 2008, the MEQC Unit received records retention training from the Department's Records Officer (DSHS Records Management). • In August 2008, beginning with the Project #58 Division of Developmental Disability (DDD) Waiver cases sample, the MEQC Unit converted to electronic recordkeeping – with staff entering data directly into an electronic access database. Each project has a unique database. • In January 2009, the MEQC Unit developed a formal records retention procedure in accordance with state and federal records retention requirements.
		Completion Date:	January 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	31	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all assets applicants own are counted when Medicaid eligibility is determined.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	N/A
		Corrective Action:	The Department does not agree that federal rules require verification of financial statements for the previous five years, unless a transfer has been declared or there are inconsistent facts in the record or other problems with the application. The Department agrees that the financial documents reviewed for most applications do not provide a complete picture of the applicant's financial circumstances during the five years prior to the month of application. However, the Department would point out that with the majority of the applications this is not necessary, because assets and asset transfers are not an issue. In addition, there is currently no infrastructure that would allow the Department to run an asset check on any applicant without specific information as to what the asset is and where the asset is located. Currently, the only means that the Department has of obtaining that information is through the applicant's self declaration on the application, his/her signature attesting to the accuracy of the application and the interview with the client. The approved practice the Department has been operating under for more than two decades relies on self declaration by the client for any asset transfers or sales within the five year look back period. The Department is committed to ensuring that Medicaid clients are financially eligible for the programs that they receive and will continue to pursue and verify any declared asset transfers that it becomes aware of (either through the interview process or as declared by the applicant) to ensure that they were appropriate transfers and not done to qualify for Medicaid.
		Completion Date:	N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	32	Finding:	The Department of Social and Health Services does not have internal controls in place to ensure errors identified by the Medical Eligibility Quality Control Unit (MEQC) are reviewed adequately and in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action complete
		Corrective Action:	In July 2008, the Medicaid Eligibility Quality Control (MEQC) program developed an automated discrepancy report log to help staff track discrepancies and ensure that the appropriate representatives in the Health and Recovery Services Administration received the Problem and Information Reports. To preclude recurrence of circumstances noted in the finding and assure the appropriate review and response is given to both Problem Reports and Informational Responses (FYI Reports), an automated discrepancy report log was developed in July 2008 to help staff track discrepancies and ensure that the appropriate representatives receive these reports. This log describes each error, and identifies the case, the Community Services Office involved, the survey number and the date the report was sent to the regional representative. At the end of each program review, MEQC staff review the discrepancy report log and information found in the Automated Client Eligibility System to determine whether eligibility staff has completed corrective action on individual cases. A log of all cases with outstanding corrective action is sent to the appropriate representative for follow-up.
		Completion Date:	July 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	33	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure its verification process complies with federal intent. Questioned Costs: CFDA # 93.775, 93.776, 93.777, 93.778 Amount $0 Status: Corrective action in progress Corrective Action: Even though the Department does not agree with the finding, the following actions have been or will be taken: • The Department has instituted a toll-free hot-line to solicit information on Medicaid provider fraud, waste and abuse. On a monthly basis, the Health and Recovery Services Administration (HRSA) receives an average of eight referrals that warrant further investigation/research based on calls received on the toll-free number; this is compared to the zero valid investigations received via the survey process. • The Department has also instituted an e-mail address for external clients, stakeholders and internal state staff to report Medicaid provider complaints. On a monthly basis, HRSA averages 11 referrals that warrant further investigation/research based on e-mails; this is compared to the zero valid investigations received via the survey process. • Additionally, the Department has a set of robust program integrity activities including utilization review and data mining activities. Payment Rreview Program (PRP) runs proactive data analyses on paid claims to identify providers who appear to be billing aberrantly for certain services or billings vary greatly from their peers. Thousands of overpayments, audits and Medicaid Fraud Control Unit (MFCU) referrals have resulted from these data reviews. • Beginning February 2009, the Department began sending surveys on approximately 500 claims selected by the vendor each month. • By October 31, 2009, upon implementation of the new

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	33	ProviderOne which will replace the Department's Medicaid Management Payment System, the HRSA will automatically generate approximately 2,500 manual survey verfications each month. Completion Date: Estimated October 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	34	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls in place to ensure Medicaid recipients have received the services for which Medicaid is being billed. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Corrective action in progress Corrective Action: The Department concurs that it does not have an automated process that provides Medicaid recipients with information on the number of hours billed to the Department by individual providers (IP). The Department has requested funding in the 2008 Supplemental Budget and the 2009-2011 Biennial Budget to continue current planning efforts to procure and implement a new Provider Compensation Subsystem (PCS). The PCS will interface with the new ProviderOne system and replace the Social Services Payment System as the payment vehicle for individual providers. The PCS will meet the service verification requirements through an automated process. If the client sees a discrepancy in the hours provided versus the hours billed, they will be instructed to notify the Department. Implementation of the PCS is dependent on approval by the Center for Medicaid and Medicare Services and legislative approval of the Department's budget request. Until the proposed PCS is implemented the Department will rely on the following controls that are currently in place: • Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. • Clients are expected to keep timesheets for their individual providers and the Area Agency case managers perform random audits of this practice to ensure that it occurs.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	34 (Cont'd)	• Clients receive a copy of the service authorization that tells them the number of hours of service they are eligible to receive. Clients are advised and understand they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise clients to contact them if they are not receiving the hours (care) they are eligible for. • The Department, through its Payment Review Program, runs algorithms to detect possibly fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings. Additionally, in April 2009, in lieu of direct client verification, the Department will issue a written communication to clients about employer responsibilities regarding time tracking and record keeping. Completion Date: Estimated October 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	35	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure evaluations or re-evaluations of level of care for clients receiving in-home care services have been performed at least once every 12 months.
		Questioned Costs:	CFDA # / Amount 93.775 / $54,215.06 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action:	The Department will continue current monitoring of care assessment activities that are already in place. Preliminary data for the Department's current monitoring cycle, which began in October 2008, indicates that the Department is on target for 95 percent compliance for assessment timelines. Staff from Home and Community Services Division will be responsible for ensuring compliance. In April 2009, the Department will distribute a Comprehensive Assessment Reporting Evaluation factsheet to field staff providing instructions on assessment timelines. In April 2009, the Department will contact the Center for Medicare and Medicaid Services to determine if any costs charged to Medicaid funds in this audit must be reimbursed. The Aging and Disability Services Administration does not believe there are any questioned costs because all clients were eligible for services received.
		Completion Date:	Estimated April 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	36	Finding:	The Department of Social and Health Service, Health and Recovery Services Administration, does not have adequate controls to ensure providers meet ongoing eligibility requirements to participate in the Medicaid program.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding and is improving the monitoring of providers licenses as follows: In February 2009, Health and Recovery Services Administration (HRSA) began receiving provider enrollment information from the Adult Day Health Providers program, which is administered by the Aging and Disability Services Administration (ADSA). HRSA has received a current listing of all providers contracted with ADSA. The listing identifies all providers who are currently enrolled with HRSA and other administrations. HRSA will be notified by the ADSA program manager when there are changes in the licensure of a provider. By March 1, 2009, HRSA modified WAC 388-530 to remove the requirement that all durable medical equipment providers must have appropriately trained and qualified staff to be eligible as a Medicaid provider. The public hearing was held January 27, 2009, and the rule was filed with an effective date of March 1, 2009. During March 2009, HRSA will send letters to all respiratory therapists and Oxygen providers requesting documentation of current licensure and status by April 1, 2009. When HRSA receives licenses and documents from providers, they will be reviewed and documented in an imaging system on the provider master file. If the providers do not submit required information by April 1, 2009, the provider number will be terminated. By late Fall 2009, upon implementation of the new ProviderOne which will replace the Department's Medicaid Management Payment System,

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	36 (Cont'd)	information on licenses will be retained in ProviderOne. Reminder letters will be automatically generated from ProviderOne when licenses are about to expire. Completion Date: Fall 2009

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

The University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	37	Finding:	The University of Washington was reimbursed by its Vision Research Program for unallowable charges.
		Questioned Costs:	CFDA # / Amount 93.867 / $20,864
		Status:	Corrective action complete
		Corrective Action:	The University has already augmented existing internal controls in the areas of increased communication, training, and monitoring, development of guidelines and revisions to forms and standard operating procedures to ensure that only authorized procedures are paid for with grant funds. In addition, the University has resolved all issues related to this condition with the National Institutes of Health (NIH) Office of Laboratory Animal Welfare.
		Completion Date:	June 2008

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2008

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

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State of Washington
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State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2008

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

OMB Circular A-133 Audit
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1) Two years have passed since the audit report in which the finding occurred was submitted to the Federal clearinghouse. Either the Federal agency is not currently following up with the auditee, and a management decision was not issued, or the condition noted in the finding was repeated in a subsequent year and corrective action either has been completed or is currently in progress.

Department of Natural Resources (DNR)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	01	Finding:	The Department of Natural Resources did not comply with federal requirements for payroll costs charged directly to the Cooperative Forestry Assistance grant.
		Questioned Costs:	CFDA # 10.664 — Amount $234,527
		Status:	Corrective action complete
		Corrective Action:	The majority of expenses charged to federal grants administered by the Department are direct payroll expenses charged to specific grants. The Department is in compliance with federal requirements for these types of charges. The auditors expressed concerns over specific cases in which time was charged to grants based on budget allocations. These cases involved splitting time to different grants with program objectives that were very similar. In some cases the work between grants was indistinguishable, and time charged was split evenly between two funding sources. In other cases, the effort and cost to reconcile actual work to the budgeted allocations would exceed any possible benefit from avoiding a potential miscoding to a particular grant. In both of these situations our grantor was aware of our processes and had given their verbal approval. The Department discussed this issue with our grantor and has received specific direction from them. As to the issue of questioned costs the grantor replied "…we have no cause to recover any portion of the $234,527 of expenditures that has been questioned in the state audit report. In our opinion, the Forest Service has received fair value for the funds awarded to the WDNR, and the expenditures, including salaries are reasonable and appropriate.” The grantor gave guidance on the grants with similar purposes - the State and Private Cooperative Health, and the national Fire Plan Forest Health authorities: "In our region of the country, both programs serve identical purposes and can be used interchangeably."

Department of Natural Resources (DNR)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	01 (Cont'd)	The Department has implemented a process of monthly reconciliations of time being charged to grants. Completion Date: August 2008

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	02	Finding: The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring. Questioned Costs: CFDA # 11.438 — Amount $0 Status: Refer to finding 08-06 The Recreation and Conservation Funding Board (RCFB) is addressing this audit finding as follows: Allowable costs/cost principles The Board is working to develop a formal risk assessment tool and process and has contacted the Office of Financial Management, Risk Management Division for assistance. Once the tool is developed, risk assessments will be conducted on a biennial basis of all new grantees and for all existing grantees with active agreements. At a minimum, this assessment will include a review of financial data, prior performance, and audit records. The results of the assessment will be used to identify the grantee as high, medium, or low risk and will be presented to the Board's grant program review group for additional review as appropriate, based on the level of risk. This group, comprised of section managers of the Board's grant management program, will review the audits, check recommendations, and determine if corrective action plans are adequate. In August 2008, staff started reviewing subrecipient financial records to ensure that costs reimbursed are accurate and allowable. In November 2008, staff began presenting the results to the internal audit review group. This group analyzes the results of the staff review and makes recommendations for changes that a specific subrecipient needs to make or changes that the Board should implement to its policies or internal business practices to improve overall compliance with federal regulations. In order to ensure that site inspections and final reports are adequately documented in the Board's PRoject Information SysteM (PRISM) and the grant project file, the section manager or designee will conduct a monthly review of closed grants to ensure that PRISM and the grant project files are complete. In November 2008, a senior outdoor grant manager (OGM) position was established in each of the Board's grant management sections. One of their responsibilities is to review completed projects to ensure that

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	02 (Cont'd)		they are properly closed. Senior OGMs are developing a checklist to help with this process. <u>Earmarking</u> The Board does not agree that internal controls were inadequate for tracking the one percent limitation on grant funds used for administrative costs related to the grant. The Board charged 1% administration for internal costs; there were no administrative charges included from our sponsors. This earmark, defined by the Memorandum of Understanding (MOU) dated May 1, 2000, was followed. <u>Audit requirement</u> In June 2008, the Board updated its internal policies related to compliance with federal audit requirements. The policy now requires placing subrecipients in suspended status for lack of either audits or valid extensions from their federal cognizant agencies. In October 2008, the Board started reviewing subrecipient audit results and tracking corrective action plans for completion. The Board will also revise its standard contract terms and conditions to include the federal audit requirements.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-06.

Department of Natural Resources (DNR)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	03	Finding:	The Department of Natural Resources did not have adequate internal controls to ensure compliance with federal matching requirements for the Cooperative Endangered Species Conservation Fund grant.
		Questioned Costs:	CFDA # 15.615 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	The Description of Condition of this finding states, "---it has been unable to satisfactorily document the land valuation and use in accordance with federal requirements." The Department worked with the U.S. Fish and Wildlife Service (USFW) for over a year in an attempt to get clear direction on our proposed match properties. There were differing interpretations of Yellow Book standards for both acquired and match properties, timing of appraisals and division of match properties for several grants. With the confusing and sometimes conflicting responses from the USFW, the Department was not able to reach finality on the matching requirements at the time of the audit. In an effort to meet the requirements of these grants the Department met with the USFW to address concerns of five specific grants, including Phases I, II, and III of the Hoh River Conservation Corridor Project and the Swamp Lake Project. Agreement was reached on November 16, 2007 regarding several issues, which allowed the closure of these grants. Matching properties for all of these grants have been identified and approved by the USFW. In cooperation with the USFW the Department has developed a new procedure for identifying match properties at an earlier point in the process. Match properties are now identified and presented to USFW for approval prior to the request for funds.
		Completion Date:	June 2008

Department of Natural Resources (DNR)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	04	Finding:	The Department of Natural Resources did not have adequate controls to comply with federal requirements for subrecipient monitoring in the Cooperative Endangered Species Conservation Fund grant.
		Questioned Costs:	CFDA # 15.615 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	This type of transaction represents a unique case in which the land trusts are classified as subrecipients by virtue of receiving real property rather than the receipt of federal funds for them to expend. The actual expenditure of the federal funds was made by the Department and was not called into question by the auditor. In the case of other grants in which the Department passes through federal funds for expenditure by the subrecipients, the Department has demonstrated a clear understanding of our responsibilities for subrecipient monitoring. Although the land trust subrecipients do not actually expend federal funds, the Department now understands that our responsibility for monitoring also extends to them. In August 2007 the Department identified three land trusts for which the grant period had ended and sent letters reminding them of the audit requirements in OMB Circular A-133. The Department received audit reports from two of those land trusts. The third land trust is currently undergoing an audit and will forward the results to us upon completion. Additionally, the Department added language to the cooperative agreement to ensure that in future transactions the audit requirements are more clearly articulated to subrecipients.
		Completion Date:	November 2007

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	05	Finding:	The University of Washington's internal controls were inadequate to ensure compliance with requirements of its Gaining Early Awareness and Readiness for Undergraduate Programs Grant.
		Questioned Costs:	CFDA # / Amount 84.334 / $0
		Status:	Corrective action complete
		Corrective Action:	This grant noted in the finding has expired and, therefore, has no remaining activities. However, for other related GEAR UP programs, controls have been strengthened to ensure sufficient evidence of sub-recipient monitoring is retained. Written program activity monitoring reports are now maintained. In addition, the University has ensured that the reporting methodology is documented so that, in the event of employee turnover, the reporting process can be replicated.
		Completion Date:	September 2007

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	06	Finding:	The Department of Social and Health Services and the Department of Early Learning do not have adequate internal controls over direct payments to child care providers.
		Questioned Costs:	CFDA # / Amount 93.575, 93.596, 93.558 / $0
		Status:	Refer to finding 08-13
		Corrective Action:	DEL and DSHS partially concur with the auditor's finding that neither department has adequate internal controls over direct payments to child care providers. The Departments agree there is no process to routinely reconcile Social Service Payment System (SSPS) payments made to providers with the provider's attendance records. Both Departments also agree that the program's integrity would be enhanced by such reconciliation but have not had sufficient resources to perform the complex, time consuming reconciliation on a routine basis. In lieu of a reconciliation process, both Departments have focused their efforts on improving provider accuracy in billing and conducting alternate post-payment audits performed at various frequencies, to monitor the accuracy of service authorizations and payment. In response to this finding DEL and DSHS will continue to cooperate in identifying and implementing internal controls that will improve billing practices by providers and increase payment accuracy. **To date, DEL has:** • Reviewed, improved the accuracy and "plain talked" the subsidy training for billing instructions in August 2008. • Additionally DEL began training licensed family child care providers and license exempt in-home relative child care providers per the requirements of the 2007-2009 Collective Bargaining Agreement (CBA) between the State of Washington and the Service Employees International Union 925. The agreement requires the State to provide training on subsidy payments for those providers covered under the contract that

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	06 (Cont'd)	accept child care subsidies. DEL is documenting provider attendance at the training. **DEL will:** By December 2008, DEL will re-examine the state's attendance record policy and evaluate the impact of mandating the use of a standard attendance reporting form to reduce the difficulty of reconciling attendance and SSPS payment records. **To date DSHS has:** • On May 29, 2008, DEL and DSHS Economic Services Division, Quality Assurance unit, developed procedures for obtaining required attendance record documentation from providers for the reconciliation of audits. • In July 2008, DSHS developed audit procedures and implemented audits, involving the reconciliation of a representative sample of the SSPS child care payments with attendance record documentation obtained through DEL. **DSHS will:** Continue to utilize the Payment Review Program (PRP) and mandatory monthly supervisory reviews to improve the accuracy of the authorization process and identify billing errors. Mandatory monthly supervisory reviews are performed by supervisors or lead workers in the local offices. The results of the reviews are documented in the Audit 99 audit tool. Community Services Division (CSD) Headquarters reviews the documentation to ensure monitoring compliance. **Jointly, DEL and DSHS have:** • Implemented the requirements of The Improper Payments Information Act (IPIA) of 2002 that requires states to conduct and report on audits of childcare authorizations to the US Department of Health and Human Services (HHS) on a 3-year cycle.

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	06 (Cont'd)	• In January 2008, the Quality Assurance Unit began auditing a random sample of 276 child care authorizations from federal fiscal year 2007 for accuracy. The results of the audit were forwarded to DEL for reporting to HHS by June 30, 2008. DSHS will continue to conduct these reviews on an annual basis and report authorization issues to DEL. • On February 4, 2008, the DSHS CSD and DEL reviewed the SSPS Provider Payroll Payment System and evaluated whether or not changes to SSPS could make it easier for providers to bill accurately. Because Working Connections Child Care (WCCC) is in the process of moving provider billing to the new DSHS ProviderOne system, the Department determined it was not feasible to make changes to the SSPS system at this time. ESA/CSD will actively participate in discussions on possible improvements/changes with the new ProviderOne system when a workgroup is convened. • On March 30, 2008, CSD and DEL reviewed the September 2006 DSHS Quality Assurance Family Home Eligibility and Payment Review Report written by the Office of Quality Assurance to assure appropriate actions were taken to resolve the issues affecting the accuracy of authorizations and payments. Action plans were developed and are routinely monitored at the monthly Regional Child Care Coordinators Meeting to resolve outstanding issues. • On March 31, 2008, Economic Services Administration Quality Assurance established and conducted a Joint Child Care Review Committee that will meet monthly to review and assess childcare authorization, training and payment errors through a root cause analysis to reduce and prevent future errors. Within two weeks after each meeting, any issues coming out of the Committee are brought forward to the ESA Assistant Secretary from DSHS and the Deputy Director from DEL. • In April 2008, the SSPS Program of DSHS identified the resources needed to make recommended changes and establish the feasibility and priority of recommended changes within current workload priorities. It was determined that it is not feasible to make changes to the system at this time. As part of the implementation of the new Provider One system (the

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	06 (Cont'd)	Department's new payment system for Medicaid and other programs), the Department is working on requirements and design of the WCCC provider. • On September 30, 2008, DSHS ESA and DEL formalized their roles and responsibilities for audit, authorization, and payment accuracy in the Joint Service Level Agreement signed by the Deputy Secretary from DSHS and Deputy Director from DEL. **The condition noted in this finding was previously reported in finding 06-25.** **The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit with different recommended action items. Refer to finding 08-13.** Completion Date: Estimated June 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	07	Finding:	The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have internal controls to ensure that interest penalty collections are refunded to the federal government.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $268,380.81 93.777, 93.778
		Status:	Refer to finding 08-18
		Corrective Action:	The Department is working with the appropriate federal entities to determine the best method to refund the interest to the federal government. The Department analyzed the calculations for the questioned costs identified in the 2007 audit, related to unreported interest penalty collections, and remitted the appropriate amount to the federal government on March 27, 2008. On October 14, 2008, the Department established policies and procedures to ensure that federal share of interest is refunded annually to the federal government in an accurate and timely manner. On November 17, 2008, the Department determined the amount of interest related to unreported interest penalty collections for the period July 1, 2007 to July 1, 2008 and remitted that interest back to the federal government.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-18.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	08	Finding:	The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have adequate internal controls to ensure the federal share of overpayments made to Medicaid providers are refunded in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 08-20
		Corrective Action:	The Department believes that existing internal controls are sufficient and adequately address the federal regulatory requirement to ensure that the federal share of overpayments is refunded within 60 days of discovery; however, the Department is working with the applicable federal entities to verify that procedures are adequate and in compliance with the Code of Federal Regulations. In the spring of 2008, the Office of Financial Recovery began sending monthly reminder emails to department administrations requesting assurance that all overpayments had been forwarded. After subsequent discussion with the State Auditor's Office, a new policy and procedures were approved in October 2008 and implemented in November 2008. The Department is currently working to arrive at a mutual agreement with the federal liaisons on how best to comply with the Code of Federal Regulations without undue burden on resources and the manual reconciliation process for the return of the federal share of overpayments. This agreement is anticipated to be finalized by the end of 2008. **The condition noted in this finding was previously reported in finding 06-12.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-20.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	09	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are inadequate to identify and recover Medicaid overpayments to pharmaceutical providers made through inappropriate use of billing override codes.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 08-21
		Corrective Action:	The Health and Recovery Services Administration (HRSA) will continue outreach activities that commenced on September 27, 2007, including working with the Washington State Pharmacy Association and the Pharmacy Focus Group to identify opportunities to improve third party liability processes and to raise awareness in the pharmacy community for Third Party Liability (TPL) overpayments. On December 31, 2007, HRSA started the Other-Coverage-Code 7 project. This project was reviewed with the Pharmacy Focus Group and is aimed at making pharmacies cognizant of their Other-Coverage-Code 7 use and allows HRSA Coordination of Benefits Section to verify and update client eligibility files with correct third party payer information. Based on feedback from the pharmacy community, HRSA has decided to continue with this activity. No modifications will be made at this time. Also, on December 31, 2007, HRSA sent letters identifying claims with Other-Coverage-Codes to pharmacies asking them to conduct a self-review of their billings to ensure compliance. Based on feedback from the pharmacy community, HRSA has decided to continue with this activity. No modifications will be made at this time. Beginning December 31, 2007, the Office of Payment Review and Audit within HRSA began performing a comprehensive risk assessment to identify potential enhancements to existing post-payment controls. Available program resources were identified and compared with current TPL claim expenditures on March 17, 2008, to ensure the appropriate level of post payment audit coverage for TPL claims and to ensure improper payments are identified and recovered. HRSA is evaluating additional Point of Sale (POS) pre-payment controls, including adding a new field to the POS system for bank identification

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	09 (Cont'd)	numbers and bin and processor control numbers (PCN). Approved recommendations will be incorporated into the new POS; changes to occur on or before June 30, 2009. **The condition noted in this finding was previously reported in finding 06-04.** **The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit with different recommended action items. Refer to finding 08-21.** Completion Date: Estimated June 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	10	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's, internal controls are inadequate to support decisions on the eligibility of clients enrolled in Medicaid's Basic Health Plus Program.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Corrective action complete
		Corrective Action:	The Department conducted a focus audit that was completed in May 2007, the audit identified a specific knowledge gap that contributed significantly to the identified exceptions. The Department developed, and in July 2007 delivered, Self Employment (SE) training for all Medical Eligibility Determination Services (MEDS) staff. This training focused on the specific knowledge and performance gaps identified in the focused audit of SE cases. The State Auditor's Office was provided with the curriculum and desk aids developed. The Department continues to audit to the standards presented at the training with a resulting increase in accuracy and improved documentation of SE cases. New rules were developed and implemented for income calculation and SE documentation effective January 2008. These new rules are expected to streamline the documentation and verification required for SE cases in particular. New rules training was delivered to all MEDS staff on December 19, 2007. A desk aid was developed, reviewed by policy staff, and was delivered to MEDS staff on December 28, 2007. In December 2007, MEDS staff met with Health Care Authority (HCA) staff to review and update the language on the HCA, Basic Health Plus application to specify that DSHS rules/requirements are applied to information related to eligibility for Basic Health Plus. The new Basic Health Plus application is located on the HCA web site and became available for use on May 15, 2008.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	10 (Cont'd)	Audits of 5% of the applications/reviews are to be performed to ensure correct application of new rules. Auditing began on January 2, 2008, and has been integrated into the MEDS monthly auditing plan of 50 cases per month per team, equating to 7% of the applications/reviews performed. **The condition noted in this finding was previously reported in finding 06-05.** Completion Date: May 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	11	Finding:	The Department of Social and Health Services does not have adequate internal controls to ensure new applicants meet federal citizenship requirements before receiving Medicaid benefits.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $10,044 93.777, 93.778
		Status:	Refer to finding 08-22
		Corrective Action:	The Department took the following action to address this audit finding: • Beginning May 1, 2008, Health and Recovery Services Administration (HRSA) requires citizenship verification and proof of identity (with a 90-day grace period) for all non-pregnant applicants under the age of 19 prior to Medicaid approval. • Citizenship verification and identity processes were developed by HRSA on May 8, 2008, to ensure accurate eligibility decisions for all applicants 19 years of age and older and for all non-pregnant applicants under the age of 19. • Between May and July 2008, HRSA provided medical eligibility staff with citizenship verification, identity training and communication related to eligibility for applicants 19 years of age and older as well as for non-pregnant applicants under the age of 19. • Beginning July 1, 2008, HRSA requires citizenship verification and proof of identity for all applicants 19 years of age and older prior to Medicaid approval. • On September 1, 2008, manual accounting entries were completed, by the Division of Rates and Finance within HRSA, to fund expenditures with state funds for enrollees who have not satisfied federal requirements. Future accounting entries will be made as necessary. **A lack of internal controls related to applicants seeking medicaid benefits meeting federal regulations was previously reported in finding 06-11.**

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	11 (Cont'd)	Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-22.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	12	Finding:	The Department of Social and Health Services does not have adequate internal controls to ensure people receiving Medicaid benefits have valid Social Security numbers.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 08-23
		Corrective Action:	As a result of the 2006 audit finding, State On-line Query (SOLQ) training was developed. As of December 2006, all financial staff in the Economic Services Administration (ESA) has been trained in the use of SOLQ, and are required to use SOLQ to check Social Security numbers (SSN) at the time of the client's initial application for benefits in all programs. In December 2006, ESA Supervisors added medical cases to their monthly alerts with a focus on SSN verification. In April 2007, the Operations Support Quality Assurance unit within ESA began conducting monthly random audits on medical cases checking for consistent use of SOLQ at the time of application for benefits and at scheduled case reviews. The audit results are provided to the Division of Employment and Assistance Program (DEAP) Director and the DEAP Operations Chief for review and further action as appropriate. The audits, used to identify errors and determine trends, will continue. On October 14, 2007, the Department added a hard edit in the Department's Automated Client Eligibility System (ACES) that requires workers to take action at the time of medical recertification for individuals who have had a SSN application pending for more than 60 days. Workers are currently required to take action on all cases with no SSN that are identified in a monthly "No SSN" report. The report identifies Medicaid recipients subject to the SSN requirement who do not have a SSN in ACES and have been active on medical assistance for at least two months.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	12 (Cont'd)		In January 2008, staff from Health and Recovery Services (HRSA) and ESA met to discuss solutions to the repeat State Auditor SSN findings. The following action steps were identified in the meeting and subsequently completed: • In January 2008, HRSA sent ESA a "No SSN" list sorted to identify individuals under age 12-months and over age 12-months who lack a SSN in ACES. • In February 2008, ESA / DEAP sent the list of individuals who are over 12 months of age and not exempt from the SSN requirement to ESA field staff for immediate action to verify and enter SSN into ACES. • In February 2008, ESA developed and distributed a desk aid for line staff with easy-to-understand information on medical eligibility rules and SSN requirements. • In February 2008, ESA posted an article on iESA, Inside Economic Services Administration intranet webpage, regarding SSN requirements for Medicaid. • In February 2008, ESA issued a memo to field staff regarding Payment Error Rate Measurement (PERM) reviews for the State Children's Health Insurance Program, and the critical need to meet SSN requirements to ensure program integrity and avoid findings of ineligibility in PERM reviews. • ESA / DEAP will follow up on action taken to verify and enter SSN into ACES by monitoring to ensure SSNs for individuals over 12 months of age. This monitoring began in March 2008 and will be ongoing. **The condition noted in this finding was previously reported in finding 06-02.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-23.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	13	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 08-24
		Corrective Action:	The Department believes that controls in place provide reasonable assurance that the data used in rate-setting is accurate and complete. In the Managed Care Program, health care plans provide detailed financial data directly to the Department's contract actuary. Because of concerns with the proprietary nature of this data, health care plans do not submit the data to the Department. The actuary completes a validation of the financial data received from the Healthy Options plans by comparing it with the financial statements found in the annual independent audits completed on the health care plans and submitted to the Office of the Insurance Commissioner. The actuary also reviews encounter data submitted to the Department by the health care plans. When those data sets provide a reasonable assurance to the actuary that the financial and encounter data is representative of services performed, the actuary proceeds to calculate the health care plan rate for the provider based upon the submitted financial and encounter data. When the data sets do not provide the reasonable assurance, the actuary works with the health care plan to resolve discrepancies or inconsistencies prior to performing the rate calculation. The Centers for Medicaid and Medicare Services (CMS) recently completed a follow-up to their 2004 audit. There was no finding of non-compliance regarding rate setting. The follow-up audit report was forwarded to the State Auditor's Office. **The condition noted in this finding was previously reported in finding 06-13.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2008 Washington Single Audit. Refer to finding 08-24.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	14	Finding:	The Department of Social and Health Services' internal controls are insufficient to ensure compliance with federal Medicaid requirements for reporting adult victims of residential abuse to the Medicaid Fraud Control Unit.
			CFDA # / Amount
		Questioned Costs:	93.775, 93.776 / $0 93.777, 93.778
		Status:	Corrective action complete
		Corrective Action:	In May 2007, the Department hired an incident manager to coordinate incident reporting, investigations, policies and procedures, and audits. The incident manager immediately began tracking and monitoring incidents using a standardized electronic incident reporting template for state hospitals and regional support networks for reporting to Mental Health Division (MHD) management. This allows for notification of incidents and information about the investigation to MHD, Health and Recovery Services Administration (HRSA), and other Department administrations. Between June 2007 and August 2008, the incident manager held monthly meetings with MHD administration and hospital incident management staff to ensure compliance with reporting requirements consistent with Department policy. Monthly meetings continue on an as needed basis. In October 2007, the incident manager established an operational procedure for reporting incidents by level of seriousness to MHD and HRSA. The incident manager worked with Western State Hospital staff and the medicaid fraud control unit (MFCU) to clarify reporting standards and referrals for residential abuse. These standards were included in the MHD incident reporting policy, which was approved in February 2008. The policy complies with federal requirements and includes directions, content and timelines on reporting and referrals to outside agencies, including MFCU, Adult Protective Services and Child Protective Services.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	14 (Cont'd)	The incident manager followed up with Western State Hospital on the five incidents identified in the audit where the State Auditor's Office determined referrals should have been made to MFCU, and verified that the incidents were referred to the Washington State Patrol per MFCU protocol. The MHD will ensure that required reporting to MFCU on any future incidents is done. In July 2008, the incident manager conducted on-site reviews for incident reporting policies and procedures for all three state psychiatric hospitals. Specific deficiencies were identified and corrected on-site. The incident manager also made recommendations for internal policy changes. **The condition noted in this finding was previously reported in finding 06-18.** Completion Date: July 2008

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	15	Finding: The Department of Health does not have adequate internal controls to ensure compliance with federal Medicaid requirements for hospital surveys. Questioned Costs: CFDA # — Amount 93.775, 93.776 — $0 93.777, 93.778 Status: Corrective action complete Corrective Action: In response to the finding, the Department completed the following actions by October 2008: • Issued an internal office procedure detailing the requirement for pre-decisional documentation to be included in the survey files and to be retained per applicable state retention schedules. • The Department's Investigations and Inspection Office clinical care supervisors will conduct periodic quality assurance reviews of completed survey files to ensure that the procedure is consistently followed. **The condition noted in this finding was previously reported in finding 06-09.** Completion Date: October 2008

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	16	Finding: The Department of Health is not complying with federal requirements for time and effort reporting for the National Bioterrorism Hospital Preparedness Program. Questioned Costs: CFDA # 93.889 — Amount $31,759.10 Status: Corrective action in progress Corrective Action: In response to the finding the Department has implemented the following measures: • All Department divisions/programs using Public Health Emergency Preparedness (PHEPR) or other federal grant funds to pay for some or all of an employee's time have agreed in writing to provide supporting time and effort documentation on a monthly basis to the PHEPR program manager for their employees performing work for the PHEPR program. • All Department divisions/programs using federal grant funds to pay for some or all of an employee's time have agreed in writing to submit an estimated budget/spending plan at the beginning of each new program year. This spending plan will specify the projected costs and numbers of employees to be partially or fully supported with federal grant funds during the coming year. • The Department's division/program management are meeting with PHEPR staff at least annually to review (1) the past year's program costs and expenditures incurred by the division/program, and (2) the coming year's grant related costs and expenditures anticipated to be incurred by the division/program. In October 2008, the PHEPR program received additional guidance that cost objectives need to originate at the program focus level and that previous inclusion of multiple program focus areas within the same broader cost objective was not an allowable practice. The Department is working to come into compliance with this recent guidance.

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
07	16 (Cont'd)	Additionally, the Department internal auditor completed a broad based review of time and effort records within the agency in November 2008. Recommendations from this audit will be followed through with program management to ensure compliance with federal time and effort reporting requirements. Completion Date: Estimated February 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	17	Finding:	The Department of Social and Health Services, Division of Disability Determination Services, did not comply with state and federal regulations when contracting for services paid with Social Security Disability Insurance Program funds
		Questioned Costs:	CFDA # 96.001, 96.006 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	The Division of Disability Determination Services (DDDS) sought a determination from the Office of Financial Management (OFM) regarding classification of contracts between DDDS and consultative providers. In April 2006, OFM issued a written determination classifying these contracts as personal service, rather than client service. In October 2007, DDDS identified prospective contractors through a Request for Qualification process, in accordance with RCW 39.29.040 and OFM guidelines. DDDS offers personal service contracts to all qualifying providers willing to accept standard fees published by the Department of Social and Health Services on the Internet Website at http://fortress,wa.gov/dshs/maa/DDDS/Fee%20Schedule.pdf. In October 2007, DDDS created contracts and began maintaining documentation records for consultative evaluations by individual medical practitioner / contractor in accordance with Department policies. By the end of October 2007, all doctors/professionals providing services for DDDS and its clients, with date of service of October 1, 2007 or later, have personal service contracts in place. **The condition noted in this finding was previously reported in finding 06-34.**
		Completion Date:	October 2007

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
07	18	Finding:	The Department of Social and Health Services is not complying with federal requirements for allocating employee salaries and wages in accordance with its Public Assistance Agency Cost Allocation Plan.
		Questioned Costs:	CFDA # / Amount 93.775, 93.563 / $162,924 84.126, 93.959
		Status:	Corrective action complete
		Corrective Action:	In April 2008, the Office of Accounting Services (OAS) worked with each of the Department administrations and reviewed the positions noted in the audit as being an exception. The outcome was to: • Correct the methodology used to allocate the position; or • Update the account coding associated with the position; or • Update the Public Assistance Cost Allocation Plan (PACAP) to identify the position and methodology used to allocate the position; or • Ensure time and effort documentation is produced and maintained to support the charges. Affected programs submitted amended plans by the required deadline for those specific positions. OAS continued to work with all Department administrations to accurately code positions and assist them in implementing the requirements of the PACAP that was completed in April 2008. In April 2008, the Accounting Policy Management Board reviewed Administrative Policy 19.50.01B, "Federal Compliance with Time Certifications for Positions Charged to Multiple Funding Sources" and approved the changes. The Department will continue to work with each of the federal granting agencies to determine if any of the questioned costs are to be returned. **The condition noted in this finding was previously reported in finding 06-23 and 06-31.**
		Completion Date:	April 2008

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	02	Finding:	The Department of Social and Health Services is not complying with federal regulations that require people receiving Medicaid benefits to have valid Social Security numbers.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $903,821 93.777, 93.778
		Status:	Refer to finding 07-12
		Corrective Action:	The Department has implemented the following processes to ensure Medicaid clients have valid Social Security numbers (SSN): • The Department uses the Social Security Administration's State On-line Query (SOLQ) to check the validity of SSN. Required SOLQ training was conducted in December 2006. • Since December 2006, Community Service Office supervisors have added medical cases to their monthly case audits that focus on SSN mismatched alerts and checking for consistent use of SOLQ for SSN. • As of April 30, 2007, Community Service Division Headquarters began quarterly random audits on medical cases and checking for consistent use of SOLQ at application and reviews. From April through June, 302 cases were reviewed showing 98% of SSNs were correct and verified. Department quality assurance staff continues to gather data through random audits. • A programming change implemented on October 15, 2007 altered what actions workers were expected to take when determining medical eligibility. The change requires staff to either enter a SSN or make a new entry in the SSA/SSN Referral and SSN Application date field in the Automated Client Eligibility System. A soft edit was also added. The soft edit reminds the worker to take action at the time of medical recertification for individuals who have a SSN application pending more than 60 days.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	02 (Cont'd)		**The condition noted in this finding was previously reported in finding 05-20.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-12.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	04	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate controls to ensure compliance with Medicaid requirements to identify third parties responsible for payments for pharmaceutical services.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $70,980 93.777, 93.778
		Status:	Refer to finding 07-09
		Corrective Action:	The Department has adequate internal controls, including pre-payment and post-payment compensating controls, sufficient to provide internal control and reasonable assurance that third party resources will be identified and overpayments recovered. Pursuant to 42 CFR 433 sections 138 and 139, the Department has taken "reasonable measures to determine the legal liability of third parties…." Specifically, the Department: • Requires clients to report third-party coverage when applying for medical assistance; • Conducts health insurance data cross-matches, e.g. Employment Security, Department of Labor and Industries and Department of Personnel, to determine if any other coverage benefits exist; and • Denies pharmacy claims if third-party coverage exists. Additionally, Department staff assists pharmacists by making billing information available through toll-free lines, Health and Recovery Services Administration's (HRSA) provider website, clients' medical identification cards, and explanations of benefits on weekly remittance advices sent to providers.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	04 (Cont'd)		When claims are submitted, the Department's Medical Management Information System (MMIS) client eligibility file reports any client having insurance coverage, and denies the claim. The onus is then placed on the pharmacy provider to verify the availability of third-party benefits and then bill the third party and Medicaid appropriately. When the pharmacy providers bill Medicaid they may need to use override codes to ensure they receive timely reimbursement for services provided. If the pharmacy provider uses an override code and later determines that third party insurance was available, the pharmacy provider is required to verify and pursue clients' third party benefits and refund to HRSA any Medicaid payments also paid by a liable third party. The Department actively conducts post-payment audits of pharmacy override code usage. Thirty pharmacy third party liability audits were performed in 2005; twenty-one in 2006. These audits were identified and prioritized by risk exposure, i.e. dollars by override code. Overpayments identified for these 51 audits total $3,314,056 of which $3,053,769 has been recovered.
		Completion Date:	The lack of adequate internal controls noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-09.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	05	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, has not established sufficient internal controls to support decisions on the eligibility of clients enrolled in Medicaid's Basic Health Plus program.
		Questioned Costs:	CFDA # — Amount 93.775, 93.776 — $53,126 93.777, 93.778
		Status:	Refer to finding 07-10
		Corrective Action:	To ensure adequate internal controls are followed, the Department's Medical Eligibility Determination Services (MEDS) unit began auditing 15 cases per unit (four units) weekly. The audits focus on income budgeting and documentation. This was implemented in February 2007. The results of these audits assist the Department in identifying areas where internal controls could be strengthened. The audits strengthen controls in the following ways: • The audit plan included an audit of new policies implemented by headquarters that effect MEDS operations to ensure consistent compliance. • Target trends are identified in audits. Trainings focused on those trends. • It is mandated in the audit plan that staff check available interfaces for unreported income for those clients 16 years of age or older. • Audits, including documentation and remarks, are available in the Department's Automated Client Eligibility System to clearly identify calculations and actions taken. Training on eligibility determinations for self-employed clients was conducted by Eligibility Policy and Community Education staff during February 2007. Training on income budgeting was provided in March 2007. This training included reviewing Department policies and procedures. All training was mandatory for staff.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	05 (Cont'd)		Phase one of the Self-Employment training for supervisors and leads was completed on March 12, 2007. The Centers for Medicare and Medicaid Services has ruled that no costs may be recouped for eligibility errors unless the recoupment is the result of a Medicaid Eligibility Quality Control audit. Therefore, no costs will be repaid. **The condition noted in this finding was previously reported in finding 05-10.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-10.

Department of Health (DOH) and Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	09	Finding:	The Department of Health and the Department of Social and Health Services, Health and Recovery Services Administration, are not ensuring compliance with federal law regarding hospital surveys.
		Questioned Costs:	CFDA # / Amount 93.775 / Not specified 93.776 93.777 93.778
			Department of Social and Health Services As a result of a clarification received from CMS, DSHS is no longer included in this finding.
			Department of Health
		Status:	Refer to finding 07-15
		Corrective Action:	The Department of Health revised the method of recording deficient findings during Medicare surveys. All reports now indicate that all Federal Medicare hospital certification regulations (Conditions of Participation) are reviewed for compliance during the onsite survey. All deficient findings are documented according to Centers for Medicare and Medicaid Services (CMS) Principles of Documentation. CMS concurs with the actions taken by the Departments to ensure that hospital surveys are documented in accordance with federal regulation. **The condition noted in this finding was previously reported in finding 05-06.**
		Completion Date:	A lack of internal controls to ensure compliance with hospital survey requirements noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-15.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	11	Finding:	The Department of Social and Health Services does not have adequate internal controls to ensure clients seeking to obtain medical benefits through the Medicaid program have applied according to federal regulations.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 07-11
		Corrective Action:	The Department complies with federal Medicaid application requirements, specifically, the opportunity to apply without delay (42 CFR 435.902) on a form prescribed by the agency and signed under penalty of perjury (42 CFR 435.907(b)). There is no requirement for a (specific) request for Medicaid. However, for clarity the Department is implementing the following steps: • The Department's Community Service Office added a name and case number field to the signature page of the application in January 2007, to ensure all pieces of the application can be identified if separated. • The CSD Headquarters began conducting random audits of medical cases in April 2007. The audits include reviewing the application process. • In May 2007, the Department sent a memo to the field as a reminder to get signatures and to document eligibility changes to the application for benefits. The staff was also reminded to document eligibility determination. • Applicants for long-term care programs may check either the box for medical or for long-term care services. Both are considered requests for medical assistance.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
06	11 (Cont'd)	• Since 2003, when the Department's Document Management System (DMS) became functional for the Community Services Division (CSD), all documents – including applications received since that time – are scanned into an electronic case record and retained by the Department. Prior to that time, obsolete paper copies of applications were destroyed. An application was declared obsolete three years after the last claim was paid. As of the implementation of DMS, all received documents are available. • The Department's Health and Community Services implemented DMS in all regions during December 2007. • The Department follows 42 CFR 431.17(c) regarding record retention. The statement from the State Records Committee of approval for a 3-year record retention was given to the auditor. The Department developed a state-wide training group and curriculum for consistency within offices on eligibility determination procedures, among other issues. The training is ongoing. Completion Date: The lack of internal controls noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. In Fiscal Year 2007, the focus was on lack of controls to ensure new applicants meet federal citizenship requirements. Refer to finding 07-11.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	12	Finding:	The Department of Social and Health Services, Office of Financial Recovery and Health and Recovery Services Administration, does not have adequate internal controls to ensure that final settlement amounts are refunded to the federal government and in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 07-08
		Corrective Action:	The Department's Financial Services Administration (FSA) established policies and procedures for refunding federal funds in October 2006. FSA is ensuring that the federal share of overpayments is refunded at the end of the 60-day period following discovery, based on policies established for regular and fraud/abuse overpayments. FSA meets with the Department's Health and Recovery Services Administration monthly and the Economic Services Administration, Aging and Disabilities Services Administration, Juvenile Rehabilitation Administration and Children's Administration periodically to discuss future overpayments and on-going collections. The Fraud and Abuse Coordination Team meets monthly to coordinate fraud cases. Representatives from various Department administrations that receive Medicaid funding participate in the meetings with the State's Medicaid Fraud Control Unit and FSA. This is another forum for FSA to obtain information to help overpayment collection efforts.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	12 (Cont'd)		In September 2007, FSA created a work list of staff that is responsible for overpayment referrals to the Office of Financial Recovery (OFR) from the Administrations within the Department. This list of staff was provided to the State Auditor's Office for their use during overpayment audits. This list of staff will be used by FSA to communicate about overpayments by Department administrations and, if necessary, to improve the referral process of overpayments to OFR. **The condition noted in this finding was previously reported in finding 05-24.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-08.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	13	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, has not established internal controls sufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
		Questioned Costs:	CFDA # / Amount 93.775, 93.776 / $0 93.777, 93.778
		Status:	Refer to finding 07-13
		Corrective Action:	The Centers for Medicare and Medicaid Services (CMS) has been working with the Department to improve the data used for rate setting and has approved Washington State's methodology for setting managed care rates. In addition, the 2006 managed care contract has been approved. The new ProviderOne system (the Department's new payment system for Medicaid and other programs) will enhance the rate setting process by allowing encounter and other data to be tracked in one comprehensive system. Until that system is implemented, the state will continue to compare the encounter data with the plan experience data submitted to the actuary. That process has been reviewed by CMS and determined to be acceptable. **The condition noted in this finding was previously reported in finding 05-21.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-13.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
06	18	Finding: The Department of Social and Health Services has not established effective procedures in all administrations to ensure compliance with the federal Medicaid requirements for reporting adult victims of residential abuse to the Medicaid Fraud Control Unit. Questioned Costs: CFDA # — Amount 93.775, 93.776 — $0 93.777, 93.778 Status: Refer to finding 07-14 Corrective Action: The Department's Mental Health Division (MHD) completed the following by December 2006: • All incidents that are elevated to MHD Headquarters are reviewed and tracked for appropriate processing, referrals, corrective action, and close out. • The Department's mental facilities Eastern State Hospital (ESH) and Western State Hospital (WSH) reviewed and updated all policies surrounding the reporting of incidents to include mandatory reporting of substantiated incidents to the Medicaid Fraud Control Unit (MFCU) and appropriate follow up in the event of referrals. This included a feedback loop for cases referred to and from external entities. • The MHD is represented at the Medicaid Fraud Control Unit's monthly committee meetings. • A single point of contact has been designated for all referrals originating from the MFCU. • The Memorandum of Understanding between the Medicaid Fraud Control Unit and the Department has been established.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	18 (Cont'd)		The Incident Manager, whose primary role is to track, monitor and report on incidents, began employment on May 16, 2007. The MHD is developing an electronic incident reporting system that will track and trend incidents. This system will be available to the state hospitals and Regional Support Networks. This will provide an avenue to adequately monitor the incident process. Implementation was completed in January 31, 2008. **The condition noted in this finding was previously reported in finding 05-13.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal year 2007 Washington Single Audit. Refer to finding 07-14.

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	21	Finding:	The Department of Health is not complying with federal requirements for time and effort reporting for the Centers for Disease Control and Prevention Investigations and Technical Assistance grant.
		Questioned Costs:	CFDA # 93.283 — Amount $0
		Status:	Corrective action in progress
		Corrective Action:	In response to this audit finding, the Department has reformatted the time and effort reporting documentation process so that it is more clearly understood by employees and supervisors who charge their time to CDC related grants. Lowest level supervisors have provided completed time and effort certifications for their staff each quarter per Department policy. This will meet the federal time and effort requirements. In October 2008, the PHEPR program (under CFDA 93.283) received additional guidance that cost objectives need to originate at the program focus level and that previous inclusion of multiple program focus areas within the same broader cost objective was not an allowable practice. The Department is working to come into compliance with this recent guidance.
		Completion Date:	Estimated February 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	23	Finding:	The Department of Social and Health Services, Division of Child Support, is not complying with federal requirements for time and effort reporting for the Child Support Enforcement grant.
		Questioned Costs:	CFDA # / Amount 96.563 / $23,259
		Status:	Refer to finding 07-18
		Corrective Action:	In June 2007, the Department implemented the following steps to ensure compliance with federal requirements for time and effort reporting for the Child Support Enforcement grant: • Developed a written process to ensure that the quarterly reconciliation is completed by the fiscal unit staff for child support staff. • Developed and distributed written procedures for employees who work on multiple grants. • Provided training to ensure staffs understand how to report actual time worked. • Continued to make quarterly adjustments based on time reporting. The Department requires semi-annual time certifications in April and October for employees who work 100% on a single federal program. The certification must be signed by a section chief or district manager who has direct knowledge of the work completed. The Department implemented the following steps to meet this requirement: • Created lists of employees for each field office that are verified and certified by district managers. • Created lists of employees for each child support headquarters unit, which are verified and certified by section chief or district manager.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
06	23 (Cont'd)	• The lower-level reviews of names and verifications are attached to a semi-annual certification for the Department's Child Support Division (CSD) Director to sign before it is sent to the Office of Accounting Services. • CSD added the following statement to the lists being verified by the headquarters managers and the district managers in the field: "I have personnel knowledge of the staff reflected in the FTE report for my office/area. All individuals reported worked 100% on IV-D grant activities (or have provided the necessary and appropriate timesheets)." Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-18.

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	25	Finding:	The Department of Social and Health Services and the Department of Early Learning do not have adequate internal controls over direct payments made to child care providers.
		Questioned Costs:	CFDA # / Amount 96.575, 93.596 / $55,610
		Status:	Refer to finding 07-06
		Corrective Action:	The Department of Early Learning (DEL) was established as a separate agency effective July 1, 2006. Effective October 1, 2007 DEL took over as the administrator of the grant funds and is primarily responsible for ensuring adequate internal controls over direct payments made to child care providers. Thus, DEL is responding to this finding. DEL sent a memo to licensed and certified child care providers along with the Department's newly updated booklet, "Child Care Subsidies, A Booklet for Licensed and Certified Child Care Providers" on May 10, 2007. The memo stressed the importance of keeping accurate attendance records and providing records when requested by DEL. The related Washington Administrative Code rules were attached to the memo. The local licensing offices followed up with providers that did not send requested information to the State Auditor's Office (SAO). SAO also recommended that provider attendance records are reconciled to payments. DEL and DSHS do review attendance when there is concern or issues arise on a particular provider. There are an average of 12,000 providers and 60,000 children each month, making manual attendance record comparison unrealistic. Prior to the creation of DEL, DSHS was evaluating using an electronic attendance keeping system that tied into an electronic payment system. Until an automated system can be developed by DEL, only problem providers and random attendance checking can occur. DEL and DSHS have recently started discussions on random checking.

Department of Social and Health Services (DSHS)/Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
06	25 (Cont'd)	**The condition noted in this finding was previously reported in finding 05-30.** Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit. Refer to finding 07-06.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
06	31	Finding:	The Department of Social and Health Services is not complying with federal requirements for time and effort reporting for the federal Vocational Rehabilitation Program.
		Questioned Costs:	CFDA # 84.126 — Amount $20,815
		Status:	Refer to finding 07-18
		Corrective Action:	Time certification training was provided by the Office of Accounting Services (OAS) to the Department's Fiscal Program Managers on March 16, 2007. The training provided an overview of agency policies on time certification requirements for positions that are coded to a single federal program and those that are coded to multiple federal programs and how to implement the policies to ensure consistency and compliance. The owning of a position has been clarified for positions that are split between programs. The program identified in the Human Resource Management System organization unit will be responsible for completing the certification. It will be the responsibility of the identified program to update the Personnel Action Request form with the data obtained from the Personnel Activity records on a quarterly basis. This will allow the costs associated with these positions to be charged correctly to the various federal funding sources. The responsibility of these positions was clarified during the certification process that occurred in May 2007. In June 2007, the Department's Division of Vocational Rehabilitation (DVR) consulted with the federal partner at Rehabilitation Services Administration (RSA), and it was determined to move questioned salary/benefits and FTE costs in the amount of $20,815 from the Basic Support grant federal/state split to a 100% state code that will not be included in state match funds for the grant. The correction was processed on June 21, 2007. A copy of the correction document was emailed to Regina Luster at RSA, Department of Education, when DVR received the uploaded version from OAS on June 22, 2007.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
06	31 (Cont'd)	The Department received verbal approval from the Federal Divisions of Cost Allocation (DCA) that the Department's methods used for positions that are coded to multiple federal programs do qualify as a substitute system. The original submittal of the 2005-2007 Cost Allocation Plan has been approved, and amendments to the plan have been submitted that include the updates addressing substitute systems. However, corrections/updates are currently being made to the amendments per feedback received from the Division of Cost Allocation. It is estimated that the current amendments should be approved by March 2009. Positions owned by other Divisions and partially charged to DVR may have various methodologies or substitute systems for allocating activities. These various methodologies have been incorporated into the Cost Allocation Plan via amendments. **The condition noted in this finding was repeated in the Fiscal Year 2007 Washington Single Audit with different recommended action items. Refer to finding 07-18.** Completion Date: Estimated March 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	08	Finding: The Department of Social and Health Services, Health and Recovery Services Administration (formerly Medical Assistance Administration), received federal Medicaid funds for unallowable services provided to undocumented aliens. Questioned Costs: CFDA # 93.778 — Amount $83,199,933 Status: Corrective action in progress Corrective Action: As a result of the Fiscal Year 2005 audit, the following corrective steps are currently in progress to improve internal controls of Social Security number (SSN) verification: ▪ A review of the automated SSN verification at the time of the Automated Client Eligibility system (ACES) entry was completed on February 4, 2005. In addition, the Department has enhanced procedures, including modification of the interface with the federal database to update nightly, with income and Medicare eligibility updated daily. ▪ The most significant solution for ensuring correct social security numbers is the modification to the State On-line Query (SOLQ). This change was made in ACES April 16, 2006. The SOLQ interface was modified to accommodate users' ability to perform multiple queries without exiting the system. With the upgrade, employees were trained to verify the SSN upfront to maximize efficiency and accuracy.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	08 (Cont'd)	▪ Staff is currently required to act on SSN discrepancy alerts sent by the Social Security Administration. The Department is continuing to provide instruction and written guidance to staff regarding the manner in which alerts are handled. ▪ The Department has initiated a cross-administration SSN Quality Improvement Workgroup and is continuing to focus attention on increasing the accuracy of SSNs in ACES and the Medicaid Management Information System. ▪ The auditor also recommended that the Department fund a state program that would pay for the additional care that the state wishes to provide for the undocumented alien population. Such funding decisions are the prerogative of the Legislature and not the Department. The Department is waiting for the finalization of the current Alien Emergency Medical (AEM) audit by the federal Office of Inspector General and will make appropriate corrections so as to avoid any conflicts on the interpretation of the AEM policy. It is estimated that the audit will be completed by June 2009. **The conditions noted in this finding were previously reported in finding 04-05.** Completion Date: Estimated June 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	09	Finding:	The Department of Social and Health Services, Medical Assistance Administration, is not complying with federal requirements to defer Medicaid expenditures related to undocumented aliens.
		Questioned Costs:	CFDA # 93.778 — Amount $27,264,885 to 32,114,267
		Status:	Corrective action in progress
		Corrective Action:	The Department established account coding in the Agency Financial Reporting System (AFRS) which facilitated the alien emergency medical (AEM) reporting on the CMS64 effective with the quarter ending June 30, 2004. Effective October 1, 2004, the Department has not drawn federal matching funds for AEM expenditures, except for labor and delivery. The cost for labor and delivery was specifically exempted upon confirmation with the Centers for Medicare and Medicaid Services via an email dated November 17, 2005. The Department is waiting for the finalization of the current AEM audit by the federal Office of Inspector General to draw from the Medicaid award. It is estimated that the audit will be completed by June 2009. **The condition noted in this finding was repeated in the Fiscal Year 2006 Washington Single Audit with different recommended action items. Refer to finding 06-07.**
		Completion Date:	Estimated June 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	12	Finding:	The Department of Social and Health Services is not adequately reviewing pharmaceutical claims to identify patterns of fraud and abuse.
		Questioned Costs:	CFDA # 93.778 — Amount $1,258,343
		Status:	Corrective action in progress
		Corrective Action:	On June 5, 2006, the Pharmacy Point of Sale (POS) vendor loaded Drug Enforcement Authority (DEA) numbers from the national DEA database and the Department has completed a change request to the Medicaid Management Information System (MMIS) that will utilize this data to validate against the full DEA national database at the time claims are processed for payment. This validation will eliminate the need to rely on a manual process for blocking invalid DEA numbers. New Health Insurance Portability and Accountability Act rules require the use of a National Provider Identifier (NPI) for medical providers starting in May 2007. The Department has expressed to the Centers for Medicaid and Medicare that upon implementation of the new ProviderOne system (the Department's new payment system for Medicaid and other Programs), projected for Spring 2009, this number will be used to identify prescribing providers in the POS and the DEA number. It will be used solely for validation that a provider is registered to prescribe controlled substances. The Department is in the process of development and implementation of a new ProviderOne system. The new ProviderOne system, targeted for implementation in the Spring of 2009, is designed to support the NPI as described above. The Department has a rigorous and extensive Drug Use Review Program and is in full compliance with Sec. 456.709. Post payment review of invalid DEA numbers has been added to the regular Department Payment Review Program (PRP) algorithm process. The PRP ran an algorithm that uses the federal DEA database to identify invalid DEA numbers and issued overpayment notices totaling $769,000 to 219 pharmacies statewide in January 2006. Upon investigation of overpayment notices and responses from pharmacies, it was determined that virtually all invalid DEA numbers are the result of administrative errors. Given this development, the Department will not perform further post payment review on pharmacy claims through June 2006 (when the automatic check was implemented).

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	12 (Cont'd)	**The condition noted in this finding was repeated in Finding 06-17 in the Fiscal Year 2006 Washington Single Audit with different recommended action items.** Completion Date: Estimated Spring 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	14	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not perform adequate reviews of providers of durable medical equipment to ensure the providers exist, are properly licensed and have submitted accurate information.
		Questioned Costs:	CFDA # / Amount 93.778 / $0
		Status:	Corrective action in progress
		Corrective Action:	In February 2006, the Department's Provider Enrollment Unit put new policies in place requiring verification of a provider's address using the reverse directory. The current Medicaid Management Information System (MMIS) only allows a field for one license. Consequently, both business and professional licenses cannot be stored. The new ProviderOne system (the Department's new payment system for Medicaid and other programs) will allow both. Provider Enrollment reviewed all providers to assure requirements are met. In January 2006, Provider Enrollment sent out the "24 Month" letters asking providers who have not done any business with the Department for 24 months to respond by Feb 15, 2006, if they wanted to remain on the Department's active list. As of Feb 18, 2006, the Department terminated 820 providers. The Department initiated a policy where the Provider Relations Field Unit and the Office of Payment Review and Audit (OPRA) visit durable medical equipment (DME) providers ("drive-bys") to verify the address of the DME dealers in that area. This is currently being done and documented.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	14 (Cont'd)	The Division of Fraud and Investigations also verify DME vendors when their investigators are in the field. This information is provided to OPRA, which is responsible for this activity. As of November 17, 2006, 271 reviews had been conducted. There were twelve vendors that remained to be reviewed by OPRA at that time. The current MMIS system is being replaced with the new ProviderOne system. The Administration is actively participating in design sessions for the new system. This includes requiring the system to identify expired business licenses. Implementation is targeted for Spring 2009. **The condition noted in this finding was previously reported in finding 04-14.** **The condition noted in this finding was repeated in finding 06-16 in the Fiscal Year 2006 Washington Single Audit with different recommended action items.** Completion Date: Estimated Spring 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	15	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, has not established sufficient internal controls to prevent Medicaid payments for services provided after a client's death or to prevent payments for services provided to individuals using the Social Security number of a deceased person.
		Questioned Costs:	CFDA # / Amount 93.778 / $1,873,889
		Status:	Corrective action in progress
		Corrective Action:	On February 4, 2005, the Department completed a review of the automated Social Security number (SSN) verification at the time of the Automated Client Eligibility System (ACES) entry. As a result, newly established automated verification of SSN for each ACES entry has been implemented. The ACES federal interface was modified to use State Data Exchange/Wire Third Party Query (WTPY) for SSN verification on a nightly basis. In addition, the Department has enhanced procedures, including modification of the interface with the federal Social Security Administration (SSA) database to update nightly, with income and Medicare eligibility updated daily. The SSA's State Online Query (SOLQ) user interface was modified April 16, 2006, to accommodate user's ability to perform multiple SSN validations without exiting the system. The Department continues to provide instruction and written guidance to staff regarding the manner in which alerts are handled. The Department has initiated a cross-administration SSN Quality Improvement Workgroup and continues to focus attention on increasing the accuracy of SSNs in ACES and the Medicaid Management Information System (MMIS).

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	15 (Cont'd)	The Department is not aware of any known computer interface issues that require specific action at this time. The Department continues to assess, prioritize, and resolve interface issues as they are identified. The Design Phase of the new Provider One system (the Department's new payment system for Medicaid and other programs) is underway and includes a complete assessment of the ACES/MMIS interface. Implementation of the new ProviderOne system interface with ACES will be thoroughly tested prior to implementation to assure that data is being transferred accurately. This is targeted for Spring 2009. The Department receives quarterly death data from the Department of Health (DOH). The Department is a stakeholder in a DOH initiative that will provide the Department with real-time on-line access to DOH death data. Although currently being piloted in two counties, statewide implementation is not anticipated for several years. DOH will remain dependent upon counties for receipt of death data, resulting in a lag in receipt of the information. Due to this lag, the Department continues its successful post-pay review activities and the identification and recoupment of claims paid for deceased clients. The Department's Payment Review Program follows up with quarterly post-payment review activities related to date of death with the identification of any potential provider fraud and appropriate referral to the Medicaid Fraud Control Unit. **The conditions noted in this finding were previously reported in finding 04-02.** **The condition noted in this finding was repeated in finding 06-03 in the Fiscal Year 2006 Washington Single Audit with different recommended action items.** Completion Date: Estimated Spring 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	28	Finding:	The Department of Social and Health Services paid providers with Medicaid funds through the Social Services Payment System for services to clients using Social Security numbers belonging to deceased persons.
		Questioned Costs:	CFDA # 93.778 — Amount $2,232,301
		Status:	Corrective action in progress
		Corrective Action:	The auditor recommended that the Department require staff to verify accuracy of Social Security numbers (SSN) for all clients. Washington Administrative Code (WAC) 388-476-0005 defines the Department's current SSN requirements for medical eligibility, and can be found in the Department's A-Z Manual. Section 3 states, "Assistance will not be delayed, denied or terminated pending the issuance of an SSN by the Social Security Administration (SSA). However, a person who does not comply with these requirements is not eligible for assistance". If a current and valid SSN is not available, the Department is responsible to assist a client in making an application for an SSN. Verification procedures are described under the section titled "Clarifying Information." SSNs are automatically verified through a cross-match with the SSA Numident file, once the data is entered into the Automated Client Eligibility System (ACES). SSN discrepancies in Numident generate "alerts" to the workers, as do discrepancies in State Data Exchange (SDX) or Beneficiary Data Exchange (BENDEX). In many cases, the SSN is correct in ACES, but may be incorrect in the payment system (SSPS). This may be because the claim number was used in SSPS, or it may be due to data entry errors. When the Home and Community Services Quality Assurance Unit reviews client files to confirm financial eligibility, they check to see that the SSN recorded in SSPS is the same as the SSN recorded in ACES. They report discrepancies, using ACES as the correct record of the SSN.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	28 (Cont'd)	On April 5, 2006, the Department issued a Management Bulletin (MB) reminding staff of the importance of using the client's correct SSN from ACES and instructions on how to obtain the ACES SSN. When the new ProviderOne system (the Department's new payment system for Medicaid and other programs) is implemented, using an incorrect SSN in the new ProviderOne system will cause payments to suspend. The auditor also recommended the Department ensure staff understand state law regarding identity theft. Revised Code of Washington (RCW) 9.35.020 defines first-degree identity theft as the use of false identification to obtain anything of value. Staff members were informed of the RCW via MB in 2005, and the MB previously referenced reiterated the provisions of this state law. Finally, the auditor recommended that instances of apparent identity theft be referred to the appropriate authorities. The Department's Payment Review Program re-runs algorithms quarterly and findings are referred to the Office of Financial Recovery or the Medicaid Fraud Control Unit for recovery. No instances of identity theft were found as a result of the Fiscal Year 2005 audit. The limitations with the SSPS system will be corrected in the new ProviderOne system, when all payments made in SSPS will become part of the new ProviderOne system. This is scheduled to occur in the Spring of 2009. At that time, all medical and social services payments will be made from the same system and will use the same ACES SSN verification processes described above. **The conditions noted in this finding were previously reported in findings 04-03 and 04-04.** **The conditions noted in this finding were repeated in finding 06-08 in the Fiscal Year 2006 Washington Single Audit with different recommended action items.** Completion Date: Estimated Spring 2009

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	50	Finding:	Certain University departments' controls are not working effectively to ensure Time And Effort Certification forms are completed in a timely manner and to ensure monthly certification of salaries and wages paid for federal programs are completed as required.
		Questioned Costs:	CFDA # / Amount 93.389 / $0 93.866 93.846 93.837 93.864 93.866 93.856 93.859
		Status:	Corrective action in progress
		Corrective Action:	Faculty Effort Certifications (FECs): The University continues to be engaged in a variety of projects to improve the timeliness of faculty effort certification. Those projects include mandatory training of all faculty receiving effort reports (concluded November 30, 2005) with continuing FEC training being incorporated in the mandatory Faculty Grants Management training program. In addition, the University has enhanced its follow-up process to ensure FECs are certified in a timely manner. A formal process with escalating communication as well as some modifications to the procedure were rolled out in an effort to ensure FECs are certified timely. Also, individual departments cited in this finding have strengthened their monitoring and follow-up processes. These actions have resulted in significant improvement in the timeliness in the certification of FEC reports. Finally, the University continues with the process to replace the existing manual system with an electronic effort reporting and certification system. The new system would include enhanced tracking and follow-up capabilities.

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	50 (Cont'd)	Grant and Contract Certification Reports (GCCRs): The University continues to work with departments on a campus-wide basis, and specifically with those cited in this finding, to strengthen controls that ensure GCCRs are reviewed and signed in a timely manner. This includes, but is not limited to, routine general emphasis on this requirement through meetings such as the Quarterly Research Administrators Meeting as well as individual consultation. Additionally, enhanced documentation has been completed for the University's website reinforcing the requirements and procedures for GCCRs and a committee formed to determine if the process can be streamlined and/or modified in any way to provide for efficiencies that will result in more thorough compliance. Completion Date: System changes are expected to extend over a 1-3 year period

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	51	Finding:	The University did not submit financial status reports in a timely manner.
		Questioned Costs:	CFDA # / Amount Not Specified / $0
		Status:	Corrective action in progress
		Corrective Action:	Grant and Contract Accounting (GCA) continues to experience a high rate of turnover in the fiscal positions responsible for preparing Financial Status Reports (FSRs). GCA is working aggressively to hire and train new staff so that FSRs can be submitted in a timely manner. In addition, GCA recently reorganized their office to put a concentrated effort on the completion and submission of FSRs. Training on the preparation of FSRs continues for new and existing staff and will continue into 2009. GCA has developed and implemented an improved follow-up and escalation process to improve timeliness of communication related to fiscal reporting from campus departments. In addition, GCA is developing tools, outreach, and guidance for campus departments to ensure their responsibilities within the closing process, including the deadlines for submission, are clear.
		Completion Date:	Estimated December 2009

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	59	Finding:	The State of Washington is not complying with federal requirements for time and effort reporting for some of the programs it administers.
		Questioned Costs:	CFDA # / Amount 10.557 / $0 93.268 93.283
		Status:	Corrective action in progress
		Corrective Action:	The Department informed relevant program managers of the necessity of completing semiannual certifications for those employees whose salary expenditures are charged against federal grants. The most recent audit of the Department revealed that one program still had not completed its semiannual certifications for state Fiscal Year 2006. Subsequent to the Fiscal Year 2006 audit, the Department's internal auditor met with the relevant program manages and recommended changes to the certification process in order to enhance timely reporting. These changes have been adopted by the program. In October 2008 the Public Health Emergency Preparedness program (under CFDA 93.283) received additional guidance that cost objectives need to originate at the program focus level and that previous inclusion of multiple program focus areas within the same broader cost objective was not an allowable practice. The Department is working to come into compliance with this recent guidance.
		Completion Date:	Estimated February 2009

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
03	11	Finding:	The Department of Social and Health Services, (DSHS), Medical Assistance Administration (MAA), has not established sufficient internal controls to ensure financial reports submitted to the federal government comply with Medicaid provisions.
		Questioned Costs:	CFDA # 93.778 — Amount N/A
		Status:	Corrective action in progress
		Corrective Action:	The Department partially concurs with the finding and has structured its corrective action by the conditions noted by the auditor: **Condition 1**: DSHS is not reporting disbursements for alien emergency medical (AEM) services. • The Department agrees that undocumented AEM services should be categorized separate from documented AEM services on the claim; however, the Department is unable to take corrective action at this time. The Automated Client Eligibility System (ACES) and Medical Management Information System (MMIS) do not currently have the capability of capturing undocumented aliens separately from documented aliens and U.S. citizens. • Additionally, the MMIS does not currently have the capability of determining which services were performed as part of an emergent situation and/or any follow-up as required under the decision from Gutierrez v. DSHS, Yakima Superior No. 032017662 (2003). • The Department has established a unique account coding to report AEM expenditures on Line 27 of the CMS 64 report. **Condition 2**: DSHS is underreporting disbursements in some categories. The Department partially concurs with this condition of the finding. However, the Department is not underreporting expenditures in aggregate. Because of a current situation with the Medical Management Information System (MMIS), there are expenditures included on Line 29, "Other Care Services," that should be reported in other categories on the claim. All reported expenditures are eligible for Title XIX clients. There are also instances where MMIS may not recognize the service code of a disbursement. These disbursements presently are assigned a misleading.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
03	11 (Cont'd)	title of "suspense." These are not suspense items, but are legitimate Title XIX disbursements and are reported as such on the CMS 64 report. This condition was identified by MAA prior to the audit and the Department has changed the title to "Other Care Services." MAA has implemented quarterly journal vouchers to move the charges to appropriate sub/sub/objects. (February 2004) **Condition 3**: <u>The Department does not have sufficient internal controls over preparation of the CMS-64.</u> • The Department does not agree with the statement "…provides for no monitoring…" nor does it concur with this condition of the finding. The Centers for Medicare and Medicaid Services has a full time fiscal auditor assigned to the State of Washington who is on-site for several weeks during the preparation of the claim, requesting justification and explanation for specific expenditures. The auditor approves the claim for submission prior to the Department certifying the claim. • Additionally, the entire claim preparation is in itself a reconciliation of Title XIX expenditures. A one-page summary of the reconciliation activity is prepared prior to the claim certification. Previously, the summary was prepared after certification. **Condition 4**: <u>The Department must establish timely and consistent communications between the Medical Assistance Administration (MAA) and the Office of Accounting Services (OAS).</u> There is now better coordination between staffs in the OAS and MAA. Additionally, MAA staffs have implemented better tracking and monitoring mechanisms to ensure timely correction of errors. (January 2004)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
03	11 (Cont'd)	**Condition 5**: The Department must ensure that the coding in the MMIS is accurate. • MAA hired a full time fiscal analyst who identifies issues with the MMIS coding and develops appropriate corrections. (September 2003) MAA has also initiated a process for selection of a the new ProviderOne system (the Department's new payment system for Medicaid and other programs) that will better meet the challenges of adequate monitoring of expenditures, identification of problematic areas and upkeep of coding. Estimated replacement is Spring 2009. Completion Date: Estimated Spring 2009

Washington State Agency Codes (By Agency Alphabetically)

For the Fiscal Year Ended June 30, 2008

Agency No.	Agency
165	Accountancy, Board of (ACB)
035	Actuary, Office of the State (OSA)
110	Administrative Hearings, Office of (OAH)
055	Administrative Office of the Courts (AOC)
119	African-American Affairs, Commission on (CAA)
495	Agriculture, Department of (AGR)
355	Archaeology and Historic Preservation, Department of (DAHP)
387	Arts Commission, Washington State (ART)
087	Asian-Pacific-American Affairs, Commission on (APA)
100	Attorney General, Office of the (ATG)
095	Auditor, Office of the State (SAO)
695	Bates Technical College (BATES)
627	Bellevue Community College (BCC)
694	Bellingham Technical College (BTC)
629	Big Bend Community College (BBC)
315	Blind, Department of Services for the (DSB)
351	Blind, State School for the (SFB)
101	Caseload Forecast Council (CFC)
634	Cascadia Community College (CCC)
375	Central Washington University (CWU)
632	Centralia College (CEC)
635	Clark College (CLC)
696	Clover Park Technical College (CPTC)
639	Columbia Basin Community College (CBC)
460	Columbia River Gorge Commission (CRG)
352	Community and Technical Colleges, State Board for (SBCTC)
699	Community and Technical College System (CTCS)
103	Community, Trade, and Economic Development, Department of (CTED)
471	Conservation Commission, State (SCC)
550	Convention and Trade Center (CTC)
310	Corrections, Department of (DOC)
406	County Road Administration Board (CRAB)
048	Court of Appeals (COA)
227	Criminal Justice Training Commission (CJT)
353	Deaf, State School for the (SFD)
357	Early Learning, Department of (DEL)
395	Eastern Washington Historical Society (EWH)
370	Eastern Washington University (EWU)
461	Ecology, Department of (ECY)
104	Economic and Revenue Forecast Council (ERFC)
106	Economic Development Finance Authority (EDA)
610	Edmonds Community College (EDC)
345	Education, State Board of (SBE)
540	Employment Security Department (ES)
468	Environmental Hearings Office (EHO)
605	Everett Community College (EVC)
102	Financial Institutions, Department of (DFI)
105	Financial Management, Office of (OFM)
477	Fish and Wildlife, Department of (DFW)
167	Forensic Investigation Council (FIC)
411	Freight Mobility Strategic Investment Board (FMSIB)
117	Gambling Commission, Washington State (GMB)
150	General Administration, Department of (GA)
075	Governor, Office of the (GOV)
648	Grays Harbor College (GHC)
649	Green River Community College (GRC)
476	Growth Management Hearings Board (GMHB)
303	Health, Department of (DOH)
107	Health Care Authority, Washington (HCA)
599	Health Care Facilities Authority, Washington (WHCFA)
343	Higher Education Coordinating Board (HECB)
346	Higher Education Facilities Authority, Washington (WHEF)
652	Highline Community College (HCC)
118	Hispanic Affairs, Commission on (CHA)
390	Historical Society, Washington State (WHS)
302	Home Care Quality Authority (HCQA)
185	Horse Racing Commission (HRC)
011	House of Representatives (REP)
148	Housing Finance Commission, Washington State (HFC)
120	Human Rights Commission (HUM)
250	Indeterminate Sentence Review Board (SRB)
086	Indian Affairs, Governor's Office of (INA)
190	Industrial Insurance Appeals, Board of (IND)
155	Information Services, Department of (DIS)
160	Insurance Commissioner, Office of the (INS)
126	Investment Board, State (SIB)
014	Joint Legislative Audit and Review Committee (JLARC)
038	Joint Legislative Systems Committee (JLS)
013	Joint Transportation Commission (JTC)
050	Judicial Conduct, Commission on (CJC)
235	Labor and Industries, Department of (L&I)
692	Lake Washington Technical College (LWTC)

Washington State Agency Codes (By Agency Alphabetically)

For the Fiscal Year Ended June 30, 2008

Agency No.	Agency
341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
046	Law Library, State (LAW)
020	Legislative Evaluation and Accountability Program Committee (LEAP)
240	Licensing, Department of (DOL)
080	Lieutenant Governor, Office of the (LTG)
356	Life Sciences Discovery Fund Authority (LSDFA)
195	Liquor Control Board (LCB)
116	Lottery Commission, State (LOT)
657	Lower Columbia College (LCC)
408	Marine Employees' Commission (MAR)
412	Materials Management and Financing Authority, Washington (WMMFA)
245	Military Department (MIL)
147	Minority & Women's Business Enterprises, Office of (OMWBE)
144	Municipal Research Council (MRC)
490	Natural Resources, Department of (DNR)
662	Olympic College (OLC)
467	Outdoor Recreation, Interagency Committee for (IAC)
465	Parks and Recreation Commission, State (PARKS)
665	Peninsula College (PEC)
111	Personnel, Department of (DOP)
637	Pierce College (PIE)
205	Pilotage Commissioners, Board of (BPC)
462	Pollution Liability Insurance Program, Washington (PLI)
130	Printing, Department of (PRT)
056	Public Defense, Office of (OPD)
082	Public Disclosure Commission (PDC)
275	Public Employment Relations Commission (PERC)
478	Puget Sound Partnership (PSP)
467	Recreation and Conservation Funding Board (RCFB)
091	Redistricting Commission (RDC)
693	Renton Technical College (RTC)
124	Retirement Systems, Department of (DRS)
140	Revenue, Department of (DOR)
	Elected Officials (COS)
099	Salaries of Elected Officials, Washington Citizens' Commission on (COS)
670	Seattle Community Colleges - District 6 (SCCD-6)
085	Secretary of State, Office of the (SEC)
012	Senate (SEN)
325	Sentencing Guidelines Commission (SGC)
672	Shoreline Community College (SHC)
674	Skagit Valley College (SVC)
300	Social and Health Services, Department of (DSHS)
675	South Puget Sound Community College (SPS)
676	Spokane Community Colleges - District 17 (SCCD-17)
377	Spokane Intercollegiate Research and Technology Institute (SIRTI)
225	State Patrol, Washington (WSP)
040	Statute Law Committee (SLC)
350	Superintendent of Public Instruction (SPI)
045	Supreme Court (SUP)
678	Tacoma Community College (TCC)
142	Tax Appeals, Board of (BTA)
376	The Evergreen State College (TESC)
304	Tobacco Settlement Authority (TOB)
228	Traffic Safety Commission, Washington (STS)
410	Transportation Commission (TRC)
405	Transportation, Department of (DOT)
407	Transportation Improvement Board (TIB)
090	Treasurer, Office of the State (OST)
360	University of Washington (UW)
215	Utilities and Transportation Commission (UTC)
305	Veterans' Affairs, Department of (DVA)
220	Volunteer Firefighters and Reserve Officers, Board for (BVFFRO)
683	Walla Walla Community College (WLC)
365	Washington State University (WSU)
686	Wenatchee Valley College (WVC)
380	Western Washington University (WWU)
621	Whatcom Community College (WHC)
354	Work Force Training and Education Coordinating Board (WFTECB)
691	Yakima Valley College (YVC)

Washington State Agency Codes (By Agency Assigned Number)

For the Fiscal Year Ended June 30, 2008

Agency No.	Agency
011	House of Representatives (REP)
012	Senate (SEN)
013	Joint Transportation Commission (JTC)
014	Joint Legislative Audit and Review Committee (JLARC)
020	Legislative Evaluation and Accountability Program Committee (LEAP)
035	Office of the State Actuary (OSA)
038	Joint Legislative Systems Committee (JLS)
040	Statute Law Committee (SLC)
045	Supreme Court (SUP)
046	State Law Library (LAW)
048	Court of Appeals (COA)
050	Commission on Judicial Conduct (CJC)
055	Administrative Office of the Courts (AOC)
056	Office of Public Defense (OPD)
075	Office of the Governor (GOV)
080	Office of the Lieutenant Governor (LTG)
082	Public Disclosure Commission (PDC)
085	Office of the Secretary of State (SEC)
086	Governor's Office of Indian Affairs (INA)
087	Commission on Asian Pacific American Affairs (APA)
090	Office of the State Treasurer (OST)
091	Redistricting Commission (RDC)
095	Office of the State Auditor (SAO)
099	Washington Citizens' Commission on Salaries for Elected Officials (COS)
100	Office of the Attorney General (ATG)
101	Caseload Forecast Council (CFC)
102	Department of Financial Institutions (DFI)
103	Department of Community, Trade, and Economic Development (CTED)
104	Economic and Revenue Forecast Council (ERFC)
105	Office of Financial Management (OFM)
106	Washington Economic Development Finance Authority (EDA)
107	State Health Care Authority (HCA)
110	Office of Administrative Hearings (OAH)
111	Department of Personnel (DOP)
116	State Lottery Commission (LOT)
117	Washington State Gambling Commission (GMB)
118	Commission on Hispanic Affairs (CHA)
119	Commission on African-American Affairs (CAA)
120	Human Rights Commission (HUM)
124	Department of Retirement Systems (DRS)
126	State Investment Board (SIB)
130	Department of Printing (PRT)
140	Department of Revenue (DOR)
142	Board of Tax Appeals (BTA)
144	Municipal Research Council (MRC)
147	Office of Minority and Women's Business Enterprises (OMWBE)
148	Washington State Housing Finance Commission (HFC)
150	Department of General Administration (GA)
155	Department of Information Services (DIS)
160	Office of the Insurance Commissioner (INS)
165	Board of Accountancy (ACB)
167	Forensic Investigation Council (FIC)
185	Horse Racing Commission (HRC)
190	Industrial Insurance Appeals, Board of (IND)
195	Liquor Control Board (LCB)
205	Board of Pilotage Commissioners (BPC)
215	Utilities and Transportation Commission (UTC)
220	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
225	Washington State Patrol (WSP)
227	Washington State Criminal Justice Training Commission (CJT)
228	Washington Traffic Safety Commission (STS)
235	Department of Labor and Industries (L&I)
240	Department of Licensing (DOL)
245	Military Department (MIL)
250	Indeterminate Sentence Review Board (SRB)
275	Public Employment Relations Commission (PERC)
300	Department of Social and Health Services (DSHS)
302	Home Care Quality Authority (HCQA)
303	Department of Health (DOH)
304	Tobacco Settlement Authority (TOB)
305	Department of Veterans' Affairs (DVA)
310	Department of Corrections (DOC)
315	Department of Services for the Blind (DSB)
325	Sentencing Guidelines Commission (SGC)
341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
343	Higher Education Coordinating Board (HECB)
346	Washington Higher Education Facilities Authority (WHEFA)

Washington State Agency Codes (By Agency Assigned Number)

For the Fiscal Year Ended June 30, 2008

Agency No.	Agency
350	Superintendent of Public Instruction (SPI)
351	State School for the Blind (SFB)
352	State Board for Community and Technical Colleges (SBCTC)
353	State School for the Deaf (SFD)
354	Work Force Training and Education Coordinating Board (WFTECB)
355	Archaeology and Historic Preservation, Department of (DAHP)
356	Life Sciences Discovery Fund Authority (LSDFA)
357	Early Learning, Department of (DEL)
360	University of Washington (UW)
365	Washington State University (WSU)
370	Eastern Washington University (EWU)
375	Central Washington University (CWU)
376	The Evergreen State College (TESC)
377	Spokane Intercollegiate Research and Technology Institute (SIRTI)
380	Western Washington University (WWU)
387	Washington State Arts Commission (ART)
390	Washington State Historical Society (WHS)
395	Eastern Washington State Historical Society (EWH)
405	Department of Transportation (DOT)
406	County Road Administration Board (CRAB)
407	Transportation Improvement Board (TIB)
408	Marine Employees' Commission (MAR)
410	Transportation Commission (TRC)
411	Freight Mobility Strategic Investment Board (FMSIB)
412	Materials Management and Financing Authority, Washington (WMMFA)
460	Columbia River Gorge Commission (CRG)
461	Department of Ecology (ECY)
462	Washington Pollution Liability Insurance Program (PLI)
465	State Parks and Recreation Commission (PARKS)
467	Recreation and Conservation Funding Board (RCFB)
468	Environmental Hearings Office (EHO)
471	State Conservation Commission (SCC)
476	Growth Management Hearings Board (GMHB)
477	Department of Fish and Wildlife (DFW)
478	Puget Sound Partnership (PSP)
490	Department of Natural Resources (DNR)
495	Department of Agriculture (AGR)
540	Employment Security Department (ES)
550	State Convention and Trade Center (CTC)
599	Washington Health Care Facilities Authority (WHCFA)
605	Everett Community College (EVC)
610	Edmonds Community College (EDC)
621	Whatcom Community College (WHC)
627	Bellevue Community College (BCC)
629	Big Bend Community College (BBC)
632	Centralia College (CEC)
634	Cascadia Community College (CCC)
635	Clark College (CLC)
637	Pierce College (PIE)
639	Columbia Basin Community College (CBC)
648	Grays Harbor College (GHC)
649	Green River Community College (GRC)
652	Highline Community College (HCC)
657	Lower Columbia College (LCC)
662	Olympic College (OLC)
665	Peninsula College (PEC)
670	Seattle Community Colleges - District 6 (SCCD-6)
672	Shoreline Community College (SHC)
674	Skagit Valley College (SVC)
675	South Puget Sound Community College (SPS)
676	Spokane Community Colleges - District 17 (SCCD-17)
678	Tacoma Community College (TCC)
683	Walla Walla Community College (WLC)
686	Wenatchee Valley College (WVC)
691	Yakima Valley College (YVC)
692	Lake Washington Technical College (LWTC)
693	Renton Technical College (RTC)
694	Bellingham Technical College (BTC)
695	Bates Technical College (BATES)
696	Clover Park Technical College (CPTC)
699	Community and Technical College System (CTCS)

Community and Technical College Reporting

For the Fiscal Year Ended June 30, 2008

Agency 699 – Community and Technical College System is the administrative reporting agency for the following 30 community and technical colleges and the State Board for Community and Technical Colleges:

Bates Technical College
Bellevue Community College
Bellingham Technical College
Big Bend Community College
Cascadia Community College
Centralia College
Clark College
Clover Park Technical College
Columbia Basin Community College
Edmonds Community College
Everett Community College
Grays Harbor College
Green River Community College
Highline Community College
Lake Washington Technical College
Lower Columbia College
Olympic College
Peninsula College
Pierce College
Renton Technical College
Seattle Community Colleges – District 6
Shoreline Community College
Skagit Valley College
South Puget Sound Community College
Spokane Community Colleges – District 17
Tacoma Community College
Walla Walla Community College
Wenatchee Valley College
Whatcom Community College
Yakima Valley College

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