

2001-03 Omnibus Operating Budget
House of Representatives
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	376.0	52,826	52,871
2001-03 Maintenance Level	390.0	55,928	55,973
Policy Changes:			
1. Higher Ed. Facility Assessment	0.0	121	121
2. Developmental Disabilities Counsel	0.0	15	15
Total Policy Changes	0.0	136	136
Total 2001-03 Biennium	390.0	56,064	56,109

Comments:

1. Higher Ed. Facility Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students who benefit from plant investments, half of the \$1.45 million expense is paid by appropriations from local university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board.

2. Developmental Disabilities Counsel - Funding is provided for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

2001-03 Omnibus Operating Budget**Senate**

(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	308.1	42,928	42,973
2001-03 Maintenance Level	309.6	45,170	45,215
Policy Changes:			
1. Higher Ed. Facility Assessment	0.0	121	121
2. Senate Transportation Committee	0.0	1,677	1,677
3. Developmental Disabilities Counsel	0.0	15	15
Total Policy Changes	0.0	1,813	1,813
Total 2001-03 Biennium	309.6	46,983	47,028

Comments:

1. Higher Ed. Facility Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students who benefit from plant investments, half of the \$1.45 million expense is paid by appropriations from local university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board.

2. Senate Transportation Committee - Funding for the Senate Transportation Committee is shifted from the Motor Vehicle Fund to the General Fund--State. This funding is offset by a reduction in the transportation budget.

3. Developmental Disabilities Counsel - Funding is provided for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

2001-03 Omnibus Operating Budget
Jt Leg Audit & Review Committee
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	18.0	3,497	3,497
2001-03 Maintenance Level	18.0	3,296	3,296
Policy Changes:			
1. Special Education Study	0.0	100	100
2. Audit Follow-Up Activities	0.0	100	100
3. Developmental Disabilities Study	0.0	225	225
4. School for the Deaf Study	0.0	50	50
5. Water Conservancy Boards Study	0.0	35	35
Total Policy Changes	0.0	510	510
Total 2001-03 Biennium	18.0	3,806	3,806

Comments:

1. Special Education Study - The Special Education Study mandated and funded in the 2000 Supplemental Budget will carry over into the 2001-2003 Biennium.

2. Audit Follow-Up Activities - Increased resources are provided for expanded audit follow-up activities to verify and evaluate implementation of performance audit recommendations, particularly the performance measurement system developed in the recently completed Mental Health audit.

3. Developmental Disabilities Study - The Committee will conduct an evaluation of the client outcomes of the High School Transition Program operated by the DSHS Division of Developmental Disabilities. The study shall identify the different approaches that have been used in providing transition services and whether some approaches are more or less successful in helping young adults with developmental disabilities achieve greater levels of independence. The study shall evaluate how transition programs reduce the level of support provided to clients as they achieve greater levels of independence.

4. School for the Deaf Study - The Committee will conduct a capacity planning study of the capital facilities of the state School for the Deaf. The committee's study will be carried out in conjunction with the study of educational service delivery models conducted by the Washington State Institute for Public Policy. The study shall be submitted to the fiscal committees of the legislature by September 30, 2002.

5. Water Conservancy Boards Study - Funding is provided solely for the Committee to conduct a review of water conservancy boards, to be completed by January 1, 2002

2001-03 Omnibus Operating Budget
LEAP Committee
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	13.5	2,532	2,937
2001-03 Maintenance Level	13.5	2,732	2,935
Policy Changes:			
1. Additional Staff Resources	0.5	50	50
Total Policy Changes	0.5	50	50
Total 2001-03 Biennium	14.0	2,782	2,985

Comments:

1. Additional Staff Resources - Additional staff resources are proposed to: manage the increased volume of state and local government information LEAP maintains; support the increased number of fiscal staff using LEAP systems and data; respond to the increasing number of requests for specialized access to fiscal data; and to support the analysis of the impact of changes to funding sources and uses. These resources will also broaden access to fiscal information via the Internet; will improve the utility of the information by adding useful formats for decision making and communication; and improve understanding of fiscal information by adding context. (General Fund-State, Motor Vehicle Account-State).

2001-03 Omnibus Operating Budget
Office of the State Actuary
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	9.5	0	2,025
2001-03 Maintenance Level	10.5	0	1,929
Policy Changes:			
1. General Inflation Increase	0.0	0	-6
Total Policy Changes	0.0	0	-6
Total 2001-03 Biennium	10.5	0	1,923

Comments:

1. General Inflation Increase - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)

2001-03 Omnibus Operating Budget
Joint Legislative Systems Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	48.0	12,000	14,181
2001-03 Maintenance Level	48.0	13,190	15,026
Total 2001-03 Biennium	48.0	13,190	15,026

Comments:

2001-03 Omnibus Operating Budget
Statute Law Committee
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	54.0	7,523	10,012
2001-03 Maintenance Level	54.0	7,983	10,203
Total 2001-03 Biennium	54.0	7,983	10,203

Comments:

2001-03 Omnibus Operating Budget
Redistricting Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	2.7	520	520
2001-03 Maintenance Level	6.3	876	876
Total 2001-03 Biennium	6.3	876	876

Comments:

2001-03 Omnibus Operating Budget
Supreme Court
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	64.3	10,437	10,437
2001-03 Maintenance Level	64.3	10,917	10,917
Policy Changes:			
1. General Inflation	0.0	-28	-28
2. Historic Furnishings Survey	0.0	11	11
3. Reclass for Reporter's Office	0.0	24	24
4. Feasibility Study of Court Reports	0.0	10	10
Total Policy Changes	0.0	17	17
Total 2001-03 Biennium	64.3	10,934	10,934

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Historic Furnishings Survey - Funding is provided for a survey to review and catalog all historic furnishings in the Justices' chambers, private staff offices and conference rooms located in the Temple of Justice. This survey will produce a catalog of historic furnishings by type and provide a room-by-room listing of historic furnishings including a condition assessment of each piece.

3. Reclass for Reporter's Office - Funding is provided for costs associated with a reclassification of positions in the Court Reporter's Office to reflect the increased skills and knowledge required to perform the job.

4. Feasibility Study of Court Reports - An eleven member committee will be created to study and develop recommendations on the publication of the court reports for public access in electronic format.

2001-03 Omnibus Operating Budget
State Law Library
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	15.0	3,764	3,764
2001-03 Maintenance Level	15.0	3,970	3,970
Policy Changes:			
1. General Inflation	0.0	-41	-41
2. Reclassification	0.0	36	36
Total Policy Changes	0.0	-5	-5
Total 2001-03 Biennium	15.0	3,965	3,965

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Reclassification - Funding is provided for the reclassification of State Law Library technician positions. The increases are related to recent adjustments made in executive branch library technician salary levels.

2001-03 Omnibus Operating Budget
Court of Appeals
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	147.1	23,517	23,517
2001-03 Maintenance Level	149.1	25,251	25,251
Policy Changes:			
1. General Inflation	0.0	-111	-111
2. Additional Staff	2.0	234	234
3. ADA Compliance/Court Security	0.0	159	159
4. Salary Adjustment Pool	0.0	327	327
Total Policy Changes	2.0	609	609
Total 2001-03 Biennium	151.1	25,860	25,860

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Additional Staff - Funding is provided for two new non-judicial staff positions and temporary staff for the divisions of the Court of Appeals.

3. ADA Compliance/Court Security - Funding is provided for costs associated with remodeling a bathroom in the Division III facility. Additionally, court security will be enhanced by the addition of monitoring equipment and personnel.

4. Salary Adjustment Pool - Funding is provided to make compensation adjustments for Court of Appeals' staff based on recruitment and retention difficulties, new duties or responsibilities assigned, or salary inversion or compression. The Court of Appeals will determine the specific positions that will receive compensation adjustments based on this criteria.

2001-03 Omnibus Operating Budget
Commission on Judicial Conduct
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	8.6	1,809	1,809
2001-03 Maintenance Level	8.6	1,766	1,766
Policy Changes:			
1. General Inflation	0.0	-6	-6
2. Increased Workload	1.0	131	131
3. Internet Information System	0.0	33	33
Total Policy Changes	1.0	158	158
Total 2001-03 Biennium	9.6	1,924	1,924

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Increased Workload - Funding is provided for a new staff investigator position to address additional workload due to an increase in the number of investigations and public proceedings.

3. Internet Information System - Funding is provided for the Commission to develop document imaging capabilities for the storage and processing of their complaints. Additionally, the Commission plans to begin integrating this system to their Internet-based applications to allow greater access to Commission members and the public.

2001-03 Omnibus Operating Budget
Office of Administrator for Courts
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	342.5	27,974	73,026
2001-03 Maintenance Level	343.0	28,714	66,361
Policy Changes:			
1. General Inflation	0.0	-78	-730
2. Courtroom Technology	0.0	0	410
3. Judicial Information Enhancements	12.0	0	12,484
4. Judicial Enhancement Pool	0.0	0	750
5. Juror Fee Increase	0.0	0	1,618
Total Policy Changes	12.0	-78	14,532
Total 2001-03 Biennium	355.0	28,636	80,893

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Public Safety and Education Account, Judicial Information Systems Account)

2. Courtroom Technology - Funding is provided to replace and upgrade audio and visual equipment in all divisions of the Court of Appeals. (Judicial Information Systems Account)

3. Judicial Information Enhancements - Funding is provided for the Office of the Administrator for the Courts to makes various enhancements and upgrades to the judicial information technology systems maintained by their agency. The approach adopted in the Senate budget is to provide the maximum amount of appropriation authority from the Judicial Information Systems Account based on updated revenue projections in one lump sum rather than earmarked for particular projects. (Judicial Information Systems Account)

4. Judicial Enhancement Pool - The Senate budget provides \$750,000 from the Public Safety and Education Account for enhancements to certain judicial programs as determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. (Public Safety and Education Account)

5. Juror Fee Increase - Beginning July 1, 2002, funding is provided to increase the rate of juror compensation from \$10 per day to \$25 per day, beginning on the second day of juror service. It is assumed that counties and cities will still pay \$10 for each day of service, and the state will pay the remainder for the second day forward. By December 1, 2003, the Office of the Administrator for the Courts shall prepare a report on the impact of the rate increase on juror response rates and overall judicial operations. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget
Office of Public Defense
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	5.5	500	13,025
2001-03 Maintenance Level	5.5	0	12,672
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Attorney Fee Vendor Rate Increase	0.0	0	233
3. Dependency and Termination	1.0	1,200	1,200
4. Capital Defense Center	0.0	0	235
Total Policy Changes	1.0	1,200	1,564
Total 2001-03 Biennium	6.5	1,200	14,236

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)

2. Attorney Fee Vendor Rate Increase - Funding is provided for a vendor rate increase for attorneys that handle indigent appellate cases. Rates will be increased by 2.1 percent on July 1, 2001 and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)

3. Dependency and Termination - Funding is provided to continue a pilot program established in FY 2001 designed to enhance the quality of legal representation for indigent individuals in dependency proceedings.

4. Capital Defense Center - Funding is provided for the Office of Public Defense to contract with an existing public defender association to establish a Capital Defense Assistance Center (CDAC). The CDAC will provide training and assistance to defense attorneys involved in capital offense cases. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget
Office of the Governor
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	70.0	11,827	12,772
2001-03 Maintenance Level	70.0	12,366	13,289
Policy Changes:			
1. Transfer Children/Family Ombuds	-6.0	-1,029	-1,029
2. Education on Protection of Species	0.3	0	300
3. Puget Sound Action Team Funding	0.0	-3,204	0
Total Policy Changes	-5.7	-4,233	-729
Total 2001-03 Biennium	64.3	8,133	12,560

Comments:

- 1. Transfer Children/Family Ombuds** - The Office of Family and Children Ombudsman is transferred to the Department of Community, Trade, and Economic Development.
- 2. Education on Protection of Species** - The Puget Sound Water Quality Action Team will increase educational opportunities about the need to protect wild salmon and other threatened and endangered species through the Public Involvement and Education Program. (Water Quality Account)
- 3. Puget Sound Action Team Funding** - Funding for the Puget Sound Action Team is provided from the Water Quality Account.

2001-03 Omnibus Operating Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	5.0	708	868
2001-03 Maintenance Level	5.0	747	747
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Salary Administration Fund	0.0	34	34
3. Technical Support	0.0	18	18
4. Director of Agency Affairs Position	0.0	104	104
Total Policy Changes	0.0	153	153
Total 2001-03 Biennium	5.0	900	900

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Salary Administration Fund - The Personnel Board does not administer exempt salary ranges for the staff of statewide elected officials. Instead, requests for compensation changes must be requested in the agency's budget proposal each biennium. In order to allow the Lieutenant Governor to grant compensation increases to staff to reflect professional development and advancement the current compensation funding level is increased. This increase will make it easier for the agency to recruit qualified new staff if vacancies occur and at the same time will serve as a retention incentive for current staff.

3. Technical Support - The Lieutenant Governor travels frequently to make public appearances. The current level of funding for travel, however, does not allow for consistent on-site technical and administrative support. Funding is increased for staff travel in order to provide needed on-site logistical support for these public appearances.

4. Director of Agency Affairs Position - Funding is provided to establish the position of Director of Agency Affairs.

2001-03 Omnibus Operating Budget
Public Disclosure Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	23.3	4,042	4,042
2001-03 Maintenance Level	25.7	3,823	3,823
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	25.7	3,817	3,817

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Office of the Secretary of State
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	180.0	22,869	35,994
2001-03 Maintenance Level	172.5	19,356	32,212
Policy Changes:			
1. General Inflation	0.0	-133	-223
2. Eastern Regional Archives Move *	3.0	0	1,824
3. Archives Records Center Space	1.1	0	641
4. Southwest Regional Archives Rent *	0.0	0	115
5. County Election Reviews	2.0	250	250
Total Policy Changes	6.1	117	2,607
Total 2001-03 Biennium	178.5	19,473	34,819

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, other funds)

2. Eastern Regional Archives Move * - One-time and on-going funding and staff are provided to move into, then operate, the new Eastern Washington Regional Archives building, which is included in the Governor's 2001-03 capital budget. Once completed, the building will include the State Electronic Data Archives, a facility designed to store official public records that originate as digital records and which, by statute or regulation, must be stored for longer than six years. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

3. Archives Records Center Space - The State Records Center, which provides low-cost temporary storage of records which are still in the custody of state agencies, is nearly filled to capacity. In addition, the Department of Corrections has requested that the Secretary of State meet special requirements for the storage and retrieval of inmate records, requirements that cannot be accommodated in the limited space available. This item provides one-time funding for temporary staff and costs associated with a capital budget item expanding the State Records Center, as well as on-going funding and staff for operating the expanded facility. (Archives and Records Management Account-State)

4. Southwest Regional Archives Rent * - The Southwest Regional Archives space is filled to capacity and requires increased, climate-controlled space in the Capitol Campus archives building. The Microfilm Bureau will move out of its portion of the building, allowing the Southwest Region to expand into the vacated space. This item provides on-going funding for increased rent expense. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

5. County Election Reviews - Funding is provided to conduct reviews of county election-related policies, practices, and procedures as deemed necessary by the Secretary of State under RCW 29.60.070.

2001-03 Omnibus Operating Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	4.0	542	542
2001-03 Maintenance Level	4.0	553	553
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	4.0	551	551

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Asian-Pacific-American Affrs
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3.0	450	450
2001-03 Maintenance Level	3.0	469	469
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Increased Staff Support	1.0	91	91
Total Policy Changes	1.0	88	88
Total 2001-03 Biennium	4.0	557	557

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Increased Staff Support - In order to help address increased constituent needs, fulfill additional duties mandated by the Legislature, and offer policy makers research-based policy alternatives, the Commission on Asian Pacific American Affairs will add an additional FTE staff position.

2001-03 Omnibus Operating Budget
Office of the State Treasurer
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	73.8	0	14,715
2001-03 Maintenance Level	74.5	0	12,921
Policy Changes:			
1. General Inflation	0.0	0	-48
Total Policy Changes	0.0	0	-48
Total 2001-03 Biennium	74.5	0	12,873

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Treasurer's Service Account)

2001-03 Omnibus Operating Budget
Office of the State Auditor
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	317.6	2,230	43,629
2001-03 Maintenance Level	319.7	2,230	45,623
Policy Changes:			
1. General Inflation	0.0	-17	-358
2. Local Government Finance Project	0.0	0	100
3. Additional K-12 Auditors	11.5	1,314	1,314
Total Policy Changes	11.5	1,297	1,056
Total 2001-03 Biennium	331.2	3,527	46,679

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Municipal Revolving Account-Nonappropriated, Auditing Services Revolving Account)

2. Local Government Finance Project - Funding is provided for ongoing maintenance of the Local Government Finance Project . (Municipal Revolving Account-Nonappropriated)

3. Additional K-12 Auditors - Funds are provided for the addition of ten K-12 auditors in fiscal year 2002 and an additional three K-12 auditors in fiscal year 2003. These auditors are state-funded auditors specializing in K-12 audits of state-funded programs.

2001-03 Omnibus Operating Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.9	202	202
2001-03 Maintenance Level	0.9	235	235
Policy Changes:			
1. General Inflation	0.0	-3	-3
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	0.9	232	232

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Office of the Attorney General
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,035.4	12,391	146,601
2001-03 Maintenance Level	1,059.9	9,643	158,359
Policy Changes:			
1. General Inflation	0.0	-26	-634
2. Labor & Industries Support Staff	6.0	0	672
3. Water Resources	1.4	0	318
4. New Retirement System	0.4	0	79
5. Sexually Violent Predators	4.7	0	1,253
6. Medicaid Fraud	4.0	0	480
7. Criminal Litigation Capability	1.9	0	334
8. Children's Services Litigation	3.8	0	672
9. Endangered Species Act	1.7	0	147
10. Nuclear Waste	1.9	0	382
11. Network Equipment	0.0	0	138
12. Office/Windows 2000 Upgrade	2.0	0	313
13. Tobacco Litigation	1.0	0	277
14. Indeterminate Sentence Review Board	0.5	0	83
15. Industrial Insurance Appeals Judges	6.8	0	1,084
16. Labor & Industries Cases	5.7	0	1,332
Total Policy Changes	41.8	-26	6,930
Total 2001-03 Biennium	1,101.7	9,617	165,289

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, other funds)

2. Labor & Industries Support Staff - Restores the ratio of assistant attorneys general to support staff in the Labor and Industries Division. (Legal Services Revolving Account)

3. Water Resources - Additional legal services will be provided to the Department of Ecology in support of the water allocation issues. (Legal Services Revolving Account)

4. New Retirement System - Additional legal services will be provided to the Department of Retirement Systems to support the new Public Employee Retirement System 3. (Legal Services Revolving Account)

5. Sexually Violent Predators - The addition of two assistant attorneys general and support staff will enable the Sexually Violent Predator Unit in the Office of the Attorney General to decrease the wait time for cases and the number of cases awaiting initial commitment trial, and assume cases currently being handled by the Snohomish County Prosecutors Office. (Legal Services Revolving Account)

6. Medicaid Fraud - The Office of the Attorney General's Medicaid Fraud Control Unit will increase the number of fraud and resident abuse investigations by 20 percent and will examine a larger portion of the Medicaid budget. (General Fund-Federal, Public Safety and Education Account)

7. Criminal Litigation Capability - Additional investigative and prosecutorial assistance will be provided to local governments when a conflict of interest occurs or in complex criminal cases where additional expertise is needed. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget Office of the Attorney General

8. Children's Services Litigation - Implementation of the federal Child Abuse Prevention and Treatment Act (CAPTA) by the Department of Social and Health Services has increased legal hearings. Under CAPTA, anyone who has been found to have committed an act of child abuse or neglect through a Child Protective Services investigation has the right to an administrative fair hearing. Assistant attorneys general represent the state in these proceedings. (Legal Services Revolving Account)

9. Endangered Species Act - Additional legal services will be provided to the Department of Fish and Wildlife to address issues regarding the listing of salmon and other fish species under the Endangered Species Act. (Legal Services Revolving Account)

10. Nuclear Waste - Legal services will be provided to the Department of Ecology to assist with regulation of the United States Department of Energy cleanup activities at Hanford. (Legal Services Revolving Account)

11. Network Equipment - The Office of the Attorney General has proposed replacing network equipment on a three-year lease purchase cycle. The Senate budget provides funds for information technology (IT) upgrades in the second year of the biennium (FY 03). Because several studies have recommended a more cautious policy for IT upgrades, the Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (Legal Services Revolving Account)

12. Office/Windows 2000 Upgrade - The Office of the Attorney General has proposed upgrading Microsoft software, staff software training, and replacement of 600 desktop computers. The Senate budget provides funds for information technology (IT) upgrades in the second year of the biennium (FY 03). Because several studies have recommended a more cautious policy for IT upgrades, the Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (Legal Service Revolving Account)

13. Tobacco Litigation - Under the Tobacco Master Settlement Agreement resulting from the national antitrust and consumer protection litigation, the Office of the Attorney General is responsible for enforcing state law requires manufacturers not participating in the Settlement Agreement to deposit funds in an escrow account based on cigarette product sales in Washington State. Moneys may be expended from the Antitrust Revolving Account for this purpose. Any cost recovery will be deposited in the Antitrust Revolving Account. (Antitrust Revolving Account)

14. Indeterminate Sentence Review Board - Cases heard by the Indeterminate Sentence Review Board have become more complex and involve offenders who have committed serious offenses, creating a need for additional legal services from the Office of the Attorney General. (Legal Services Revolving Account)

15. Industrial Insurance Appeals Judges - Additional legal services will be provided to the Board of Industrial Insurance Appeals to address the increased workload associated with the addition of Hearing and Mediation Judges. (Legal Services Revolving Account)

16. Labor & Industries Cases - One-time funding is provided for the increased cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the Legislature alternatives for simplifying the calculation of benefits by October 1, 2001.

2001-03 Omnibus Operating Budget
Caseload Forecast Council
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	5.6	946	946
2001-03 Maintenance Level	6.0	1,083	1,083
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Employee Compensation	2.0	340	340
Total Policy Changes	2.0	337	337
Total 2001-03 Biennium	8.0	1,420	1,420

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Employee Compensation - Increase for two new full time FTEs. To take on the responsibility for forecasting the 14 MAA caseloads and to improve the analytical ability to explain deviations from the forecasts.

2001-03 Omnibus Operating Budget
Dept of Financial Institutions
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	133.8	0	20,606
2001-03 Maintenance Level	132.8	0	21,600
Policy Changes:			
1. General Inflation	0.0	0	-90
2. Application Development	0.0	0	495
3. Broker-Dealer Field Examinations	1.0	0	245
4. Internet Fraud Program	1.0	0	159
5. Senior Examiner, Credit Unions	0.5	0	90
6. Office Assistant, Human Resources	1.0	0	85
7. Consumer Complaints & Enforcements	3.0	0	450
8. Electronic Banking Exams	0.0	0	212
9. Internet & Intranet Development	1.0	0	462
10. Financial Literacy	1.0	0	196
11. Fund Consolidation #	0.0	0	0
Total Policy Changes	8.5	0	2,304
Total 2001-03 Biennium	141.3	0	23,904

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

2. Application Development - Phase I of the Department of Financial Institution's Database Of Licensed Financial Institutions, (DOLFIN), system was implemented in the 1999-2001 biennium. Phase II of the Department's effort will develop a comprehensive regulatory database for the storage, retrieval, analysis, and tracking of regulatory information. Development of this database is critical to accomplishment of the Department's regulatory mission and its efforts to implement digital government plans. (Banking Examination Account-Nonappropriated, Securities Regulation Account)

3. Broker-Dealer Field Examinations - The cycle for examination of securities broker-dealer offices will be reduced from ten years to nine years by the end of the biennium. The Division will increase the examination cycle of high risk securities offices through the addition of one Field Examiner and the development of a database module to help target higher risk broker-dealer offices. The Division will implement the program starting in Fiscal Year 2002. (Securities Regulation Account)

4. Internet Fraud Program - The Securities Division will create an Internet Fraud Program staffed by a technology specialist to respond to the increasing number of complaints of investment fraud on the Internet. The Division estimates that 25 percent of its complaints relate to Internet activity. The number of Internet related investigations and enforcement actions will increase. The Division will implement the program starting in Fiscal Year 2002. (Securities Regulation Account)

5. Senior Examiner, Credit Unions - The Division of Credit Unions (DCU) implemented a stronger off-site monitoring program in Fiscal Year 1999 by hiring a part-time Senior Examiner to detect negative financial trends and to undertake earlier review of the status of DCU required corrective actions of regulated credit unions. The off-site monitoring workload has doubled since 1998, and DCU expects that additional credit unions will be under supervisory agreements due to continuing trends in lower earnings and greater interest rate risk. The Senior Examiner position will be increased to full-time to accommodate this increased workload. The Senior Examiner will also assist with credit union field examinations and consumer complaint resolution. The Department projects increased customer satisfaction and early detection of credit union financial difficulties that will preclude more costly enforcement actions through this increase in staff oversight. (Credit Unions Examination Account-Nonappropriated)

2001-03 Omnibus Operating Budget Dept of Financial Institutions

6. Office Assistant, Human Resources - The Department's Human Resources Office proactively responds to the Agency's program needs. Dedicating clerical support to this office will facilitate the current staffs' ability to provide services that directly support new strategic plan objectives. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

7. Consumer Complaints & Enforcements - The Division of Consumer Services continues to experience rapid growth in the number of licensees it regulates and the complexity of legal interpretative issues it confronts. Funding is provided to employ three new positions, two new Financial Examiner positions and a Securities Examiner position. The new Financial Examiners will conduct examinations and audits of consumer loan companies, check cashiers and sellers (some with "payday lender" small loan endorsements), and escrow agents, allowing the Division of Consumer Services to maintain a reasonable examination schedule and visit all new licensees within the first six months of operation. The Securities Examiner position will provide legal expertise in the conduct of complaint investigations, enforcement actions and in the development of interpretive letters for the Department. (Banking Examination Account-Nonappropriated)

8. Electronic Banking Exams - E-banking involves individuals' use of personal computers connected to their credit union over the Internet to transfer funds between accounts, make payments, or obtain information. Electronic-banking (E-banking) heightens credit union risks. The Division of Credit Unions (DCU) can not rely on its federal counterpart, the National Credit Union Administration (NCUA), to examine E-banking activities by our state credit unions. NCUA has no clear implementation date for an effective E-banking examination. Funding is provided to allow DCU to enter into a personal service contract to conduct Information Systems and Electronic-banking examinations of credit unions. (Credit Unions Examination Account-Nonappropriated)

9. Internet & Intranet Development - The Department's clients and stakeholders are making greater use of the Internet to conduct their business transactions. In an effort to accommodate this trend, the Department has provided access to the Securities Division's licensing data during this biennium. To extend this effort to other Departmental divisions, funding is provided for one Web Programmer/Analyst position and for personal services contract(s), which will support the Divisions' Internet information delivery requirements and the Agency's Intranet efforts. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

10. Financial Literacy - The Department of Financial Institutions helps Washington State consumers avoid scams and fraud and to provide advice to consumers on how to protect themselves in a broad range of financial transactions. The financial literacy position, originally approved as a two-year project position, is responsible for development of Financial Literacy Assistance for the Agency. Responding to increasing demand from both groups and individual citizens in Washington, this funding will continue to build a long-term financial literacy program. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

11. Fund Consolidation # - The Department's three funds (Banking Examination Fund-Nonappropriated, Credit Union Examination Fund-Nonappropriated, and Securities Regulation Fund-Appropriated) are consolidated into a single dedicated and non-appropriated fund, the Financial Services Regulation Fund. The purpose of this consolidation is provide the Department with the flexibility to employ its staff to perform regulatory activities across all financial institutions. This new funding framework will allow the Department to develop, train, and fund cross-division teams that have the capacity to regulate all financial institutions. (Securities Regulation Account)

2001-03 Omnibus Operating Budget
Dept Community, Trade, Econ Dev
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	333.6	146,669	361,927
2001-03 Maintenance Level	331.0	142,877	354,832
Policy Changes:			
1. Vendor Rate Increase	0.0	1,681	1,681
2. General Inflation	0.0	-223	-311
3. Housing Initiative	0.0	0	680
4. Transfer SIRTI Funding	0.0	-3,496	-3,496
5. Infrastructure Task Force	0.0	0	500
6. Protect Archaeological Sites	1.0	266	266
7. Growth Management Updates	1.0	3,000	3,000
8. WMS Rural & Environmental Expansion	0.0	200	200
9. Housing Project Operating Costs	0.0	0	1,500
10. Business Loan Portfolio Staff	-1.0	-162	-162
11. Emergency Food Assistance Program	0.0	1,000	1,000
12. Mobile Home Relocation Assistance	0.3	0	0
13. Increase Building Code Fee *	2.0	0	324
14. Economic Development Administration	0.0	-58	-58
15. Archaeology Grant Funding	0.0	0	1,400
16. King County Public Health	0.0	-2,347	-2,347
17. Reemployment Support Center	0.0	-12	-12
18. Developmental Disabilities Endowmnt	0.0	578	578
19. WSU Technical Services Agreement	0.0	-36	-36
20. Long Term Care Ombudsmen	0.0	508	508
21. Foreign Office Contract - Japan	0.0	-183	-183
22. Technology Improvements	1.0	293	293
23. Reduce Washington Technology Center	0.0	-394	-394
24. SIRTI Reduction	0.0	-223	-223
25. Visitors Information Centers	0.0	-126	-126
26. Sexual Assault Legal Advocate	0.0	0	380
27. Associate Development Offices	0.0	140	140
28. Senior Games	0.0	45	45
29. Youth Shelters	0.0	240	240
30. Business Retention and Expansion	0.0	100	100
31. Rural Opportunity Fund	0.0	-360	-360
32. Co-op Marketing program (HB1686)	0.0	60	60
33. Mortgage & Rental Assistance	0.0	-727	-727
34. Community Connections Program	0.0	-150	-150
35. Methamphetamine Safety Education	1.5	0	500
36. Business Information Hotline	-1.8	-240	-240
37. Creating Separate Departments	5.0	956	956
Total Policy Changes	9.0	330	5,526
Total 2001-03 Biennium	340.0	143,207	360,358

Comments:

1. Vendor Rate Increase - Funding is provided to increase vendor payments by 2.1% in fiscal year 2002 and 2.3% in fiscal year 2003.

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Dept Community, Trade, Econ Dev

- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 3. Housing Initiative** - Funds are provided for low-income housing technical assistance, neighborhood mediation and the development of an affordable housing guidebook. New resources are provided through Senate Bill 5936. (Housing Assistance Account)
- 4. Transfer SIRTI Funding** - The Office of Community Development (OCD) passes state funds through to the Spokane Intercollegiate Research Technical Institute (SIRTI) for its operation. Funds for SIRTI will be appropriated directly to the Institute.
- 5. Infrastructure Task Force** - The Infrastructure Task Force will be established to examine the ability of cities and counties to pay for infrastructure needs. The task force will develop recommendations for coordinated, comprehensive infrastructure funding strategies. (Public Works Assistance Account)
- 6. Protect Archaeological Sites** - Funds are provided to implement Substitute Senate Bill 5353. The legislation gives the Office of Archaeology and Historic Preservation the authority to investigate claims of vandalization or damage to archaeological sites, and to issue civil penalties when a person fails to obtain or violates the conditions of an archaeological permit.
- 7. Growth Management Updates** - Local governments planning under the Growth Management Act are required to review and/or update their comprehensive plans including critical areas ordinances. Funds are provided as grants to local governments to help pay for the costs to update local critical areas ordinances.
- 8. WMS Rural & Environmental Expansion** - Washington Manufacturing Services (WMS) works with Washington based manufacturers to enhance their competitiveness in the global market place. Additional funding will enable WMS to establish a rural manufacturers assistance effort in collaboration with the Economic Development Councils (EDCs) to promote rural economic development in Washington.
- 9. Housing Project Operating Costs** - Senate Bill 5936 provides funding for operating housing assistance to low income families in projects owned and managed by non-profit housing organizations for migrants farmworkers and DD. Revenue provided through SB 5936 is also programmed in the Senate Capital budget for development of additional low income housing. (Housing Assistance Account)
- 10. Business Loan Portfolio Staff** - The Economic Development Division will reduce business loan portfolio staff.
- 11. Emergency Food Assistance Program** - Funding is provided for infrastructure improvements, such as cold storage, in order to increase the capacity of food distribution centers to transport and store food, especially perishable items.
- 12. Mobile Home Relocation Assistance** - Requested legislation to provide additional revenue is not proceeding.
- 13. Increase Building Code Fee *** - SB 5352 provides additional revenue to the Building Code Council Account through fees on building permits. Support to the Energy Conservation Code Technical Advisor Group is restored based on the resulting revenue. (Building Code Council Account)
- 14. Economic Development Administration** - Funding for travel for on-site technical assistance to rural communities and funding for staff training in the Economic Development Division is reduced.
- 15. Archaeology Grant Funding** - The Office of Archaeology and Historic Preservation has received additional federal funds which will be used to increase the total grants awarded to local governments. Required matching funds will be from local participation and existing state appropriations. (General Fund-Federal)
- 16. King County Public Health** - In order to consolidate all replacement of local public health funding associated with Initiative 695, funding for King County Public Health is transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations to the Governor.
- 17. Reemployment Support Center** - Reemployment Support Centers provide counseling and referral services to persons displaced in the timber and salmon industry. General Fund-State funding is eliminated for this program. Funding through an interagency agreement with the Employment Security Department will continue. (\$417,000 Federal Funds)

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Dept Community, Trade, Econ Dev

- 18. Developmental Disabilities Endowment** - Funds are provided for the support of the governing board and for program startup costs. Startup costs are assumed to be a loan from the state general fund and will be repaid from program administrative fees. The governing board may use state appropriations to implement a sliding scale fee waiver for families earning below 150% of the state median family income. The director of CTED (or subsequent Department of Community Development) may implement fees to support the program as provided under RCW 43.330.152.
- 19. WSU Technical Services Agreement** - This item reduces the service contract between the Energy Policy Division and Washington State University (WSU) for technical assistance and support on a number of energy related issues.
- 20. Long Term Care Ombudsmen** - Funding is provided for the recruitment, training, and supervision of volunteer ombudsmen who will visit long-term care clients. The Office of Community Development shall contract with the Department of Social and Health Services for federal matching funds for this program.
- 21. Foreign Office Contract - Japan** - Funds are reduced for the Japan contract for promotion of Washington State and its products.
- 22. Technology Improvements** - Information technology improvements are provided to improve agency service delivery. One-time expenditures equal \$173,000.
- 23. Reduce Washington Technology Center** - The Washington Technology Center at the University of Washington is reduced leaving \$6.17 million in general fund support for the center through CTED.
- 24. SIRTI Reduction** - Funding for the Spokane Intercollegiate Research and Technology Institute is reduced. \$3.496 million of the state General Fund will be appropriated directly to SIRTI in 2001-03 for support of technology research.
- 25. Visitors Information Centers** - The state operates several highway information stops for information and maps. Funding is eliminated for the information centers in the second fiscal year of the biennium.
- 26. Sexual Assault Legal Advocate** - Funds are provided for community based legal advocates to assist sexual assault victims with both civil and criminal justice issues. Provision of these funds are contingent upon the passage of SB 5309.
- 27. Associate Development Offices** - Funding is provided to adjust grants to Associate Development Offices for inflationary cost increases that have occurred since 1998.
- 28. Senior Games** - Funding for the Washington Senior games is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
- 29. Youth Shelters** - Funding for licensed youth shelters is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
- 30. Business Retention and Expansion** - Additional funds are provided for business retention and expansion efforts in rural areas.
- 31. Rural Opportunity Fund** - Resources in the rural opportunity fund are redirected for targeted expenditure.
- 32. Co-op Marketing program (HB1686)** - Funds are provided for the regional business recruitment grant program as part of the co-op marketing program created as Chapter 108, Laws of 1999.
- 33. Mortgage & Rental Assistance** - The Mortgage and Rental Assistance Program currently provides money to displaced timber and fishing workers in four counties. This reduction assumes that no new clients will be accepted as of July 1, 2001, and existing clients will complete the program within 24 months.
- 34. Community Connections Program** - The Community Connections program in Walla Walla was originally funded as a Governor's Juvenile Delinquency prevention grant. Those grants are intended as seed money and local communities are expected to provide support once the program is started.

2001-03 Omnibus Operating Budget

Dept Community, Trade, Econ Dev

35. Methamphetamine Safety Education - The Methamphetamine Safety Education program is offered in Thurston County through a pilot partnership between the county Community Mobilization Team and the Washington Military Department. The program informs the public about methamphetamine laboratory hazards and assists local jurisdictions to develop and publicize strategies for protecting the public from chemicals used in the manufacture of methamphetamine. The pilot is extended statewide. (Public Safety and Education Account)

36. Business Information Hotline - The Business Information program in the Office of Trade and Economic Development's Business Technical Assistance Unit is eliminated. In the future callers will contact the Office of Trade and Economic Development or other agencies directly or through internet services.

37. Creating Separate Departments - Senate Bill 5370 provides for the separation of the department into two new agencies. Funds are provided for two assistant deputies, three additional support staff and associated technology assistance as well as one-time equipment costs.

2001-03 Omnibus Operating Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	5.2	986	986
2001-03 Maintenance Level	5.2	1,033	1,033
Policy Changes:			
1. General Inflation	0.0	-7	-7
Total Policy Changes	0.0	-7	-7
Total 2001-03 Biennium	5.2	1,026	1,026

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Office of Financial Management
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	207.8	27,018	65,632
2001-03 Maintenance Level	205.3	24,814	59,766
Policy Changes:			
1. Transfer to HCA	2.0	208	208
2. Reduction of Expenditures	0.0	-504	-504
3. Electronic Filing of Contracts	0.3	372	372
4. Statewide Jail Booking System	0.0	0	229
5. AmeriCorps Funds	0.0	198	798
6. Facility Condition Assessment	0.0	242	242
7. Fiscal Analyst Recruitment	0.0	296	296
8. Collective Bargaining for Regional	0.2	36	36
9. File Server Replacement	0.0	273	569
10. AFRS Core Financial Systems	6.5	0	1,966
11. Budget & Allotment Support System	6.0	0	2,597
12. Enterprise Reporting	6.0	0	1,925
13. Payables Improvement Process	2.5	0	766
14. Head Start Collaboration Project	-2.0	0	-345
15. Audit of Whistleblower Program	0.0	0	25
Total Policy Changes	21.5	1,121	9,180
Total 2001-03 Biennium	226.8	25,935	68,946

Comments:

1. Transfer to HCA - Funding is shifted from the Office of Financial Management to the Health Care Authority for two new positions to staff the Health Care Policy Subcabinet.

2. Reduction of Expenditures - The Office of Financial Management will reduce General Fund operating expenditures by approximately two percent.

3. Electronic Filing of Contracts - State agencies and institutions of higher education are required to file personal service contracts and amendments with the Office of Financial Management. This is currently a paper process. The Office of Financial Management will develop and implement an electronic filing system, to improve the quality of the filings, processing time, and reporting capabilities.

4. Statewide Jail Booking System - The Office of Financial Management will contract with the Washington Association of Sheriffs and Police Chiefs for the maintenance and operation of the statewide jail booking and reporting system. (Violence Reduction and Drug Enforcement Account)

5. AmeriCorps Funds - The Governor's Youth Safety Initiative will be funded through an increase in the AmeriCorps grant. The increased federal grant award requires state matching funds. AmeriCorp members in schools in Seattle and Yakima will initiate recreation projects for at-risk youth, provide tutoring assistance, and oversee homework clubs. (General Fund-State, General Fund-Federal)

6. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students who benefit from plant investments, half of the \$1.45 million expense is paid by appropriation from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board.

2001-03 Omnibus Operating Budget Office of Financial Management

7. Fiscal Analyst Recruitment - Funding is provided to the Office of Financial Management to implement a fiscal analyst recruitment program to increase the pool of people with financial management knowledge, skills and experience available for middle to upper-level management positions in Washington state government.

8. Collective Bargaining for Regional - Funding is provided for the impacts of 2SSB 5384, related to collective bargaining for university faculty at Eastern, Western, Central, and Evergreen.

9. File Server Replacement - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (General Fund-State, Data Processing Revolving Account)

10. AFRS Core Financial Systems - Funding is provided to continue work on the Agency Financial Reporting System (AFRS) core financial systems by integrating the Department of Social and Health Services cost allocation system, supporting the Ultimate Purchasing System developed by the Department of General Administration, supporting quality control requirements, and supporting a statewide accounts receivable system. (Data Processing Revolving Account)

11. Budget & Allotment Support System - The Office of Financial Management will continue product development of the Budget and Allotment Support System (BASS). (Data Processing Revolving Account)

12. Enterprise Reporting - Funding is provided to move the Department of Social and Health Services to the statewide enterprise financial reporting system known as Fastrack. (Data Processing Revolving Account)

13. Payables Improvement Process - Funding is provided for the Office of Financial Management to maintain the Intranet-based statewide Travel Voucher System. (Data Processing Revolving Account)

14. Head Start Collaboration Project - The Head Start Collaboration Project is transferred to the Department of Social and Health Services. (General Fund-Federal)

15. Audit of Whistleblower Program - RCW 42.40.110 requires the Office of Financial Management to contract for a performance audit of the Washington State Employee Whistleblower Program. One audit will be performed during the 2001-03 Biennium. (Auditing Services Revolving Account)

2001-03 Omnibus Operating Budget
Office of Administrative Hearings
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	139.7	0	21,496
2001-03 Maintenance Level	139.7	0	22,032
Policy Changes:			
1. General Inflation	0.0	0	-95
2. Purchase Personal Computers	0.0	0	28
Total Policy Changes	0.0	0	-67
Total 2001-03 Biennium	139.7	0	21,965

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Administrative Hearings Revolving Account)

2. Purchase Personal Computers - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (Administrative Hearings Revolving Account)

2001-03 Omnibus Operating Budget
Department of Personnel
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	217.6	0	34,867
2001-03 Maintenance Level	217.6	0	33,407
Policy Changes:			
1. General Inflation	0.0	0	-270
Total Policy Changes	0.0	0	-270
Total 2001-03 Biennium	217.6	0	33,137

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)

2001-03 Omnibus Operating Budget
State Lottery Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	151.0	0	797,058
2001-03 Maintenance Level	151.0	0	763,453
Policy Changes:			
1. General Inflation	0.0	0	-283
Total Policy Changes	0.0	0	-283
Total 2001-03 Biennium	151.0	0	763,170

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Washington State Gambling Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	188.3	0	27,492
2001-03 Maintenance Level	198.7	0	29,543
Policy Changes:			
1. General Inflation	0.0	0	-207
2. Web-Based Services	1.0	0	234
3. Efficiency through Technology	0.0	0	305
4. Renton Field Office	0.0	0	60
5. Adjust spending to revenue proj.	0.0	0	-2,100
Total Policy Changes	1.0	0	-1,708
Total 2001-03 Biennium	199.7	0	27,835

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Gambling Revolving Account-Nonappropriated)

2. Web-Based Services - The agency's web site will be expanded to provide easy access to a wide variety of information on gambling regulation. Application and licensee reporting forms will be migrated to web-based electronic processes, and electronic fund transfer capability for amounts due the agency will be established. Paper forms for those without web access will be redesigned so they are machine-readable for electronic processing. (Gambling Revolving Account-Nonappropriated))

3. Efficiency through Technology - The Commission will obtain equipment for the Field Operations Division's agents to improve the efficiency of work at licensee locations, obtain software to implement a central case reporting system, and develop a digital photo identification system. (Gambling Revolving Account-Nonappropriated)

4. Renton Field Office - A field office will be established in Renton for agents responsible for overseeing licensees located in south King County. This will increase the amount of time available for on-site inspection and investigation activities by reducing time spent commuting from the current office in Lynnwood. (Gambling Revolving Account-Nonappropriated)

5. Adjust spending to revenue proj. - Reduces expenditures in the 01-03 biennium to match projected revenue. (Gambling Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3.3	461	461
2001-03 Maintenance Level	3.3	464	464
Policy Changes:			
1. General Inflation	0.0	-4	-4
Total Policy Changes	0.0	-4	-4
Total 2001-03 Biennium	3.3	460	460

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
African-American Affairs Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3.0	398	398
2001-03 Maintenance Level	3.0	422	422
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	3.0	420	420

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Personnel Appeals Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	11.0	0	1,673
2001-03 Maintenance Level	11.0	0	1,688
Policy Changes:			
1. General Inflation	0.0	0	-8
Total Policy Changes	0.0	0	-8
Total 2001-03 Biennium	11.0	0	1,680

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)

2001-03 Omnibus Operating Budget
Department of Retirement Systems
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	276.4	0	51,472
2001-03 Maintenance Level	292.2	0	52,299
Policy Changes:			
1. General Inflation	0.0	0	-178
2. Locating Entitled Inactive Members	0.0	0	120
3. Modify Retiree Return-to-Work Rules	0.0	0	117
4. Implement WSPRS Plan 2	2.6	0	440
Total Policy Changes	2.6	0	499
Total 2001-03 Biennium	294.8	0	52,798

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)

2. Locating Entitled Inactive Members - Funding is provided to the Department of Retirement Systems (DRS) to identify and centralize inactive accounts of former retirement system members who have left funds in their accounts. DRS will take administrative steps to attempt to notify the former members of their account balances, in compliance with IRS requirements that members begin receiving distributions no later than after they reach age 70 and one-half. (Department of Retirement Systems Expense Account)

3. Modify Retiree Return-to-Work Rules - The Senate budget provides funding for DRS to make information system changes to implement the provisions of ESSB 5937 that change the current limits on post-retirement employment to an 840 or 1500 hour limit for TRS Plan 1, to an 867 or 1500 hour limitation for PERS Plan 1, and to an 867 hour limit for PERS Plan 2, SERS Plans 2 and 3, and TRS Plans 2 and 3. (Department of Retirement Systems Expense Account)

4. Implement WSPRS Plan 2 - Funding is provided for the implementation of the Washington State Patrol Retirement System Plan 2, created by Engrossed Senate Bill 5143, including modifications to computer systems and program information. (Department of Retirement Systems Expense Account)

2001-03 Omnibus Operating Budget
State Investment Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	53.1	0	11,469
2001-03 Maintenance Level	59.6	0	12,385
Policy Changes:			
1. General Inflation	0.0	0	-24
2. Financial Statements	0.0	0	97
3. Private Equity Transaction Mgmt	2.0	0	317
Total Policy Changes	2.0	0	390
Total 2001-03 Biennium	61.6	0	12,775

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)

2. Financial Statements - Funding is provided to the State Auditor to conduct an independent audit of annual financial statements of assets under State Investment Board management. The State Auditor's Office has indicated that they will be able to conduct audits within the timeline required by the State Investment Board. (State Investment Board Expense Account)

3. Private Equity Transaction Mgmt - Funding is provided for the State Investment Board to hire two additional staff to perform work previously done by a private equity consultant. The staff will perform investment related duties and comprehensive back office functions, such as daily accounting and reporting, legal review, and financial statement review, to replace the \$3.4 million contract. A new consultant contract has been signed for \$1.5 million but the new consultant cannot deliver all of the same services. As a result, additional administrative funding is needed to supplement the back office services. The new operating model will save investment funds of \$1.7 million. (State Investment Board Expense Account)

2001-03 Omnibus Operating Budget
Department of Revenue
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	991.7	144,739	154,796
2001-03 Maintenance Level	972.6	145,009	155,157
Policy Changes:			
1. General Inflation	0.0	-429	-435
2. Network Capacity Improvement	0.0	505	505
3. Fully Fund Salary and Benefit Costs	0.0	0	71
4. Efficiency Savings	-6.1	-609	-609
5. Tax Collections - DOL/Customs	0.0	300	300
6. Tax Collections - Contract Auditors	0.0	1,430	1,430
7. Tax Structure Study	1.8	318	318
Total Policy Changes	-4.3	1,515	1,580
Total 2001-03 Biennium	968.3	146,524	156,737

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (GF-S, Other funds)

2. Network Capacity Improvement - The department upgraded its network through increasing bandwidth and replacing with network equipment capable of handling higher speeds. The increased bandwidth capacity and network servers will enable the department to maintain a network capable of supporting business transactions and newer technology applications. Funds are provided for information technology (IT) upgrades in the second year of the biennium. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (GF-S)

3. Fully Fund Salary and Benefit Costs - In the 2001-03 Biennium, the employees who staff the Timber Tax Program will be eligible for merit increments. Funding is provided to fully fund the salary and benefit costs for these employees. (Timber Tax Distribution Account)

4. Efficiency Savings - The Department of Revenue has achieved efficiencies through implementation of information technology projects and process improvements. Staff positions have been eliminated as a result of the document imaging project for excise tax returns and process improvements within the Miscellaneous Tax Section. Further planned efficiencies include the revision of the Local Tax Distribution System and quality review of the Audit Standard and Procedures work processes. The Aberdeen Field Office will be closed and alternate service delivery methods will be employed to assist customers. (GF-S)

5. Tax Collections - DOL/Customs - Funding is provided for the Department of Revenue plan to better utilize the Department of Licensing vehicle licensing system and its own automated collection system to improve collections of taxes due on recreational vehicles and vessels. Funding is provided to increase enforcement of use tax collections through U.S. customs. And funding is provided to shift audit effort to put a higher emphasis on tax discovery and high dollar accounts. These tax compliance efforts are expected to generate an additional \$15 million GF during the biennium and an additional \$2.2 million for local governments. (GF-S)

6. Tax Collections - Contract Auditors - Additional out-of-state independent contractors will be hired to perform audits of businesses that conduct operations in Washington State but are located out-of-state. This will generate an additional \$12.8 million in GF revenue for the biennium and an additional \$1.9 million for local governments. (GF-S)

2001-03 Omnibus Operating Budget Department of Revenue

7. Tax Structure Study - Funding is provided for the additional costs of conducting the Tax Structure Study (SSB 6098). The bill directes DOR to create a committee on taxation to study the elasticity, equity, and adequacy of the state's tax system. The committee is to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the twenty-first century. The committee must develop multiple alternatives to the existing tax system designed to increase the harmony between the tax system of this state and the surrounding states, encourage commerce and business creation, and encourage home ownership. (GF-S)

2001-03 Omnibus Operating Budget
Board of Tax Appeals
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	10.4	1,944	1,944
2001-03 Maintenance Level	10.9	2,138	2,138
Policy Changes:			
1. General Inflation	0.0	-5	-5
2. Seattle Hearing Room Relocation	0.0	38	38
Total Policy Changes	0.0	33	33
Total 2001-03 Biennium	10.9	2,171	2,171

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Seattle Hearing Room Relocation - The Board of Tax Appeals' Seattle hearing room does not provide the facilities to effectively conduct tax appeal hearings. The Board will relocate its Seattle hearing room to a more convenient location with parking for its customers. The Board also requires information technology improvements to provide communication access between the Seattle hearing room and the Board's office in Olympia.

2001-03 Omnibus Operating Budget
Municipal Research Council
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	1,766	4,146
2001-03 Maintenance Level	0.0	0	4,264
Policy Changes:			
1. Compensation Adjustments	0.0	0	317
2. Agency Relocation	0.0	0	130
3. General Inflation	0.0	0	-136
Total Policy Changes	0.0	0	311
Total 2001-03 Biennium	0.0	0	4,575

Comments:

1. Compensation Adjustments - Funds are provided for compensation adjustments for contractual staff to reflect existing cost of living adjustments and recruitment and retention issues. (County Research Services Account, City and Town Research Services Account)

2. Agency Relocation - The current lease agreement expires July 31, 2002 and new space is being solicited. Funds are provided for increased lease rates and one-time moving costs. (County Research Services Account, City and Town Research Services Account)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (County Research Services Account, City and Town Research Services Account)

2001-03 Omnibus Operating Budget
Minority & Women's Business Enterp
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	20.0	0	2,663
2001-03 Maintenance Level	20.0	0	2,414
Policy Changes:			
1. Management & Tracking System	<u>0.0</u>	<u>0</u>	<u>204</u>
Total Policy Changes	0.0	0	204
Total 2001-03 Biennium	20.0	0	2,618

Comments:

1. Management & Tracking System - This contract management and tracking system will provide comprehensive data on the state's contracting and procurement activities. (Minority and Women's Business Enterprises Account)

2001-03 Omnibus Operating Budget
Dept of General Administration
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	609.7	916	128,227
2001-03 Maintenance Level	618.8	1,181	131,323
Policy Changes:			
1. General Inflation	0.0	-2	-989
2. Capitol Facilities Maintenance	1.0	0	344
3. Transfer of Property Management #	-4.0	0	-1,372
4. Service Based Funding on New Leases	0.0	0	0
5. Procurement Contract Management #	0.0	0	0
6. Claims Database Management	0.0	0	60
7. The Ultimate Purchasing System	3.0	0	3,411
8. New Markets for Procurement Svcs	0.0	0	209
9. Consolidate Energy Programs #	1.3	0	91
Total Policy Changes	1.3	-2	1,754
Total 2001-03 Biennium	620.1	1,179	133,077

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State General Fund and General Administration Services Account)

2. Capitol Facilities Maintenance - Additional funds are provided to meet the increasing demands of on-going capital maintenance related to aging facilities. A Fire/Safety and Insulation Specialist will perform preventative maintenance on fire suppression systems and asbestos abatement. A Capitol Campus Building Exterior Maintenance program will be initiated to maintain all brick, cement and sandstone building exteriors. (General Administration Services Account)

3. Transfer of Property Management # - Property management of the Washington State Training and Conference Center is transferred from the Department of General Administration to the Criminal Justice Training Commission per Senate Bill 5181. (General Administration Services Account-Nonappropriated)

4. Service Based Funding on New Leases - The manner in which the Division of Real Estate Services charges its clients for new leases is changed from a cost allocation basis to a fee for actual services performed. The new cost recovery method is based upon actual services provided to the client agencies to procure new leases. (General Administration Services Account, General Administration Services Account-Nonappropriated)

5. Procurement Contract Management # - As provided in Senate Bill 5474, the Procurement Contract Administration (PCA) funding is changed from appropriated to non-appropriated status. This change will allow the Department to more effectively respond to customer demand. (General Administration Services Account, General Administration Services Account-Nonappropriated)

6. Claims Database Management - Additional funds are provided to link the State Attorney General's Office and the State Office of Risk Management for tort claims administration and claims payments. (General Administration Services Account)

7. The Ultimate Purchasing System - Funds are provided to implement The Ultimate Purchasing System (TUPS). This internet based system is intended to expedite purchasing and payment for contracted goods and services. The Department of General Administration and the Department of Corrections will initiate service in October 2000. Implementation by other state agencies will occur in phases throughout the next biennium. (General Administration Services Account-Non-appropriated)

8. New Markets for Procurement Svcs - New markets and new products for procurement services will be developed using non-appropriated funds generated through fees and service charges. (General Administration Services Account)

**2001-03 Omnibus Operating Budget
Dept of General Administration**

9. Consolidate Energy Programs # - As provided in Senate Bill 5474, the Energy Efficiency Services Account is eliminated and all funding is consolidated within the General Administration Services Account in order to simplify financial management and reporting. Revenues are provided through reimbursement of life cycle cost analysis. (General Administration Services Account-Nonappropriated, Energy Efficiency Services Account)

2001-03 Omnibus Operating Budget
Department of Information Services
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	428.6	0	215,905
2001-03 Maintenance Level	428.6	0	209,211
Policy Changes:			
1. General Inflation	0.0	0	-649
2. K-20 Network Private Colleges	0.0	0	804
Total Policy Changes	0.0	0	155
Total 2001-03 Biennium	428.6	0	209,366

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Data Processing Revolving Account)

2. K-20 Network Private Colleges - The 15 independent private, non-profit colleges, located in Washington State, have requested connection to the K-20 Educational Telecommunications Network in order to partner with the state's four year and two year colleges. Connections will provide the private institutions with the bandwidth to communicate and share educational materials and research with all public educational sectors. These K-20 connections will be provided to the private schools on a full cost reimbursement basis. (Education Technology Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
Office of Insurance Commissioner
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	173.1	0	26,827
2001-03 Maintenance Level	171.1	0	26,741
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Consumer Advocacy Workload	1.0	0	132
3. Monitor Auxiliary Lines Companies	5.0	0	821
4. Access to Insurance Information	3.0	0	409
5. Insurance e-Commerce Regulation	1.0	0	184
6. Insurance Examiner Salaries	0.0	0	412
7. HelpLine Volunteer Network	0.0	0	400
Total Policy Changes	10.0	0	2,254
Total 2001-03 Biennium	181.1	0	28,995

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Insurance Commissioner's Regulatory Account)

2. Consumer Advocacy Workload - One staff position will be added to the Consumer Advocacy Division to ensure response to the growing volume of insurance-related inquiries and complaints received from the public. (Insurance Commissioner's Regulatory Account)

3. Monitor Auxiliary Lines Companies - Over the last five years, the number of auxiliary lines entities that require financial monitoring (viatical settlement providers, service contract providers, risk retention groups, and charitable gift annuity issuers) has grown from 74 to 190. This funding will allow for the examination and financial analysis of all 190 auxiliary lines companies. (Insurance Commissioner's Regulatory Account)

4. Access to Insurance Information - An increase in information services staff will enable the Office of the Insurance Commissioner to respond to growing consumer and industry demand for information by giving direct access to a variety of insurance information including ratings, complaint data, and company profiles via the Internet. It will also address increased internal demand for the agency's information service support functions. (Insurance Commissioner's Regulatory Account)

5. Insurance e-Commerce Regulation - Funding is provided for a review and revision of the state's insurance statutes and regulations to improve compatibility with new methods of electronic commerce. The Office of Insurance Commissioner (OIC) will work with industry representatives, the National Association of Insurance Commissioners, and other groups to recommend changes to the insurance code to allow the industry to use the Internet to conduct business, address known e-commerce problems and maintain consumer protection. The OIC will also be responsible for planning and leading enforcement actions resulting from illegal and deceptive insurance practices. (Insurance Commissioner's Regulatory Account)

6. Insurance Examiner Salaries - Funds are provided for the cost of salary reclassifications for Insurance Examiners, as determined by the Personnel Resources Board to address recruitment and retention problems. (Insurance Commissioner's Regulatory Account)

7. HelpLine Volunteer Network - Since 1992, the number of consumers served annually by the State Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers has grown from 14,000 to 150,000. Additional funding will be provided to 25 sponsor organizations to continue to coordinate and administer the volunteer and community networks. (Insurance Commissioner's Regulatory Account)

2001-03 Omnibus Operating Budget
State Board of Accountancy
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	7.5	0	1,304
2001-03 Maintenance Level	8.0	0	1,331
Policy Changes:			
1. General Inflation	0.0	0	-10
2. Revise Public Accountancy Act	0.0	0	355
Total Policy Changes	0.0	0	345
Total 2001-03 Biennium	8.0	0	1,676

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Certified Public Accountants' Account)

2. Revise Public Accountancy Act - Funds are provided for the Board of Accountancy to conduct rulemakings, set license fees and distribute consumer alert/public protection information in accordance with E2SSB 5593. (Certified Public Accountants' Account)

2001-03 Omnibus Operating Budget
Forensic Investigations Council
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	0	272
2001-03 Maintenance Level	0.0	0	276
Total 2001-03 Biennium	0.0	0	276

Comments:

2001-03 Omnibus Operating Budget
Washington Horse Racing Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	29.4	0	4,733
2001-03 Maintenance Level	29.4	0	4,520
Policy Changes:			
1. General Inflation	0.0	0	-14
Total Policy Changes	0.0	0	-14
Total 2001-03 Biennium	29.4	0	4,506

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Horse Racing Commission Account)

2001-03 Omnibus Operating Budget
WA State Liquor Control Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	976.6	2,657	145,302
2001-03 Maintenance Level	950.3	2,978	146,019
Policy Changes:			
1. General Inflation	0.0	-8	-279
2. Merchandising Business System	0.0	0	120
3. Regional Wholesale Center	0.0	0	260
4. Transition Training	0.0	0	108
5. Aged Vehicle Replacement	0.0	0	556
6. Provide Quality Enforcement	0.0	0	67
7. Agency Commission Increase	0.0	0	574
Total Policy Changes	0.0	-8	1,406
Total 2001-03 Biennium	950.3	2,970	147,425

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Liquor Revolving Account)

2. Merchandising Business System - Funding is provided in fiscal year 2002 for a consultant to conduct a study to determine the full costs and savings of acquiring and implementing a new Merchandising Business System (MBS) for both retail and contract agency vendor stores. The study shall also consider the alternative of upgrading the existing Point of Sale System. The study shall be reviewed by the Information Services Board (ISB) prior to submission to the fiscal committees of the legislature. (Liquor Revolving Account)

3. Regional Wholesale Center - A 1999 Deloitte & Touche study of Washington State Liquor Control Board's retail business plan found that wholesale customers (primarily Class H licensees who sell liquor by the glass) wanted more responsive service. In response, a regional wholesale center will be established at Seattle's Store 101. Retail sales will still continue at Store 101, but the Store Development Program will be relocated to a less expensive industrial area to free up space for the establishment of a wholesale center. (Liquor Revolving Account)

4. Transition Training - The Washington State Liquor Control Board is transitioning from a mainframe to a client-server platform with web-enabled applications (for e-commerce purposes) using current technologies. Employees within WSLCB's Information Technology Services Division will receive training in client/server and web based technology platforms. (Liquor Revolving Account)

5. Aged Vehicle Replacement - The Washington State Liquor Control Board's 130 vehicles are used in statewide liquor retail merchandising, enforcement, and regulatory activities. Thirty-two vehicles will be replaced when they reach five years and/or 100,000 miles of service in the next biennium. Many of these vehicles will exceed this vehicle replacement target at the beginning of the next fiscal year. (Liquor Revolving Account)

6. Provide Quality Enforcement - A 1999 Governor's Citizen Review Panel recommended that the Board's Enforcement and Education Division implement a community-oriented enforcement and education program by building cooperative relationships with licensees, and seeking partnerships with local governments, law enforcement agencies, and neighborhood and community organizations. All Division enforcement staff will undergo two-day community policing training tailored to liquor enforcement. Eight enforcement officers will receive an additional one day community policing training session designed to prepare them to serve as instructors. (Liquor Revolving Account)

7. Agency Commission Increase - Funding is provided for contract agency vendor commissions due to increased sales volume. The Senate budget does not provide funding to allow commission rates to increase by six percent. (Liquor Revolving Account)

2001-03 Omnibus Operating Budget
Utilities and Transportation Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	163.8	0	28,361
2001-03 Maintenance Level	160.1	0	28,623
Policy Changes:			
1. Cost Accounting System	0.0	0	170
2. Transportation Process Study	1.0	0	134
3. Pipeline Safety Program *	8.0	0	1,792
4. General Inflation	0.0	0	-111
Total Policy Changes	9.0	0	1,985
Total 2001-03 Biennium	169.1	0	30,608

Comments:

1. Cost Accounting System - Replacement of an antiquated cost and time accounting application will allow the agency to provide timely and accurate cost and expenditure data by industry. A consultant will be hired to undertake a study of the agency's requirements for regulatory and financial information. The study would include recommendations for integration with existing statewide applications, and development of a new application. After the study is completed, the new cost accounting system will be implemented. (Public Service Revolving Account)

2. Transportation Process Study - The Utilities and Transportation Commission's transportation industry business area has undergone considerable change over the last several years, during which time several programs have been reorganized. The automated applications that support the transportation programs require a similar reorganization. Staff will be hired to perform a study of the business processes in the transportation programs and support development of a new application in the second year of the biennium. This new transportation system will provide faster and more efficient results and information to clients and customers. (Public Service Revolving Account)

3. Pipeline Safety Program * - The Commission has primary jurisdiction for pipeline safety in Washington State. The Commission is certified by the Federal Office of Pipeline Safety (OPS) to adopt safety regulations and inspect intrastate natural gas and hazardous liquid pipelines. With passage of the Federal Washington Pipeline Safety Act 2000, the Commission has taken on additional responsibilities, including interstate pipeline inspection. In July 2000, the Commission signed an agreement with OPS authorizing state inspectors to inspect interstate natural gas and hazardous liquid pipelines. The 2000 Legislature provided new funding (\$800,000 paid from penalties) to implement interstate pipeline safety activities and directed the Commission to develop a proposal to collect a fee from the regulated industries to cover the costs of interstate pipeline safety regulation in the future. (Public Service Revolving Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Service Revolving Account)

2001-03 Omnibus Operating Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3.0	0	587
2001-03 Maintenance Level	3.0	0	568
Policy Changes:			
1. General Inflation	0.0	0	-2
2. Internet Website	0.0	0	3
Total Policy Changes	0.0	0	1
Total 2001-03 Biennium	3.0	0	569

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

2. Internet Website - Funding is provided for the agency to develop an Internet web site that allows volunteer firefighters and fire departments better access to information, report forms, and e-mail. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

2001-03 Omnibus Operating Budget
Military Department
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	224.4	22,912	122,522
2001-03 Maintenance Level	214.4	18,009	61,824
Policy Changes:			
1. General Inflation	0.0	-115	-294
2. Information Technology Staff	2.0	366	366
3. Technology Infrastructure	0.0	95	95
4. Yakima Armory Support	1.0	128	128
5. Caretaker Support	0.0	125	125
6. Reduce Emergency Mgmt Training	0.0	-36	-54
7. Reduce Maintenance of Armories	-2.4	-230	-230
8. Reduction in Maintenance and Repair	-1.0	-24	-98
9. Emergency Management Compact #	0.0	120	120
10. Wireless Enhanced 911 #	1.9	0	9,461
Total Policy Changes	1.5	429	9,619
Total 2001-03 Biennium	215.9	18,438	71,443

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

2. Information Technology Staff - Funding is provided for the Military Department to hire additional information technology staff to improve the coordination and integration of their information technology activities. The Department currently has three distinct, federally funded information technology networks that are responsible for the Army National Guard, the Air National Guard, and the Emergency Management Network for state emergencies.

3. Technology Infrastructure - Funding is provided for the Military Department to work with the Department of Information Services to improve electronic communications capabilities.

4. Yakima Armory Support - Funding is provided for maintenance and operating costs of the new Army National Guard Readiness Center in Yakima, which is planned to open in August 2001.

5. Caretaker Support - Currently, the Army National Guard armories are cleaned once each month by Army National Guard soldiers. Funding is provided for contracted janitorial services at thirty armories across the state.

6. Reduce Emergency Mgmt Training - The Emergency Management Division of the Military Department will reduce travel reimbursements to approximately 250 students of general emergency management and search and rescue training.

7. Reduce Maintenance of Armories - Maintenance and operations expenditures of armories is reduced.

8. Reduction in Maintenance and Repair - The Air National Guard of the Military Department will reduce maintenance and repair staff by one position. (General Fund-State, General Fund-Federal)

9. Emergency Management Compact # - SB 5256 (emergency management assistance compact) authorizes the Military Department to enter into interstate compacts for mutual aid during disasters or emergencies. One-time funding is provided for a staff position to assist with the development of these agreements.

10. Wireless Enhanced 911 # - Funding is provided for the implementation of SSB 6034 (enhanced 911 excise tax), which imposes an additional 25 cent per month state tax on wireless subscribers. The revenue from this tax will be utilized for costs associated with creating the capability to locate the number and location of callers dialing 911 from a wireless phone. (Enhanced 911 Account)

2001-03 Omnibus Operating Budget
Public Employment Relations Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	24.7	4,251	4,251
2001-03 Maintenance Level	24.7	4,300	4,300
Policy Changes:			
1. General Inflation	0.0	-13	-13
2. Office Space Increase	0.0	32	32
Total Policy Changes	0.0	19	19
Total 2001-03 Biennium	24.7	4,319	4,319

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Office Space Increase - Funding is provided for an increase in square footage in the Olympia office.

2001-03 Omnibus Operating Budget
Growth Management Hearings Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	12.0	2,899	2,899
2001-03 Maintenance Level	12.0	3,015	3,015
Policy Changes:			
1. General Inflation	0.0	-11	-11
Total Policy Changes	0.0	-11	-11
Total 2001-03 Biennium	12.0	3,004	3,004

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
State Convention and Trade Center
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	144.0	0	32,313
2001-03 Maintenance Level	155.0	0	67,738
Total 2001-03 Biennium	155.0	0	67,738

Comments:

2001-03 Omnibus Operating Budget
WA State Health Care Authority
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	291.5	13,165	604,751
2001-03 Maintenance Level	287.4	13,115	710,698
Policy Changes:			
1. Insurance System Upgrade	0.0	0	3,635
2. PEBB Administration	3.0	0	250
3. Basic Health Alternative Contracts	1.0	0	2,553
4. Family Care Waiver	0.0	0	56,607
5. UMP Pharmacy Benefit Management	0.0	0	170
6. Basic Health Co-Pay and Subsidy	0.0	0	-2,223
7. Administrative Efficiencies	-2.8	-6	-1,091
8. General Inflation	0.0	-8	-195
Total Policy Changes	1.3	-14	59,706
Total 2001-03 Biennium	288.6	13,101	770,404

Comments:

1. Insurance System Upgrade - The Senate budget provides funding to enable the Health Care Authority (HCA) to contract for a new insurance eligibility and member management information system for the Basic Health and the Public Employees Benefit health plans, in part to address the new requirements of the Health Insurance Portability and Accountability Act. (Health Care Authority Administrative Account-State, Health Services Account-State)

2. PEBB Administration - The Public Employees Benefit Board (PEBB) program enrollment for retirees and self pay enrollees has increased over twenty percent since 1996. The Health Care Authority (HCA) workload for these groups, including enrollment and account maintenance services, is much higher than for state employees. The Senate budget funds a medical program specialist position to develop tools and processes, in conjunction with a new information system, to improve customer service. The Senate also funds two FTEs (four positions) to assist with customer inquiries and plan changes during open enrollment periods. The HCA is also directed to review whether the portion of retiree premiums assessed for administrative costs is adequate to fund the expenses incurred in providing services to retirees. (Health Care Authority Administrative Account-State)

3. Basic Health Alternative Contracts - Funding is provided for the Basic Health Plan (BHP) to develop and implement alternative purchasing strategies in areas of the state where managed care contractors might otherwise not be available for BHP enrollees. As authorized during the 2000 legislative session, this may include strategies such as differential geographic rating of bids; and direct negotiation with plans and provider networks in areas where there are not sufficient competitive bids. (Health Services Account-State)

4. Family Care Waiver - The Health Care Authority and the Department of Social and Health Services have submitted a proposal to the federal government requesting a waiver to Title XXI of the Social Security Act. If approved, the waiver would allow Washington to use Title XXI State Children's Health Insurance Program (SCHIP) funds to cover part of the cost of Basic Health plan coverage for parents whose children are enrolled in Medicaid or SCHIP. This would reduce the amount of state Health Services Account funding needed to subsidize coverage for some current Basic Health Plan (BHP) enrollees. Under the Senate budget, the extra state funds would be used to cover all eligible applicants in the SCHIP program; to enroll additional adults with incomes below 200% of poverty in the BHP; and to expand eligibility for subsidized BHP coverage to 250 percent of poverty. (General Fund-Federal, Basic Health Plan Subscription Account-Nonappropriated, Basic Health Plan Trust Account-Nonappropriated)

5. UMP Pharmacy Benefit Management - The Uniform Medical Plan (UMP) pharmacy claims costs have increased 28 percent from 1998 to 1999, as compared to 17 to 20 percent pharmacy increase nationwide. In order to better manage pharmacy costs, the Senate budget provides funding for the UMP to contract with a pharmacy consultant to develop a pharmaceutical use policy and utilization review system and provide ongoing data analysis and recommendations for pharmacy benefit design and utilization management. (Uniform Medical Plan Benefits Administration Account-Nonappropriated)

2001-03 Omnibus Operating Budget WA State Health Care Authority

6. Basic Health Co-Pay and Subsidy - Part of the \$65 million of increased Basic Health Plan subsidies funded in the maintenance level budget is to be offset by (1) increasing pharmacy co-pays by \$2 per prescription; (2) increasing the minimum premium charged to enrollees with incomes below 125% of the poverty level by \$2.50 - \$5.00 per month; and (3) reducing the state subsidy for enrollees with incomes between 125-200% of poverty by about 10%. (Health Services Account-State, Basic Health Plan Subscription Account-Nonappropriated)

7. Administrative Efficiencies - The Health Care Authority's central administration is reduced by 2 percent, as proposed by the Governor. Additionally, funding for research and planning is reduced to reflect actual 1999-01 spending levels. (General Fund-State, General Fund-Federal, Health Care Authority Administrative Account-State, Health Services Account-State)

8. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Health Services Account-State, Health Care Authority Administrative Account-State)

2001-03 Omnibus Operating Budget
Human Rights Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	52.4	5,346	6,976
2001-03 Maintenance Level	52.4	5,423	7,067
Policy Changes:			
1. General Inflation	0.0	-30	-30
Total Policy Changes	0.0	-30	-30
Total 2001-03 Biennium	52.4	5,393	7,037

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	142.7	0	23,940
2001-03 Maintenance Level	143.3	0	25,425
Policy Changes:			
1. General Inflation	0.0	0	-146
2. Upgrade Information Technology	0.0	0	838
3. Increase in Appeals Workload	7.0	0	1,118
4. Temp Costs for Cockle Decision	9.8	0	1,618
Total Policy Changes	16.8	0	3,428
Total 2001-03 Biennium	160.1	0	28,853

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Accident Account, Medical Aid Account)

2. Upgrade Information Technology - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (Accident Account, Medical Aid Account)

3. Increase in Appeals Workload - Funding is provided to increase the number of judges and support staff in the second year of the biennium to meet increasing workload. This increase is deferred until the second year in order to allow funding for the temporary cost increases expected in FY 02 from the Cockle decision. (Accident Account, Medical Aid Account)

4. Temp Costs for Cockle Decision - One-time funding is provided for the increased cost of implementing a recent Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the legislature alternatives for simplifying the calculation of benefits by October 1, 2001. (Accident Account, Medical Aid Account)

2001-03 Omnibus Operating Budget
Criminal Justice Training Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	38.0	0	18,162
2001-03 Maintenance Level	35.0	0	17,925
Policy Changes:			
1. Vendor Rate Increase - WASPC	0.0	0	31
2. General Inflation	0.0	0	-311
3. Facility Responsibilities #	5.0	0	0
4. Vendor Rate Increase - Food Service	0.0	0	22
5. Methamphetamine Initiative	0.0	0	233
6. School Safety Training	0.0	0	65
7. WASPC - Increased Training	0.0	0	124
8. Prosecutors - Increased Training	0.0	0	136
Total Policy Changes	5.0	0	300
Total 2001-03 Biennium	40.0	0	18,225

Comments:

1. Vendor Rate Increase - WASPC - Funding is provided to increase the salaries of Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. Rates will be increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)

3. Facility Responsibilities # - The Criminal Justice Training Commission (CJTC) has assumed responsibility for the operation and maintenance responsibilities associated with the Criminal and Justice Training Conference Center from the Department of General Administration. While CJTC does not expect any increased cost associated with the transfer, an adjustment is needed to their authorized staffing levels to account for the change.

4. Vendor Rate Increase - Food Service - The Commission's food service provider will have their rates increased by 2.1 percent on July 1, 2001 and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)

5. Methamphetamine Initiative - As part of the Governor's Methamphetamine Initiative, funding is provided for the establishment of a training program designed to enhance the ability of local governments to respond to methamphetamine issues. (Public Safety and Education Account)

6. School Safety Training - Funding is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues. (Public Safety and Education Account)

7. WASPC - Increased Training - The Washington Association of Sheriffs and Police Chiefs (WASPC) will increase the technical and training support provided to the local criminal justice agencies. This support will enhance the accuracy of the data submitted to the new Washington Incident-Based Reporting System and the National Incident-Based Reporting System. (Public Safety and Education Account)

8. Prosecutors - Increased Training - The Washington Association of Prosecuting Attorneys (WAPA) will increase training provided to the criminal justice community including prosecutors, law enforcement, judges, fish and wildlife officers, corrections staff, school personnel, and Department of Social and Health Services employees. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget
Department of Labor and Industries
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	2,731.9	15,061	437,035
2001-03 Carryforward Level	2,750.1	15,227	434,830
2001-03 Maintenance Level	2,722.1	15,510	445,269
Policy Changes:			
1. Consumer Protection/Contractors *	2.0	268	268
2. Ergonomics Grant Program	0.0	0	5,000
3. Improving Claims Collection	4.0	0	2,690
4. Critical Safety and Health Data	3.0	0	2,942
5. Internet Registration and Licensing	0.0	0	445
6. General Inflation	0.0	-38	-2,101
7. Expanding Apprenticeship	0.0	305	1,555
8. Replace Incompatible Computers	0.0	0	2,258
9. Program Reductions	-3.5	-320	-320
10. Increase for Crime Victims Comp	0.0	0	2,702
11. Temp Cost for Cockle Decision	17.1	0	4,314
12. ESB 5882, Musculoskeletal Disorders	0.0	0	17,500
Total Policy Changes	22.6	215	37,253
Total 2001-03 Biennium	2,744.7	15,725	482,522

Comments:

1. Consumer Protection/Contractors * - Consumer protection to customers of residential contractors will be enhanced by designating 50 percent of a contractor's bond for residential customers. Contractor bond and insurance requirements, business competency testing and continuing education requirements are also increased.

2. Ergonomics Grant Program - Thirty percent of workers' compensation claims and 40 percent of workers' compensation costs are for work related musculoskeletal disorders (ergonomic injuries). More than 50,000 workers in Washington suffer these injuries each year. Grants will be provided to prevent these injuries through education, training and developing new ways to identify and eliminate ergonomic hazards. (Medical Aid Account)

3. Improving Claims Collection - The replacement of inefficient and cumbersome systems will increase the accuracy, timeliness, documentation and the efficiency of collections. The accounts receivable system is used to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million yearly in workers' compensation costs from third parties. In addition the agency will be able to more easily charge and collect interest on outstanding claims. The system will increase post-implementation revenues by \$1,092,000 per year and pay for itself within 3 years. (Accident Account, Medical Aid Account)

4. Critical Safety and Health Data - Establishes a computer data system that will be used to track workplace safety and health activities, manage resources and identify the most hazardous industries. The system would also provide data to other L&I information systems. This new system is necessary because the U.S. Occupational Safety and Health Administration is replacing its computer system with a system that is incompatible with L&I systems. (Accident Account, Medical Aid Account)

5. Internet Registration and Licensing - This computer system will allow customers to apply for electrical licenses using the Internet. The number of electrical licenses that the Department issues is projected to almost double by the end of the 2001-03 Biennium. This automated process will help minimize the need to increase staffing levels by eliminating the need to handle as much paper. It will result in faster, more convenient and accurate service to customers giving them 24 hour access on the Internet. (Electrical License Account)

2001-03 Omnibus Operating Budget

Department of Labor and Industries

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, Other Funds)

7. Expanding Apprenticeship - Continuous growth in construction and new and emerging technologies has increased the state's demand for highly skilled workers. This growth has resulted in a shortage of highly skilled and qualified workers. A grant program is established to encourage new apprenticeship and pre-apprenticeship programs. The result will help meet the state's growing demand for highly skilled and qualified workers. In addition, new apprenticeship programs will be developed for non-traditional areas such as telecommunications, child care services and public services. (General Fund-State, General Fund-Federal)

8. Replace Incompatible Computers - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (Accident Account, Medical Aid Account)

9. Program Reductions - Factory Assembled Structures (FAS) inspection activities and Contractor Registration hotline staff will be reduced. FAS inspections ensure that factory built structures meet all safety codes. The Contractor Registration toll-free hotline will only take calls from consumers and no longer take calls from contractors, attorneys, bonding and insurance companies.

10. Increase for Crime Victims Comp - Funding is increased for victims of violent crime. This amount covers expected inflation, growth in claim costs for medical, time loss and pensions, and no policy changes for attendant care services. (Public Safety & Education Account-State, Public Safety & Education Account-Federal)

11. Temp Cost for Cackle Decision - One-time funding is provided for the increased cost of implementing a recent Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the legislature alternatives for simplifying the calculation of benefits by October 1, 2001. (Accident Account, Medical Aid Account)

12. ESB 5882, Musculoskeletal Disorders - Funding is provided for the implementation of the provisions of Engrossed Senate Bill 5882 (musculoskeletal disorders). Within the amount provided, \$5,000,000 is provided solely to implement section two, \$500,000 is provided solely to implement section three, \$10,000,000 is provided solely to implement sections five through seven, and \$2,000,000 is provided solely to implement section eight. If Engrossed Senate Bill 5882 is not enacted by June 30, 2001, the amount provided shall lapse. (Medical Aid Account--State)

2001-03 Omnibus Operating Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	9.2	1,923	1,923
2001-03 Maintenance Level	8.2	2,005	2,005
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	8.2	1,999	1,999

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Department of Health
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,186.7	130,159	572,910
2001-03 Maintenance Level	1,187.4	133,095	612,660
Policy Changes:			
1. WIC Program Efficiencies	0.0	-418	-418
2. Reduce Teen Pregnancy Grants	0.0	-1,116	-1,116
3. Community Wellness and Prevention	-0.3	-68	-68
4. Reduce EMS Coordination Activities	0.0	-214	-214
5. Reduce StateTrauma Administration	-4.2	-550	-550
6. Federal Revenue	0.0	0	1,173
7. Technology for Newborn Screen	0.0	0	660
8. Consolidate Water Lab Testing	-1.6	-307	-307
9. Safe Drinking Water Fed Compliance	5.1	3,506	3,506
10. Technical Help for Meth Lab Cleanup	0.5	125	125
11. Delay Shellfish Database	0.0	-60	-60
12. Shift CHARS Program	0.0	1,500	0
13. Reduce CHARS Subsidy	0.0	-1,246	-1,246
14. American Legacy Foundation Grant	0.0	0	1,443
15. Regulating Meth Precursor Drug #	0.0	13	13
16. Reduce Acute Care Education	0.0	-162	-162
17. Eliminate Rural Health Data Book	0.0	-38	-38
18. Medicare Designation Start-Up	0.0	-177	-177
19. Child Health Enhancements	1.2	10,610	10,610
20. AIDS Prescription Drug Increase	0.0	1,031	1,839
21. DSHS/DASA Appropriation Transfer	0.0	340	340
22. Family Planning Waiver	0.0	-638	-638
23. General Inflation	0.0	-517	-999
24. Administrative Reductions	-1.7	-840	-840
25. Create Child Development Office	-6.3	-882	-882
26. Dental Sealants	0.3	0	72
27. Tobacco Control Plan	0.0	0	5,000
Total Policy Changes	-7.0	9,892	17,066
Total 2001-03 Biennium	1,180.5	142,987	629,726

Comments:

1. WIC Program Efficiencies - During the summer of 2000, the Department of Health began providing "help desk" support for Womens, Infants and Children (WIC) clinics with state employees, rather than contracting for the service. The change has resulted in the identified efficiency savings, with no reduction reported in the level of support provided to clinics. (General Fund-State)

2. Reduce Teen Pregnancy Grants - Direct grant support from the Department of Health for nine of the ten teen pregnancy prevention projects in urban and rural communities is discontinued. Similar efforts are to be supported with TANF block grant funding from the Department of Social and Health Services. Department of Health teen pregnancy prevention efforts will be refocused on statewide activities such as information development and dissemination, web page communications, parenting education, some family planning services, and a reduced program evaluation effort.

3. Community Wellness and Prevention - Assessment, evaluation and surveillance for Community Wellness and Prevention Programs are discontinued.

2001-03 Omnibus Operating Budget Department of Health

4. Reduce EMS Coordination Activities - State general funds will no longer be provided to the Regional Emergency Medical Services and Trauma Care Councils to promote emergency medical dispatch training; to participate in local and regional disaster preparedness training; or to support quality improvement initiatives.

5. Reduce State Trauma Administration - Funding for state-level oversight, coordination, and state-office assistance to the regional trauma networks is reduced by 15%. Such a reduction in state-level activity is warranted, since the start-up work necessary to establish a well-functioning statewide trauma system has been largely accomplished. Standards, protocols, and training curricula have been developed; data systems established; and trauma providers certified in all regions.

6. Federal Revenue - Federal grants have been awarded to the Department of Health for: Early Hearing Detection and Intervention, State-Based Birth Defects Surveillance Program, Improving Data Quality in Pesticide Illness, and Federal Domestic Violence for Pregnant Women. (General Fund-Federal)

7. Technology for Newborn Screen - The Department of Health will begin using non-radioactive tests to screen for certain conditions among newborns, in order to eliminate the need to dispose of radioactive wastes. The new test is more expensive than the old, radioactive technology. As a result, the fee for newborn screening is expected to increase to \$38.20 from the current level of \$33.80. (General Fund-Private/Local)

8. Consolidate Water Lab Testing - The Department of Health (DoH) operates a program which certifies drinking water testing laboratories, and maintains its own drinking water laboratory to support the certification program. During the first year of the biennium, the separate DoH certification program and laboratory will be closed, and merged with the other environmental laboratory certification programs operated by the Department of Ecology. Savings will result from the greater economies of scale possible under the larger, merged program.

9. Safe Drinking Water Fed Compliance - Under state law and agreement with the federal government, the Department of Health is responsible for enforcing federal Safe Drinking Water Act provisions, which apply to the approximately 5 million citizens of the state who rely upon water systems which serve 15 or more connections. The number of contaminants subject to federal regulation is scheduled to increase by 20% between 1996 and 2002, and new rules regarding groundwater safety must be fully implemented in 2001-03. This item provides funding for contracted technical support to assist local water systems implement the new requirements; additional state staff to monitor compliance; and \$2.1 million of new state funding to assist local jurisdictions continue and improve their role in assuring the safety of small water systems, which serve approximately 100,000 of the state's residents.

10. Technical Help for Meth Lab Cleanup - The Department of Health provides technical assistance and awareness training to the Washington State Patrol, local law enforcement, and local health jurisdictions regarding the public health hazards associated with the clean-up of methamphetamine (meth) manufacturing sites. Funding is provided to increase those efforts by 50%, due to the significant increase in sites identified for clean-up.

11. Delay Shellfish Database - The Department of Health Shellfish Program is developing an integrated database for water quality and other program elements, including biotoxins and licensing of commercial shellfish growers. The water quality portion of the database has been completed. The development of the remaining portions of the database will be extended over a longer period.

12. Shift CHARS Program - State subsidy for the Comprehensive Hospital Abstract Reporting System (CHARS) program was shifted from the Health Services Account to the state General Fund in the 2001 supplemental operating budget. (General Fund-State, Health Services Account-State)

13. Reduce CHARS Subsidy - The CHARS hospital reporting system has since its inception been funded by a statutory assessment on hospital revenues. During 1992-2000, this assessment averaged .033% of hospital revenues. During the 2000 legislative session, the system received a public subsidy for the first time, with the result that the assessment was reduced by almost 50%, to .014% of revenues. This item sets the public subsidy at 10% of total projected operating costs, with the provision that such costs may not exceed \$1.3 million per year.

14. American Legacy Foundation Grant - The American Legacy Foundation has awarded the state a three-year grant totaling \$2.25 million under the Statewide Youth Movement Against Tobacco Use Initiative. The department, through its subcontract with the University of Washington, will foster a statewide youth empowerment initiative by creating regional teams to develop media efforts to reduce youth tobacco use. Partner organizations will include school districts, voluntary community organizations, voluntary health organizations and universities. (General Fund-Private/Local)

15. Regulating Meth Precursor Drug # - Substitute Senate Bill 5017 restricts the purchase in large quantities of certain over-the-counter medications which are sometimes used in the manufacture of methamphetamine (meth). Funding is provided for the Department of Health to develop regulations implementing the new law.

2001-03 Omnibus Operating Budget Department of Health

16. Reduce Acute Care Education - The Regional Trauma Care Councils will no longer receive designated funding for training of acute care and rehabilitation facility personnel. Trauma and rehabilitation facilities can use other state funds which they receive from trauma participation grants for this training.

17. Eliminate Rural Health Data Book - The Rural Health Data Book contains information on health status and systems, and has been produced every two years. Funding for this publication is eliminated.

18. Medicare Designation Start-Up - This item eliminates the state share of the start-up funding which was provided at the beginning of the 1999-01 biennium to assist small rural hospitals prepare for the "critical access hospital" designation which would enable them to qualify for higher federal Medicare payments. Approximately \$450,000 per year of federal funding subsequently became available for the same purpose in 1999-01.

19. Child Health Enhancements - Under the "universal distribution" policy first adopted by Washington in the 1991 budget, the state makes medically-recommended childhood vaccines available free of charge for all children through age five in the state. Inclusion of a vaccine on the universal distribution list means that all doses used in the state may be purchased at the federal discount rate, which is substantially lower than if they were purchased privately, and frees health care providers from the administrative burden of separately accounting for the income and insurance status of immunized children.

Funding is provided in this item to add the new pneumococcal conjugate vaccine to the list of state-funded vaccines. This vaccine has been determined by the federal Centers for Disease Control to be cost-effective in the prevention of meningitis, middle ear, blood stream, and sinus infections among children under age two. The vaccine is quite expensive, however: the required 4 doses for this vaccine alone are expected to cost almost half as much as the 7 other vaccines already covered under the universal distribution policy.

20. AIDS Prescription Drug Increase - The AIDS Prescription Drug Program (APDP) uses state and federal funds to pay for prescription medications, laboratory services, and outpatient medical care for persons with HIV infection and incomes below 370% of the federal poverty level. Enrollment in the program is increasing by about 14% per year, and is expected to reach 2,600 by the end of the 2001-03 biennium. Expenditures per enrollee are expected to increase by only about 3% per year, primarily because a larger share of enrollees are expected to receive insurance coverage through the high-risk pool. (General Fund-State, General Fund-Federal, General Fund-Local)

21. DSHS/DASA Appropriation Transfer - Funding is transferred from Department of Social and Health Services Division of Alcohol and Substance Abuse (DSHS/DASA) to the Department of Health (DOH), for screening by providers aimed at reducing perinatal substance abuse.

22. Family Planning Waiver - The federal government has approved a demonstration waiver under which Medicaid-funded family planning services will be available for all legal residents under 200% of poverty. As a result, the amount of state and federal funding available for family planning services for low-income people is expected to almost double in 2001-03. The Senate budget anticipates that Department of Health grant support for family planning clinics can therefore be reduced by about 10 percent in FY 03, once the necessary eligibility and billing systems are in place for the clinics to fully utilize the new Medicaid payment source. After this adjustment, there will be almost twice as much money available for low-income family planning services in 2001-03 as prior to the waiver.

23. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Health Professions Account)

24. Administrative Reductions - Administrative reductions will occur throughout the Department and at the State Board of Health. Examples of these reductions may include, but are not limited to changing business practices, reducing levels of policy support, limiting the use of consulting services, and implementing efficiency measures for mailings and publications.

25. Create Child Development Office - Child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will coordinate and increase the focus of child care and early learning programs on quality and availability of care.

26. Dental Sealants - Substitute Senate Bill 6020 authorizes registered dental hygienists to administer dental sealants and fluoride varnishes without a dentist's supervision in schools with a significant percentage of low-income students. Funding is provided for the Department of Health to develop a training and certification program for newly-licensed hygienists and dental assistants who wish to perform this service. This cost is to be covered with applicant fees. (Health Professions Account-State)

2001-03 Omnibus Operating Budget Department of Health

27. Tobacco Control Plan - Expenditures on the state's efforts to reduce and prevent tobacco use are increased to \$17.5 million per year. Funding for this purpose comes from the \$100 million of national tobacco settlement revenues, which the 1999 Legislature directed be deposited into a special interest-bearing account dedicated to the prevention and reduction of tobacco use. (Tobacco Prevention and Control Account-State)

2001-03 Omnibus Operating Budget
Department of Veterans' Affairs
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	499.7	20,745	62,097
2001-03 Maintenance Level	508.2	20,254	62,841
Policy Changes:			
1. Vendor Rate Increase	0.0	98	98
2. Bed Conversion	18.9	-616	1,748
3. Communications Upgrades	0.0	58	58
4. PTSD Counseling	0.0	0	74
5. Homeless Veterans Grant	0.0	0	155
6. Statewide Outreach	0.0	36	36
7. Continue Client Tracking Database	1.0	72	144
8. Eastern Washington Veterans Home	89.7	400	11,193
Total Policy Changes	109.6	48	13,506
Total 2001-03 Biennium	617.8	20,302	76,347

Comments:

1. Vendor Rate Increase - The Senate budget provides funding for a 2.1 percent inflationary increase effective July 2001, and a second 2.3 percent increase effective July 2002, for organizations which contract with the Department of Veterans Affairs to provide support services for homeless veterans; post traumatic stress counseling; and assistance with applications for federal benefits.

2. Bed Conversion - The Department of Veterans Affairs will reconfigure 65 beds at the state veterans' homes to provide a higher level of nursing care. The additional cost of providing the higher level of care can be offset by additional federal revenues, and by higher resident pension benefits, resulting in a net savings to the state general fund. The Senate budget anticipates a lower savings than proposed by the agency in order to allow more time for the development of appropriate alternative placements for current residents who do not qualify for, or who choose not to receive, the higher level of care. (General Fund-State, General Fund-Federal, General Fund Private/Local)

3. Communications Upgrades - Funding is provided to upgrade the telephone system at the Veterans Home so that increased internet use will not interfere with other essential business and emergency call functions.

4. PTSD Counseling - The agency has received a contract from King County to provide additional post-traumatic stress disorder (PTSD) treatment services in the county. (General Fund-Private/Local)

5. Homeless Veterans Grant - Federal grant funds have been obtained to provide additional services for homeless veterans. (General Fund-Federal)

6. Statewide Outreach - Funding is provided to recruit and train additional volunteers who will assist veterans in under-served areas obtain federal benefits for which they are eligible.

7. Continue Client Tracking Database - The database upgrade that started in the 1999-01 Biennium will be completed. It includes a Veterans Service Client Tracking system that will assist in coordinating claims and providing services statewide. (General Fund-State, General Fund-Federal)

8. Eastern Washington Veterans Home - Funding is provided for acquisition and operation of a new state facility which will serve the veterans of eastern Washington. The department will acquire an existing nursing facility in the Spokane area through a lease-purchase arrangement, and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments. Because additional federal support is available for operation of state veterans' homes, the home will eventually be less expensive for state taxpayers than if the residents were served in private nursing facilities, while at the same time honoring the contributions of men and women from eastern Washington who have served in the nation's armed forces. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

2001-03 Omnibus Operating Budget
Department of Corrections
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	7,317.8	951,426	1,018,101
2001-03 Maintenance Level	7,698.2	1,048,815	1,086,550
Policy Changes:			
1. Vendor Rate Increase	0.0	1,732	1,732
2. General Inflation	0.0	-5,974	-6,124
3. Tracking System Replacement Phase 2	4.0	0	3,254
4. Efficiency and Quality Initiatives	-11.1	-3,186	-3,186
5. Equipment Savings	0.0	-1,858	-1,858
6. Cost of Incarceration Funds	0.0	-5,568	-5,568
7. Medical Payments	0.0	-831	-831
8. Offender Legal Services	-8.8	-1,192	-1,192
9. Correctional Industries	-7.5	-928	-928
10. Information System Study	0.0	250	250
11. Interstate Supervision Compact #	0.0	60	60
12. Education Reduction	0.0	-2,697	-2,697
13. Enhanced Supervision	19.0	2,757	2,757
Total Policy Changes	-4.4	-17,435	-14,331
Total 2001-03 Biennium	7,693.8	1,031,380	1,072,219

Comments:

1. Vendor Rate Increase - Funding is provided to increase the rates paid to vendors such as education and chemical dependency providers and work release operators by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

3. Tracking System Replacement Phase 2 - Beginning in the 1999-01 biennium, the Department of Corrections initiated a multi-phased project designed to replace its Offender Based Tracking System (OBTS). Since this time, the estimated cost of overall project has increased by approximately 50 percent to \$43 million. For this and other reasons, the Senate budget does not fund phase two of the project at this time. However, funding is provided for operational and maintenance costs associated with the improvements achieved in phase one and further planning activities. It is assumed DOC, with the assistance of the Department of Information Systems, will conduct further cost-benefit analysis based on the changes that have occurred in the project's scope and cost since funding was originally requested. (Violence Reduction and Drug Enforcement Account-State)

4. Efficiency and Quality Initiatives - Savings are achieved by transferring female youthful offenders to a Juvenile Rehabilitation Administration facility, reducing goods and services, and reducing facility maintenance activities. The Senate budget also assumes that \$1.1 million in small maintenance projects will be funded in the capital budget rather than the operating budget.

5. Equipment Savings - Savings are achieved by using a 5-year lease purchase option for equipment replacement that have exceeded their life expectancy as well as for facility start-up equipment.

6. Cost of Incarceration Funds - The Department's Correctional Industries (CI) program will increase use of the Cost of Incarceration funds. The funds are available due to the settlement of legal issues around the constitutionality of certain kinds of deductions from monies received by inmates from outside sources. (General Fund-State, Correctional Industries Revolving Fund Non-Appropriated)

7. Medical Payments - The Department currently provides up to 100 percent reimbursement to inpatient hospitals for treatment of offenders. The Department will reimburse the hospitals using the diagnosis-related group reimbursement schedule utilized and maintained by the Department of Social and Health Services.

2001-03 Omnibus Operating Budget Department of Corrections

8. Offender Legal Services - The Department of Corrections contracts with private attorneys and law firms to provide legal counsel to offenders. Also, offenders are currently provided access to staffed law libraries at all institutions with the exception of pre-release and work release facilities. Funding for law libraries is eliminated. The Department will continue to provide access to contracted legal services for offenders who are illiterate or do not speak English.

9. Correctional Industries - The majority of the costs associated with the Correctional Industries (CI) operations is funded through revenues generated from product sales. Based on updated revenue and sales projections, the Senate budget assumes that the Department will utilize the non-appropriated, non-budgeted Correctional Industries Revolving Fund to support the maintaining and expanding offender employment rather than General Fund-State. (General Fund-State, Correctional Industries Revolving Fund Non-Appropriated)

10. Information System Study - The Department will develop a feasibility study to determine the information system changes required by the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

11. Interstate Supervision Compact # - Funding is provided for the implementation of SSB 5118 (interstate offender supervision compact), which enacts a new reciprocal agreement between the states for the supervision of offenders.

12. Education Reduction - The Department of Corrections' budget includes approximately \$15.5 million per year for five types of education programs to incarcerated offenders: adult basic education; general education development (GED) preparation; english as a second language, job readiness; and vocational skills training. The Senate budget makes approximately a 10 percent reduction in total educational funding, but does not eliminate funding for any particular type of program. It is assumed that the department, in consultation with the State Board for Community and Technical Colleges, will prioritize the remaining funding towards the most cost-effective programs, reduce administrative costs, and develop other efficiencies in program delivery to mitigate the overall impact on current direct service levels.

13. Enhanced Supervision - The Senate budget provides funding for the hiring of additional Community Corrections Officers (CCOs) and associated staff to enhance current supervision levels. Specifically, the funding is provided to increase supervision levels for high-risk offenders by approximately 5 percent.

2001-03 Omnibus Operating Budget
Dept of Services for the Blind
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	71.9	3,078	16,340
2001-03 Maintenance Level	71.9	3,012	16,027
Policy Changes:			
1. Efficiency Reduction	0.0	-60	-60
2. Assistive Technology Program	0.0	292	292
3. Deaf-Blind Service Center	0.0	100	100
Total Policy Changes	0.0	332	332
Total 2001-03 Biennium	71.9	3,344	16,359

Comments:

- 1. Efficiency Reduction** - The Department will make general staffing reductions in the field programs.
- 2. Assistive Technology Program** - State funds are provided so that additional persons may benefit from assistive technology devices such as document readers and speech synthesizers. Such devices can significantly improve employment opportunities for people with visual and other disabilities, but are expensive, averaging about \$8,000 per recipient.
- 3. Deaf-Blind Service Center** - Funding is provided to increase by 25% state assistance for job training, interpreter services, independent living instruction, adaptive technology, and other support services for persons who are both deaf and blind.

2001-03 Omnibus Operating Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	12.8	1,747	1,747
2001-03 Maintenance Level	12.3	1,802	1,802
Policy Changes:			
1. General Inflation	0.0	-8	-8
Total Policy Changes	0.0	-8	-8
Total 2001-03 Biennium	12.3	1,794	1,794

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Department of Employment Security
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	2,191.9	2,614	449,462
2001-03 Maintenance Level	2,171.7	2,630	426,464
Policy Changes:			
1. General Inflation	0.0	-25	-5,321
2. Improve Web-Based Security System	0.0	0	165
3. Reemployment Services	1.8	0	600
4. Integrate Labor Market Information	1.0	0	396
5. Unemployment Insurance Program	0.0	0	3,159
6. Overpayment Identification	0.0	0	972
7. Fund GF-S Activities w/ other funds	0.0	-2,605	0
Total Policy Changes	2.8	-2,630	-29
Total 2001-03 Biennium	2,174.5	0	426,435

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, Other Funds)

2. Improve Web-Based Security System - Employment Security will purchase and install security hardware and software for internet based systems. This security is designed to allow people to file initial unemployment claims over the Internet while protecting the Department's confidential information. (Administrative Contingency Account-State)

3. Reemployment Services - The electronic model that is used to select and refer unemployment insurance claimants to reemployment services will be enhanced. The changes will identify the services that are most likely to lead to reemployment and reduce the amount of time individuals spend unemployed. (Employment Services Administrative Account-State)

4. Integrate Labor Market Information - The Department currently has labor market information on CD-ROM and the Internet. This initiative will make available several key labor market products including local wage rates, employment projections, job skills, employer listings, economic indicators, and news articles through one internet website. (Administrative Contingency Account-State)

5. Unemployment Insurance Program - The agency has received federal funds for one-time unemployment insurance administrative expenses. These funds will be used to improve the effectiveness of the unemployment insurance claims telecenters, make corrections to its benefit and tax systems, improve other agency technology, and pay off the telecenter debt. (Unemployment Compensation Administrative Account-Federal)

6. Overpayment Identification - The United States Department of Labor requires all states to use information from employers that is reported to the Department of Social and Health Services when a new employee is hired. This proposal will link the employer information to the fraud management system, which will allow earlier detection of overpayments. This also includes enhancements to the system that will improve identification of overpayments of unemployment insurance and balance staff workload. These enhancements will be paid out of the Overpayment Interest Fund portion of the Administrative Contingency Account. (Administrative Contingency Account-State)

7. Fund GF-S Activities w/ other funds - The agency request proposed additional spending from the Administrative Contingency Fund. Some of those increases were not included in the Governor's request. This leaves additional funds available in the account to finance activities previously funded with General Fund State. If revenues into the Administrative Contingency Account fall short of the agencies projections, reductions in the use of the fund for administrative purposes shall be made prior to reductions to direct client services or the current production of labor market information. (General Fund-State, Administrative Contingency Account-State)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	2,334.1	420,015	783,128
2001-03 Maintenance Level	2,351.8	456,071	846,704
Policy Changes:			
1. Vendor Rate Increases	0.0	11,711	15,115
2. General Inflation	0.0	-740	-981
3. Eliminate Unused Bed Capacity	0.0	-2,140	-2,140
4. Reduce Caseworker Ratio	80.9	6,609	12,213
5. Division of Licensed Resources	4.1	464	618
6. Risk Assessment Model	0.0	254	339
7. Fire Marshal Inspections	0.0	106	106
8. Native American Child Welfare	0.0	412	412
9. Child Placing Agency Rate Increase	0.0	2,770	3,744
10. Quality Assurance Improvements	7.8	966	1,288
11. Foster Care Basic Rate Increase	0.0	1,360	2,267
12. Passport Program Expansion	0.0	583	1,458
13. Child Care and Early Learning	-125.2	-15,682	-58,590
14. Respite Care	0.0	2,400	2,620
15. Expand Child Placing Agencies	0.0	4,607	6,225
16. Reduce Family Policy Council Funds	0.0	-2,235	-2,235
17. Security for Aggressive Youth	0.0	500	650
18. Expand Relative Placements	0.0	0	1,050
19. Expand Responsible Living Beds	0.0	728	728
Total Policy Changes	-32.5	12,673	-15,113
Total 2001-03 Biennium	2,319.3	468,744	831,591

Comments:

1. Vendor Rate Increases - Funding is provided to increase overall vendor payments in children's services by 2.1% in FY 02 and 2.3% in FY 03. The department shall seek to control rate increases and reimbursement decisions for foster care and adoption support cases such that the cost per case for family foster care, group care, receiving homes and adoption support does not exceed the amounts assumed in the projected expenditures plus the amounts provided for vendor rate increases and increases to the basic rate for foster care. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, General Fund--Federal)

3. Eliminate Unused Bed Capacity - The unused funding for Staff Secure Group Homes is eliminated. (General Fund--State)

4. Reduce Caseworker Ratio - By June of 2001, the average number of active cases for each caseworker in Washington will be 29. This proposal will reduce the number of active cases for each caseworker to 24 by the end of the 2001-03 Biennium. This is achieved through increased funding and by redeploying in FY 03 approximately 5% of staff resources from administrative areas of the program to case carrying staff and the supervisors and clerical staff that support them. (General Fund-State, General Fund-Federal)

5. Division of Licensed Resources - In July of 2000, there were 6,627 foster and group homes and 65 licensors. This equates to an average of 102 cases per licensor. The number of cases is expected to grow by ten percent in the next two years. This proposal will maintain the current workload ratio for the licensors. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

6. Risk Assessment Model - The risk assessment model allows the caseworker to provide a comprehensive assessment of the risk of abuse and neglect to children reported to the Department. This assessment focuses on prevention, allows for flexible response to reports of abuse and neglect, and matches the level of intrusiveness with the level of risk. The enhancements to the risk assessment model will allow for the re-assessment of risk throughout the life of the case. This model includes a special assessment tool if reunification is being considered for a child in out-of-home placement. (General Fund-State, General Fund-Federal)

7. Fire Marshal Inspections - Childcare centers and group care facilities must have a fire safety inspection and certification prior to full licensing by the Children's Administration. The Washington State Patrol Fire Marshal performs these safety inspections. Additional funds are needed to perform timely inspections and to meet the expected growth in the program.

8. Native American Child Welfare - For several biennia, the Children's Administration has contracted with the state's federally recognized Native American Tribes, off-reservation Native American Organizations, and the Small Tribes of Western Washington (STOWW) to provide child welfare services to Native American families. With the addition of three new tribes (the Samish Nation, the Snoqualmie Tribe, and the Cowlitz Tribe) and new tribes to STOWW, additional funding is needed.

9. Child Placing Agency Rate Increase - Child Placing Agencies provide foster and adoption services including placement and monitoring of children that reside in family foster care. The rate paid to child placing agencies is increased to \$420 per month at the beginning of the 2001-03 Biennium. (General Fund-State, General Fund-Federal)

10. Quality Assurance Improvements - Federal regulations require that case records be accurately maintained and a statewide data system be used to report specific information to the federal government on a quarterly basis. The national accreditation standard requires that ten percent of the records be reviewed each year. In Washington State that would equal 6,000 case files. Ten quality assurance staff will be added to conduct comprehensive program reviews of case records to move closer to the national standard. These positions will be phased in over the biennium. (General Fund-State, General Fund-Federal)

11. Foster Care Basic Rate Increase - The basic rate for family foster care is increased from an average of \$405 per month to \$415 on July 1, 2001 and \$425 on July 1, 2002. (General Fund-State, General Fund-Federal)

12. Passport Program Expansion - A Passport is a concise record of each child's current medical, dental, behavioral, psychological, and educational status. It also includes the child's care providers and a record of vaccinations, allergies, current medication and doses, and upcoming appointments. In 1997, the Legislature added \$4.4 million to implement this program for all children that have been in foster care for over 90 days. With these funds, the Department has been only able to create Passports for approximately 60 percent of these children that have been in foster care for over 90 days. Additional funds are provided to reduce the backlog. (General Fund-State, General Fund-Federal)

13. Child Care and Early Learning - The child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within DSHS Economic Services. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

14. Respite Care - Funding is increased for respite care for foster parents. The department shall provide respite care for foster parents so as to best improve child placement stability in the foster care system. Payments for the services will be made to the respite provider. (General Fund-State, General Fund-Federal)

15. Expand Child Placing Agencies - Child placing agencies currently provide adoption support and foster care services including placement and monitoring services for children who reside in family foster care. Child placing agencies currently have a capacity of approximately 1,300 cases per month. Funding is provided to increase the capacity to 1,690 in FY 02 and 2,145 in FY 03. (General Fund-State, General Fund-Federal)

16. Reduce Family Policy Council Funds - Funding for the Family Policy Council and community public health and safety networks is reduced by 25 percent. Reductions to community public health and safety network grants shall seek to maintain programs for which data and/or research indicate positive outcomes and for networks that have a history of substantial contract compliance. (General Fund-State, Violence Reduction and Drug Enforcement Account)

17. Security for Aggressive Youth - There are currently 115 sexually aggressive youth in the group foster care system. Thirty of these youth are in single rooms. The other youths share a bedroom with another sexually aggressive youth. Funding is provided for improved security measures involving sexually aggressive youth. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

18. Expand Relative Placements - Funding is provided to increase kinship care placements for children who otherwise would likely be placed in foster care. These funds are for extraordinary costs incurred by relatives at the time of placement, or for extraordinary costs incurred by relatives after placement if such costs would likely cause a disruption in the kinship care placement. \$50,000 of the funds provided shall be contracted to the Washington Institute for Public Policy to conduct a study of kinship care placements. The study shall examine the prevalence and needs of families who are raising related children, and shall compare services and policies of Washington state with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. (General Fund-Federal)

19. Expand Responsible Living Beds - Funding is provided for additional Responsible Living Skills Program (RSLP) beds. Eight beds shall be added by October, 2001 and an additional seven beds shall be added by July 2002. The total number of RSLP beds in FY 03 shall be 44.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,313.6	177,688	245,045
2001-03 Maintenance Level	1,298.4	174,277	243,658
Policy Changes:			
1. Vendor Rate Increases	0.0	1,471	2,532
2. General Inflation	0.0	-535	-535
3. Mental Health Services	10.6	1,732	1,732
4. Basic Training Camp	0.2	38	46
5. Community Commitment Reduction	16.5	-1,294	-1,294
6. Reduction of Diagnostic Services	-3.0	-280	-280
7. Administrative Efficiencies	-1.0	-120	-180
8. Chemical Dependency Alternative #	-1.3	-81	-81
Total Policy Changes	22.0	931	1,940
Total 2001-03 Biennium	1,320.4	175,208	245,598

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (General Fund-State, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account, General Fund-Federal, General Fund-Local)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Mental Health Services - Due to recent assessments of the of number youth with mental health issues in Juvenile Rehabilitation Administration's facilities, funding is provided for: (1) additional contracted mental health services; (2) increased counselor assistant positions at Maple Lane School; and (3) increased medication management resources to address workload associated with increased usage of psychotropic drug medications.

4. Basic Training Camp - Funding is provided to implement SB 5454 (juvenile offender basic training camp), which modifies provisions related to the Basic Training Camp (BTC) program. Specifically, the legislation allows the Juvenile Rehabilitation Administration to: (1) extend the current 120 days BTC program for an additional 40 days for residents who need additional time to meet the BTC requirements; and (2) order sanctions for parole violations by returning BTC graduates to institutions for the remainder of the their sentence. (General Fund-State, General Fund-Federal)

5. Community Commitment Reduction - The Juvenile Rehabilitation Administration (JRA) currently contracts with six county detention facilities to provide short-term residential programming for JRA youth. County contracted beds are eliminated, requiring the youth to be housed at the JRA's residential facilities.

6. Reduction of Diagnostic Services - The majority of Juvenile Rehabilitation Administration's youth receive a predisposition evaluation, which is reported to the juvenile court judge before sentencing. The diagnostic staff collects information about a youth's background before making treatment recommendations to residential staff. The diagnostic quality assurance staff is responsible for reviewing and providing oversight of the county diagnostic assessment process. This item represents a 50 percent reduction to the diagnostic quality assurance staff.

7. Administrative Efficiencies - The Office of Juvenile Justice (OJJ), and staff to the Governor's Juvenile Justice Advisory Committee (GJJAC) operate independently of the Juvenile Rehabilitation Administration (JRA). This item consolidates the OJJ and GJJAC staff into the administrative operations of JRA. Cost savings will result from the elimination of duplicative administrative operations and from aligning OJJ contract monitoring responsibilities with the monitoring expectations of JRA central office staff. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation

8. Chemical Dependency Alternative # - Savings result from the implementation of SB 5468 (chemical dependency disposition alternative), which modifies the eligibility criteria for the alternative. As a result of the changes, it is expected that an additional six individuals will complete the CDDA requirements.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3,047.9	531,003	1,032,468
2001-03 Maintenance Level	3,083.0	595,782	1,111,419
Policy Changes:			
1. Vendor Rate Increases	0.0	71	7,838
2. General Inflation	0.0	-951	-1,100
3. Special Commitment Center/Community	30.2	1,652	1,652
4. Special Commitment Center/Program	18.1	2,452	2,452
5. Special Commitment Center/Facility	0.3	26	26
6. Children's Inpatient Vendor Rates	0.0	546	1,102
7. Non-Medicaid Comm Inpatient Funding	0.0	-1,389	-1,389
8. RSN Program Data Collection	4.0	0	606
9. Medicare/Medicaid Crossovers	0.0	-1,514	-3,053
10. Phase-Down Atypicals Pilot	0.0	-1,800	-1,800
11. Allen Settlement Work Plan 3	8.0	3,268	3,268
12. Expand Community Services	-80.1	-3,449	-2,498
Total Policy Changes	-19.6	-1,088	7,104
Total 2001-03 Biennium	3,063.4	594,694	1,118,523

Comments:

1. Vendor Rate Increases - Agencies which contract with the state to provide interpreter services at the state psychiatric hospitals, and a variety of support services at the Special Commitment Center, will receive a 2.1 percent inflationary increase in July 2001, and a 2.3 percent increase in July 2002. Additionally, federal matching funds are provided so that the three Regional Support Networks whose allocations under the new formula authorized in the Senate budget would otherwise not increase by at least 2.1 percent in Fiscal Year 2001, and by an additional 2.3 percent in July 2002, may receive such rate increases. The non-federal share of that increase is to be provided by the Regional Support Network from accumulated fund balances or other local fund sources. (General Fund-State, General Fund-Federal, General Fund-Local)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

3. Special Commitment Center/Community - Funding is provided to establish an additional community transition program for residents of the Special Commitment Center (SCC). In a less restrictive alternate (LRA) environment, the program will focus on learning transitional skills and putting previous skills into practical application. Residents in the LRA facility will also receive additional treatment as needed. The proposal includes \$100,000 per year for local community mitigation costs such as additional security. Estimates are based on an opening date of October 2001.

4. Special Commitment Center/Program - The Special Commitment Center (SCC) adopted a plan to satisfy the United States District Court's rulings. The plan includes an enhancement to the current SCC program, including: (1) the establishment of a vocational program; (2) the adoption of a preventative health program; (3) the establishment of another Assistant Resident Manager position to help cover evening hours; and (4) the development of a tracking system to collect resident information, treatment progress, and other activities designed to assist residents in achieving successful treatment.

5. Special Commitment Center/Facility - The new 258-bed special commitment facility is scheduled to open July of 2003. Three positions in facility operations are provided to plan for and coordinate occupancy.

6. Children's Inpatient Vendor Rates - Funding is provided for a 10% rate increase for the four facilities from which the state purchases 24-hour residential treatment for severely troubled children. The increase is needed for the facilities to address significant recruitment and retention problems, and the rising cost of medical insurance and utilities. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

7. Non-Medicaid Comm Inpatient Funding - The Regional Support Networks (RSN's) are responsible for the utilization and cost of community psychiatric hospitalization services for Medicaid recipients, and also for other persons who qualify for "state-only" medical assistance, such as the medically indigent, and recipients of general assistance for the unemployed (GAU). The department has historically deducted the actual cost of hospitalization for these "state-only" groups from the RSNs' capitation payments. However, because half of those payments are federal funding which cannot be used for non-Medicaid recipients, the department has covered the balance of the cost with state funds which were available in the department's base budget. Under the new formula for allocating state and federal funds among the RSN's proposed by the Administration and endorsed in the Senate budget, RSN's will be allocated state funds for the "state-only" groups at 100% of the payment rate the RSN would receive for a comparable Medicaid enrollee. Consistent with the phase-in of the new allocation formula, the department will charge 25% of the state-only costs not covered by the previous capitation rates against RSN allocations in fiscal year 2002, and 50% in fiscal year 2003. This permits a reduction in the department's base funding level. There is no reduction in the total amount of funding available to the RSN's.

8. RSN Program Data Collection - Additional staffing is authorized for the Mental Health Division to improve collection, monitoring, and analysis of community mental health fiscal, client characteristics, and outcomes data. Additional federal funding is available to offset this cost. (General Fund-Federal)

9. Medicare/Medicaid Crossovers - For persons who are dually eligible for both Medicare and Medicaid, the state Medicaid program is responsible for the share of community mental health costs which under Medicare are the patient's financial responsibility. Such Medicaid co-insurance costs were included in the original expenditure base which was used to calculate the Regional Support Network (RSN) capitation rates, but in 1996 the Mental Health Division began paying the co-insurance costs directly, out of a separate appropriation, without a corresponding reduction in the RSN capitation rates. This item eliminates that separate appropriation, and requires the RSN's to cover the Medicare co-insurance costs out of their current Medicaid funding levels. (General Fund-State, General Fund-Federal)

10. Phase-Down Atypicals Pilot - During the 2000 session, the Legislature authorized a pilot project to purchase atypical anti-psychotic medications for persons who cannot afford these expensive drugs, but who are not currently covered by public medical assistance programs. The primary beneficiaries of the program were expected to be persons who had lost their Medicaid eligibility because their condition had improved sufficiently with the help of the drugs for them to return to work. Under the new "Ticket to Work" Medicaid buy-in program funded in the Senate budget, such individuals will now be able to continue to receive Medicaid coverage for the drugs, so the pilot can be terminated. Funding is continued at the current level through the first year of the biennium, in order to allow time for current recipients to transition onto the new Medicaid program.

11. Allen Settlement Work Plan 3 - Funding is provided for the state hospitals to provide additional specialized care, combining both habilitation and mental health treatment components, for persons with developmental disabilities who require the level and intensity of psychiatric care best provided by the state hospitals. These funds are in addition to the \$2.2 million per year for such additional specialized care which was first provided in the 2000 supplemental appropriation, and fulfills the state's commitments under the *Allen vs. DSHS* settlement agreement. The lawsuit contended that the state was not providing adequate care for persons with developmental disabilities in the state psychiatric hospitals. (General Fund-State, General Fund-Federal).

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

12. Expand Community Services - A total of \$5.7 million is provided for development of community residential and support services for persons who would otherwise be served in the state psychiatric hospitals. This is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a net reduction in total public expenditures.

Most of the new community funding available through this initiative will be used to provide community residential, mental health, and other services for long-term state hospital residents who can be better cared for in the community. No long-term resident is to move from the hospitals until a team of community professionals who will work with them on an ongoing basis has gotten to know the person; assessed their strengths, preferences, and needs; assured there's a safe and stable place for them to live; and made sure that other needed medical, behavioral, and social services are in place. In addition to the state and federal funding which is provided for ongoing service delivery after the resident's movement from the hospital, the department is expected to use federal block grant funding for up-front development, training, and operation of the community support teams.

Primary responsibility and accountability for community support for persons who would otherwise require long-term state hospital care shall reside with the Mental Health Division and the Regional Support Networks, with partnership and support from other DSHS programs such as Substance Abuse and Aging. The department is expected to negotiate performance-based incentive contracts with those RSN's which have the most viable plans for providing community services for a significant number of long-term hospital residents, rather than distributing the new funding among all RSN's according to the standard allocation formula.

Some of the new state and federal block grant funding provided as part of this initiative is also to be used to support strategies which will reduce the unnecessary and excessive use of state and local hospitals for short-term crisis stabilization services. Such strategies may include training and technical assistance to community long-term care and substance abuse providers; the development of diversion beds and stabilization support teams; and the development of new contractual standards to assure that the statutory requirement that 85% of short-term detentions be managed locally is being fulfilled. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	3,529.2	539,302	1,042,696
2001-03 Maintenance Level	3,490.3	582,734	1,120,498
Policy Changes:			
1. Olmstead Plan Implementation	1.0	4,274	8,330
2. Vendor Rate Increases	0.0	13,248	24,195
3. Long-Term Care Worker Wages	0.0	5,783	11,152
4. General Inflation	0.0	-707	-1,397
5. Caseload Ratio Improvement	46.0	3,267	5,855
6. RHC Cottage Consolidation	-87.3	-3,639	-7,332
7. DDD- Improve Public Safety	1.3	4,481	8,792
8. Administrative Reduction	0.0	-304	-478
9. High School Transition Funding	0.0	2,000	2,000
10. Expand Family Support	0.0	1,000	1,000
11. Increase \$ for Autism Pilot Project	0.0	200	200
12. Deaf & Hard of Hearing Svc Cntr	0.0	100	100
13. Expand Respite Care	0.0	250	500
14. Limit Residential Vacancy Payments	0.0	-708	-1,416
15. Voluntary Placement Program Costs	0.0	9,706	17,434
Total Policy Changes	-39.0	38,951	68,935
Total 2001-03 Biennium	3,451.3	621,685	1,189,433

Comments:

1. Olmstead Plan Implementation - In keeping with the Department's overall planning to meet the intent of the United States Supreme Court decision in the L.C. vs Olmstead case, the Division will provide funds for 80 individuals to move into community placement settings from state residential habilitation centers (RHC) or from community institutions for the mentally retarded. (General Fund-State, General Fund-Federal)

2. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, General Fund-Federal)

3. Long-Term Care Worker Wages - Funding is provided for a 50 cents per hour pay increase for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with the vendor rate increases funded above, hourly wages will increase an average of 50 cents effective July 1, 2001 for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, General Fund--Federal)

5. Caseload Ratio Improvement - Funding is provided to decrease the average caseload ratio for clients enrolled in the DD Home and Community Based Waiver from 1:108 to 1:75. These additional staff resources shall be deployed to ensure better monitoring of health and safety for clients on the waiver. (General Fund-State, General Fund-Federal)

6. RHC Cottage Consolidation - Savings will be achieved when vacancies from the consolidation of cottages at the Residential Habilitation Centers (RHCs) and anticipated vacancies that will accrue as a result of the Olmstead Plan as clients move to community settings. Savings include staff costs and goods and services. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities

7. DDD- Improve Public Safety - Two client groups will be served by funding that includes residential housing support for individuals with community protection issues. 1) The Division will provide intensive supervision for 26 individuals with developmental disabilities that the Department of Corrections plans to release during the 2001-03 Biennium. These individuals are incarcerated for sexual offenses and violent crimes. Besides supervision, the Division will provide residential and employment services. 2) The Department will also provide residential support for 30 individuals in crisis who are utilizing statewide diversion beds but lack funding for permanent placement. Outplacement will be provided for 18 individuals from state psychiatric hospitals. This element represents part of phase 2 of the Mental Health/Developmental Disabilities Collaborative in response to the Allen lawsuit settlement agreement. (General Fund-State, General Fund-Federal)

8. Administrative Reduction - Training, planning and other activities at Residential Habilitation Centers (RHCs) will be reduced. (General Fund-State, General Fund-Federal).

9. High School Transition Funding - Funding is provided for employment and training services for young adults with developmental disabilities who need assistance after high school graduation. These services are intended to assist with the transition to work and more independent living. Funding shall be used to the greatest extent possible for vocational rehabilitation services matched with federal funding. In recent years, the state fund budget for employment and day programs has been underspent. These surpluses, built into the carry forward level budget, shall be redeployed for high school transition services.

10. Expand Family Support - Funding is provided to expand access to family support for families below 150 percent of state median family income. This amount will provide family support services to an additional 380 families per year. This expanded family support capacity shall not be funded through the CAP waiver.

11. Increase \$ for Autism Pilot Project - Funding is increased for the Autism Pilot Project started in 1999. The added funding will bring the total 2001-03 budget for the project to 738,000. (General Fund--State)

12. Deaf & Hard of Hearing Svc Cntr - Funding is increased for the the Southwest Washington Deaf and Hard of Hearing Service Center due to increased workload.

13. Expand Respite Care - Funding is provided to expand respite care at Yakima Valley School by six bed over the biennium depending on the number of vacancies that occur. In addition to the expanded respite beds, funding is provided to improve the continuity of care from a respite stay back to the person's home. Nursing or other appropriate clinical staff will assist the family or other care givers with new ways to support the person in order to improve the stability of the living arrangement. (General Fund--State, General Fund--Federal)

14. Limit Residential Vacancy Payments - When a vacancy occurs in a contracted residential setting for a Division of Development Disabilities client, the division continues to pay providers to ensure capacity is maintained. This proposal limits such payments to three months. (General Fund-State, General Fund-Federal)

15. Voluntary Placement Program Costs - Funding is increased for clients in the Voluntary Placement Program and for clients aging out of the program. (General Fund-State, General Fund-Federal).

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,020.1	924,724	1,912,356
2001-03 Maintenance Level	1,045.6	1,007,738	2,044,800
Policy Changes:			
1. Dementia Exceptional Care Rates	0.0	728	1,468
2. Freeze Chore Services Enrollments	0.0	-1,468	-1,468
3. Nursing Services for In-Home Client	0.0	452	910
4. COPES for Medically Needy #	6.5	-507	-1,033
5. Vendor Rate Increases	0.0	17,560	34,406
6. Long-Term Care Worker Wages	0.0	13,776	27,614
7. General Inflation	0.0	-258	-529
8. Office of the Ombudsman #	0.0	0	354
9. Nursing Home Rates	0.0	11,731	23,426
10. Guardianship	0.0	-96	-193
11. Estate Recovery	3.5	-2,277	-4,577
Total Policy Changes	10.0	39,641	80,378
Total 2001-03 Biennium	1,055.5	1,047,379	2,125,178

Comments:

1. Dementia Exceptional Care Rates - Funding is provided for exceptional care rates so that an average of at least sixty persons with Alzheimer's disease or related dementias who might otherwise require nursing home care can instead reside in community boarding facilities designed and equipped to provide specialized care for such conditions. (General Fund-State, General Fund-Federal)

2. Freeze Chore Services Enrollments - The Chore Services program provides assistance with daily living activities to approximately 400 elderly and disabled persons whose incomes exceed the roughly \$6,500 per year which would enable them to qualify for Medicaid, but whose needs are not yet substantial enough to qualify for the Medicaid waiver program, which allows an income of about \$19,000 per year for a single individual. As an alternative to the proposed elimination of the program, the Senate budget speeds the phase-out of the program which has been underway since 1994 by providing for a freeze on all new admissions, except for those needed for Adult Protective Services cases.

3. Nursing Services for In-Home Client - Funding is provided to triple the number of community care recipients receiving in-home skilled nursing visits, to double the average number of nursing visits per recipient, and to double the hourly payment rate for such services. (General Fund-State, General Fund-Federal)

4. COPES for Medically Needy # - Persons with annual incomes over \$19,000 for an individual, or about twice that amount for a couple, are currently able to receive Medicaid-funded assistance with the cost of nursing home care, but not with the cost of care in their own home, an adult family home, or an assisted living facility. As authorized in Senate Bill 5185, the Department of Social and Health Services is expected to obtain two new federal waivers which will permit such individuals to receive Medicaid-funded services in their own homes or in community residential facilities. The Senate budget anticipates that this will enable 375 of the 1,500 "medically needy" persons who currently receive Medicaid-funded nursing home care, but whose incomes exceed the current eligibility standard for community-based care, to instead be served in community-based settings at a lower public cost. Those savings will be partially offset by the cost of Medicaid-funded medical and long-term care services for up to 725 additional persons who are not presently eligible for publicly-funded services because their incomes exceed the current eligibility limit. The agency is directed to limit total enrollment in the two waivers to 650 persons by June of 2002, and to 1,100 persons by June of 2003; and to transfer funds from the Aging and Adult Services to the Medical Assistance program to cover the medical costs which will result from making these additional persons eligible for state medical assistance. (General Fund-State, General Fund-Federal)

5. Vendor Rate Increases - Under the Senate budget, agencies with contract with the state to provide case management, home-care, community residential care, and other long-term care services will receive inflationary increases of 2.1 percent on July 1, 2001 and 2.3 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care

6. Long-Term Care Worker Wages - Funding is provided for a 50 cents per hour pay increase for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with the vendor rate increases funded above, hourly wages will increase an average of 50 cents effective July 1, 2001 for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

8. Office of the Ombudsman # - Additional federal matching funds are available to expand the work of the long-term care ombudsman program. (General Fund-Federal)

9. Nursing Home Rates - Under the Senate budget, the average nursing home payment rate will increase an average of 3.1% per year during 2001-03. In addition to providing the same 2.1% and 2.3% increase authorized for other state contractors, the Senate budget anticipates changes similar to those proposed by the Governor in the way in which management fees, bad debts, and unoccupied beds are recognized in the nursing home rate-setting system. Some of the savings resulting from changes in those aspects of the rate-setting system will be used to increase payments for direct care services, particularly for facilities which would otherwise be negatively impacted by the full implementation of case-mix payment which is to occur in FY 03. (General Fund-State, General Fund-Federal)

10. Guardianship - New rules are to be adopted regarding guardianships for persons receiving publicly-funded long-term care. The rules will increase the amount of client income available for payment toward their cost of care. (General Fund-State, General Fund-Federal)

11. Estate Recovery - State law provides that the publicly-funded cost of their care is to be recovered from the estates of long-term care recipients following their death and that of any surviving dependents. The Department of Social and Health Services anticipates that it can increase such recoveries by 25% if 3.5 additional staff are employed for this purpose. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	4,886.8	849,592	2,126,701
2001-03 Maintenance Level	4,810.7	866,440	2,187,401
Policy Changes:			
1. Vendor Rate Increases	0.0	2,329	3,790
2. General Inflation	0.0	-2,511	-5,736
3. Child Care and Early Learning	133.5	16,564	59,817
4. Administrative Cost Containment	0.0	-4,000	-5,100
5. Staffing Efficiencies	-24.0	-800	-2,400
6. Civil Legal Services	0.0	0	2,000
7. Reduce Welfare to Work Match	0.0	-7,076	-7,076
8. Child Support Documents	0.0	-32	-96
9. Streamline Eligibility	-142.5	-2,000	-3,000
10. Cut SSI State Suppl Admin Costs	0.0	-6,562	-6,562
11. Expand Access to Child Care	0.0	0	27,000
12. Teen Pregnancy Prevention	0.0	0	1,100
Total Policy Changes	-33.0	-4,088	63,737
Total 2001-03 Biennium	4,777.7	862,352	2,251,138

Comments:

1. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Child Care and Early Learning - The child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

4. Administrative Cost Containment - Funding for travel and goods and services are reduced. Unused capacity in state funded programs is also eliminated. (General Fund-State, General Fund-Federal)

5. Staffing Efficiencies - The Division of Child Support continues to apply technology and quality improvements to its operations. These and other improvements will result in staff efficiencies. Twenty-four full time equivalent staff positions are eliminated from the Division of Child Support. (General-Fund State, General Fund-Federal)

6. Civil Legal Services - Columbia Legal Services provides legal representation and advice to approximately 4,000 low income persons. Use of federal Temporary Assistance to Needy Children (TANF) funds will increase the number of clients able to receive services, and to complete a statewide toll-free legal services telephone line for low income persons. (General Fund-Federal)

7. Reduce Welfare to Work Match - The state funds to match the federal Welfare to Work Grant are only needed for a portion of the 2001-03 Biennium. The state matching funds for the grant are reduced to the level needed for the biennium.

8. Child Support Documents - The Division of Child Support will propose departmental request legislation that will allow them to serve documents by parcel delivery. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration

9. Streamline Eligibility - Determining and reviewing client eligibility will be centralized into telephone centers. This will allow the agency to streamline the eligibility activities for food stamps, medical assistance, child care, general assistance, and Temporary Assistance to Needy Families. The process for determining whether an individual qualifies for grant assistance will also be simplified. There will be 275 full time equivalent (FTE) staff positions eliminated by the end of the biennium. Simplifying the eligibility process and centralizing the eligibility activities are expected to eliminate over 400 FTE staff positions by the end of the 2003-05 Biennium. (General Fund-State, General Fund-Federal)

10. Cut SSI State Suppl Admin Costs - Currently the state pays the federal government \$10 million per year for administrative costs to add \$28.6 million per year to federal supplemental security income benefits (SSI). In many cases the administrative costs are greater than the amount added to the benefit check. Under federal law, the state must maintain its current overall amount for state supplemental benefits (\$28.6M). However, by simplifying the state supplemental payments and by DSHS distributing those payments directly, it is estimated that \$9 million per year can be saved once fully implemented. This item provides \$1 million in FY 02 for transition planning for an implementation date of 7/1/02 for state administered payments. State administered SSI supplements shall be made to clients receiving federal SSI payments, therefore, there will be no eligibility determination required by DSHS. SSI recipients who would otherwise have their supplement payments reduced by more than \$3 per month under the simplified, state administered system may be "grandfathered" at the supplement level prior to the change.

11. Expand Access to Child Care - Additional funding is provided for the anticipated increase in subsidized child care for low income working families. (General Fund-Federal)

12. Teen Pregnancy Prevention - Funding is provided for continuation of a teen pregnancy prevention program managed by the Department of Health. The department will provide these funds from the Temporary Assistance for Needy Families (TANF) block grant to the Department of Health through an interagency agreement. (General Fund--Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	104.2	44,010	219,888
2001-03 Maintenance Level	104.0	44,002	220,261
Policy Changes:			
1. SSI Client Treatment	2.0	156	310
2. Vendor Rate Increases	0.0	4,615	7,195
3. General Inflation	0.0	-42	-42
4. Transfer Drug Screening	0.0	-340	-340
5. Involuntary Treatment Beds	0.0	3,232	3,232
6. Vocational Program Eliminated	0.0	-1,806	-1,806
7. Expand Treatment Capacity	0.0	0	2,800
8. Additional Drug Courts	0.0	0	802
9. Shift DASA programs to GF-S	0.0	27,000	0
10. P-CAP Funding	0.0	337	337
Total Policy Changes	2.0	33,152	12,488
Total 2001-03 Biennium	106.0	77,154	232,749

Comments:

1. SSI Client Treatment - The 1999 Legislature authorized the Division of Alcohol and Substance Abuse to engage in a pilot project providing treatment to Supplemental Security Income clients. The project is expected to result in consolidated treatment services and increased service effectiveness. On-going research and post-program evaluation is needed to determine the post-treatment utilization of medical services and the service effectiveness of consolidation. (General Fund-State, General Fund-Federal)

2. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, Other Funds)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Transfer Drug Screening - The 1999 Legislature authorized the Division of Alcohol and Substance Abuse (DASA) to develop and implement comprehensive programs for women who are abusing alcohol and drugs and provide help for their young children. The comprehensive programs include increased drug screening by providers aimed at reducing perinatal substance abuse. These activities are carried out by the Department of Health (DOH). This proposal transfers the funding from DASA to DOH effective July 1, 2001.

5. Involuntary Treatment Beds - The state of Washington currently has one chemical dependency involuntary treatment (CDIT) facility, located in western Washington. This CDIT facility treats individuals whose intoxication or withdrawal-related behaviors make them a danger to themselves or others. This one facility continuously operates at full capacity, forcing the diversion of individuals to emergency rooms, jails, detoxification centers and state psychiatric hospitals. The Division of Alcohol and Substance Abuse will establish a 35-bed CDIT facility in eastern Washington increasing the availability and accessibility to chemical dependency involuntary treatment services throughout the state. Patients meeting the commitment criteria of RCW 70.96A.140 but who voluntarily agree to treatment in lieu of commitment shall also be eligible for treatment in the new facility. The department shall apply specific placement criteria to ensure that this new treatment capacity is prioritized for persons incapacitated as a result of chemical dependency and who are also high utilizers of hospital services.

6. Vocational Program Eliminated - The Vocational Opportunities Training and Education (VOTE) program is eliminated. The VOTE program assists the recovering population in becoming employed, as part of an aftercare recovery plan.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse

7. Expand Treatment Capacity - Funds are provided to expand capacity for substance abuse treatment for persons gravely disabled from drug and alcohol addiction, including those who are addicted to methamphetamines. (Public Safety and Education Account-State)

8. Additional Drug Courts - Funding is provided for drug courts in Thurston, Cowlitz, Skagit, Kitsap, and Clallam Counties. Research indicates that drug courts provide savings for state and local governments, because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. As did the first three drug courts, these five drug courts will receive state assistance equal to one half of their net federal funding loss. The balance in drug court funding will come from savings at the local level. (Public Safety and Education Account-State)

9. Shift DASA programs to GF-S - Funding for drug and alcohol treatment is shifted from the Violence Reduction and Drug Enforcement Account (VRDE) to the general fund (GF-S). (General Fund-State, Violence Reduction and Drug Enforcement Account)

10. P-CAP Funding - Funding for the Parent-Child Assistance Program is increased. This will allow for expand capacity in Pierce County in connection with a clean and sober housing project that will prioritize services for mothers and children involved with meth labs. Funding is also provided to expand capacity in the Region 1 program.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	853.9	1,580,705	4,881,096
2001-03 Maintenance Level	882.8	2,234,471	6,027,547
Policy Changes:			
1. Vendor Rate Increases	0.0	33,643	70,599
2. General Inflation	0.0	-345	-1,309
3. Utilization and Cost Containment	47.5	-12,959	-24,839
4. Medically Indigent Program	0.0	-2,974	-2,974
5. Family Planning Waiver	0.0	-5,487	4,615
6. Health Center Prospective Payment	0.0	-110	-398
7. Medicaid Buy-In Program #	0.0	0	5,200
8. Expand Proshare and DSH Programs	0.0	-33,490	272,836
9. Therapeutic Interchange	3.0	-9,632	-18,581
10. Disease Case Management	2.8	-297	-602
11. Drug Ingredient Reimbursement	0.0	-8,208	-16,254
12. Dental Sealants	0.0	61	123
13. Children's Hair Prosthetics	0.0	713	1,437
14. Breast & Cervical Cancer	0.0	0	2,578
15. Estate Recovery	0.0	-273	-550
Total Policy Changes	53.3	-39,358	291,881
Total 2001-03 Biennium	936.1	2,195,113	6,319,428

Comments:

1. Vendor Rate Increases - Funding is provided to increase the rates paid to hospitals, physicians, dentists, home health agencies, family planning clinics, and other organizations and individuals which contract with the state to provide medical assistance services. Rates are to be increased by 2.1 percent on July 1, 2001, and by an additional 2.3 percent on July 1, 2002. (General Fund-State, Health Services Account, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

3. Utilization and Cost Containment - Approximately \$3.7 million per year of additional staffing is provided for the department to improve and expand its efforts to understand, manage, and control medical assistance expenditure growth. These efforts may include but are not limited to improved utilization review and prior authorization of high-cost and fast-growing expenditure areas; improved monitoring of transportation and interpreter services; additional audits of providers with aberrant billing practices; resolution and recovery of disputed rebates owed the state by drug manufacturers; identification and recovery of costs on behalf of recipients who have other medical coverage or who are owed medical settlements; and implementation of primary care case management to reduce fee-for-service expenditures for recipients for whom Healthy Options coverage is not available at a competitive price. The department is directed to establish quarterly savings targets in each of these areas, and to report every six months to the Legislature on the extent to which those targets are being achieved. (General Fund-State, General Fund-Federal)

4. Medically Indigent Program - The medically indigent deductible is increased by \$500 (25%) effective July 1, 2001. This is the share of costs for which program recipients are responsible before the state will begin to cover part of the cost of their emergency care.

5. Family Planning Waiver - As authorized in Senate Bill 5186, the medical assistance program is to implement a demonstration waiver which will enable the state to provide family planning services for any uninsured resident with an income below 200% of poverty. The federal government will cover 90% of the cost of these services. This is expected to result in approximately 600 fewer Medicaid-funded births in the first year of the biennium, and 2,400 fewer in the second, resulting in reduced state expenditures on medical services for pregnant women and their infants. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget

Dept of Social and Health Services

Medical Assistance Payments

6. Health Center Prospective Payment - The medical assistance program will implement a new prospective payment system for federally-qualified urban and rural health centers effective January 1, 2002. Consistent with new federal legislation, the new system will limit increases in medicaid payment rates to a national index of medical inflation. Washington's previous practice, as required by federal law prior to 1997, has been to provide full cost reimbursement to these centers. Implementing this change will avoid a projected \$5 million of state expenditure growth which would otherwise occur during 2001-03. Even with the change, the federally-qualified centers will continue to be paid about twice the amount which would be paid other community providers for the same service. (General Fund-State, Health Services Account, General Fund-Federal)

7. Medicaid Buy-In Program # - The Senate budget authorizes the department to participate in the new Medicaid "Ticket to Work" program under which persons with substantial disabilities who go to work are able to obtain Medicaid coverage. To be eligible for the program, individuals must be working; meet Social Security disability standards; and have an income of less than about 512% of poverty (about \$43,000 per year for a single individual). All participants will be required to pay monthly premiums for their coverage, and a monthly deductible equal to 25% of any unearned income in excess of about \$560 per month. Premiums are to be the same as under the Basic Health Plan for participants with incomes below 125% of poverty; 2.5% of income for participants with incomes between 125-200% of poverty; and 5% of income for all others. The department is also directed to establish point-of-service cost-sharing requirements for drugs, office visits, and personal care services. If actual enrollment and costs exceed budgeted levels, the department is directed to modify income eligibility and/or cost-sharing standards sufficiently to operate the program within budgeted levels. (General Fund-State, General Fund-Federal)

8. Expand Proshare and DSH Programs - New federal legislation enacted in December 2000 enables the state to collect additional Medicaid matching funds. Some of these additional revenues are used to offset part of the growth in state expenditures on medical assistance programs. The rest are deposited into the state's Health Services Account, in order to assure sufficient funding in that account for the Basic Health Plan, and for Medicaid coverage for children with incomes below 200% of poverty. (General Fund-State, Health Services Account-State, General Fund-Federal)

9. Therapeutic Interchange - There are often a number of brand-name drugs which are equally effective at treating the same condition, but which have significantly different costs. Consequently, virtually all hospitals, clinics, and insurance companies practice "therapeutic interchange". This is the practice by which a team of doctors and pharmacists evaluates the scientific evidence, and identifies the preferred drug or drugs for treating a particular condition or combination of conditions, based on considerations of medical effectiveness and cost. Brands other than the preferred one are then purchased only on an exceptions basis, as necessary for a particular patient's condition or situation.

Under the Senate budget, Washington's Medical Assistance program will begin practicing therapeutic interchange for approximately two new drug classes every six months over the course of the 2001-03 biennium. The agency is expected to obtain independent professional assessments of the relative effectiveness of the drugs being considered, and provide this information to a pharmacy and therapeutics committee which will select the preferred drug or drugs in each class. The Senate budget provides sufficient funding for an alternative drug to be authorized in half of all cases. This will enable patients who might have difficulty switching medications to remain on their current therapy, and permit prescribers to exercise appropriate professional discretion. The Senate budget also provides approximately \$200,000 per year for the agency to develop educational materials and authorization systems which will reduce the burden on prescribers and pharmacists of arranging necessary prior authorizations. (General Fund-State, General Fund-Federal)

10. Disease Case Management - The Medical Assistance program will research and implement at least three pilot projects to assist individuals with targeted diseases improve their health. The projects will involve two key components: (1) identifying persons who are likely to become seriously ill due to a combination of medical, social, and functional problems; and (2) working with them and their primary care provider to improve adherence to state-of-the-art treatment regimens. Based upon successful models in other states, initial diseases to be targeted are likely include diabetes, asthma, heart failure, renal disease, or cancer. Expenditures on program design, and fees for disease case management providers, are expected to be offset by 5-10% reductions in the medical costs which program participants would otherwise incur, resulting in a net savings. (General Fund-State, General Fund-Federal)

11. Drug Ingredient Reimbursement - The state Medical Assistance program will align state payment rates with actual market conditions by making two adjustments in the rate it pays retail pharmacies. First, the state payment rate for single-source drugs will be reduced from 89% to 88% of estimated average wholesale price (AWP). Most other major third-party purchasers pay 87% of AWP. Second, the Medical Assistance program will establish the price for multiple source drugs by conducting in-state price surveys, rather than relying upon nationwide data. This second change was directed in the 2000 supplemental budget, but has not been implemented because the in-state drug wholesalers have been unwilling to make their pricing information available to the state medical assistance program. If this information continues to be unavailable, the department is to make up for the lost savings by instead reducing its payment rate for single-source drugs to 87% effective July 1, 2001. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

12. Dental Sealants - Substitute Senate Bill 6020 authorizes registered dental hygienists to administer dental sealants and fluoride varnishes in schools without a dentist's supervision. This is expected to result in an approximately 1% increase in the number of children for whom such treatments are reimbursed by Medicaid. In future biennia, these costs are expected to be fully offset by reductions in treatment costs. (General Fund-State, General Fund-Federal)

13. Children's Hair Prosthetics - Substitute Senate Bill 5430 requires that all state-purchased medical coverage and all state-regulated health insurers provide coverage of custom-designed wigs for children suffering severe hair loss as a result of alopecia. Approximately 650 (0.13%) of the children covered by the medical assistance program are expected to require such prosthetics during the 2001-03 biennium, at an average cost of \$2,700 per child. (General Fund-State, General Fund-Federal)

14. Breast & Cervical Cancer - In accordance with Substitute Senate Bill 5820, the Medical Assistance program will provide full-scope Medicaid benefits for low-income uninsured women who have been diagnosed with breast or cervical cancer through the federal screening program administered by the Department of Health. Federal Medicaid matching funds will cover approximately 65% of the cost. The Susan G. Komen Foundation has committed \$400,000 of private funds to cover approximately 45% of the remaining state share of program costs. (Health Services Account, General Fund-Federal, General Fund-Private/Local)

15. Estate Recovery - Under current policy, the Department of Social and Health Services attempts to recover the cost of publicly-funded care from the estate after the deaths of a recipient of state-funded long-term care, and of his or her surviving dependents. The department is proposing to begin recovering all medical assistance costs in such cases, rather than limiting collections to just long-term care, hospitalization, and prescription drug costs as was previously the case. The recoveries from this change will not be as large as anticipated by the Administration, since only costs incurred subsequent to the necessary regulatory change can be subject to recovery. To cover the difference, the Senate budget anticipates that the department will also initiate recoveries in the case of persons who have not received long-term care, but who have incurred substantial hospitalization or other medical assistance costs prior to death. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	339.7	19,542	103,204
2001-03 Maintenance Level	333.4	20,672	101,622
Policy Changes:			
1. Vendor Rate Increases	0.0	21	21
2. General Inflation	0.0	-314	-314
3. ESS Phase-Down	0.0	-189	-189
4. TBI Grant	0.5	29	85
5. Serve Additional Persons	3.7	954	4,112
Total Policy Changes	4.2	501	3,715
Total 2001-03 Biennium	337.6	21,173	105,337

Comments:

1. Vendor Rate Increases - Funding is provided for a 2.1 percent increase in the rates paid to providers of extended supported employment services effective July 1, 2001, and for an additional 2.3 percent rate increase on July 1, 2002.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. ESS Phase-Down - This item adjusts funding to the level projected to be needed to continue extended job support services for all persons currently enrolled in the program. Because the program no longer reflects current approaches to employment for persons with disabilities, new admissions to the program have been frozen for a number of years in order to allow a gradual phase-out.

4. TBI Grant - State matching funds are provided for participation in a federal grant which will improve and enhance the Vocational Rehabilitation program's knowledge of the needs of persons who have experienced traumatic brain injuries. (General Fund-State, General Fund-Federal)

5. Serve Additional Persons - State matching funds are provided to assure that Washington is able to collect all the funds which are expected to be available to it under the federal vocational rehabilitation formula grant. (General Fund-State, General Fund-Federal, General Fund-Local)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Administration/Support Svcs
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	708.9	56,090	105,678
2001-03 Maintenance Level	701.8	57,864	107,333
Policy Changes:			
1. General Inflation	0.0	-265	-378
2. Payment Integrity	0.0	648	2,024
3. State Hospital Billing System	2.0	164	235
4. Infrastructure Upgrades	0.0	55	111
5. Financial Rpt'g Improvement Project	0.0	1,365	1,920
6. Foster Care Trust Fund System	0.0	337	475
Total Policy Changes	2.0	2,304	4,387
Total 2001-03 Biennium	703.8	60,168	111,720

Comments:

2. Payment Integrity - The Payment Integrity Program identifies and recovers dollars lost due to fraud, waste, error and abuse. Included in this recommendation are three items: 1. The contract amount for the Fraud and Abuse Detection System Vendor exceeded the original estimate. Funding is provided to make up the difference for FY02. 2. A statistical specialist will respond to provider inquiries and related to data analysis and detailed algorithm results and findings. 3. An enhanced travel and training budget is included. (General Fund-State, General Fund-Federal).

3. State Hospital Billing System - The Health Care Financing Administration (HCFA) has directed the Mental Health Division to improve billing compliance with federal regulations. HCFA requires no less than 95% compliance with charges submitted but the Finance Division has only achieved a 70% compliance level. Funding is provided for a Fiscal Technician and an Accountant 2 to achieve billing compliance and reduce the backlog of payment lines. (General Fund-State, General Fund-Federal)

4. Infrastructure Upgrades - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (General Fund-State, General Fund-Federal)

5. Financial Rpt'g Improvement Project - Funding is provided for the development costs to bring the DSHS Financial Reporting System in line with AFRS and move the responsibility of the Cost Allocation System (CAS) to OFM. (General Fund-State, General Fund-Federal)

6. Foster Care Trust Fund System - The current accounting system for Children's Foster Care Trust funds could result in audit findings and disallowance of federal funds. A new system to develop a comprehensive management and accounting system for the Children's Administration Case and Management Information System (CAMIS) will automate the distribution of funds and provide immediate updates of financial information to social workers. This item is a component of the Governor's Child Safety Initiative. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	62,415	84,347
2001-03 Maintenance Level	0.0	86,738	112,214
Total 2001-03 Biennium	0.0	86,738	112,214

Comments:

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	167.4	0	0
2001-03 Maintenance Level	165.2	0	0
Total 2001-03 Biennium	165.2	0	0

Comments:

2001-03 Omnibus Operating Budget
Columbia River Gorge Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	9.8	730	1,406
2001-03 Maintenance Level	9.8	711	1,383
Policy Changes:			
1. Match Oregon Current Service Level	0.0	5	9
2. Agency Legal Services	0.0	73	146
Total Policy Changes	0.0	78	155
Total 2001-03 Biennium	9.8	789	1,538

Comments:

1. Match Oregon Current Service Level - Funding is provided to match the Oregon program. The Columbia River Gorge National Scenic Area Act requires that the Oregon and Washington joint program is funded at the same level. (General Fund-State, General Fund-Local)

2. Agency Legal Services - The Senate budget provides funding for increased legal services billings associated with local governments' land use actions. (General Fund-State, General Fund-Local)

2001-03 Omnibus Operating Budget
Department of Ecology
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,426.3	82,332	288,679
2001-03 Maintenance Level	1,430.5	85,871	289,814
Policy Changes:			
1. Methamphetamine Lab Cleanup	8.0	0	1,939
2. Inflation Rate Exception	0.0	0	128
3. Eliminate Air Emission Hot-Lines	-1.0	-230	-230
4. Reduction to Match Revenue	0.0	0	-141
5. Preventing Oil Spills	0.0	0	3,180
6. Access Waste Information	2.0	0	431
7. Eliminate Air Permit Help to Locals	-1.0	-226	-226
8. Network Infrastructure	0.0	0	323
9. Bioaccumulative Toxics Strategy	2.3	0	800
10. Assess Hazardous Waste Liability	1.5	0	500
11. Area Wide Contamination	0.0	0	500
12. Reduce Toxics Studies	-1.0	-148	-148
13. Consolidating Lab Accreditation	1.2	202	202
14. The Clean Sites Initiative	0.0	0	4,000
15. Aquatic Weeds Grants	0.0	0	450
16. Waste Reduction Efforts	0.0	0	200
17. Reduce Lab Accreditation Activities	-0.4	-54	-54
18. Water Law Compliance	0.0	0	1,148
19. Reducing Hazardous Waste Generation	1.0	0	200
20. Superfund Cleanup Match	0.0	0	2,000
21. Pine Hollow EIS	0.0	0	325
22. General Inflation	0.0	-1,450	-2,797
23. Enhanced Stream Flow Monitoring	2.0	0	1,613
24. Supporting Shoreline Updates #	5.0	7,050	7,050
25. Sharing Costs to Manage Stormwater	3.0	0	775
26. Reforming Water Law	0.0	0	0
27. Water Right Change Decisions	0.0	2,522	2,522
28. Water Resources Attorney Support	1.4	318	318
29. Nuclear Waste Attorney Support	1.9	0	382
30. Oil Spill Financial Responsibility	1.2	0	270
31. Reduce Local Watershed Planning	0.0	-1,950	-1,950
32. Support Watershed Cooperatives	0.0	1,950	1,950
33. Latah Creek Flood Control	0.0	0	84
Total Policy Changes	27.1	7,984	25,744
Total 2001-03 Biennium	1,457.6	93,855	315,558

Comments:

1. Methamphetamine Lab Cleanup - The Senate budget assumes growth in methamphetamine labs based on State Patrol estimates and shifts funding from the Public Safety Education Account to the State Toxics Control Account. Increased staffing is provided for drug lab cleanup by six staff in Fiscal Year 2002 and an additional four staff in Fiscal Year 2003. (Public Safety Education Account, State Toxics Control Account)

2. Inflation Rate Exception - The Senate budget provides funding for increased costs for janitorial, landscaping and security contracts for agency facilities to maintain current levels of service while minimizing the reduction to other core environmental functions. (State Toxics Control Account, various other funds)

2001-03 Omnibus Operating Budget Department of Ecology

- 3. Eliminate Air Emission Hot-Lines** - The Senate budget eliminates funding for two toll-free 24 hour telephone lines which provide information and advice regarding the auto emission test program.
- 4. Reduction to Match Revenue** - The Senate budget reduces the Air Operating Permit Account appropriation to match estimated revenue. (Air Operating Permit Account)
- 5. Preventing Oil Spills** - The Senate budget funds one-third of the cost (\$3 million) of a year round tug boat stationed at Neah Bay. The remaining share comes from federal and private funding sources. The Marine Information System will be updated (\$180,000 one time funding) to access vessel incident reporting information from the federal government. This information is used to target inspections and field work. (Oil Spill Prevention Account)
- 6. Access Waste Information** - The Senate budget provides funding to allow local governments, businesses and citizens to access environmental data via the Internet. Reports, grant invoices, and citizen reports of environmental problems will also be able to be submitted via the Internet. (State Toxics Control Account)
- 7. Eliminate Air Permit Help to Locals** - The Senate budget eliminates pre-application permit assistance to other state and local air permitting agencies as part of agency program reductions. The Air Quality Program staff will continue to provide assistance in situations where DOE has direct permitting responsibility.
- 8. Network Infrastructure** - The Senate budget provides funding to bring the communications capability of the Northwest Regional office to a level consistent with the other DOE buildings. (State Toxics Control Account, various other funds)
- 9. Bioaccumulative Toxics Strategy** - The Senate budget provides funding for the development of a strategy to eliminate releases and reduce the existence of persistent, bioaccumulative toxic chemicals (PBTs). Baseline monitoring will be conducted and chemical specific action plans will be developed to reduce PBTs in the environment. One time funding of \$54,000 is included for the Department of Health for their participation in developing this strategy. (State Toxics Control Account)
- 10. Assess Hazardous Waste Liability** - The Senate budget provides one time funding to assess the limits of current statutes and regulations governing hazardous waste management facilities, identify potential improvements in financial assurance regulatory control, and evaluate long term funding options. (State Toxics Control Account)
- 11. Area Wide Contamination** - The Senate budget provides funding to develop a strategy to address emergent area-wide soil contamination problems to include initiation of a public involvement process, and completion of an assessment of the geographical locations of contamination and hot spots. (State Toxics Control Account)
- 12. Reduce Toxics Studies** - The Senate budget reduces funding for the conduct of toxics studies by Ecology. These studies are used to assist in addressing contamination problems, identifying regulatory strategies, and developing water cleanup plans. The number of studies conducted will decline from 20 to 17 per year.
- 13. Consolidating Lab Accreditation** - The Department of Health Drinking Water Laboratory Certification is combined with the DOE Environmental Laboratory Accreditation Program.
- 14. The Clean Sites Initiative** - The Senate provides one time funding to clean up sites contaminated by toxic chemicals that present a serious threat to human health and the environment. (State Toxics Control Account)
- 15. Aquatic Weeds Grants** - The Senate budget provides additional appropriation authority to allow cash management of the Freshwater Aquatic Weeds Account (Freshwater Aquatic Weeds Account)
- 16. Waste Reduction Efforts** - Funding is provided for a one time assessment of the current toxic pollution prevention and dangerous waste programs within DOE. Stakeholder focus groups will assist the Department in ensuring existing resources are being utilized for the maximum environmental benefit. This will include evaluating the performance of existing programs, and assessing waste generating activities to identify improvements in waste reduction. (State Toxics Control Account)
- 17. Reduce Lab Accreditation Activities** - The DOE Environmental Assessment Program is responsible for assuring that accredited labs have the capability to provide accurate and scientifically sound data. Conducting audits at such labs is one mechanism used to assure this capability exists. The number of laboratory audits will be reduced by approximately six percent as part of agency program reductions.

2001-03 Omnibus Operating Budget Department of Ecology

- 18. Water Law Compliance** - The Senate budget continues funding for water quantity and non-point water quality compliance activities in support of salmon recovery. (Salmon Recovery Account)
- 19. Reducing Hazardous Waste Generation** - The Senate budget provides funding for additional technical assistance on hazardous waste management and pollution prevention on a one time basis during the 2001-03 Biennium. This will include assisting 60 businesses in developing pollution prevention plans, implementing pollution prevention opportunities, and integrating best management practices into business operations. This added resource will also improve access to hazardous waste data for both staff and citizens. (Hazardous Waste Assistance Account)
- 20. Superfund Cleanup Match** - The federal Superfund law requires states to pay ten percent of all remedial action costs and all operation and maintenance costs at federally funded cleanup sites. Existing match obligations to the Environmental Protection Agency total almost \$8 million. The Senate budget provides reimbursement for twenty-five percent of this obligation. (State Toxics Control Account)
- 21. Pine Hollow EIS** - The Senate budget continues authority to conduct an environmental impact statement of the Pine Hollow Reservoir project in coordination with the local irrigation district. (State Drought Preparedness Account)
- 22. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
- 23. Enhanced Stream Flow Monitoring** - The Senate budget provides funding for locally-based stream flow monitoring in the Nooksack, Quilcene/Snow, Elwha/Dungeness, Wenatchee and Walla Walla basins. Gauging equipment will be purchased and loaned to local experts hired to conduct monitoring. \$400,000 in technical assistance is provided to develop gauging plans, install and maintain gauges, and provide data management services including real-time data transmission and web base data access. (Salmon Recovery Account)
- 24. Supporting Shoreline Updates #** - The Senate budget provides funding for local governments to update Shoreline Master Programs, consistent with the guidelines adopted by the Department in November 2000. \$6 million in grants and \$1 million in technical assistance is provided to local governments in King, Snohomish, Pierce, Clark and Kitsap counties.
- 25. Sharing Costs to Manage Stormwater** - Technical assistance is provided for planning, designing, and implementing stormwater management strategies and infrastructure to implement the Environmental Protection Agency Phase II Stormwater Requirements in Western Washington by March 2003. (General Fund-State)
- 27. Water Right Change Decisions** - Resources are provided to accelerate elimination of the water right change applications backlog. By June 30, 2003, the department will have issued decisions on 730 applications for a change or transfer of a water right.
- 28. Water Resources Attorney Support** - The Senate budget provides funding for additional support from the Attorney General's office associated with water resources litigation.
- 29. Nuclear Waste Attorney Support** - The Senate budget provides funding for additional attorney support to enforce the Hanford Tri-Party Agreement among the state, the Environmental Protection Agency and the U.S. Department of Energy. (State Toxics Control Account)
- 30. Oil Spill Financial Responsibility** - The Senate budget provides funding to implement the economic analysis and rulemaking provisions of 2SSB 5909 relating to financial responsibility requirements for vessels and facilities. Ongoing costs are to be limited to one FTE beginning in fiscal 2004. (State Toxics Control Account)
- 31. Reduce Local Watershed Planning** - Base funding for local watershed planning grants under House Bill 2514 (Chapter 90.82 RCW) is reduced in order to fund grants to cooperative watershed ventures in water resource inventory areas that are not subject to planning under HB 2514.
- 32. Support Watershed Cooperatives** - The Senate budget provides funding for administrative support of cooperative watershed groups not planning under Chapter 90.82 RCW. \$1,750,000 is provided for grants and \$200,000 is provided for a statewide coordinator position.
- 33. Latah Creek Flood Control** - Funds provided for the Latah Creek feeder bank stabilization project were not spent in the 1999-01 biennium. Authority for this project is continued in the 2001-03 biennium. (Flood Control Assistance Account)

2001-03 Omnibus Operating Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	9.1	0	2,138
2001-03 Maintenance Level	9.1	0	2,148
Policy Changes:			
1. General Inflation	0.0	0	-17
Total Policy Changes	0.0	0	-17
Total 2001-03 Biennium	9.1	0	2,131

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Pollution Liability Insurance Program Trust Account, Heating Oil Pollution Liability Trust Account)

2001-03 Omnibus Operating Budget
State Parks and Recreation Comm
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	604.8	57,954	92,391
2001-03 Maintenance Level	638.9	59,719	93,227
Policy Changes:			
1. General Inflation	0.0	-273	-448
2. Lewis and Clark Interpretive Center	2.8	277	277
3. Parks Management	8.9	1,246	1,246
4. Ranger & Visitor Safety	7.0	1,500	1,500
5. Forest Road Inventory	0.0	0	200
6. Internet Materials and Permits	1.1	0	166
7. Native American Artifacts	0.0	25	25
8. Silver Lake Visitor Center	3.9	0	432
9. Winter Recreation - Snowmobile	0.0	0	556
10. Water Trails Enhancements	0.0	0	10
11. Boating Safety & Education	0.0	0	534
12. Cama Beach Operating Reduction	-4.0	-440	-440
13. Assistance/Planning Reductions	-1.5	-168	-168
14. Parking Fee Expenditure Authority	0.0	0	0
Total Policy Changes	18.2	2,167	3,890
Total 2001-03 Biennium	657.1	61,886	97,117

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Lewis and Clark Interpretive Center - Funding is provided to staff the Lewis and Clark Interpretive Center, at Fort Canby, at a level consistent with State Parks' estimate of operating impacts in the 1999-01 capital budget.

3. Parks Management - The Senate budget provides funding for changes in operating needs and to manage the facilities at a safe level and protect their natural resources. The Miller Peninsula property near Sequim Bay State Park and the Fisk Property near Riverside State Park require an enforcement presence to prevent vandalism, littering and resource damage. An interpretive assistant is provided for the lighthouse and kilns at Lime Kiln State Park. Additional weed control and land management activities will be undertaken at Dalles Mountain Ranch and permanent staffing is provided for the operation of the Hyak Lodge Environmental Learning Center.

4. Ranger & Visitor Safety - Funding for additional rangers will reduce single-ranger patrols at Spencer Spit, Jarrell Cove, Kopachuck, Sequest, Twin Harbors, Conconully and Steamboat Rock state parks.

5. Forest Road Inventory - Funding is provided to evaluate, survey and map all forest roads on state parks lands to determine future actions needed to protect salmon and water quality. (Salmon Recovery Account)

6. Internet Materials and Permits - The Senate budget funds the development of a system to make permits and other materials available to citizens over the Internet. (Parks Renewal and Stewardship Account, Winter Recreation Program Account, Snowmobile Account)

7. Native American Artifacts - In 1999-01 State Parks began work to inventory and catalogue its collection of Native American artifacts and human remains. One-time funding will construct appropriate storage and ADA access for artifacts and remains.

2001-03 Omnibus Operating Budget State Parks and Recreation Comm

8. Silver Lake Visitor Center - The Senate budget provides funding for staffing and operation of the Mt. St. Helens Visitor Center at Silver Lake/Seaquest State Park if a one year trial determines that operation of the visitor center is economically viable. (Parks Renewal and Stewardship Account)

9. Winter Recreation - Snowmobile - The Senate budget provides funding to open two new snow parks, increase the parking lot size of 15 snow parks and increase grooming of 15 trails. (Snowmobile Account - State)

10. Water Trails Enhancements - The Senate budget funds installation of composting toilet and 40 bulletin boards at Water Trails sites which include access facilities and primitive campsites. (Water Trails Program Account-State)

11. Boating Safety & Education - Federal funding will be used for grants focused toward law enforcement training and equipment, and to increase the frequency of boater education messages. (General Fund-Federal)

12. Cama Beach Operating Reduction - A one-time reduction will delay implementation of maintenance and management at Cama Beach State Park .

13. Assistance/Planning Reductions - The Senate budget reduces funding for planning. The reduction will affect coordinating requests to use state parks facilities by special recreation groups, responses to customer inquiries and complaints and public involvement assistance for agency rules.

2001-03 Omnibus Operating Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	20.6	275	6,792
2001-03 Maintenance Level	20.6	291	3,554
Policy Changes:			
1. General Inflation	0.0	-3	-15
2. Programmatic Adjustments	0.0	0	-6
3. Outdoor Recreation Resource Plan	1.0	0	445
4. Statewide Monitoring Strategy	0.0	0	1,500
5. Salmon Technical Panel	0.0	0	200
6. Forests and Fish Agreement Rules	0.0	0	8,000
7. SRFB Administration	0.0	0	1,811
8. Data Management Coordinator	1.0	0	200
9. Natural Resources Data Pool	0.0	0	2,000
Total Policy Changes	2.0	-3	14,135
Total 2001-03 Biennium	22.6	288	17,689

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Programmatic Adjustments - Revenue and operating expenses are aligned with the statutory requirements for the Firearms Range Account and Nonhighway and Off-Road Vehicle Activities Program Account. (Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)

3. Outdoor Recreation Resource Plan - The Senate budget provides one-time funding to develop a statewide strategic plan for the acquisition, renovation, and development of recreational resources and the conservation of open space. IAC is required by statute to develop the plan; the current statewide plan expires December 2001. To help complete this task, the Committee obtains federal Land and Water Conservation Funds. (Recreation Resources Account-State, Recreation Resources Account-Federal)

4. Statewide Monitoring Strategy - The Senate budget provides funding for the IAC and Salmon Recovery Funding Board to lead other state agencies in developing a statewide approach to salmon recovery adaptive management and monitoring. The Senate recognizes the need for a coordinated and comprehensive statewide adaptive management and monitoring strategy to meet the needs of the Statewide Strategy to Recover Salmon. (Salmon Recovery Account)

5. Salmon Technical Panel - The Senate budget provides funding for the Salmon Recovery Funding Board Salmon technical panel to assist lead entities with project identification, evaluation and prioritization. The SRFB provides technical assistance to local government as well as high quality technical review of project applications submitted for funding. Technical expertise is required in the fields of fish habitat, conservation biology, geomorphology, hydrology, watershed ecology and others. (Salmon Recovery Account)

6. Forests and Fish Agreement Rules - The Salmon Recovery Funding Board will pass through anticipated federal funding to the Department of Natural Resources, Department of Fish and Wildlife and the Department of Ecology to continue to work on projects initiated in the 1999-01 Biennium necessary to implement the Forests and Fish Agreement. Specific work includes completion of databases for streams and lakes, wetlands and forest roads, a new forest practices application system a system to classify streams, development of a cultural resources module and adaptive management. (General Fund-Federal)

7. SRFB Administration - The Salmon Recovery Funding Board provides grants through the capital budget for salmon recovery activities to local governments, tribes and and nonprofit organizations. Federal administrative support for the SRFB grant programs is transferred from the capital budget to the operating budget. (General Fund-Federal)

2001-03 Omnibus Operating Budget Interagency Comm for Outdoor Rec

8. Data Management Coordinator - The Senate budget transfers the Salmon and Watershed Information Management project from the Governor's Office to IAC/SRFB to coordinate salmon recovery data information. The project manager will advise the SRFB on policy and strategic issues related to information management on watershed scale and facilitate natural resource data management among state agencies and other participants in the state strategy to recover salmon. The SWIM coordinator will oversee and allocate natural resources data pool to appropriate state and local agencies. (Salmon Recovery Account)

9. Natural Resources Data Pool - The Senate budget establishes the natural resources data pool to provide funding for individual agencies for high priority projects associated with salmon recovery monitoring and data management. (Salmon Recovery Account)

2001-03 Omnibus Operating Budget
Environmental Hearings Office
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	8.0	1,708	1,708
2001-03 Maintenance Level	8.0	1,704	1,704
Policy Changes:			
1. General Inflation	0.0	-10	-10
Total Policy Changes	0.0	-10	-10
Total 2001-03 Biennium	8.0	1,694	1,694

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
State Conservation Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	14.5	5,302	9,398
2001-03 Maintenance Level	14.5	4,261	8,138
Policy Changes:			
1. Conservation District Manual	0.0	20	29
2. Statewide Habitat Limiting Factors	0.0	0	-367
3. Administrative Manager	1.0	82	158
4. Engineering Grants	0.0	0	900
5. Salmon Volunteer Funding	0.0	0	-500
6. Audit Costs	0.0	0	128
7. AFW Negotiations	0.0	0	500
Total Policy Changes	1.0	102	848
Total 2001-03 Biennium	15.5	4,363	8,986

Comments:

1. Conservation District Manual - The Senate budget provides one-time funding to revise the Conservation District Procedure Manual to reflect changes in state or federal law, changes in the structure of agencies and organizations, and changes in policies and regulations. (General Fund-State, Water Quality Account-State)

2. Statewide Habitat Limiting Factors - The Senate budget provides one time funding to complete limiting factors analysis for the 22 remaining watersheds affected by ESA listings for salmon and bull trout. Analyses were completed in 27 watersheds in 1999-01. (Salmon Recovery Account-State)

3. Administrative Manager - The Senate budget provides funding for an administrative position for the Commission to prepare and manage its operating and capital budgets and provide financial planning assistance to its grants program. (General Fund-State, Water Quality Account-State)

4. Engineering Grants - The Senate budget provides funding for grants through the Conservation Commission to conservation districts to hire engineers to design salmon recovery and other projects that benefit salmon. (Water Quality Account)

5. Salmon Volunteer Funding - The Senate budget reduces funding for volunteer coordination in order to emphasize salmon science and monitoring. (Salmon Recovery Account-State)

6. Audit Costs - The Senate budget shifts the funding of conservation district audits from the capital budget to the operating budget and continues funding from the Water Quality Account. (Water Quality Account-State)

7. AFW Negotiations - The Senate budget provides funding to continue the Agriculture, Fish, and Water (AFW) negotiations to develop best management practices that will protect and recover salmon. Grant funding is provided through the Conservation Commission to allow participation of various stakeholder groups in the negotiation. (Salmon Recovery Account)

2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,573.5	91,249	285,767
2001-03 Maintenance Level	1,582.0	94,608	282,411
Policy Changes:			
1. General Inflation	0.0	-764	-2,083
2. Wildlife Conservation and Education	4.0	0	1,000
3. Implement Forest and Fish Agreement	5.6	0	776
4. Forest Roads Management Plan	2.3	0	265
5. Hydropower Relicensing	2.8	389	389
6. Lead Entity Core Operations	0.0	0	2,600
7. Program Review for ESA Compliance	3.3	0	456
8. Information Systems Strategic Plan	4.0	673	1,552
9. Geographic Information System	0.0	0	0
10. Wildlife Area Operations	0.3	0	48
11. Recover Endangered Wildlife Species	1.4	0	204
12. Problem Bear and Cougar Management	1.0	250	250
13. Vehicle and Vessel Replacement	1.0	0	235
14. Resident and Marine Fish Management	0.0	450	0
15. Youth Sport Fishing Program	0.5	0	156
16. Point-of-Sale Data Analysis	0.0	0	80
17. Core Salmon Recovery Activities	0.0	0	0
18. Salmon Recovery Activities	0.0	0	-7,219
19. Fence Maintenance	1.7	0	206
20. Coastal Crab Pot Tags	0.2	0	160
21. Attorney Support for ESA Compliance	0.0	88	147
22. Oyster Reserve Lands	0.0	-156	36
23. WildWatchCam	0.0	0	35
24. Lake Management District Assessment	0.0	38	38
25. Salmon Science and Monitoring	0.0	0	2,450
26. Technical Asst for Local Actions	0.0	0	2,535
27. Business Services Reductions	-7.4	-1,114	-1,114
28. Technical Assistance Reductions	-4.3	-568	-568
29. Fish, Hatchery and Land Stewardship	-4.5	-1,318	-1,318
30. Program Services Reductions	-4.0	-635	-635
31. Programmatic Adjustments	0.0	0	-819
Total Policy Changes	7.9	-2,667	-138
Total 2001-03 Biennium	1,589.9	91,941	282,273

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Wildlife Conservation and Education - Authority is provided to enhance wildlife conservation and education programs, including inventorying species, mapping priority habitat and species, and expanding watchable wildlife programs and public education. (General Fund-Federal)

2001-03 Omnibus Operating Budget Dept of Fish and Wildlife

3. Implement Forest and Fish Agreement - The Senate budget provides funding to implement the Forests and Fish Agreement. On-going funding is provided for five biologists to continue statewide coordination and implementation of the Forests and Fish rules; integration of portions of the Hydraulic Code into the forest practices rules to provide permit streamlining; and sharing the responsibility of developing and implementing the required Forests and Fish Agreement monitoring and adaptive management program. (Salmon Recovery Account)

4. Forest Roads Management Plan - The Senate budget provides funding to develop a statewide road plan and a geographic information system database for forest roads on department lands, consistent with the requirements of the Forest and Fish Agreement. (Wildlife Fund-State)

5. Hydropower Relicensing - Funding is provided for staff to represent the state's fish and wildlife interests in the hydro project relicensing process by the Federal Energy Regulatory Commission.

6. Lead Entity Core Operations - The Senate budget provides funding for local lead entities. The groups solicit habitat improvement and restoration projects, develop habitat project lists and recommend development and maintenance of habitat work schedules. The Department will continue to provide basic grants of \$100,000 to the estimated 26 lead entities that will operate in the 2001-03 Biennium. (Salmon Recovery Account)

7. Program Review for ESA Compliance - The Senate budget provides funding for the conduct of a comprehensive review of the hydraulics project approval permit program in order to obtain an ESA compliance agreement from the National Marine Fisheries Service and United States Fish and Wildlife Service for both the state and permit applicants. This agreement should provide landowners more timely review of projects by state and federal agencies, reduce liability under the ESA and increase protection of salmon habitat. (Salmon Recovery Account)

8. Information Systems Strategic Plan - Funding is provided to implement the Department's information systems strategic plan. The authorized activities include: upgrade of the network, personal computer leasing, migration to office suite software, end user support training and standardizing data administration. Authority is provided for a \$150,000 contract to enhance the Department's internet sites to provide information on recreational opportunity, regulatory changes, scientific and monitoring data, and document libraries. Authority is provided for a \$280,000 contract to enhance the Department's GIS programs and data management/accessibility consistent with direction from the salmon and water information management coordinator and allocation of the natural resources data pool. (General Fund-State, State Wildlife Account-State)

10. Wildlife Area Operations - The Senate budget funds only those operating impacts identified for capital acquisitions in the 1999-01 biennium. (State Wildlife Account-State)

11. Recover Endangered Wildlife Species - The Senate budget provides funding to complete research, develop recovery plans and initiate recovery actions for the most critically endangered and threatened wildlife species, including western pond turtles, pygmy rabbits, caribou and Columbia white-tailed deer. (State Wildlife Account-State)

12. Problem Bear and Cougar Management - The Senate budget provides funding for a biologist to evaluate bear and cougar problems and for veterinary services to assist with removal and capture of problem animals. Enforcement staff were funded in the 2000 supplemental budget.

13. Vehicle and Vessel Replacement - The Senate budget provides funding to lease-purchase up to 124 vehicles and 15 vessels to replace equipment which has exceeded its replacement schedule. Funding for a fleet manager is continued. (State Wildlife Account-State)

14. Resident and Marine Fish Management - The Senate budget provides funding for resident and marine fish management, restoring reduced federal funding. (General Fund-Federal)

15. Youth Sport Fishing Program - The Senate budget provides funding for a youth fishing coordinator to develop partnerships with local communities, and to identify, develop, fund and promote youth fishing events and opportunities. Event coordination and promotion services will be contracted to a private consultant. (State Wildlife Account-State)

16. Point-of-Sale Data Analysis - Funding is provided to develop reports to analyze information on demographic and economic trends using information from the new automated recreational licensing system. This work will be done by a private contractor. (State Wildlife Account-State)

2001-03 Omnibus Operating Budget Dept of Fish and Wildlife

- 17. Core Salmon Recovery Activities** - Agency salmon recovery activities involving basic scientific research, previously receiving federal funding, are now funded from the Salmon Recovery Account. (Salmon Recovery Account, General Fund-Federal)
- 18. Salmon Recovery Activities** - Agency salmon recovery activities, initiated in the 1999-01 biennium and funded through the Salmon Recovery Account, are considered anew as individual activities. (Salmon Recovery Account)
- 19. Fence Maintenance** - Funding for fence maintenance operations is transferred from the Capital Budget to the Operating Budget. (State Wildlife Fund-State)
- 20. Coastal Crab Pot Tags** - Authority is provided to purchase and distribute crab pot tags. (Coastal Crab Account-Nonappropriated)
- 21. Attorney Support for ESA Compliance** - Funding is provided for increased legal assistance from the Attorney General's Office for compliance with the requirements of the Endangered Species Act. (General Fund-State, Wildlife Fund-State)
- 22. Oyster Reserve Lands** - Funding is provided to implement SSB 5837 relating to state oyster reserve lands. The oyster reserve land account will fund the Department's management of the oyster reserve lands in Puget Sound and Willapa Bay and the shellfish-on-site sewage grant program. (General Fund-State, Oyster Reserve Land Account)
- 23. WildWatchCam** - The Senate budget provides funding for the WildWatchCam program to provide internet transmission of live views of wildlife in their habitats, including seals, bats and bald eagles. (Wildlife Account-State)
- 24. Lake Management District Assessment** - The Senate budget provides funding for increased assessments of Department-managed property within lake management districts.
- 25. Salmon Science and Monitoring** - Funding is provided to continue salmon-related inventory, monitoring and science research. The Salmonid Stock Inventory is a cooperative effort between the Washington Department of Fish and Wildlife and tribal co-managers. Smolt production monitoring is an assessment of the productivity of juvenile salmonids (smolts) as they migrate seaward. This is direct measure of stream system health and quality of salmon recovery investments. Salmon recovery scientific research will be driven by identification of monitoring needs by the Interagency Committee for Outdoor Recreation and the Salmon Recovery Funding Board. (Salmon Recovery Account)
- 26. Technical Asst for Local Actions** - The Senate budget funds the Department's provision of technical assistance for local actions affecting salmon. The Salmonid Screening Habitat Enhancement and Restoration Program (SSHEAR) completes habitat improvements through partnership with local governments, landowners, and others involved in salmon recovery. The Department's Watershed Steward Team is continued to provide technical assistance for engineering and design, and fish and habitat science to project sponsors, lead entities, landowners, local governments, regional fisheries enhancement groups and others involved in local salmon recovery projects. (Salmon Recovery Account)
- 27. Business Services Reductions** - Savings are obtained within the business services program by eliminating 6.4 staff positions from the Licenses and Financial Services Divisions, Director's office and Public Affairs office. Additional savings are created through the elimination of Automated Financial Reporting System reports through the implementation of an automated license system. A contract with the United States Department of Agriculture-Wildlife Services, that provides assistance to landowners in alleviating livestock, crop and property damage from wildlife disturbances is reduced.
- 28. Technical Assistance Reductions** - The Wetlands Technical Assistance program is reduced and will curtail agency participation in the Corps of Engineers Nationwide Permit Program, the Corps of Engineers Regional Permit Program and the State Mitigation Banking Rule Technical Committee. Existing staff will absorb these duties. One-half of a staff position from the Priority Habitats and Species and Growth Management Act programs is eliminated. This reduction targets Benton, Kittitas, Franklin and Yakima counties. One and one-half staff positions providing technical assistance to the Department of Ecology (DOE) and the Environmental Protection Agency (EPA) for Superfund and Toxic Control Act site cleanup are eliminated. One-half of a staff position providing technical assistance to the rural landowner program is eliminated.

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29. Fish, Hatchery and Land Stewardship - Salmon production is eliminated at the Samish Hatchery and the Fox Island Net Pens and reduced at the Wallace River Hatchery. Administrative support is reduced for hatchery programs. A reduction to the Lake Washington sockeye salmon fishery monitoring and research program will eliminate diet and abundance estimates used for preseason run predictions. Oyster reserve management funding is reduced. Lake management use of rotenone is reduced and will result in three fewer lakes in Eastern Washington being managed for high quality trout. The Washington Conservation Corps will reduce two full-time crews to two half-time crews.

30. Program Services Reductions - Retirement vacancies expected at the beginning of the 2001-2003 Biennium will remain unfilled. Additional savings for the enforcement program are realized through a reduction to equipment allocation and goods and services. Two administrative positions are eliminated from the Fish program.

31. Programmatic Adjustments - Due to revenue shortfalls, expenditures from the Recreational Fisheries Enhancement Account, Eastern Washington Pheasant Enhancement Account, Regional Fisheries Enhancement Account and the Off Road Vehicle Account are reduced. (Recreational Fisheries Enhancement Account-State, Eastern Washington Pheasant Enhancement Account-State, Regional Fisheries Enhancement Account-Nonappropriated, Off Road Vehicle Account-State)

2001-03 Omnibus Operating Budget**Department of Natural Resources**

(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,635.6	56,506	258,856
2001-03 Maintenance Level	1,510.1	59,730	258,111
Policy Changes:			
1. General Inflation	0.0	-99	-548
2. Attorney General Support	0.0	130	537
3. Forest Nursery Investments	0.0	0	350
4. Stabilize Fire Protection Funding	0.0	3,000	3,000
5. Stabilize Fire Protection - Fees *	0.5	97	641
6. Trust Land Management Activities	0.0	0	2,172
7. Mgmt Funding for Ag Trust Lands	0.0	0	1,790
8. Trust Land Forest Road Improvements	0.0	0	1,898
9. Forest and Fish Implementation	11.1	0	2,941
10. Surface Mine Reclamation Program	4.0	0	828
11. Dredged Material Management	0.0	0	266
12. Aquatic Lands Asset Management	11.0	0	2,000
13. Cherry Point Ecological Evaluation	0.0	0	300
14. Implementing Legislative Fire Study	24.0	2,500	2,500
15. Continued Control of Spruce Budworm	0.3	0	246
16. Sustain Natural Areas Stewardship	0.0	1,100	1,100
17. Forest Legacy Support	2.0	374	374
18. Outdoor Burning Program Reduction	0.0	0	-157
19. Program/Administration Efficiencies	0.0	-400	-400
20. Off Road Vehicle Program Reduction	0.0	0	-164
21. Sale of Valuable Materials	0.0	0	533
22. Management of Marine Reserves	0.5	0	100
Total Policy Changes	53.4	6,702	20,307
Total 2001-03 Biennium	1,563.5	66,432	278,418

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Attorney General Support - Contract support from the Office of the Attorney General is provided for increased legal services relating to upland and aquatic property issues including trespass, rights of way applications, real property transactions, implementing the incidental take permit and assistance with pending forest practice litigation. (General Fund-State, various other funds)

3. Forest Nursery Investments - One-time funding is provided for forest nursery investments to maintain the reforestation information management system, construct an additional greenhouse, and to convert water cooled compressors to air cooled compressors. (State Forest Nursery Revolving Account)

4. Stabilize Fire Protection Funding - The Senate budget provides funding to complement revenue to the Forest Fire Protection Assessment Account to provide on-going fire prevention activities. (General Fund-State, Forest Fire Protection Assessment Account-Nonappropriated)

5. Stabilize Fire Protection - Fees * - Fire protection funding authority is provided to reflect an increase in landowner assessments from .22 cents to .25 cents per acre authorized in 2SSB 5447. Funding is provided from the general fund to develop and administer a data base with which the Department will calculate the assessments for owners of multiple parcels thereby reducing refunds. Additional expenditures for the fire protection assessment of trust land are authorized. (General Fund-State, Forest Fire Protection Assessment Account-Nonappropriated, Forest Development Account, Resource Management Cost Account)

2001-03 Omnibus Operating Budget Department of Natural Resources

6. Trust Land Management Activities - The Senate budget provides additional spending authority from trust management funds to maintain the current level of management activities on state trust lands. (Forest Development Account-State, Resource Management Cost Account-State, and Agricultural College Trust Management Account-State)

7. Mgmt Funding for Ag Trust Lands - The Senate budget funds management of approximately 70,700 acres of Washington State University's Agricultural College Trust Lands. (Agricultural College Trust Land Account)

8. Trust Land Forest Road Improvements - Authority is provided to evaluate, survey, map and begin improvement or abandonment of forest roads on trust lands to meet the requirements of the Forests and Fish Agreement. (Access Road Revolving Fund-Non Appropriated)

9. Forest and Fish Implementation - The Senate budget provides additional funding to implement the forest and fish agreement. Funding will support specific work including forest practices rule enforcement, completion of a legislatively-mandated ten county small forest landowner data system, a road maintenance and abandonment plan, desired future condition data systems, and cultural resources protection. (Salmon Recovery Account)

10. Surface Mine Reclamation Program - Spending authority is provided to reflect a permit fee increase for surface mine operators as authorized in SB 5860. (Surface Mine Reclamation Account)

11. Dredged Material Management - Funding is provided to increase dredged material disposal monitoring at the construction of a new shipping terminal in Pierce County and to meet new requirements under the federal Endangered Species Act. (Aquatic Lands Dredged Material Disposal Site)

12. Aquatic Lands Asset Management - The Senate budget provides funding to improve management of state owned aquatic lands (SOAL). The Department will streamline the use authorization process for businesses operating on SOAL and issue decisions on 325 pending lease applications by June 30, 2002. The Department will also develop a strategic program for protecting the state against liability claims related to contaminated sediments on SOAL. (Resource Management Cost Account, Aquatic Lands Enhancement Account)

13. Cherry Point Ecological Evaluation - Funding is provided for continuing scientific studies and data collection to evaluate the Cherry Point herring stock and marine ecosystem. (Resource Management Cost Account)

14. Implementing Legislative Fire Study - Additional staff and equipment are provided to fully support 113 firefighter engines.

15. Continued Control of Spruce Budworm - The Senate budget provides funding to control the Spruce budworm on federally granted trust lands. (Resource Management Cost Account)

16. Sustain Natural Areas Stewardship - The Senate budget provides \$1.1 to continue an enhancement in the 1999-01 biennium for operating and maintenance of state natural areas. Funding will continue education programs at Lake Louise, Chehalis River Surge Plain, Mima Mounds, Mount Si, and Tiger Mountain natural areas, regional volunteer programs, and regional weed teams.

17. Forest Legacy Support - Funding is provided to administer the federal Forest Legacy Program. The capital budget authorizes the use of federal funds to acquire conservation easements on forest land.

18. Outdoor Burning Program Reduction - Current activities are reduced in the outdoor burning program to reflect decreased revenue. (Air Pollution Control Account)

19. Program/Administration Efficiencies - Funding is reduced for General Fund-State supported programs and administration. In implementing this reduction, the Department shall not reduce expenditures authorized in the 2001-03 Biennium for fire protection, fire suppression, natural areas management or forest practices activities.

20. Off Road Vehicle Program Reduction - Funding is reduced for management of campgrounds associated with off road vehicle use to reflect a revenue decrease and increased operating costs. (Off Road Vehicle Account)

21. Sale of Valuable Materials - Authority is provided to reflect changes in the marketing of valuable materials from trust lands, implementing SSB 5862. (Forest Development Account, Resource Management Cost Account)

**2001-03 Omnibus Operating Budget
Department of Natural Resources**

22. Management of Marine Reserves - The Senate budget provides funding for development and initial implementation of a statewide management plan for marine reserves. (Aquatic Lands Enhancement Account)

2001-03 Omnibus Operating Budget
Department of Agriculture
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	711.2	15,932	82,109
2001-03 Maintenance Level	711.2	15,450	84,113
Policy Changes:			
1. General Inflation	0.0	-104	-373
2. Salmon Recovery Pesticide Strategy	4.5	0	1,130
3. Information Technology Coordinator	0.7	0	134
4. Spartina Eradication	0.0	0	1,480
5. Small Farm Direct Marketing	1.5	225	450
6. Pesticide Use in Schools #	0.0	0	31
7. Fair Funding	0.0	0	4,000
Total Policy Changes	6.7	121	6,852
Total 2001-03 Biennium	717.9	15,571	90,965

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Salmon Recovery Pesticide Strategy - The Senate budget provides funding to establish a program to monitor pesticides in surface water, evaluate pesticide exposure on ESA listed salmonids, and implement actions needed to protect salmonids. This analysis and implementation will support the state and EPA's inclusion in future ESA 4(d) rule exceptions related to pesticide use and application practices. (Agriculture Local Nonappropriated Account, Water Quality Account)

3. Information Technology Coordinator - The Senate budget funds a part-time position to provide direction for the agency's Digital Government efforts including providing on-line animal health certificates, laboratory results and certification documents, and food processor licensees. (Agriculture Local Nonappropriated Account)

4. Spartina Eradication - The Senate provides funding to initiate a four year plan to eradicate infestations of spartina in Puget Sound, Hood Canal and Grays Harbor and begins the reduction in Spartina infestations in Willapa Bay, eradicating 25 percent of the 4,000-plus acres of spartina in Willapa Bay in the first two years. (Aquatic Lands Enhancement Account-State)

5. Small Farm Direct Marketing - A small farm and direct marketing program is established to support small farms in complying with federal, state, and local regulations, facilitating access to food processing centers and assisting with grant funding requests. (General Fund-State, General Fund-Federal)

6. Pesticide Use in Schools # - Funding is provided to implement SB 5534 requiring that the Department license and train applicators of any pesticides in and around school buildings or licensed daycare facilities. Additional license revenue will offset costs. (Agricultural Local Account-Nonappropriated)

7. Fair Funding - Funding is provided to make grants to agricultural fairs and youth shows. (Fair Account)

2001-03 Omnibus Operating Budget
Washington State Patrol
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	505.1	44,340	80,323
2001-03 Maintenance Level	523.5	45,140	80,253
Policy Changes:			
1. General Inflation	0.0	-385	-632
2. Regional Methamphetamine Program	5.0	0	1,419
3. Crime Intelligence Index	0.0	0	328
4. Transfer Activities to Transpo	-17.8	-12,634	-12,634
5. DNA Testing #	0.0	0	100
6. Spokane Toxicology Lab Services	1.5	0	553
7. Offender Information System Support	2.0	0	607
Total Policy Changes	-9.3	-13,019	-10,259
Total 2001-03 Biennium	514.2	32,121	69,994

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

2. Regional Methamphetamine Program - As part of the Governor's Methamphetamine Initiative, funding is provided for following three activities designed to enhance the ability of local governments to respond to methamphetamine issues: (1) the establishment of Regional Methamphetamine Enforcement, Training and Education Program; (2) additional members for the State Patrol's Pro-Active Methamphetamine Team; and (3) and the addition of two forensic scientists with the necessary equipment to perform lab analysis in Crime Laboratory Division. (Public Safety and Education Account)

3. Crime Intelligence Index - In order to better facilitate the sharing of criminal intelligence, the Patrol will implement a criminal intelligence index. This system will utilize the existing nation-wide Regional Information Sharing System Network providing 24 hour a day access to intelligence information to all Washington State criminal justice agencies. (Public Safety and Education Account)

4. Transfer Activities to Transpo - In the 1998 session, certain activities and portions of programs within Washington State Patrol were transferred to the omnibus operating budget from the transportation budget. Beginning in FY 2003, these activities are transferred back to the transportation budget.

5. DNA Testing # - Funding is provided for the implementation of SSB 5896 (DNA testing of evidence), which allows any convicted felon, currently incarcerated, to request post-conviction DNA testing. If the request is approved by the local prosecutor or the Attorney General's office, the State Patrol crime labs would conduct the DNA testing and analysis. (Public Safety and Education Account)

6. Spokane Toxicology Lab Services - Funding is provided for two forensic scientist positions and associated scientific equipment to enhance toxicology services to Eastern Washington. A significant proportion of toxicology casework and court testimony (about 25 percent) originates in Eastern Washington. The current plan calls for the State Patrol to house the additional forensic scientists in the Seattle Crime lab before a new Spokane Crime and Toxicology Laboratory facility is constructed in the 2003-05 biennium. (Death Investigations Account)

7. Offender Information System Support - Funding is providing for on-going staff support for the Washington State Identification System, the Washington Crime Information Center and the Sex Offender Registry systems, which have been integrated into a single system known as "W2" that allows criminal justice and other users to get information concerning an offender from one place at any time. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget
Department of Licensing
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	261.6	10,933	34,481
2001-03 Maintenance Level	242.8	10,613	33,928
Policy Changes:			
1. Expanded Internet Services	1.5	103	233
2. Equipment Replacement	0.0	58	65
3. Internet Payment Option	1.5	0	621
4. General Inflation	0.0	-27	-68
5. Private Investigator Exam	0.6	125	125
6. Security Guard Adjudicative Process	0.8	107	107
7. Enhanced Firearm Recording	-0.1	230	230
8. Adjust Real Estate Account	0.0	0	-333
9. Implement Technology Strategies	0.2	48	140
10. Technology Security Enhancements	0.0	19	55
Total Policy Changes	4.5	663	1,175
Total 2001-03 Biennium	247.3	11,276	35,103

Comments:

1. Expanded Internet Services - Funding is provided for expanded internet and electronic commerce. The Business and Professions Division will provide electronic license renewals for engineers, geologists and cosmetologists. The business license renewal process managed by the Department of Licensing (DOL) on behalf of the Department of Agriculture for nursery licenses will be processed electronically. (General Fund-State, Professional Engineers Account, Master License Account, Geologists' Account, Data Processing Revolving Account)

2. Equipment Replacement - Funds are provided for information technology (IT) upgrades in the second year of the biennium. Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (General Fund-State, Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account)

3. Internet Payment Option - Ongoing operational costs and full time equivalent staff positions are provided so that the Department of Licensing (DOL) can continue to offer Master License Service business license renewals over the Internet. DOL customers will be able to make their payments using a credit card. (Master License Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

5. Private Investigator Exam - Funding is provided for costs associated with a half-time management analyst position and contracted psychometrician services to allow the Private Investigator (PI) Program to review and revise tests to meet statutory requirements. Tests are to be conducted to determine minimum knowledge required to open a private investigator company or to act as a certified trainer for investigation companies.

6. Security Guard Adjudicative Process - Funding is provided for the costs associated with conducting adjudicative proceedings in the Security Guard licensing program. Additionally, funding is also provided for training to Security Guard companies on preventive measures to mitigate the number of applications that require adjudicative proceedings.

2001-03 Omnibus Operating Budget Department of Licensing

7. Enhanced Firearm Recording - Funding is provided to convert the data currently housed in a UNISYS mainframe to an SQL server, and enable firearm dealers to send pistol transfer forms, as required under existing law, electronically instead of by mail. In addition, law enforcement jurisdictions will be able to send Concealed Pistol Licenses electronically to DOL. This initiative will enhance the public safety value of the program and reduce agency costs.

8. Adjust Real Estate Account - Appropriation authority is reduced to match adjusted expenditures and revenues for the Real Estate Education Account. (Real Estate Education Account - State)

9. Implement Technology Strategies - Funds are provided for information technology (IT) upgrades in the second year of the biennium. Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost. (General Fund-State, Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Director and Embalmers' Account)

10. Technology Security Enhancements - DOL will retain an outside consulting firm to perform an agency-wide information technology risk assessment and vulnerability analysis. This assessment will become the foundation for the agency's on-going security program and business resumption plans. (General Fund-State, Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Directors and Embalmers Account)

2001-03 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	262.6	85,345	170,292
2001-03 Maintenance Level	264.2	58,472	172,929
Policy Changes:			
1. Information Tech Workforce Training	0.0	-3,600	-3,600
2. State Office Admin Reductions	-4.2	-680	-680
3. Alternative Certification Routes #	0.3	2,989	2,989
4. Advanced Placement Opportunities	0.0	0	860
5. School Safety Allocation	0.0	4,041	4,041
6. School Safety Office	1.5	200	200
7. Federal Funds Update	0.0	0	112,808
8. Federal Reading Excellence Grant	3.5	0	9,900
9. Statewide Programs Reduction	0.0	-5,736	-5,736
10. Certificate of Mastery Development	0.0	100	100
11. Non-Violence Leadership Training	0.0	600	600
Total Policy Changes	1.1	-2,086	121,482
Total 2001-03 Biennium	265.3	56,386	294,411

Comments:

1. Information Tech Workforce Training - The Senate budget eliminates funding for information tech workforce training grants. This program was started by the 1999 legislature to prepare students to achieve information technology skill certifications. School districts receiving the grants used them to acquire computer software and hardware, to improve internet access and for staff training.

2. State Office Admin Reductions - The administration budget of the Office of the Superintendent of Public Instruction is reduced by three percent.

3. Alternative Certification Routes # - The Senate budget provides \$3.0 million to implement SB 5695 (Alternative Teacher Certification). This bill creates two grant programs, one providing stipends for alternative teacher candidates and teacher mentors, and the other conditional scholarships which provide forgivable loans to alternative teacher candidates if they teach in Washington public schools. It is estimated this appropriation will support 137 alternative teacher candidates.

4. Advanced Placement Opportunities - Additional federal funding for the Advanced Placement Fee Program will increase enrollment of low-income individuals in advanced placement (AP) courses and increase the availability of these courses in schools serving high poverty areas. In addition, the expanded grant will focus on removing obstacles to AP participation at three pilot sites serving remote schools or high poverty areas. (General Fund-Federal)

5. School Safety Allocation - The Senate budget allocates \$5.25 per year per full-time equivalent student for school safety purposes. The funds may be expended by school districts: to develop and implement safe school plans in each school building; for SB 5528 (anti-bullying /harassment training); for a school safety hotline; and, to provide and train school safety personnel.

6. School Safety Office - The Senate budget provides \$200,000 to create a school safety office located in the Office of the Superintendent of Public Instruction. The main functions of the safety office are to provide model comprehensive school safety plans to schools and to provide assistance to schools in developing and implementing comprehensive safe school plans.

7. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs

8. Federal Reading Excellence Grant - In 2000, Washington was awarded a Reading Excellence grant through the United States Department of Education. The grant initiated the Washington Reads project, which uses scientifically based reading research to enhance high quality reading instruction and school programs. The program is established in 30 demonstration schools. (General Fund-Federal)

9. Statewide Programs Reduction - The Senate budget reduces the allocation for statewide programs by \$5.8 million. Statewide programs includes a number of health and safety, technology and grant and allocation programs totalling \$38.3 million. The Superintendent of Public Instruction is given the flexibility to determine which programs to continue such that total expenditures do not exceed \$32.5 million.

10. Certificate of Mastery Development - The Senate budget provides \$100,00 to the State Board of Education for a study of the certificate of mastery based on other state's experience with similar requirements.

11. Non-Violence Leadership Training - The Senate budget provides \$600,000 for a non-violence leadership training program provided by the Institute for Community Leadership headquartered in Seattle. The program consists of school based workshops using the literary process of reading, writing, listening and public speaking skills to expand one's character and ability to impact change in society. The funds are expected to provide up to 80 percent funding for workshops serving 24 school districts and 72 schools.

2001-03 Omnibus Operating Budget
Public Schools
General Apportionment
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	6,987,997	6,987,997
2001-03 Maintenance Level	0.0	7,547,634	7,547,634
Policy Changes:			
1. Consolidate K-4 Allocations	0.0	82,455	82,455
2. Pension Changes	0.0	-112,642	-112,642
3. Audit Team Savings	0.0	-2,400	-2,400
Total Policy Changes	0.0	-32,587	-32,587
Total 2001-03 Biennium	0.0	7,515,047	7,515,047

Comments:

1. Consolidate K-4 Allocations - The enhanced K-4 staffing allocation in the Better Schools Program is transferred to the General Apportionment Program. This change consolidates multiple funding sources for grade K-4 staffing allocations and maintains support for class size reduction efforts initiated under the Better Schools Program.

2. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

3. Audit Team Savings - Funds are provided in the state auditor's budget to increase the number of auditors specializing in K-12 funding and programs. The additional auditors are expected to check the accuracy of data submitted by school districts for state funding purposes.

2001-03 Omnibus Operating Budget
Public Schools
Pupil Transportation
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	362,265	362,265
2001-03 Maintenance Level	0.0	390,071	390,071
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-2,517</u>	<u>-2,517</u>
Total Policy Changes	0.0	-2,517	-2,517
Total 2001-03 Biennium	0.0	387,554	387,554

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
School Food Services
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	6,200	297,961
2001-03 Maintenance Level	0.0	6,200	289,387
Policy Changes:			
1. Federal Funds Update	<u>0.0</u>	<u>0</u>	<u>7,000</u>
Total Policy Changes	0.0	0	7,000
Total 2001-03 Biennium	0.0	6,200	296,387

Comments:

1. Federal Funds Update - Expenditures from federal funds for school breakfast and lunch programs are updated. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Public Schools
Special Education
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1.5	772,493	944,160
2001-03 Maintenance Level	1.5	851,111	1,029,796
Policy Changes:			
1. Federal Funds Update	0.0	0	77,407
2. Pension Changes	0.0	-12,473	-12,473
3. Audit Team Savings	0.0	-3,414	-3,414
4. Special Ed. Enrollment Maximum	0.0	9,074	9,074
5. Safety Net Adjustment	0.0	-2,593	-2,593
Total Policy Changes	0.0	-9,406	68,001
Total 2001-03 Biennium	1.5	841,705	1,097,797

Comments:

1. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

2. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

3. Audit Team Savings - Funds are provided in the state auditor's budget to increase the number of auditors specializing in K-12 funding and programs. The additional auditors are expected to check the accuracy of data submitted by school districts for state funding purposes.

4. Special Ed. Enrollment Maximum - The Senate budget provides \$9.4 million to increase the percentage of a school district's full time equivalent enrollment funded as special education from the current maximum of 12.7 percent to 13.0 percent. Part of the cost of increasing the funded special education enrollment is offset by a reduction of \$2.6 million in state safety net funds reducing the net cost of this item to \$6.4 million.

5. Safety Net Adjustment - The Senate budget increases the maximum percent of a district's enrollment funded as special education from 12.7 percent to 13.0 percent. This increase reduces the need for safety net funds by \$2.6 million.

Language is placed in the budget concerning the definition of special education excess costs requiring the superintendent of public instruction to change the personnel reporting system to reflect that: special education students are basic education students first and as a class are entitled to the full basic education allocation; and that they are basic education students for the entire school day.

2001-03 Omnibus Operating Budget
Public Schools
Traffic Safety Education
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	15,509	15,509
2001-03 Maintenance Level	0.0	14,266	14,266
Policy Changes:			
1. Traffic Safety Ed. Allocation	0.0	-8,083	-8,083
2. Additional Coordinators	3.0	384	384
Total Policy Changes	3.0	-7,699	-7,699
Total 2001-03 Biennium	3.0	6,567	6,567

Comments:

1. Traffic Safety Ed. Allocation - The Senate budget eliminates the state subsidy of \$137 per student for the driver education program beginning with the 2001-02 school year. The subsidy of \$203.97 is continued for driver education students eligible for free and reduced price lunch.

2. Additional Coordinators - The Senate budget provides funding for three additional traffic safety coordinators and support staff to help school districts and commercial driving schools meet statutory requirements for quality driver education programs.

2001-03 Omnibus Operating Budget
Public Schools
Educational Service Districts
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	9,067	9,067
2001-03 Maintenance Level	0.0	9,682	9,682
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-140</u>	<u>-140</u>
Total Policy Changes	0.0	-140	-140
Total 2001-03 Biennium	0.0	9,542	9,542

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Levy Equalization
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	224,677	224,677
2001-03 Maintenance Level	0.0	284,644	284,644
Total 2001-03 Biennium	0.0	284,644	284,644

Comments:

2001-03 Omnibus Operating Budget
Public Schools
Elementary/Secondary School Improv
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	0	285,193
2001-03 Maintenance Level	0.0	0	283,182
Policy Changes:			
1. Federal Funds Update	<u>0.0</u>	<u>0</u>	<u>4,984</u>
Total Policy Changes	0.0	0	4,984
Total 2001-03 Biennium	0.0	0	288,166

Comments:

1. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Public Schools
Institutional Education
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	38,765	47,313
2001-03 Maintenance Level	0.0	38,888	47,436
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-616</u>	<u>-616</u>
Total Policy Changes	0.0	-616	-616
Total 2001-03 Biennium	0.0	38,272	46,820

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Ed of Highly Capable Students
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	12,269	12,269
2001-03 Maintenance Level	0.0	13,030	13,030
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-182</u>	<u>-182</u>
Total Policy Changes	0.0	-182	-182
Total 2001-03 Biennium	0.0	12,848	12,848

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Student Achievement Program
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	0	0
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Increasing Student Achievement	<u>0.0</u>	<u>0</u>	<u>393,300</u>
Total Policy Changes	0.0	0	393,300
Total 2001-03 Biennium	0.0	0	393,300

Comments:

1. Increasing Student Achievement - Initiative 728 requires the lottery revenues, a portion of state property taxes with established dollar per student amounts, and any funds accumulated in the state's Emergency Reserve Fund in excess of five percent of annual General Fund revenues to be deposited into the newly created Student Achievement Fund and the Education Construction Account.

The Senate operating budget appropriates \$393.3 million of student achievement fund moneys to be distributed to school districts at a rate of \$193.92 per full time equivalent (FTE) student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. The permissible uses of this money are as follows: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class size reductions or extended learning programs. (Student Achievement Fund)

The \$76.7 million of education construction account moneys are appropriated in the Senate capital budget.

2001-03 Omnibus Operating Budget
Public Schools
Education Reform
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	35.4	69,534	69,767
2001-03 Maintenance Level	35.6	62,090	62,323
Policy Changes:			
1. Change Assessment Timeline #	0.0	-1,354	-1,354
2. Helping Corps	0.0	1,500	1,500
3. Discontinue CISL	-5.8	-1,260	-1,260
4. WASL Adjustments	0.0	-4,000	-1,000
5. Transfer CISL Staff	1.3	230	230
Total Policy Changes	-4.5	-4,884	-1,884
Total 2001-03 Biennium	31.1	57,206	60,439

Comments:

1. Change Assessment Timeline # - Senate Bill 5686 delays the timelines for development of the Washington Assessment of Student Learning (WASL) tests for social studies, arts, and health and fitness by two years. The delay reduces the amount necessary for WASL test development in the 2001-03 biennium.

2. Helping Corps - The 1999 legislature provided \$2.0 million for a math helping core to provide assistance to school districts having difficulties meeting the math standards under education reform. The Senate budget provides an additional \$1.5 million for a total of \$3.5 million and changes the math helping core into a reading and math helping core to provide assistance to school districts having difficulties meeting the reading and math standards under education reform.

3. Discontinue CISL - The Center for the Improvement of Student Learning (CISL) located in the Office of the Superintendent of Public Instruction is eliminated. The purpose of the center is to serve as a clearinghouse for information regarding educational improvement and parental involvement programs.

4. WASL Adjustments - The Senate budget provides adjustments to the Washington assessments of student learning (WASLs) based on the following: savings of \$285,000 from reduction in the number of advisory committee members used to develop the WASLs; \$300,000 from separating the question and answer booklets which reduces scoring costs; \$415,000 in efficiency savings and other adjustments; and availability and utilization of at least \$1.0 million of federal funds in fiscal year 2002 and at least \$2.0 million in fiscal year 2003. Including state and federal funds and the change in assessment timelines, the senate budget increases WASL funding from \$19.9 million to \$25.7 million for the 2001-03 biennium.

5. Transfer CISL Staff - The Senate budget transfers 1.3 FTE staff and \$230,000 previously allocated to the center for the improvement of student learning (CISL) to WASL development.

2001-03 Omnibus Operating Budget
Public Schools
Transitional Bilingual Instruction
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	73,481	73,481
2001-03 Maintenance Level	0.0	89,839	89,839
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-1,629</u>	<u>-1,629</u>
Total Policy Changes	0.0	-1,629	-1,629
Total 2001-03 Biennium	0.0	88,210	88,210

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Learning Assistance Program (LAP)
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	138,406	138,406
2001-03 Maintenance Level	0.0	141,235	141,235
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-1,765</u>	<u>-1,765</u>
Total Policy Changes	0.0	-1,765	-1,765
Total 2001-03 Biennium	0.0	139,470	139,470

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Block Grants
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	60,296	60,296
2001-03 Maintenance Level	0.0	54,666	54,666
Policy Changes:			
1. Block Grant Reduction	<u>0.0</u>	<u>-17,635</u>	<u>-17,635</u>
Total Policy Changes	0.0	-17,635	-17,635
Total 2001-03 Biennium	0.0	37,031	37,031

Comments:

1. Block Grant Reduction - The Senate budget reduces the per student allocation in the block grant program from \$28.81 per K-12 student to \$18.48 per student. Block grant funds are discretionary funds that can be used by school districts for any educational purpose.

2001-03 Omnibus Operating Budget
Public Schools
Better Schools Program
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	57,500	57,500
2001-03 Maintenance Level	0.0	131,629	131,629
Policy Changes:			
1. Consolidate K-4 Allocations	0.0	-82,455	-82,455
2. Better Schools Staff Development	0.0	-40,178	-40,178
Total Policy Changes	0.0	-122,633	-122,633
Total 2001-03 Biennium	0.0	8,996	8,996

Comments:

1. Consolidate K-4 Allocations - The K-4 allocation in the Better Schools Program is transferred to the General Apportionment Program. This change consolidates funding for grade K-4 staffing allocations and maintains support for class size reduction efforts initiated under the Better Schools Program.

2. Better Schools Staff Development - The Senate budget does not continue the better schools program staff development program created by the 2000 legislature.

2001-03 Omnibus Operating Budget
Public Schools
Compensation Adjustments
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	530,327	530,327
2001-03 Maintenance Level	0.0	324,819	324,819
Policy Changes:			
1. Health Benefit Adj	0.0	76,413	76,413
2. Consolidate K-4 Allocations	0.0	3	3
3. Pension Changes	0.0	-6,765	-6,765
4. Special Ed. Enrollment Maximum	0.0	365	365
Total Policy Changes	0.0	70,016	70,016
Total 2001-03 Biennium	0.0	394,835	394,835

Comments:

1. Health Benefit Adj - The Senate budget increases the monthly health benefit allocation per K-12 state-funded full-time equivalent employee from \$425.89 to \$453.77 in the 2001-02 school year and \$490.18 in the 2002-03 school year. This change in rates is consistent with increases provided to state employees.

2. Consolidate K-4 Allocations - The enhanced K-4 staffing allocation in the Better Schools Program is transferred to the General Apportionment Program. The transfer causes a small change in the amount necessary to fund the cost-of-living increases.

3. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB.....(S-2383/01). A detailed explanation of this item is provided under agency 713 of this document. The pension rate change reduces the general fund-state amount necessary for I-732 by \$6.8 million.

4. Special Ed. Enrollment Maximum - The Senate budget increases the maximum enrollment funded in the special education program. This increase in enrollment increases the amount of funds necessary to implement health benefit increases and cost-of-living adjustments.

The Senate budget provides \$318.4 million for K-12 state-funded staff cost-of-living increases of 3.7 percent for school year 2001-02 and 3.1 percent for school year 2002-03 pursuant to the provisions of Initiative 732.

For federally funded K-12 staff, federal funds appropriations in the Senate budget provide such funds as are necessary for Initiative 732 purposes. For levy-funded staff, the Senate budget provides an increase in the levy base of each district pursuant to RCW 84.52.053. The increase in the levy base increases the amount school districts may collect in maintenance and operations levies which can be used for levy-supported staff for Initiative 732 purposes.

In addition, the Senate budget reflects reduced employer pension contribution rates for state-funded staff from the 2000-01 school year to the 2001-02 school year by 4.25 percent for certificated staff and 2.86 percent for classified staff. This employer rate reduction is also applicable to federal and locally funded staff. If needed, the savings accruing to school districts from the reduction in pension contribution rates for locally and federally funded staff can be used to fund the cost of I-732 cost-of-living increases.

2001-03 Omnibus Operating Budget
Public Schools
Common School Construction
 (Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	0	113,612
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Transfer to School Construction	<u>0.0</u>	<u>0</u>	<u>191,220</u>
Total Policy Changes	0.0	0	191,220
Total 2001-03 Biennium	0.0	0	191,220

Comments:

1. Transfer to School Construction - A total of \$36.7 million from the Education Savings Account and \$154.5 million from the Education Construction Account will be deposited to the Common School Construction Account for state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

2001-03 Omnibus Operating Budget
Higher Education Coordinating Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	74.2	241,029	251,254
2001-03 Maintenance Level	70.2	234,592	249,694
Policy Changes:			
1. General Inflation	0.0	-35	-35
2. High Demand Enrollments	0.0	2,350	2,350
3. Washington State Work Study	0.0	3,200	3,200
4. Information Technology Upgrade	1.0	400	400
5. Admissions Pilot Project Expansion	1.2	230	230
6. Facility Condition Assessment	0.0	243	243
7. Jefferson County Pilot Project	0.0	400	400
8. State Need Grant Increase	0.0	17,405	17,405
9. Eliminate Educator Excellence Award	0.0	-431	-431
10. Reprogram Timber Worker Enrollment	0.0	-560	-560
11. Promise Scholarships	4.0	9,000	9,000
Total Policy Changes	6.2	32,202	32,202
Total 2001-03 Biennium	76.4	266,794	281,896

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. High Demand Enrollments - Funding is provided to contract for 250 full-time equivalent (FTE) undergraduate students in high demand fields with limited current access to educational programs. Washington's public post-secondary institutions may compete for these FY 2003 state enrollment contracts. Successful bidders may partner with non-profit, private in-state or border-state colleges and universities for instruction. Greater weight shall be given by the HECB to proposals that (a) create opportunities for under-represented students in the particular field of study, or (b) address health and education professional shortages, or (c) spread the benefit of the state's high tech economy geographically and in all cases, where the application includes articulation agreements to ease the transfer of lower division credits earned by participating Washington students.

3. Washington State Work Study - Funding is provided to expand both the opportunity for work study from 9,500 to 10,350 students a year, and to increase the state share of earning levels from an average of \$1,675 to \$1,739.

4. Information Technology Upgrade - One-time funding is provided to replace antiquated computer programming code that supports the delivery of financial aid to Washington students. Senate assumes the HECB can apply \$100,000 of savings incentive credits, or reallocate monies internally, to pay for a share of this \$500,000 improvement.

5. Admissions Pilot Project Expansion - Funding is provided to pilot test competency-based, college admission standards at twelve high schools to assess the feasibility of expanding this new, education reform model to all 396 high schools statewide.

6. Facility Condition Assessment - Funding is provided to contract for a uniform statewide condition assessment of public four-year university facilities. This survey will be a tool for policymakers involved in capital improvement projects decisions. Sharing financial responsibility with enrolled students who benefit from plant investments, half of the \$1.45 million expense is paid for by local, university building accounts. The Legislature, Office of Financial Management and Higher Education Coordinating Board are mutually aided by a single statewide survey and will together define the scope, terms and contract deliverables in consultation with affected universities. For this reason, state general fund expenses are shared. The HECB receives one-third of \$727,000 that will be paid by the State for a biennial assessment, the first of which shall be completed by not later than September 30, 2002. As convener and project manager, the HECB will bill the other state agencies whose budgets reflect this new activity.

2001-03 Omnibus Operating Budget Higher Education Coordinating Board

7. Jefferson County Pilot Project - Funding is provided to continue a demonstration project whose outcomes will clarify what is needed to increase participation and access to higher education for placebound adult learners who live in remote regions many miles from state post-secondary institutions. Active educational partners include the WSU extension service, Peninsula college, Port Townsend community leaders, business owners. One full-time outreach coordinator is supported by project funds. A portion will be spent next biennium to help the community establish a distance-learning computer lab in Brinnon, located at a public school facility.

8. State Need Grant Increase - Funding is provided for new enrollments in order to continue serving eligible students from families with incomes up to 65 percent of the state's median family income, and to raise grants dollar-for-dollar where needed to match the highest tuition fee increases institutions may adopt under limits proposed by the Senate for undergraduate study during the 2001-03 biennium. Increased need grant funding will serve approximately 3,740 more students than in the 1999-01 biennium.

9. Eliminate Educator Excellence Award - Senate eliminated state funds for Christa McAuliffe excellence awards. Awards are bestowed by the Superintendent of Public Instruction to recognize outstanding public educators for their commitment, contributions and leadership. Originally, a tuition grant was provided through the Higher Education Coordinating Board for the teacher's professional development or a school-based improvement. The program changed over time and now those honored receive cash stipends which range from \$1,000 to \$2,500 per recipient. Each year, five teachers and three classified staff from each congressional district, five principals or administrators on a statewide basis, one school district superintendent and one school district board of directors are chosen for recognition. The Senate budget assumes SPI, through savings incentive credits, internal reallocation or by soliciting a private donor can make it possible for the suspended grants to resume in some future year.

10. Reprogram Timber Worker Enrollment - To consolidate available funds and focus on the needs of those dislocated from jobs as a result of rapidly increasing energy costs, the Senate transfers enrollment funds equivalent to 50 FTE students from the natural resource (timber) impact area program to the unemployed worker training program at the State Board for Community & Technical Colleges (also see Agency 699).

11. Promise Scholarships - Funding is provided to continue the Washington Promise Scholarship Program. The Senate provides a total of \$14.8 million, \$5.8 million of which carries forward in the base to cover the sophomore-year grant to eligible scholars from the Class of 2000. Scholarships may be newly awarded to seniors in the top 10 percent of their respective high school class for 2001 and 2002 (including students who qualify academically on the basis of ACT or SAT scores) and whose families earn no more than 135 percent of the state's median family income. The HECB will determine actual annual awards in order to serve the greatest number of qualified students. Cash grants are not to exceed state community college tuition. Promise scholars may apply this award towards expenses to attend any public or private college or university located in Washington State.

2001-03 Omnibus Operating Budget
University of Washington
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	17,439.7	652,389	2,712,509
2001-03 Maintenance Level	17,451.4	661,234	2,876,153
Policy Changes:			
1. Health Benefit Changes	0.0	6,332	6,410
2. General Inflation	0.0	-4,579	-4,579
3. Capital 2001-03 M&O Impact	4.8	288	288
4. Faculty and Staff Salary Increase	0.0	25,484	25,782
5. Recruitment & Retention	0.0	1,848	1,848
6. Facility Condition Assessment	0.0	0	163
7. Technology Institute	13.5	2,576	2,807
8. Pension Savings/Economic Assumption	0.0	-2,087	-2,087
9. Flexible Compensation Initiative	0.0	14,767	14,767
10. FICA Savings	0.0	-524	-530
11. Survey Cause of Multiple Sclerosis	0.0	50	50
12. Close Professional School Peer Gap	0.0	-4,788	0
13. Block Grant for Public Service	0.0	-1,488	-1,488
14. Block Grant for University Research	0.0	-1,940	-1,940
15. Enrollment Increase	74.0	4,143	6,395
16. Tuition Rate Increase	0.0	0	41,081
Total Policy Changes	92.2	40,082	88,967
Total 2001-03 Biennium	17,543.6	701,316	2,965,120

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. For more details see Agency 713 - State Employee Compensation changes. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Capital 2001-03 M&O Impact - In accordance with Senate approval for Phase 2B capital improvements of the Tacoma branch campus, funding is provided to occupy and maintain McLaren and other university owned warehouses during fiscal year 2003. Once Tacoma enrollments cross the 1,400 FTE threshold, the University also plans to lease nearby office space to temporarily house faculty during construction. The Senate expects UW-Tacoma to budget state enrollment and tuition fees to meet such operating expenses if and when that action is warranted.

4. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided to all state funded faculty and classified staff. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)

5. Recruitment & Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians, research and other academic support personnel.

6. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (University of Washington Building Account-State)

2001-03 Omnibus Operating Budget University of Washington

7. Technology Institute - Dedicated funding is provided to create a Technology Institute for the State, operating from the Tacoma branch campus. Included are state enrollment money and tuition fees for 50 FTE undergraduate students during the 2001-03 biennium. Additional resources have been appropriated to the State Board (see Agency 699) so regional community and technical colleges can recruit and prepare 177 FTE associate degree students for transfer to the Institute starting in the 2002-03 academic year. The Senate's total investment includes \$3.9 million in capital funds to both leverage private gifts received by the UW and to construct and equip computer language labs for public two-year college partners.

8. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

9. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

10. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. (General Fund-State, Accident Account, Medical Aid Account,)

11. Survey Cause of Multiple Sclerosis - Funding is provided for the school of medicine to conduct a survey that examines characteristics, factors and probable causes for the high incidence of multiple sclerosis cases in Washington state.

12. Close Professional School Peer Gap - State professional schools of medicine, dentistry, law and business presently charge tuition fees below market rate when compared to charges for similarly situated students attending public, peer institutions in other states. Given general fund constraints, the Senate assumes UW regents will exercise authority given and raise tuition fees for medical, dental, law and MBA students incrementally to close such gaps by 2005. Whether or not the university acts to reach the average tuition fees charged by its peers, state general fund support for UW instruction is reduced dollar for dollar assuming half the gap is closed by next biennium. General fund savings assume the university will discount or waive tuition selectively for affected students in cases of financial hardship and to recruit bright, promising scholars to the UW. (General Fund-State; Non Appropriated Institutional Operating Fee Account)

13. Block Grant for Public Service - Consolidates and reduces by 25 percent budget enhancements provided since 1989 for community service and public education projects. The Senate proceeds into this next decade proposing to block grant its support and leaves it up to the university to decide how best to allocate the remaining \$4.1 million in response to emerging needs, interests and external funding.

14. Block Grant for University Research - Consolidates and reduces by 25 percent budget enhancements provided since 1989 for research projects involving university faculty. The Senate proceeds into this next decade proposing to block grant general funds for this purpose. Affected institutions will decide how to allocate the State's contribution among emerging and current faculty projects deemed significant to the Institution and Washington State's economy. Senate expects that distribution of state general funds will vary from year to year in response to changing external support. A biennial report shall be provided to the governor and legislature to account for the use of what remains in the UW base budget, a \$5.8 million research block grant.

15. Enrollment Increase - Funds are provided to expand the 3-campus university system by 300 FTE students in 2001-03 including \$500,000 to start-up programs or develop new course offerings during fiscal year 2002. The university may choose to combine state enrollment resources, provided at an average of \$9,207 per student, to expand any campus degree program so long as the UW system grows by no more than 150 state FTE each academic year from its current base of 34,688 FTE students. For the purpose of determining state general fund support, tuition levels were assumed to increase by 6.7 percent in 2001-02 and by 6.1 percent in 2002-03. It is further assumed that the mix of new students added each year will be 62 FTE graduate and 88 FTE undergraduates of which 78 will seek upper-division level coursework. (General Fund-State; Non Appropriated Institutional Operating Account)

2001-03 Omnibus Operating Budget University of Washington

16. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and graduate students to the maximum allowable increase of 6.7 percent for 2001-02 and 6.1 percent for 2002-03. Senate proposes to grant institutional governing boards the authority to set tuition for select student categories including first professional degree students attending state medical, dental, pharmacy, nursing, business and law schools. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction for the institution except where permitted by state law for regional interstate student exchange programs. Not displayed here is new local revenue that would come from UW medical, dental, law and MBA students. Such collections and related Senate budget policy appear in another line item above titled "Close Professional School Gap." (Non Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget
Washington State University
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	5,498.1	380,438	789,655
2001-03 Maintenance Level	5,584.2	392,500	801,928
Policy Changes:			
1. Health Benefit Changes	0.0	3,568	3,568
2. General Inflation	0.0	-2,108	-2,108
3. Capital 2001-03 M&O Impact	1.1	57	57
4. Faculty and Staff Salary Increase	0.0	15,462	15,462
5. Rebase for Pullman (-277 FTE)	-49.5	-3,795	-6,153
6. Recruitment and Retention	0.0	1,152	1,152
7. Facility Condition Assessment	0.0	0	163
8. Pension Savings/Economic Assumption	0.0	-1,669	-1,669
9. Flexible Compensation Initiative	0.0	6,875	6,875
10. FICA Savings	0.0	-295	-295
11. Block Grant for Public Service	0.0	-290	-290
12. Block Grant for University Research	0.0	-3,002	-3,002
13. Enrollment Increase	30.4	2,408	3,705
14. Tuition Rate Increase	0.0	0	13,795
Total Policy Changes	-18.1	18,363	31,260
Total 2001-03 Biennium	5,566.1	410,863	833,188

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Capital 2001-03 M&O Impact - In accordance with Senate approval to proceed to construct the Shock Physics Building in Pullman, funding is provided to occupy and maintain this new facility during the last four months of fiscal year 2003.

4. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided to state funded faculty and classified staff.

5. Rebase for Pullman (-277 FTE) - Reduces the university's current services' (maintenance level) budget by \$3.7 million for budgeted growth of 277 FTE students in Pullman that are not expected this academic year. This adjustment was included in the university's operating budget request for 2001 to bring budgeted enrollments for the 4-campus system down from 19,847 to 19,570 FTE students. Going into the new biennium, WSU does expect student growth but at a slower pace than assumed in 1999 and not systemwide. Senate does permit WSU to retain some of these general fund savings to expand select degree programs as displayed below in a separate line item (General Fund-State; Non Appropriated Local Operating Fund Account)

6. Recruitment and Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians, research and other academic support personnel.

7. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (Washington State University Building Account-State)

2001-03 Omnibus Operating Budget Washington State University

8. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

9. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

10. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

11. Block Grant for Public Service - Consolidates and reduces by 25 percent budget enhancements provided since 1989 for community service and public education projects. The Senate proceeds into this next decade proposing to block grant its support and leaves it up to the university to decide how best to allocate the remainder, \$869,000 in response to emerging needs, interests and external funding.

12. Block Grant for University Research - Consolidates and reduces by 25 percent budget enhancements provided since 1989 for research projects involving university faculty. The Senate proceeds into this next decade proposing to block grant general funds for this purpose. Affected institutions will decide how to allocate the State's contribution among emerging and current faculty projects deemed significant to the Institution and Washington State's economy. Senate expects that distribution of state general funds will vary from year to year in response to changing external support. A biennial report shall be provided to the governor and legislature to account for the use of what remains in the WSU base budget, a \$9 million research block grant.

13. Enrollment Increase - A portion of general fund enrollment savings are retained to expand the 4-campus university system by 208 FTE during fiscal year 2002. The university may combine state enrollment resources, provided at an average of \$7,718 per student, to expand any campus degree programs so long as WSU as a system grows by no more than 104 state FTE each academic year from the now lower base of 19,570 FTE students. For the purpose of determining state general fund support, tuition levels were assumed to increase by 6.7 percent in 2001-02 and by 6.1 percent in 2002-03. Senate assumes that the mix of new students added each year will be 23 FTE graduate and 80 FTE undergraduates of which 31 will enroll seeking upper-division level coursework. (General Fund-State; Non Appropriated Institutional Operating Account)

14. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and graduate students to the maximum allowable increase of 6.7 percent for 2001-02 and 6.1 percent for 2002-03. Senate proposes to grant institutional governing boards the authority to set tuition for select student categories including first professional degree students attending state pharmacy, nursing, business and veterinary schools. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction for the institution except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget
Eastern Washington University
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,155.4	85,638	153,568
2001-03 Maintenance Level	1,160.7	87,286	156,178
Policy Changes:			
1. Health Benefit Changes	0.0	913	913
2. General Inflation	0.0	-697	-697
3. Capital 2001-03 M&O Impact	0.0	27	27
4. Faculty and Staff Salary Increase	0.0	3,396	3,396
5. Recruitment and Retention	0.0	300	300
6. Facility Condition Assessment	0.0	0	100
7. Pension Savings/Economic Assumption	0.0	-408	-408
8. Flexible Compensation Initiative	0.0	1,700	1,700
9. FICA Savings	0.0	-75	-75
10. Enrollment Increase	11.8	841	1,171
11. Tuition Rate Increase	0.0	0	2,536
Total Policy Changes	11.8	5,997	8,963
Total 2001-03 Biennium	1,172.5	93,283	165,141

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. For more details see Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Capital 2001-03 M&O Impact - In accordance with Senate capital improvement approvals, funds are provided to operate and maintain more physical plant in fiscal year 2003 after Eastern rehabilitates the Red Barn and constructs an addition to Surbeck.

4. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided to state funded faculty and classified staff.

5. Recruitment and Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians and other academic support personnel in state service.

6. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (Eastern Washington University Capital Projects Account-State)

7. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

8. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

2001-03 Omnibus Operating Budget Eastern Washington University

9. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

10. Enrollment Increase - Funding is provided for 100 new full-time equivalent students during the 2001-03 biennium. The legislative cost basis is an average instructional cost that reflects spending by regional universities (as disclosed by the HECB) adjusted for their respective share of current budgeted enrollment. Respecting the university request, Senate assumes 50 new students each year will enroll for undergraduate study and that tuition increases by 5.2 percent in 2001-02 and by 4.6 percent in 2002-03. The result for Eastern is new enrollment funding from the State that averages \$5,607 per FTE student. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

11. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and graduate students to the maximum allowable increase of 5.2 percent for 2001-02 and 4.6 percent for 2002-03. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction for the institution except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget
Central Washington University
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,037.1	86,928	156,101
2001-03 Maintenance Level	1,077.1	85,453	172,026
Policy Changes:			
1. Health Benefit Changes	0.0	991	991
2. General Inflation	0.0	-250	-250
3. Faculty and Staff Salary Increase	0.0	3,362	3,362
4. Enrollment Adjustment	-15.0	-1,926	-2,972
5. Recruitment and Retention	0.0	248	248
6. Facility Condition Assessment	0.0	0	100
7. Pension Savings/Economic Assumption	0.0	-464	-464
8. Flexible Compensation Initiative	0.0	1,902	1,902
9. FICA Savings	0.0	-82	-82
10. Tuition Rate Increase	0.0	0	2,608
11. Institution Development	0.0	300	300
Total Policy Changes	-15.0	4,081	5,743
Total 2001-03 Biennium	1,062.1	89,534	177,769

Comments:

The original budget for this biennium assumed Central would enroll 224 more FTE students each fiscal year, growing beyond 7,670 in the second academic year by an additional 197 FTE students. Coming up short, this time last year, lawmakers added a provision stating that Central would have to earn state money by enrolling students beyond services levels achieved during FY 2000. OFM reports that Central's enrollment averaged 7,463 FTE for that period and while Fall 2000 counts were above that level, fewer students are expected on average come Spring due to graduating and non-returning students. Central is unlikely to earn more state money this fiscal year, and stands to lapse \$937,000 to the Education Savings Account come June 30.

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided to state funded faculty and classified staff.

4. Enrollment Adjustment - Funds are withdrawn, lowering state expectations for students at Central going into the 2001-03 biennium. Actions to bring budgeted enrollments down from 7,867 FTE students is accomplished in the state budget by two actions. First, the university's current services' (maintenance) budget is reduced by \$1.85 million for growth of 197 FTE expected this academic year that did not materialize. Second, Central herein returns another \$1.9 million for 200 more FTE students. Taken together, the enrollment adjustment of 397 FTE leaves Central with state general fund support for 7,470 FTE students for the 2001-03 biennium. (General Fund-State; Non-Appropriated Institutional Operating Account)

5. Recruitment and Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians and other academic support personnel in state service.

2001-03 Omnibus Operating Budget Central Washington University

6. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (Central Washington University Capital Projects Account-State)

7. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

8. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

9. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

10. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and graduate students to the maximum allowable increase of 5.2 percent for 2001-02 and 4.6 percent for 2002-03. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction for the institution except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

11. Institution Development - Funds are provided, on a one-time basis, to enable Central to meet contractual obligations to faculty and staff while it takes thoughtful steps to bring spending down to match authorized enrollment of 7,470 FTE students. The university proposes to (1) examine student demographics, interests and regional needs to get a better handle on its market, (2) evaluate the scope and strength of its academic offerings to decide which programs should be enhanced, reduced or eliminated, and (3) bolster student aid and scholarship opportunities while deploying recruiters to help stabilize enrollment.

2001-03 Omnibus Operating Budget
The Evergreen State College
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	633.5	47,295	82,326
2001-03 Maintenance Level	633.5	47,462	83,144
Policy Changes:			
1. Health Benefit Changes	0.0	536	536
2. General Inflation	0.0	-316	-316
3. WSIPP: Drug Affected Infants	0.0	65	65
4. WSIPP: Alternate Teacher Certificat	0.0	44	44
5. WSIPP: Relative Caregivers	0.0	50	50
6. WSIPP: School for the Deaf	0.0	50	50
7. WSIPP: College as Welfare Work	0.0	30	30
8. WSIPP: Health Care Studies	0.0	150	150
9. WSIPP: Juvenile Crime Prevention	0.0	100	100
10. Faculty and Staff Salary Increase	0.0	2,037	2,037
11. Recruitment and Retention	0.0	152	152
12. Facility Condition Assessment	0.0	0	100
13. Pension Savings/Economic Assumption	0.0	-256	-256
14. Flexible Compensation Initiative	0.0	1,136	1,136
15. FICA Savings	0.0	-44	-44
16. Enrollment Increase	6.7	694	1,088
17. Tuition Rate Increase	0.0	0	3,794
Total Policy Changes	6.7	4,428	8,716
Total 2001-03 Biennium	640.2	51,890	91,860

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. For more details see Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. WSIPP: Drug Affected Infants - In accordance with Substitute Senate Bill 5416, funding is provided for the Institute for Public Policy to evaluate state health and social service efforts targeted to intervene in the case of women giving birth to drug-affected infants. The institute will provide its report to the fiscal, health and human service committees of the legislature by December 1, 2003. In the event the bill is not enacted by June 30, the alternative use will be to evaluate state pilot efforts involving women giving birth to drug-affected infants with a report of the institute's findings and recommendations by November 15, 2002.

4. WSIPP: Alternate Teacher Certificat - In accordance with Second Substitute Senate Bill 5645, funding is provided for the Institute for Public Policy to evaluate partnership grant programs for alternative teacher certification. An interim report will be provided to the fiscal and education committees of the legislature by December 1, 2002 and the final report by December 1, 2004.

5. WSIPP: Relative Caregivers - Funding is provided for the Institute for Public Policy to study the prevalence and needs of families who are raising related children. The study shall compare services and policies of Washington state with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. A report shall be provided to the fiscal and human service committees of the legislature by June 1, 2002.

2001-03 Omnibus Operating Budget The Evergreen State College

6. WSIPP: School for the Deaf - Funding is provided for the Institute for Public Policy to examine a variety of educational service delivery models for the benefit of students at the State School for the Deaf. A report in conjunction with the capacity planning study provided by the Joint Legislative Audit & Review Commission shall be submitted to legislative fiscal committees by September 30, 2002.

7. WSIPP: College as Welfare Work - Funding is provided for the Institute for Public Policy to examine the policies, program structure and recent experience in states where welfare recipients may attend college full-time as their required TANF work activity. The institute will provide findings and recommend how Washington could add such a feature in a targeted, cost-neutral manner that would complement the present-day WorkFirst efforts and caseload. A report shall be provided to the human services, higher education and fiscal committees of the legislature by November 15, 2001.

8. WSIPP: Health Care Studies - Funding is provided for the Institute for Public Policy to conduct research and evaluate strategies for constraining the growth in state health care expenditures.

9. WSIPP: Juvenile Crime Prevention - Funding is provided for the Institute for Public Policy to conduct a comprehensive review of the costs and benefits of existing juvenile crime prevention and intervention programs. This evaluation shall also consider what changes could result in more cost-effective and efficient funding for juvenile crime prevention and intervention programs presently supported with state funds. The institute for public policy shall report its finding and recommendations to the appropriate legislative fiscal and policy committees by October 1, 2002.

10. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided for state funded faculty and classified staff.

11. Recruitment and Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians and other academic support personnel.

12. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (The Evergreen State College Capital Projects Account-State)

13. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

14. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

15. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

16. Enrollment Increase - Funding is provided for 95 new full-time equivalent enrollments during the 2001-03 biennium. Evergreen offers a unique educational experience to students and as such, tuition levels should be closer to comparable rates charged by its national peers for undergraduate study. For the purpose of calculating general fund support, the Senate assumes the present undergraduate tuition fee gap is closed by half over the next two years. Graduate tuition at Evergreen is assumed to increase at the same pace as the maximum authority granted to all regional universities: an increase of 5.2 percent for 2001-02 and 4.6 percent for 2002-03. By way of student mix, Senate assumes the College can and will draw one quarter of its first Masters of Fine Arts cohort from outside Washington and 38 new FTE students a year will enroll to earn an undergraduate degree. The result for Evergreen is new enrollment funding from the State that averages \$5,218 per student. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

**2001-03 Omnibus Operating Budget
The Evergreen State College**

17. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the College should its governing board choose to fully exercise tuition setting authority granted by the Senate for undergraduate and graduate students as described in the above Enrollment line item. As a matter of policy, tuition fees for out-of-state students shall not be less than the full cost of instruction at the institution except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget
Spokane Intercol Rsch & Tech Inst
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	11.6	0	2,659
2001-03 Maintenance Level	4.5	0	1,327
Policy Changes:			
1. Agency Operating Funds	17.0	3,496	3,496
Total Policy Changes	17.0	3,496	3,496
Total 2001-03 Biennium	21.5	3,496	4,823

Comments:

1. Agency Operating Funds - General Fund-State operating funds are budgeted directly to the Spokane Intercollegiate Research and Technology Institute instead of through the Department of Community, Trade and Economic Development. Senate concurs with the governor's adjustment, lowering SIRTI's operating budget by six percent in order to generate sufficient general funds to restore cuts proposed for State human service programs in 2001-03.

2001-03 Omnibus Operating Budget
Western Washington University
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	1,609.5	110,004	219,869
2001-03 Maintenance Level	1,553.5	112,479	223,562
Policy Changes:			
1. Health Benefit Changes	0.0	1,123	1,123
2. General Inflation	0.0	-581	-581
3. Faculty and Staff Salary Increase	0.0	4,693	4,693
4. Recruitment and Retention	0.0	300	300
5. Facility Condition Assessment	0.0	0	100
6. Pension Savings/Economic Assumption	0.0	-579	-579
7. Flexible Compensation Initiative	0.0	2,496	2,496
8. FICA Savings	0.0	-93	-93
9. Enrollment Increase	41.5	5,376	7,612
10. Tuition Rate Increase	0.0	0	3,363
Total Policy Changes	41.5	12,735	18,434
Total 2001-03 Biennium	1,595.0	125,214	241,996

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. For more details see Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided for state funded faculty and classified staff.

4. Recruitment and Retention - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructors, technicians and other academic support personnel.

5. Facility Condition Assessment - Funds are provided to participate in funding a contract for a uniform condition assessment of facilities at state universities. This survey will be a tool for policymakers involved in capital improvement project decisions. Sharing financial responsibility with enrolled students, who benefit from plant investments, half of the \$1.45 million expense is paid for by appropriations from local, university building accounts. For full description, see item under same title in the budget for Agency 343: Higher Education Coordinating Board. (Western Washington University Capital Projects Account-State)

6. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

7. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees.

8. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

2001-03 Omnibus Operating Budget Western Washington University

9. Enrollment Increase - Funding is provided for 453 new full-time equivalent students from the start of the 2001-03 biennium. The legislative cost basis is an average instructional cost that reflects spending by regional universities (as disclosed by the HECB) adjusted for their respective share of current budgeted enrollment. The Senate assumes the mix of new students will be 91 FTE graduate and 362 FTE undergraduate. It further assumes tuition increases by 5.2 percent in 2001-02 and by 4.6 percent in 2002-03. The result for Western is new enrollment funding from the state that averages \$5,934 per student. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

10. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and graduate students to the maximum allowable increase of 5.2 percent for 2001-02 and 4.6 percent for 2002-03. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction for the institution except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget
Community/Technical College System
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	13,567.6	946,496	1,509,874
2001-03 Maintenance Level	13,839.4	993,744	1,653,453
Policy Changes:			
1. Health Benefit Changes	0.0	10,489	10,489
2. General Inflation	0.0	-4,474	-4,474
3. Capital 2001-03 M&O Impact	8.5	1,168	1,168
4. Staff and Administrators' Salaries	0.0	15,810	15,810
5. Enrollment Increase	0.0	19,369	24,535
6. Recruit Retain Experienced Faculty	0.0	3,000	3,000
7. Pipeline for Technology Institute	0.0	1,524	1,822
8. Pension Savings/Economic Assumption	0.0	-5,733	-5,733
9. Flexible Compensation Initiative	0.0	17,417	17,417
10. FICA Savings	0.0	-869	-869
11. Fees to Support Adult Basic Ed	0.0	-4,200	0
12. Tuition Rate Increase	0.0	0	12,591
13. Reprogram Timber Worker Enrollment	0.0	-2,022	-2,022
14. Part-Time Faculty Salary Increase	0.0	7,500	7,500
Total Policy Changes	8.5	58,979	81,234
Total 2001-03 Biennium	13,847.8	1,052,723	1,734,687

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. For more details see Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Capital 2001-03 M&O Impact - In accordance with Senate capital project approvals for 2001-03, funds are provided to maintain and operate new or renovated facilities on community and technical college campuses throughout the state at the rate of \$5.00 per square foot, an 8% increase over the 1999 level.

4. Staff and Administrators' Salaries - A cost-of-living increase of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided for state funded classified staff and non-academic administrators at the community colleges.

5. Enrollment Increase - Funding is provided for 3,000 new full-time equivalent students during the 2001-03 biennium. New enrollment is supported by general funds at an enhanced rate of \$4,300 which is \$215 above cost of instruction levels identified by the Higher Education Coordinating Board with the intent of supporting resident students taking credit courses on-line. To determine state appropriations for 1,500 additional general enrollments each year, tuition is assumed to increase by 3.7 percent in 2001-02 and another 3.1 percent in 2002-03. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

6. Recruit Retain Experienced Faculty - Funding is provided to make competitive salary offers and selectively reward faculty and exempt professional staff for meritorious service and their professional development.

7. Pipeline for Technology Institute - Funding is provided to recruit, enroll and prepare 177 FTE associate degree students for transfer to the UW Technology Institute from college districts located in Grays Harbor, King, Kitsap, Pierce, and Thurston counties. (General Fund-State, Non-Appropriated Institutional Operating Fund Account)

2001-03 Omnibus Operating Budget Community/Technical College System

8. Pension Savings/Economic Assumption - The PERS and SERS employer contribution rates are reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

9. Flexible Compensation Initiative - Institutions may apply the savings that are generated by reducing employer contributions to the higher education retirement plans, as provided by RCW 28B.10.423, for salary increases or other compensation increases for faculty and professional employees, including salary increases for part-time faculty.

10. FICA Savings - The Senate budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

11. Fees to Support Adult Basic Ed - Adult basic education courses help Washington residents achieve 8th grade level competency in basic reading, writing, math and social studies. Courses are offered in English as a Second Language (ESL), preparation for citizenship, and preparation for taking the General Education Development (GED) exam. Under the 1998 Workforce Investment Act, there is no longer a federal requirement that states and localities provide adult basic education at no cost to the student. State community and technical college presently waive tuition fees, the equivalent of \$33 million a year and serve over 85,000 adult basic education students. The Senate budget assumes colleges will exercise tuition setting authority and charge \$5.00 a credit hour to help pay for this educational service next biennium.

12. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by each college should the State Board on behalf of the system decide to raise tuition fee charges to the maximum allowable increase of 3.7 percent for 2001-02 and 3.1 percent for 2002-03. As a matter of policy, tuition for out-of-state students shall not be less than the full cost of instruction except where permitted by state law for regional interstate student exchange programs. (Non Appropriated Institutional Operating Fund Account)

13. Reprogram Timber Worker Enrollment - Some \$860,000 of \$3.4 million previously held aside for timber worker enrollment is folded back into the state's \$52 million education and training program for the unemployed. For the duration of the 2001-03 biennium, the State Board is instructed to prepare its annual allocations for dislocated workers with attention to permanent job loss from companies facing rapidly rising energy costs like aluminum manufacturing (Also see related item for Agency 343: Higher Education Coordinating Board).

14. Part-Time Faculty Salary Increase - Funding is provided to increase the statewide average compensation of part-time instructors at state community colleges. The Board may decide how best to allocate this sum among all 34 districts to achieve the Senate's objective. Annually, the State Board will report on the outcome of collective bargaining that materially impacts progress to close the gap between full-time and part-time equivalent salaries on a system, and district basis. Such information shall be provided to the higher education, labor and fiscal committees of the legislature by December 1st of each year.

2001-03 Omnibus Operating Budget
State School for the Blind
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	77.0	8,611	9,255
2001-03 Maintenance Level	78.0	8,967	9,611
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Cost of Living Adjustment	0.0	119	119
3. General Inflation	0.0	-43	-43
4. Regional Outreach Program	0.5	62	291
5. Digital Classroom/Accessible Media	0.0	0	300
Total Policy Changes	0.5	148	677
Total 2001-03 Biennium	78.5	9,115	10,288

Comments:

1. School Safety Officer - A safety resource officer will assist the Washington School for the Deaf and the Washington State School for the Blind in developing current safety guidelines and procedures to maintain safe campuses. The safety resource officer will serve both campuses during the 2001-02 and 2002-03 school years. The schools will contract with the Vancouver Police Department for the services of a safety resource officer through the federal Safety Resource Officer Program. Resources are provided to the schools for the required matching funds.

2. K-12 Cost of Living Adjustment - Salaries for Certificated Instructional Staff (CIS) at the School for the Deaf and School for the Blind are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the schools for the deaf and the blind receive equivalent salary increases. Initiative 732 defines the annual cost-of-living increases for K-12 staff as the prior year's Consumer Price Index. Consistent with the initiative, teachers and other CIS at the schools will receive a 3.7 percent salary increase during the 2001-02 school year followed by a 3.1 percent increase in the 2002-03 school year.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Regional Outreach Program - The School and the Education Service District 101 have developed a regional program to coordinate the delivery of orientation and mobility services to blind children in northeast Washington. A part-time orientation and mobility specialist will initiate the regional pilot program. Additional staffing for the program will be coordinated at the local level with ongoing program operations funded through local sources. (General Fund-State, General Fund-Private/Local)

5. Digital Classroom/Accessible Media - The capital budget includes funding for a digital classroom at the School for the Blind, to enable specialized training for students with visual disabilities throughout the state. The School for the Blind is seeking private funding sources to implement digital classroom services including Braille instruction and training in the use of technology tools for the blind, interactive instructional assistance in content area courses, and technical assistance to local school district teachers on instructional practices tailored to visually impaired students. Training will also be provided to parents to assist them in helping their children become more self-reliant. (General Fund-Private/Local)

To address the shortage of trained teachers of the blind, the WSSB is pursuing partnerships with higher education teacher training programs to help teachers provide services to blind and visually impaired children. This specialized training will be provided to teachers in their local school district via the K-20 network. (General Fund-Private/Local)

2001-03 Omnibus Operating Budget State School for the Deaf

(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	129.0	14,320	14,320
2001-03 Maintenance Level	128.0	14,628	14,628
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Salary COLA	0.0	166	166
3. General Inflation	0.0	-63	-63
4. Academic Excellence	0.0	102	102
5. Outreach Program	1.0	136	368
6. Technology Improvements	0.0	50	50
Total Policy Changes	1.0	401	633
Total 2001-03 Biennium	129.0	15,029	15,261

Comments:

1. School Safety Officer - A safety resource officer will assist the Washington School for the Deaf and the Washington State School for the Blind in developing safety guidelines and procedures to maintain safe campuses. The safety resource officer will serve both campuses during the 2001-02 and 2002-03 school years. The schools will contract with the Vancouver Police Department for the services of a safety resource officer through the federal Safety Resource Officer Program. Resources are provided to the schools for the required matching funds for one safety resource officer.

2. K-12 Salary COLA - Salaries for Certificated Instructional Staff (CIS) at the School for the Deaf and School for the Blind are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the schools for the deaf and for the blind receive equivalent salary increases. Initiative 732 defines the annual cost-of-living increases for K-12 staff as the prior year's Consumer Price Index. Consistent with the initiative, teachers and other CIS at the schools will receive a 3.7 percent salary increase during the 2001-02 school year followed by a 3.1 percent increase in the 2002-03 school year.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Academic Excellence - Over the past 20 years, the School has not had a formal replacement cycle for textbooks and classroom materials. As a result, books and materials have not been replaced and have become out of date.

The School will enhance student access to external education programs by paying tuition costs for students participating in off-campus running start and vocational education programs at Clark College and Clark County Skill Center.

5. Outreach Program - The School will expand services to deaf and hard of hearing students throughout Washington by initiating an outreach program. One FTE staff will coordinate the outreach services, which include direct evaluation and assessment of students attending local public schools, consultation and training to parents, and consultation and training to professional educators serving these students. In addition, the school will expand on-campus weekend and summer programs, which will enhance the educational and social skill building opportunities for participating deaf and hard of hearing students. Delivery of outreach services to students will be funded through contracts with local school districts. (General Fund-State, General Fund-Private/Local)

6. Technology Improvements - Funds are provided for information technology (IT) upgrades in the second year of the biennium (FY 03). Agencies have cited industry recommendations for replacement schedules for workstations, software, and network hardware. Yet several studies have recommended a more cautious policy for IT upgrades. The Senate budget delays these IT upgrades until the second year in order to give the Office of Financial Management time to propose an upgrade policy that maintains IT infrastructure sufficient for agency business needs at the lowest cost.

2001-03 Omnibus Operating Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	23.7	2,970	37,913
2001-03 Maintenance Level	23.7	2,511	48,506
Policy Changes:			
1. General Inflation	0.0	-7	-7
2. Inland NW Technology Educ Ctr	0.3	1,000	1,000
Total Policy Changes	0.3	993	993
Total 2001-03 Biennium	24.0	3,504	49,499

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Inland NW Technology Educ Ctr - Funding is provided for operations and development of the Inland Northwest Technology Education Center (INTEC), a public-private partnership between business leaders and postsecondary institutions to coordinate and target short-term education and job specific training from Spokane. This consortium grew out of the Skills Grant project, a 1999 initiative of the Workforce Training & Education Coordinating Board. The Board will serve as an advisor and fiscal agent for this new consortium and will report back to the legislature and governor by September 2002 as to the progress and future steps for INTEC as it evolves.

2001-03 Omnibus Operating Budget
State Library
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	136.1	17,912	26,929
2001-03 Maintenance Level	136.6	18,277	25,297
Policy Changes:			
1. Administrative Budget Reduction	0.0	-548	-548
2. General Inflation	0.0	-148	-192
Total Policy Changes	0.0	-696	-740
Total 2001-03 Biennium	136.6	17,581	24,557

Comments:

1. Administrative Budget Reduction - The State Library will reduce its administrative budget by three percent of Maintenance Level.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Washington State Arts Commission
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	17.9	4,971	6,016
2001-03 Maintenance Level	18.6	5,351	6,351
Policy Changes:			
1. General Inflation	0.0	-103	-103
2. Art Program Support	0.0	750	750
Total Policy Changes	0.0	647	647
Total 2001-03 Biennium	18.6	5,998	6,998

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Art Program Support** - The Art in Communities and Arts in Education programs are expanded to provide additional grants to strengthen the state's arts resources and improve access to the arts for all residents in Washington.

2001-03 Omnibus Operating Budget
Washington State Historical Society
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	54.6	5,811	7,353
2001-03 Maintenance Level	55.6	5,690	7,265
Policy Changes:			
1. General Inflation	0.0	-35	-50
2. Lewis & Clark Bicentennial	0.0	375	375
Total Policy Changes	0.0	340	325
Total 2001-03 Biennium	55.6	6,030	7,590

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Lewis & Clark Bicentennial - In preparation for the Lewis and Clark Trail Bicentennial in 2004, the Historical Society will work with local communities, tribal governments, neighboring states, and the national bicentennial council to plan local events and community education programs.

2001-03 Omnibus Operating Budget
East Wash State Historical Society
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	14.1	2,609	2,609
2001-03 Maintenance Level	20.7	2,778	2,778
Policy Changes:			
1. General Inflation	0.0	-15	-15
2. Increase Community Partnerships	6.0	509	509
Total Policy Changes	6.0	494	494
Total 2001-03 Biennium	26.7	3,272	3,272

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Increase Community Partnerships - To improve services to visitors and researchers at the newly expanded Cheney Cowles Museum, museum staff will increase partnerships with the community to enhance and expand exhibits, display more of the museum's permanent collections, feature regional and national collections, and offer more interactive learning environments.

2001-03 Omnibus Operating Budget
Bond Retirement and Interest
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	1,118,176	1,295,863
2001-03 Maintenance Level	0.0	1,227,146	1,412,727
Policy Changes:			
1. Debt Service Pay Off & Other Adj	0.0	0	0
2. New Issuance 2001-03 Exist Auth	0.0	0	10,134
3. New Debt 2001-03 Capital Budget	0.0	21,624	22,418
Total Policy Changes	0.0	21,624	32,552
Total 2001-03 Biennium	0.0	1,248,770	1,445,279

Comments:

2. New Issuance 2001-03 Exist Auth - New issuance in the 2001-03 biennium from existing authorizations (previous bond bills) and bonds newly authorized in the 2001 session including the bonds for the plaza garage, the University of Washington and the Legislative building.

3. New Debt 2001-03 Capital Budget - Debt service and bond sale expenses will be incurred for the new debt issued to fund the 2001-03 Biennium capital plan. (General Fund-State, various debt service accounts)

2001-03 Omnibus Operating Budget
Special Approps to the Governor
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	307,014	413,305
2001-03 Maintenance Level	0.0	206,913	253,071
Policy Changes:			
1. King County Public Health	0.0	0	2,122
2. Digital Government	0.0	0	5,000
3. Fire Contingency Pool	0.0	2,000	5,000
4. Extraordinary Criminal Justice Cost	0.0	0	975
5. Agricultural Trust Management	0.0	1,790	1,790
6. Salmon Recovery	0.0	22,617	22,617
7. Ferry Assistance	0.0	-20,000	-20,000
8. County Superior Court Benefits	0.0	-184	-184
9. Tort Claims	0.0	31,500	31,500
Total Policy Changes	0.0	37,723	48,820
Total 2001-03 Biennium	0.0	244,636	301,891

Comments:

1. King County Public Health - In order to consolidate replacement of local public health funding associated with the loss of local revenue following the passage of Initiative 695, funds for King County Public Health are transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations. The amount is reduced by 10% to align King County funding with other public health districts. (Health Services Account)

2. Digital Government - The implementation of on-line services for agencies with dedicated funds will be provided from a funding pool in order to facilitate consideration of multiple individual project requests from various state agencies. (Digital Government Revolving Account-State)

3. Fire Contingency Pool - A fire contingency pool was created in the 1999 Supplemental Budget to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. During the 2000 fire season, this pool was completely depleted. Funds are appropriated from the General Fund to the Disaster Response Account to replenish this contingency pool. (General Fund-State, Disaster Response Account-State)

4. Extraordinary Criminal Justice Cost - Funding is provided for assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (Public Safety and Education Account)

5. Agricultural Trust Management - Funds are deposited to the Agricultural College Trust Management Account for the management of Washington State University trust lands.

6. Salmon Recovery - State general funds are appropriated to the Salmon Recovery Account

7. Ferry Assistance - General fund state support to the Puget Sound Ferry Operations Account is eliminated in FY 2003.

8. County Superior Court Benefits - Assistance for counties is reduced by the amount of unpaid Superior Court judges benefit costs.

9. Tort Claims - Recent increases in tort claims payments require additional funding to maintain a sufficient reserve in the Self Insurance Program fund. General Fund-State is necessary for these claims arising from activities in the Departments of Social and Health Services and Corrections.

2001-03 Omnibus Operating Budget
State Employee Compensation Adjust
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	256	10,077
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Health Benefit Changes	0.0	27,193	55,839
2. Attorney Salary Increases	0.0	3,071	6,142
3. State Employee Salary Increase	0.0	124,320	267,237
4. Salary Reclass Implementation	0.0	17,000	34,300
5. Pension Savings/Economic Assumption	0.0	-33,909	-71,245
6. FICA Savings	0.0	-1,610	-3,307
Total Policy Changes	0.0	136,065	288,966
Total 2001-03 Biennium	0.0	136,065	288,966

Comments:

1. Health Benefit Changes - Employee and non-Medicare retiree health benefit costs are expected to increase by 9.1% for managed care plans and 10.7% for the Uniform Medical Plan (UMP) in calendar year 2002, and by 12% for all plans calendar year 2003. Medicare retiree health benefit costs are expected to increase by 20% each year for managed care plans and 21% each year for the Uniform Medical Plan (UMP). The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$455.79 in Fiscal Year 2002 and \$494.28 in Fiscal Year 2003. At these rates, the employer contribution is approximately 92 percent of the total premium rate in Fiscal Year 2002 and 90 percent of the total premium rate in Fiscal Year 2003. These rates assume an increase in co-payments for certain medical services (office visits from \$10 to \$15; emergency room \$50 to \$75, etc.) and switch from a three tier copay structure to a three tier co-insurance plan for prescription drugs. The Health Care Authority estimates the average employee monthly premium rate would increase from \$27.78 in calendar year 2001 to \$51.55 in 2002 and \$57.50 in 2003, and the average retiree subsidy would increase from \$69.98 to \$83.98 in 2002 and \$100.77 in 2003. The monthly K-12 employee remittance, to fund the cost of K-12 retiree subsidies, would increase from \$25.06 to \$32.21 for the 2001-02 school year, and to \$37.10 for the 2002-03 school year. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

2. Attorney Salary Increases - The Senate budget provides funding for the following targeted salary increases for assistant attorneys general: (1) increases in beginning salaries; merit-based increases to recognize outstanding performance; and increases to address critical recruitment and retention problems in specialty practice areas such as torts, revenue, utility regulation, and other high demand fields. Increases shall be effective July 1, 2001 and July 1, 2002. (General Fund-State, Legal Services Revolving Account)

3. State Employee Salary Increase - A cost-of-living increase (COLA) of 3.7 percent effective July 1, 2001 and 3.1 percent effective July 1, 2002 is provided to all state classified employees, with the exception of the certificated staff at the state schools for the Deaf and Blind. Funding is also included to provide similar average COLAs to exempt personnel at the discretion of agency directors. (General Fund-State, General Fund-Federal, various other funds)

4. Salary Reclass Implementation - Funding is provided for three kinds of targeted salary increases to address narrowly targeted recruitment and retention problems, pursuant to Washington Personnel Resources Board rules. (1) Evening and night shift pay is increased for registered nurse and direct patient care job classes, including LPNs and mental health LPNs, employed at DSHS and DOC institutions. (2) Agency requests for funding for critical assignment pay increases for high cost-of-living locations. (3) Agency proposals for recruitment and retention increases pursuant to RCW 41.06.152(1). (General Fund-State, General Fund-Federal, Salary and Insurance Increase Revolving fund)

5. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.58%, and the TRS employer contribution rate is reduced from 5.38% to 2.85%, effective July 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by SB _____, which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS 1 and TRS 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

2001-03 Omnibus Operating Budget State Employee Compensation Adjust

6. FICA Savings - The Senate budget reduces the level of agency allocations for health insurance rate increases to recognize the agency FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$2.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect most of the agency savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. Additional state agency savings equal to \$1.00 per month for both years is left with the agencies to cover the cost of HRISD rate increases for payroll system changes needed to implement PERS Plan 3 and other costs. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

2001-03 Omnibus Operating Budget
Contributions to Retirement Systems
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	51,712	51,712
2001-03 Maintenance Level	0.0	52,700	52,700
Policy Changes:			
1. Pension Savings/Economic Assumption	0.0	-7,980	-7,980
Total Policy Changes	0.0	-7,980	-7,980
Total 2001-03 Biennium	0.0	44,720	44,720

Comments:

1. Pension Savings/Economic Assumption - The LEOFF Plan 2 state contribution rate is reduced from 2.31% to 1.80%, effective July 1, 2001. The new rate is based on the 1999 plan year valuation study conducted by the Office of the State Actuary in 2000, but is adjusted to reflect the changes made by SB _____, which increases the long-term actuarial assumptions for future wage growth and investment returns.

2001-03 Omnibus Operating Budget
Other Legislation
(Dollars in Thousands)

	FTEs	Senate Proposed GF-S	Total
1999-01 Estimated Expenditures	0.0	0	0
2001-03 Maintenance Level	0.0	45	45
Total 2001-03 Biennium	0.0	45	45

Comments:

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