

IN THE NARRATIVES THAT FOLLOW:

(★) Indicates that Governor Gregoire has tentatively chosen to include the item in her 2012 supplemental budget proposal in November.

ALSO NOTE:

- ▶ Many items will require notice to clients or providers.
- ▶ Many items will require legislation.
- ▶ Impact descriptions, dollar amounts and effective dates are preliminary and subject to revision due to caseload forecast changes and other adjustments. Numbers have been rounded and may not exactly match numbers in the listing of *General Fund Reduction Alternatives* beginning on page 27.
- ▶ Unless otherwise noted, all dollar amounts are General Fund-State.
- ▶ Dates for eliminations and reductions in services vary. Dates may vary for elimination and an alternative reduction, too, for the same program or service.

EMPLOYEE COMPENSATION

Impose 10 furlough days **\$38.0 million**

Assumes same exemptions as specified in Senate Bill 6503. Under previous furlough program, as many as 14,000–24,000 employees were affected by each statewide furlough day.

Impose additional 1 percent salary reduction for K-12 employees (one year) **\$37.0 million**

Reduces all K-12 salary allocations by 1 percent, effective for the 2012–13 school year.

Impose additional 1 percent salary reduction for state employees (one year) **\$32.7 million**

Boosts current salary reductions for most state employees from 3 to 4 percent. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union.

Increase health contributions for general government employees (one year) **\$28.0 million**

Boosts percentage paid by employees from 15 to 25 percent. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union. Will reduce employer (state) monthly per-employee contribution from \$850 to \$807.

Alternative: Reduce PEBB monthly per-employee funding rate from \$850 to \$825 (★) **\$16.0 million**

Reduce monthly state allocation for K-12 employee health benefits (★) **\$20.0 million**

Reduces state allocations to school districts for employee health benefits from \$768 to \$745 per month.

Reduce LEOFF Plan 2 employer contribution to actuarially necessary rates (★) **\$15.0 million**

Reduces the state contribution to the LEOFF Plan 2 pension, which covers local law enforcement officers and firefighters. The pension is funded by a combination of contributions in which the members pay 50 percent of the total contributions, the employers pay 30 percent and the state pays 20 percent.

Suspend step increases (one year) **\$11.4 million**

Delays step increases for about one-third of the workforce, including approximately 20,000 general government classified employees who have been subject to a 3 pay reduction, effective July 1, 2012. Requires reopening the collective bargaining agreements and reaching agreement with each union.

Alternative: Exclude employees who earn less than \$2,500 per month **\$9.7 million**

Adjust contributions to Judicial Retirement System to payout rate (★) **\$4.0 million**

Slows the projected increase in fund balance.

End sick leave cash-outs for employees who are not retiring **\$476,000**

Terminates the practice of paying state employees annually for one-quarter of their unused sick leave for balances in excess of 480 hours. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union.