

Governor Gregoire Announces Budget Recommendation

Thursday, December 18, 2008

Governor Gregoire today announced her recommendations for the state's 2009-11 biennial budget and the FY 09 Supplemental Budget. The Governor's recommendations make a number of reductions and adjustments to address a projected state budget shortfall of \$5.7 billion for the 2009–11 biennium. The reductions and adjustments are across state government and include those initiated last summer with a hiring freeze and other steps to cut costs. The Governor's recommended budget puts state employee salary increases on hold, saving about \$678 million statewide over the next two years. Today's announcement serves as the Governor's official budget recommendation to the Legislature, which convenes on January 12 for its 105-day regular session.

For the **Washington State Department of Agriculture** (WSDA), the Governor's recommended budget requests a total operating budget of \$129.6 million and includes the following reductions and adjustments.

Recommended Increases:

- **Spartina Eradication:** \$487,000 in a one-time enhancement to the current state effort to eradicate Spartina, an extremely aggressive invasive weed that severely disrupts the ecosystems of native saltwater estuaries. The enhancement allows WSDA to provide additional funding for eradication efforts in Willapa Bay and Grays Harbor. (*Aquatic Lands Enhancement Account*)
- **Employee Health Insurance:** \$1.2 million to cover increased employee health insurance costs. (*\$222,000 General Fund-State, \$999,000 all other funds*)

Recommended Funding Shifts:

- **GF-S Replacement:** Replaces General Fund-State funding for three activities:
 - **Commercial Feed:** (\$150,000) Removes GF-S funding that was added to the Feed program's budget in 2004. Anticipated revenue from fees is projected to be sufficient to maintain current program activity.
 - **Pesticide Regulation:** (\$616,000) Removes GF-S funding that has provided about 5 percent of the program's budget. Anticipated revenue from fees is projected to be sufficient to maintain current program activity.
 - **Agency Administration:** (\$400,000) Replaces about 8 percent of the agency's GF-S budget for administrative services with funding and expenditure authority from the agency's other fund sources. As a result, Agency Administration is funded 36 percent by the State General Fund. Overall, WSDA is funded 19.5 percent by the State General Fund under the recommended budget.
- **Livestock Nutrient Management:** The Governor is proposing legislation to merge the Water Quality Account into the State General Fund. As a result, the budget shows a shift of \$1.2 million for the Livestock Nutrient Management program from the Water Quality Account to the State General Fund. There is no change to the program's funding amount.

Recommended Reductions:

- **Biofuels Quality Assurance:** (-\$200,000 and 1 FTE) Eliminates one position in the Weights & Measures Program now that initial technical and policy issues have been addressed.
- **Integrated Pest Management (IPM):** (-\$28,000) Eliminates funding for coordinating the Interagency IPM Coordinating Committee.
- **Weed Control Grants:** (-\$400,000) Reduces funding added in 2007 for local weed control, including knotweed.

Other Reductions: The Governor's budget also includes \$2 million in reductions in a number of areas that were initiated as part of the hiring freeze and cost-cutting actions called for earlier this year. These reductions include:

- Eliminating one of the 2.5 positions in the new Farm-To-School program.
- Eliminating funding for the "From the Heart of Washington" campaign, funding for grants for market promotion and fighting trade barriers, and pass-through funding to the Wine Commission.

The budget also includes reductions to reflect changes in actuarial methods and in rates paid to the Department of Information Services.

Maintenance Level Adjustments

The budget also includes maintenance level adjustments to cover increased fuel costs (\$64,000) and WSDA's self-insurance premium (\$56,000), and to cover increased costs associated with surface water monitoring activities (\$124,000). Other maintenance level adjustments are made to pension rates, workers compensation, central service agency charges, and the agency's Private/Local appropriation. (*\$69,000 GF-S, \$224,000 All Other Funds*)

More information about the **Governor's proposed budget** is posted on the Web at:
<http://www.governor.wa.gov/priorities/budget/>

More information about **WSDA** can be found in the *WSDA Budget Overview*, on the Web at:
http://agr.wa.gov/AboutWSDA/DirectorsOffice/docs/2008_Budget_Overview.pdf

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