
PROPOSED SENATE 2004 SUPPLEMENTAL BUDGET AGENCY DETAIL

SENATE CHAIR



SENATE WAYS AND MEANS COMMITTEE

FEBRUARY 23, 2004

2004 Supplemental Omnibus Operating Budget

February 22, 2004

7:15 pm

Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
Legislative	0.0	600	600
Judicial	1.8	1,138	5,571
Governmental Operations	200.0	-2,442	251,526
Other Human Services	31.1	77,654	133,865
DSHS	49.0	-73,442	101,612
Natural Resources	24.6	31,921	38,509
Transportation	0.0	74	949
Public Schools	2.0	48,265	79,343
Higher Education	6.5	12,489	16,503
Special Appropriations	0.0	-27,275	-28,218
Statewide Total	314.9	68,982	600,260

2004 Supplemental Omnibus Operating Budget

February 22, 2004

7:15 pm

Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
Legislative			
House of Representatives	0.0	75	75
Senate	0.0	75	75
Jt Leg Audit & Review Committee	0.0	450	450
Total Legislative	0.0	600	600
Judicial			
Supreme Court	0.0	115	115
State Law Library	0.0	4	4
Court of Appeals	1.0	244	244
Office of Administrator for Courts	0.8	775	4,820
Office of Public Defense	0.0	0	388
Total Judicial	1.8	1,138	5,571
Total Legislative/Judicial	1.8	1,738	6,171

2004 Supplemental Omnibus Operating Budget

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Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
Governmental Operations			
Office of the Governor	0.5	235	235
Office of the Secretary of State	6.0	-6,038	19,906
Office of the State Treasurer	0.8	0	314
Office of the State Auditor	0.0	100	100
Comm Salaries for Elected Officials	0.1	64	64
Office of the Attorney General	6.0	345	2,567
Caseload Forecast Council	0.0	62	62
Dept Community, Trade, Econ Dev	-5.7	1,687	33,697
Office of Financial Management	0.5	65	17,609
Office of Administrative Hearings	21.3	0	2,364
Department of Retirement Systems	0.0	0	414
Public Printer	133.0	0	66,000
Board of Tax Appeals	0.6	90	90
Dept of General Administration	7.4	0	2,646
Office of Insurance Commissioner	1.9	0	702
WA State Liquor Control Board	0.0	0	1,076
Utilities and Transportation Comm	1.8	0	786
Military Department	16.3	335	100,657
LEOFF 2 Retirement Board	1.8	0	889
Archaeology & Historic Preservation	8.0	613	1,348
Total Governmental Operations	200.0	-2,442	251,526

2004 Supplemental Omnibus Operating Budget

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7:15 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Other Human Services			
WA State Health Care Authority	2.3	0	2,011
Bd of Industrial Insurance Appeals	11.0	0	2,357
Criminal Justice Training Comm	0.0	75	75
Department of Labor and Industries	1.7	285	3,151
Home Care Quality Authority	0.5	930	930
Department of Health	13.8	-393	49,545
Department of Veterans' Affairs	0.0	75	233
Department of Corrections	1.9	76,682	72,026
Department of Employment Security	0.0	0	3,537
Total Other Human Services	31.1	77,654	133,865

2004 Supplemental Omnibus Operating Budget

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7:15 pm

Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
DSHS			
Children and Family Services	-1.8	-15,592	-15,580
Juvenile Rehabilitation	-3.1	-1,621	-1,931
Mental Health	-26.6	-16,477	19,926
Developmental Disabilities	-3.3	-12,170	5,202
Long-Term Care	-0.4	-24,213	3,891
Economic Services Administration	-3.7	58,912	57,884
Alcohol & Substance Abuse	-0.3	-260	3,213
Medical Assistance Payments	47.3	-90,937	-31,907
Vocational Rehabilitation	1.8	-19	873
Administration/Support Svcs	36.2	2,852	10,784
Payments to Other Agencies	0.0	2,925	4,252
Information System Services	-1.0	0	0
Homecare Collective Bargain Agree	3.8	23,158	45,005
Total DSHS	49.0	-73,442	101,612
Total Human Services	80.1	4,212	235,477

2004 Supplemental Omnibus Operating Budget

February 22, 2004

Senate Chair

7:15 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Natural Resources			
Department of Ecology	12.1	3,823	6,209
State Parks and Recreation Comm	1.0	87	1,049
Interagency Comm for Outdoor Rec	2.5	315	440
Environmental Hearings Office	0.0	49	49
Dept of Fish and Wildlife	1.4	470	1,838
Department of Natural Resources	2.5	24,893	26,408
Department of Agriculture	5.3	2,284	2,516
Total Natural Resources	24.6	31,921	38,509

2004 Supplemental Omnibus Operating Budget

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Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
Transportation			
Washington State Patrol	0.0	0	1,305
Department of Licensing	0.0	74	-356
Total Transportation	0.0	74	949

2004 Supplemental Omnibus Operating Budget

February 22, 2004

Senate Chair

7:15 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Public Schools			
OSPI & Statewide Programs	0.8	1,570	7,868
General Apportionment	0.0	19,687	19,687
Pupil Transportation	0.0	23,436	23,436
School Food Services	0.0	0	-19,941
Special Education	0.0	1,604	17,455
Levy Equalization	0.0	-4,315	-4,315
Elementary/Secondary School Improv	0.0	0	-3,381
Institutional Education	0.0	-1,306	-1,306
Ed of Highly Capable Students	0.0	40	40
Student Achievement Program	0.0	0	4,157
Education Reform	1.2	663	36,348
Transitional Bilingual Instruction	0.0	2,871	1,106
Learning Assistance Program (LAP)	0.0	-2,143	-7,999
Compensation Adjustments	0.0	6,158	6,188
Total Public Schools	2.0	48,265	79,343

2004 Supplemental Omnibus Operating Budget

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Senate Chair

(Dollars in Thousands)

	FTEs	GF-S	Total
Higher Education			
Higher Education Coordinating Board	0.0	9,722	9,736
University of Washington	5.5	2,475	2,475
Central Washington University	1.0	223	223
The Evergreen State College	0.0	180	180
Community/Technical College System	0.0	-111	3,889
Total Higher Education	6.5	12,489	16,503
Total Education	8.5	60,754	95,846

2004 Supplemental Omnibus Operating Budget

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(Dollars in Thousands)

	FTEs	GF-S	Total
Special Appropriations			
Bond Retirement and Interest	0.0	-12,348	-645
Special Approps to the Governor	0.0	-8,414	-12,986
Sundry Claims	0.0	61	91
State Employee Compensation Adjust	0.0	-6,074	-14,178
Contributions to Retirement Systems	0.0	-500	-500
Total Special Appropriations	0.0	-27,275	-28,218

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2003-05 Revised Omnibus Operating Budget (2004 Supp)
House of Representatives
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	388.3	56,342	56,387
2004 Policy Changes:			
1. National Conference of Legislatures	<u>0.0</u>	<u>75</u>	<u>75</u>
Total Policy Changes	0.0	75	75
2003-05 Revised Appropriations	388.3	56,417	56,462

Comments:

1. National Conference of Legislatures - One-time start-up funding is provided for the costs associated with the Legislature's hosting of the 2005 National Conference of State Legislatures in Seattle. This amount will be repaid from sponsorship revenue.

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Senate**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	297.1	45,174	45,219
2004 Policy Changes:			
1. National Conference of Legislatures	0.0	75	75
Total Policy Changes	0.0	75	75
2003-05 Revised Appropriations	297.1	45,249	45,294

Comments:

1. National Conference of Legislatures - One-time start-up funding is provided for the costs associated with the Legislature's hosting of the 2005 National Conference of State Legislatures in Seattle. This amount will be repaid from sponsorship revenue.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Jt Leg Audit & Review Committee
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	17.5	3,344	3,344
2004 Policy Changes:			
1. Basic Health Plan studies	0.0	100	100
2. Gambling Revenue Distribution Study	0.0	25	25
3. Forest fire studies	0.0	150	150
4. WASL Study	0.0	50	50
5. State Institutions Impact Study	0.0	125	125
Total Policy Changes	0.0	450	450
2003-05 Revised Appropriations	17.5	3,794	3,794

Comments:

1. Basic Health Plan studies - Funding is provided for a review of the basic health plan to examine the plan's policies and procedures and their impact on the health care provided to the plan's enrollees.

2. Gambling Revenue Distribution Study - Funding is provided for a study of current distributions of gambling revenues in Washington and other states.

3. Forest fire studies - Funding is provided for a review of emergency fire suppression costs in the Department of Natural Resources.

4. WASL Study - Funding is provided for the Joint Legislative Audit and Review Committee (JLARC) to contract for an evaluation and additional research on the Washington Assessment of Student Learning (WASL). While the evaluation will include a review of issues associated with the reliability and validity of the WASL, the actual scope of work will be determined JLARC.

5. State Institutions Impact Study - Funding is provided for a study of the economic impacts of state institutions on local governments, particularly the impacts of state mental hospitals and institutions for the developmentally disabled on local law enforcement. Where appropriate, the committee shall make recommendations for changes in how such costs are calculated and allocated, including recommendations on options for legislative consideration where economic costs from these institutions exceed their economic benefits on local jurisdictions. The committee shall provide a report of this review by December 1, 2005, to the appropriate legislative committees.

Supreme Court
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	61.9	11,127	11,127
Total Maintenance Changes	0.0	40	40
2004 Policy Changes:			
1. Editorial Assistant	0.0	41	41
2. Reclassify Reporter of Decisions	0.0	16	16
3. Capital Counsel Panel	0.0	18	18
Total Policy Changes	0.0	75	75
2003-05 Revised Appropriations	61.9	11,242	11,242

Comments:

1. Editorial Assistant - Funding is provided for an additional staff person to meet increased workload in the Office of Reporter of Decisions. The number of opinion pages published by Office of the Reporter of Decisions has increased by 39 percent since 1995, without an increase in staffing. The additional staff will help insure timeliness and quality of published opinions.

2. Reclassify Reporter of Decisions - Funding is provided to reclassify the Reporter of Decisions position and provide a commensurate salary increase. Although the Reporter of Decisions has similar responsibilities to other Supreme Court department heads, this position's salary is not in-line with other department heads. The funding level provided will increase the salary from range 65, step K to range 72, step K.

3. Capital Counsel Panel - Funding is provided for monthly meetings of the Capital Counsel Panel, which recruits and maintains a list of attorneys qualified for death penalty trials, appeals, and personal restraint petitions. Although the panel existed in the past, it had no specific funding, and members absorbed their own travel costs. In February 2003, the Supreme Court expanded the panel to include a superior court judge from all three appellate divisions of the state, to have better geographic representation. The new funding will cover travel reimbursement for the new judicial members and one staff, as the Supreme Court is unable to absorb all of the new costs.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
State Law Library
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	13.8	4,095	4,095
Total Maintenance Changes	0.0	4	4
2003-05 Revised Appropriations	13.8	4,099	4,099

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Court of Appeals**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	140.6	25,257	25,257
Total Maintenance Changes	0.0	54	54
2004 Policy Changes:			
1. Division II Workload	1.0	190	190
Total Policy Changes	1.0	190	190
2003-05 Revised Appropriations	141.6	25,501	25,501

Comments:

1. Division II Workload - Funding to meet additional workload is provided for two staff and contracted assistance for Division II of the Court of Appeals, which includes Thurston County. Since 2001, the division's workload has increased about 9 percent, although its staffing level has remained relatively constant. The additional staff will keep workload to staffing ratios for Division II in line with previous biennia, and prevent further delays in resolution of cases. Other divisions are not able to shift staff to Division II without compromising resolution of cases, as they have already decreased their own staffing levels for efficiency reductions.

Office of Administrator for Courts

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	347.1	34,635	105,927
Total Maintenance Changes	0.0	775	824
2004 Policy Changes:			
1. Disaster Recovery	0.0	0	1,100
2. JIS Migration Phase II Extension	0.0	0	1,400
3. JIS Migration Phase III	0.0	0	1,400
4. Continuing Education General Rule	0.8	0	96
Total Policy Changes	0.8	0	3,996
2003-05 Revised Appropriations	347.8	35,410	110,747

Comments:

1. Disaster Recovery - Funding is provided to cover costs for disaster recovery planning, equipment, backup systems, and testing for the Judicial Information System (JIS). JIS is the state repository for criminal and judicial records, and links the courts, the State Patrol, Department of Corrections, Department of Licensing, and local governments. The goal of disaster planning is to insure that criminal records and JIS applications can be recovered in less than 48 hours after a major service interruption, such as a natural or manmade disaster. Funding for this purpose is provided from the Judicial Information Systems Account, a dedicated account for the JIS system that receives revenues from traffic infractions. (Judicial Information Systems Account-State)

2. JIS Migration Phase II Extension - Funding from the dedicated Judicial Information System (JIS) account is provided to continue implementation of JIS projects authorized in previous budget cycles. Revenue uncertainties during the 2001-2003 Biennium caused the AOC to delay the implementation of JIS Migration Phase II. Now that revenues have stabilized, providing the appropriation authority again will allow completion of the Superior Court case management system (SCOMIS) design and the warrant and judgment and sentence modules. Finishing these projects is essential to avoid counties from pursuing stand-alone systems that are not interoperable with the state or each other. (Judicial Information Systems Account-State)

3. JIS Migration Phase III - Funding from the dedicated Judicial Information System (JIS) account is provided to continue the third phase of implementation of JIS projects. Phase III funding will migrate the current district court information system (DISCIS) from an outdated legacy platform to a web-based platform, improving access and reliability, in accordance with recommendations of the Washington Integrated Justice Information Board. (Judicial Information Systems Account-State)

4. Continuing Education General Rule - Funding is provided for implementation of Supreme Court General Rule (GR 26) enacted in July 2002. GR 26 requires 45 continuing education hours every three years for all judicial officers. Without additional funding, the Administrator for the Courts will be unable to support this judicial mandate. The level of funding provided will add courses for 150 judges and 50 court commissioners or magistrates. (Public Safety and Education Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Office of Public Defense
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	5.5	1,550	13,945
Total Maintenance Changes	0.0	0	388
2003-05 Revised Appropriations	5.5	1,550	14,333

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Office of the Governor**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	56.7	7,549	12,543
2004 Policy Changes:			
1. Hood Canal Early Actions	0.0	100	100
2. Governor's Transition Team	0.5	135	135
Total Policy Changes	0.5	235	235
2003-05 Revised Appropriations	57.2	7,784	12,778

Comments:

1. Hood Canal Early Actions - Funding is provided to begin implementation of early corrective action projects to reduce and/or prevent major sources of human-related pollution and nutrients from entering Hood Canal.

2. Governor's Transition Team - Funding is provided to cover the costs of the new governor's transition team for the period of November 2004 through January 2005.

Office of the Secretary of State

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	266.3	41,428	81,907
Total Maintenance Changes	0.0	0	625
2004 Policy Changes:			
1. Savings - 2004 Presidential Primary	0.0	-6,038	-6,038
2. Eastern Regional/Digital Archive	1.3	0	1,756
3. Security Microfilm Inspection	1.0	0	125
4. Security Microfilm Storage Vault	0.0	0	100
5. Security Microfilm Reparation	0.0	0	198
6. Help America Vote Act Compliance	3.8	0	23,140
Total Policy Changes	6.0	-6,038	19,281
2003-05 Revised Appropriations	272.3	35,390	101,813

Comments:

1. Savings - 2004 Presidential Primary - The enactment of House Bill 2297 in December 2003 cancelled the presidential preference primary to be held in 2004. As a result, the state will realize a savings of \$6.038 million.

2. Eastern Regional/Digital Archive - The new Eastern Regional Archives and Digital Archive facility, located on the campus of Eastern Washington University, will be completed and become operational in Spring 2004. The Eastern Regional Archives will provide traditional paper-based records management services and historical records preservation and research capabilities to the eleven easternmost counties of the state. The new Digital Archives will serve as a central repository for electronic "essential" records and archival/historical records, which require long-term retention (over six years). Funds are provided for additional facility capital costs, digital archive technology architecture costs, additional digital archive staff, operational costs, site preparation costs, and building plan changes resulting from building code changes. An Information Services Board feasibility study documents the need for a digital archives information technology architecture for public records created and/or maintained by state and local governments in electronic format. The Digital Archives activity will procure a storage area network, automated tape library, communications equipment, and associated servers, using a four-year Certificate of Participation through the Office of the State Treasurer, at an estimated cost of \$2.8 million (\$700,000 is appropriated in the 2003-05 biennium for this purpose). (Archives and Records Management Account-State, Local Government Archives Account-State)

3. Security Microfilm Inspection - Security microfilm provides the back-up copy of essential state and local government records. Film is required to be inspected upon receipt by security microfilm program staff to ensure that it meets archival standards, and then it is catalogued in a database and placed into the temperature and humidity-controlled archives security microfilm vaults. Funds are provided for additional staff to perform these inspections. (Archives and Records Management Account-State, Local Government Archives Account-State)

4. Security Microfilm Storage Vault - Funds are provided to construct a new temperature-controlled vault within the State Archives' building for the growing volume of local government security microfilm for long-term storage. (Local Government Archives Account-State)

5. Security Microfilm Reparation - The local government security microfilm inspection program has determined the need for reparation work on a significant number of older security microfilm. Funds are provided to conduct reparation work on a sample of poor quality security microfilm to assess a range of problems and determine appropriate treatment for all impaired film in the archives' holdings. (Local Government Archives Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Office of the Secretary of State

6. Help America Vote Act Compliance - The federal Help America Vote Act (HAVA) of 2002 was enacted by Congress to improve election administration, voter outreach, and education. During the 2001-03 biennium, the state received \$13.1 million General Fund-Federal for election reform purposes. These funds will be used primarily to replace punchcard voting machines and to develop a statewide voter registration database. The state is also eligible to receive up to \$62.8 million General Fund-Federal during the 2003-05 biennium to help the state meet the new federal election mandates. These payments require a state matching amount of five percent, or \$3.14 million General Fund-State, which is provided in the Special Appropriations agency budget. The five percent state General Fund match and \$20 million of federal funds are provided to the voter registration program and the HAVA local grant program for the following purposes: development of a statewide voter registration database; procurement of direct recording electronic equipment or other disability access devices; improvement of voter registration lists; and implementation of a local government grants for local election administration, voter outreach, and education. Both the state and federal funds will be transferred into, and expended out of, the new Elections Account, established for this purpose by the 2003 Legislature. (Elections Account-State, Elections Account-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Office of the State Treasurer
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	72.2	0	13,149
Total Maintenance Changes	0.8	0	314
2003-05 Revised Appropriations	72.9	0	13,463

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Office of the State Auditor
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	283.4	1,403	45,133
2004 Policy Changes:			
1. Forest fire studies	<u>0.0</u>	<u>100</u>	<u>100</u>
Total Policy Changes	0.0	100	100
2003-05 Revised Appropriations	283.4	1,503	45,233

Comments:

- 1. Forest fire studies** - Funding is provided for a review of emergency fire suppression costs in the Department of Natural Resources.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Comm Salaries for Elected Officials
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1.2	240	240
2004 Policy Changes:			
1. Office Operations	0.1	29	29
2. Evaluate Elected Positions	0.0	35	35
Total Policy Changes	0.1	64	64
2003-05 Revised Appropriations	1.3	304	304

Comments:

1. Office Operations - Funding is provided to operate and staff the Office of the Citizens' Commission on Salaries for Elected Officials at a 50 percent level in the first fiscal year of the biennium. The office will be staffed between 8 a.m. and 4 p.m., Monday through Friday, during Fiscal Year 2004.

2. Evaluate Elected Positions - Funding is provided to conduct point factor job evaluations for the positions of Legislator, Supreme Court Justice, and judges of the Court of Appeals, Superior Court, and District Court. This information is needed for consideration by the 2005 Commission in setting the 2005-06 salary schedule for the state's elected officials. Equivalent data from 2003 are already available for the elected positions within the executive branch.

Office of the Attorney General

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,084.0	8,166	182,263
2004 Policy Changes:			
1. Pacific Sound Resources Litigation	1.0	0	818
2. Violent Video Games Litigation	0.6	231	231
3. Return of Office Relocation Funding	0.0	0	-179
4. Licensing Caseload Increases	0.0	0	600
5. Hallett Case	0.3	0	40
6. Spokane County Litigation	1.5	114	114
7. Self-Insurance Cases	2.7	0	943
Total Policy Changes	6.0	345	2,567
2003-05 Revised Appropriations	1,090.0	8,511	184,830

Comments:

1. Pacific Sound Resources Litigation - Pacific Sound Resources and the Port of Seattle have filed suit against the state of Washington and the Department of Natural Resources, in addition to other parties, claiming state liability for cleanup of hazardous substances on state-owned property under the State Model Toxics Control Act. Funding is provided for legal defense costs. (Legal Services Revolving Account)

2. Violent Video Games Litigation - In 2003, the Legislature enacted the violent video game statute, chapter 365, Laws of 2003, which prohibits the sale or rental of video or computer games to minors where the player causes physical harm to a human form depicted as a law enforcement officer. The Video Software Dealers Association filed a lawsuit in United States District Court challenging the statute as unconstitutional. Funding is provided for legal defense costs.

3. Return of Office Relocation Funding - In the 2003-05 biennial budget, the Attorney General received funding for relocating the Torts Division. The relocation will not be achieved in the current biennium; therefore these funds will not be used. (Legal Services Revolving Fund)

4. Licensing Caseload Increases - The Department of Licensing's driver license cases increased 21 percent in fiscal year 2002, 35 percent in fiscal year 2003, and are continuing to increase. This increase is due to driving under the influence (DUI) implied consent and administrative DUI caseloads, including an increase of cases in the appellate courts. Funding is provided to address these cases. This item affects the Legal Services to State Agencies activity. (Legal Services Revolving Account)

5. Hallett Case - In August 2002, the United States Court of Appeals remanded sections of the Hallett class action lawsuit back to the United States District Court for further litigation. The lawsuit was originally brought forth in 1993 and alleges that officials at the Washington Corrections Center for Women violated the inmates protection against cruel and unusual punishment because of inadequate health care. A settlement was reached in November 2003. Funding is provided to pay legal costs incurred prior to the final settlement. (Legal Services Revolving Account)

6. Spokane County Litigation - Legal defense costs are provided to defend the state in litigation brought by Spokane County for reimbursement of program costs.

7. Self-Insurance Cases - Funding is provided for the legal services related to Engrossed Substitute Senate Bill 6317 (expanding the role of self-insurers in workers' compensation cases). (Legal Services Revolving Fund--State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Caseload Forecast Council
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	7.0	1,277	1,277
Total Maintenance Changes	0.0	32	32
2004 Policy Changes:			
1. Retirement Buy-Out Costs	<u>0.0</u>	<u>30</u>	<u>30</u>
Total Policy Changes	0.0	30	30
2003-05 Revised Appropriations	7.0	1,339	1,339

Comments:

1. Retirement Buy-Out Costs - \$13,455 for annual leave buy-out is funded, \$8,428 for sick leave buy-out is funded, and \$8,439 for salary and benefits for one month of over-lap between directors. Funding for DOP recruiting services, advertising, candidate travel, and relocation costs is not included due to the likelihood of local and informal recruitment.

Dept Community, Trade, Econ Dev

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	306.4	122,260	396,606
2004 Policy Changes:			
1. Military Base Reviews	0.5	500	500
2. Federal Programs Increase	0.0	0	22,977
3. Private/Local Programs Increase	0.0	0	4,501
4. Developmental Disability Endow Fund	0.0	0	-208
5. Major Economic Development Projects	0.4	715	715
6. Mobile Home Relocation Assistance	0.0	0	300
7. Weatherization Assistance Increase	0.0	0	5,000
8. Public Works Loans	1.3	0	175
9. Transfer to Archaeology Department	-7.9	-613	-1,348
10. Overhead Funding	0.0	373	373
11. Youth Assessment Center	0.0	300	300
12. Community Voice Mail	0.0	163	163
13. NW Orthopaedic Institute	0.0	150	150
14. RSVP	0.0	99	99
Total Policy Changes	-5.7	1,687	33,697
2003-05 Revised Appropriations	300.7	123,947	430,303

Comments:

1. Military Base Reviews - Funding is provided to coordinate the collection of and reporting of information related to the state's military base facilities in preparation for a round of base closures in 2005 as proposed by the Department of Defense. At least two-thirds of the appropriation will be passed through to affected communities.

2. Federal Programs Increase - The federal appropriation level for the Department of Community Trade and Economic Development (CTED) is increased due to increased funding from the following federal sources: Low Income Home Energy Assistance Program (LIHEAP) which provides payments to utility companies on behalf of low-income households who cannot afford to pay energy bills; the Community Development Block Grant (CDBG) which provides competitive grants to communities for projects including housing development, facility maintenance, etc.; Services-Training-Officers-Prosecutors (STOP) Grant, which provides funds and technical assistance to local law enforcement, prosecutors, and victim services to improve the criminal justice system's response to violence against women; the HOME program which distributes funds for tenant-based rental assistance, first time homebuyers, new construction, etc.; and six competitive special projects awards under the State Energy Program grant program for the Puget Sound Clean Cities Coalition; the Washington Industries of the Future project, assessing and ensuring compliance with the Washington Energy Code; a Rebuild America project to improve schools and public housing; Regional Combined Cooling, Heating, and Power Application Centers; and a Fuel Cell Public Education and Technology Promotion project. This item affects various CTED activities. (General Fund-Federal)

3. Private/Local Programs Increase - CTED has received increased funding from the following private and local sources: Pierce County Alliance of Tacoma to fund the local methamphetamine initiatives through the Community Mobilization Program, a statewide substance abuse and violence prevention program. Sound Transit Authority to survey historic properties that may be impacted by the development of the mass transportation plan for King County. The Bond Cap Allocation Program to administer the program, which is increasing at a rate of \$5 to 6 million each year. The Economic Development Training and Education Program to provide comprehensive professional development to communities. The Bonneville Power Administration, Energy Northwest, and the Energy Facility Siting Evaluation Council (EFSEC) to conduct off-site mitigation estimated to cost \$3.5 million. Of these projects, the Pierce County Alliance, Sound Transit Authority, and EFSEC are one-time costs. (General Fund-Private/Local)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept Community, Trade, Econ Dev

4. Developmental Disability Endow Fund - The Developmental Disabilities Endowment Fund offers a special needs trust to people with developmental disabilities to enhance the quality of their lives. Appropriations for the 2003-05 Biennium were based on anticipated fees of \$600,000 to be paid by trust enrollees. This initial estimate assumed 165 enrollments in FY 2004 and 227 in FY 2005. Enrollments are below estimated numbers. As a result, fee income is now estimated to be \$145,000, which is insufficient to support the program. An appropriation is provided from the Developmental Disabilities Endowment Trust Account to fund the minimum necessary to provide administrative support for the program, and the appropriation from the Community and Economic Development Fee Account is decreased in accordance with the reduced amount of collected fees. This is a one-time cost to the Trust Account, as it is anticipated that fees will be sufficient in the 2005-07 Biennium to support the program. (Developmental Disabilities Endowment Trust Account, Community and Economic Development Fee Account)

5. Major Economic Development Projects - One-time funding is provided to cover the cost of overseeing and coordinating the Boeing 7E7 Dreamliner aircraft plan. The funds required will pay for project staff (\$435,000); outside consulting expenses (\$250,000); and an economic impact analysis (\$30,000).

6. Mobile Home Relocation Assistance - In September 2003, the department received a request to relocate all privately-owned mobile homes in two mobile home parks located in Eastern Washington, which will dislocate approximately 60 families. The current appropriation does not provide sufficient authority to relocate these parks and assist the original number of families projected in the 2003-05 biennial budget. This is a one-time cost and affects the Mobile Home Relocation Assistance activity. (Mobile Home Park Relocation Account)

7. Weatherization Assistance Increase - The Low-Income Weatherization Assistance activity improves the energy efficiency and affordability of low-income housing through energy conservation measures in homes, and includes insulation, air sealing, space and water heating system modification, and energy conservation education. Puget Sound Energy has committed \$2 million per year for increasing this program over the next several years. (Low-Income Weatherization Assistance Account)

8. Public Works Loans - The Public Works Board makes loans to local governments for infrastructure improvements, and currently has 1,300 contracts in the program's loan portfolio. The Board anticipates making 250 loans and committing over \$300 million in financing this biennium. Funding is provided for staff to support the increased number of projects and to develop a new financing database system that will replace a six-year-old contract management system. (Public Works Assistance Account)

9. Transfer to Archaeology Department - The total FY 2005 funding level for the Office of Archaeology and Historic Preservation (OAHP) is \$1,348,000. Funding is transferred in the amount of \$1,348,000 to establish the OAHP as a separate agency of state government. (General Fund-State, General Fund-Federal, General Fund-Local)

10. Overhead Funding - Funding in the amount of \$373,000 is provided to the department to cover the cost of administration overhead and other indirect costs currently paid by the Office of Archaeology and Historic Preservation (OAHP) to allow the OAHP to become its own separate agency of state government.

11. Youth Assessment Center - One-time funding is provided for start-up and initial operation of a Youth Assessment Center in Pierce County. This funding will leverage an equal amount from private sources and will support youth assessment center program activities related to reducing the rate of incarceration of juvenile offenders. (General Fund-State)

12. Community Voice Mail - One-time funding is provided to community voice mail agencies in order to provide people in crisis and transition free, personalized voice mail services.

13. NW Orthopaedic Institute - One-time funding is provided to NW Orthopaedic Institute for development of additional organizational infrastructure to assist its community-based musculoskeletal health research.

14. RSVP - Funding for the Retired Senior Volunteer Program is increased \$99,000 to restore funding to FY 2002 appropriation level.

Office of Financial Management

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	250.8	25,045	75,318
Total Maintenance Changes	0.5	0	17,424
2004 Policy Changes:			
1. Permit Assistance Integration	0.0	0	0
2. Transfer Collective Bargaining	0.0	0	120
3. Medicaid Forecasting	0.0	15	15
4. Regulatory Improvement Project	0.0	50	50
Total Policy Changes	0.0	65	185
2003-05 Revised Appropriations	251.3	25,110	92,927

Comments:

1. Permit Assistance Integration - The 2003-05 budget included funds for the Office of Financial Management permit assistance center to implement 2SSB 5694, which requires the establishment of an integrated environmental permit system through an economically significant pilot project. To date, no projects have met the criteria for this pilot. Funding is transferred to fiscal year 2005 to be available once a project is selected.

2. Transfer Collective Bargaining - Pursuant to ESHB 2933, the collective bargaining responsibilities of the Home Care Quality Authority under chapter 74.39A RCW are transferred to the Governor's office of labor relations. Funding is transferred to reflect that legislation. (Labor Relations Service Account)

3. Medicaid Forecasting - Funding is provided for a project team comprised of the legislative and executive branch fiscal staff to review the DSHS Medical Assistance Administration (MAA) budget development practices. The review team will use a contractor to assist in making recommendations to improve the fiscal information necessary for budgeting, forecasting, and monitoring the MAA budget. The recommendations shall be submitted for executive branch and legislative fiscal committee approval by July of 2004.

4. Regulatory Improvement Project - Funding is provided to implement 2SSB 6217, which establishes the Washington Regulatory Improvement Project. This is a collaborative effort of private industry, state universities, and government to streamline environmental permit processes. Existing funding provided in the biennial budget for integrating permit processes will also be used for this project.

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Office of Administrative Hearings**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	144.0	0	24,669
Total Maintenance Changes	17.8	0	1,687
2004 Policy Changes:			
1. DSHS-APS Fair Hearings	3.6	0	677
Total Policy Changes	3.6	0	677
2003-05 Revised Appropriations	165.3	0	27,033

Comments:

1. DSHS-APS Fair Hearings - In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide a fair hearing to an individual provider terminated from employment as a result of an Adult Protective Services (APS) substantiated findings of abuse, abandonment, neglect, and financial exploitation of a vulnerable adult. As of October 1, 2003, DSHS began providing due process to these individuals. It is estimated that 315 APS investigations for the biennium will require an administrative fair hearing. (Administrative Hearings Revolving Account).

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Department of Retirement Systems**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	270.2	0	48,572
2004 Policy Changes:			
1. Five year vesting in Plans 3	0.0	0	98
2. \$1,000 minimum benefit in Plans 1	0.0	0	128
3. Disability benefits in LEOFFRS 2	0.0	0	188
Total Policy Changes	0.0	0	414
2003-05 Revised Appropriations	270.2	0	48,986

Comments:

1. Five year vesting in Plans 3 - Funds are appropriated to pay for the administrative costs associated with reducing the vesting period in Plan 3 of the Public Employees', Teachers', and School Employees' Retirement Systems from 10 years to 5 years pursuant to SB 6247. This appropriation is contingent upon the enactment of SB 6247. (Department of Retirement Systems Expense Account - State)

2. \$1,000 minimum benefit in Plans 1 - Funds are appropriated to pay for the administrative costs associated with establishing an alternative minimum monthly benefit of \$1,000 per month for members of Plan 1 of the Public Employees' and Teachers' Retirement Systems who have at least 25 years of service credit and who have been retired for at least 20 years, pursuant to SSB 6253. This appropriation is contingent upon the enactment of SSB 6253. (Department of Retirement Systems Expense Account - State)

3. Disability benefits in LEOFFRS 2 - Funds are appropriated to pay for the administrative costs associated with the revising disability benefit provisions in the Law Enforcement Officers and Fire Fighters' Retirement System Plan 2 (LEOFF 2) pursuant to SB 6279. This appropriation is contingent upon the enactment of SB 6279. (Department of Retirement Systems Expense Account - State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Public Printer**
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	0
Total Maintenance Changes	133.0	0	66,000
2003-05 Revised Appropriations	133.0	0	66,000

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Board of Tax Appeals
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	10.0	2,129	2,129
2004 Policy Changes:			
1. Restoration of Budget Cut	<u>0.6</u>	<u>90</u>	<u>90</u>
Total Policy Changes	0.6	90	90
2003-05 Revised Appropriations	10.5	2,219	2,219

Comments:

- 1. Restoration of Budget Cut** - \$90,000 and 1.1 FTEs are provided to restore the Board of Tax Appeals staff to 11.

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Dept of General Administration**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	556.9	468	129,245
Total Maintenance Changes	1.9	0	1,876
2004 Policy Changes:			
1. Legislative Building Security	5.5	0	770
Total Policy Changes	5.5	0	770
2003-05 Revised Appropriations	564.3	468	131,891

Comments:

1. Legislative Building Security - Funding is provided for security staff for the Legislative building, per recommendations of the Legislative Building Security Committee. The Legislative Building will be reopened by the 2005 session, and new security measures are expected to include security screening of persons and packages entering the building. To the extent possible, the Department of General Administration is encouraged to utilize contracted staff where appropriate and cost effective. (General Administration Services Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Office of Insurance Commissioner**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	197.3	0	32,938
2004 Policy Changes:			
1. Compliance/Enforcement Program	0.8	0	139
2. Economic Analysis	0.5	0	94
3. HP 3000 Computer Replacement	0.7	0	469
Total Policy Changes	1.9	0	702
2003-05 Revised Appropriations	199.2	0	33,640

Comments:

1. Compliance/Enforcement Program - Funding is provided to the Insurance Commissioner's Legal Affairs Division to address its enforcement caseload, which has increased significantly over the past 18 months. (Insurance Commissioner's Regulatory Account-State)

2. Economic Analysis - Increased expenditure authority is granted to provide the specialized expertise necessary to conduct economic impact analysis within the Policy and Enforcement activity. Funding is provided to meet the demand caused by substantive changes in rules affecting the Office of Insurance Commissioner, and an increased number of rules due for review. (Insurance Commissioner's Regulatory Account-State)

3. HP 3000 Computer Replacement - Funding is approved to replace the Office of Insurance Commissioner's Hewlett Packard 3000 mainframe computer, which will no longer be supported by the manufacturer, effective December 2006. (Insurance Commissioner's Regulatory Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
WA State Liquor Control Board
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	961.0	2,909	159,608
Total Maintenance Changes	0.0	0	283
2004 Policy Changes:			
1. Additional Security Cameras	0.0	0	793
Total Policy Changes	0.0	0	793
2003-05 Revised Appropriations	961.0	2,909	160,684

Comments:

1. Additional Security Cameras - \$783,000 is appropriated for the purchase and installation of six digital security cameras and one recorder in each of the 161 liquor stores in the state. Several benefits are expected to result from this, including 1) increased customer and employee safety; 2) collection of revenues on products that would otherwise be stolen: at least \$127,000 per year to state and locals; and 3) decreased local criminal justice costs as thieves are either deterred or caught quickly. Recorders will need to be replaced in five years at a cost of \$600,000. (Liquor Revolving Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Utilities and Transportation Comm
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	153.4	0	29,481
Total Maintenance Changes	0.0	0	101
2004 Policy Changes:			
1. National Energy Policy Development	0.0	0	60
2. Additional Workload-QPAP	1.8	0	625
Total Policy Changes	1.8	0	685
2003-05 Revised Appropriations	155.1	0	30,267

Comments:

1. National Energy Policy Development - Funding is provided to further the state's interest in national energy policy development in Congress. The WUTC has been involved in a coordinated effort of public officials in Washington, the Pacific Northwest and nationwide to oppose initiatives to restructure the electricity industry in ways damaging to Washington's electricity consumers. The funding requested is for one-time expenses for coalition efforts, and for monitoring and research on a variety of federal legislative and regulatory issues related to electricity regulation. (Public Service Revolving Account)

2. Additional Workload-QPAP - Funding is provided for the additional workload created by the Federal Communications Commission's (FCC) requirements for performance standards and elimination of market entry barriers for residential and business customers. FCC requirements of Qwest have made funds available to the Utilities and Transportation Commission to meet these obligations. (Public Service Revolving Account)

Military Department

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	264.5	16,709	185,462
Total Maintenance Changes	2.3	45	25,690
2004 Policy Changes:			
1. October 2003 Floods	11.5	0	6,659
2. Search and Rescue Reimbursements	0.0	90	90
3. Emergency Management Perform Grant	0.0	200	2,713
4. Homeland Security	2.5	0	60,434
5. National Guard Fire Fight Training	0.0	0	197
6. Natl Guard Enviro Pgm Increase	0.0	0	676
7. Winter 2004 Storm Damage	0.0	0	4,198
Total Policy Changes	14.0	290	74,967
2003-05 Revised Appropriations	280.8	17,044	286,119

Comments:

1. October 2003 Floods - Funding from the Federal Emergency Management Agency (FEMA) and required state matching funds are provided for response and recovery expenses for the October 2003 floods. The state funding level also covers half of the required federal match for local projects. The total cost through FY 2009 is projected to be \$18 million, including \$12.5 million in federal funding, \$4 million in state funding, and \$1.5 million in local funding. (Disaster Response Account-State, Disaster Response Account-Federal)

2. Search and Rescue Reimbursements - One-time funding is provided to reimburse three extraordinary claims for emergency workers. Under Chapter 28.52 RCW, the Washington State Military Department provides protection and cost reimbursement for volunteers supporting emergency management activities, including search and rescue. Routine claims, generally ranging from \$25 to \$1,500, include such items as fuel reimbursement, damaged or lost personal property, and medical expenses. In November 2003, the Department received three extraordinary claims for emergency management volunteers, including surgery, hospitalization, and funeral expenses. These types of claims are very infrequent, and sufficient funding is not available in the agency's current appropriation.

3. Emergency Management Perform Grant - Additional federal grant funding is provided for disaster and emergency preparedness. Of the total, \$1.2 million will be passed through to local jurisdictions. The remaining federal funds and the required state match of \$200,000 will be used for state emergency management training, exercises, planning, and program support to local jurisdictions. (General Fund-State, General Fund-Federal)

4. Homeland Security - The federal fiscal year 2004 budget includes \$60.4 million in grants to the Washington State Military Department, with at least 80 percent required to be passed through to local governments. Funding includes: \$33.4 million for equipment, exercises, training and planning; \$16.4 million for the Urban Area Security Initiative (UASI), for the City of Seattle; \$9.9 million in Terrorism Prevention and Deterrence funds; and \$694,000 for the Citizen Corps and Community Emergency Response Team. (General Fund-Federal)

5. National Guard Fire Fight Training - One-time funding is provided to train 250 Washington National Guard members with wildland firefighter level II training. Many of the Guard members who were already trained have been deployed to active military duty. Providing additional trained members will insure timely deployment to firefighting, and providing the training in advance costs less than training members at the outset of a fire emergency. (Disaster Response Account)

6. Natl Guard Enviro Pgm Increase - Funding is provided to reflect in increase in the federal award for projects in the National Guard Environmental Program. (General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Military Department

7. Winter 2004 Storm Damage - The Governor has requested a federal disaster declaration related to damage from the winter 2004 storm. Provided that the President and FEMA approve the disaster declaration, an expected \$3.5 million in federal funding is anticipated to reimburse local jurisdictions for damages. \$700,000 in state funding is required to match the federal funding; local jurisdictions are expected to provide an additional \$576,000 in matching funds. (Disaster Response Account-State, Disaster Response Account-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
LEOFF 2 Retirement Board
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	0
Total Maintenance Changes	1.8	0	889
2003-05 Revised Appropriations	1.8	0	889

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Archaeology & Historic Preservation
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	0
2004 Policy Changes:			
1. Establishment of Agency	<u>8.0</u>	<u>613</u>	<u>1,348</u>
Total Policy Changes	8.0	613	1,348
2003-05 Revised Appropriations	8.0	613	1,348

Comments:

1. Establishment of Agency - Funding is provided to establish the Department of Archaeology and Historic Preservation (DAHP) as a separate agency of state government. The creation of this new agency will allow for institutional efficiencies, creating a greater funding base to distribute to local governments for preservation-related activities. This program was established in the Department of Community Trade and Economic Development with a total FY 2005 funding level of \$1,348,000. (General Fund-State, General Fund-Federal, General Fund-Local)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
WA State Health Care Authority
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	271.7	0	538,159
Total Maintenance Changes	2.3	0	2,011
2003-05 Revised Appropriations	274.0	0	540,170

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	159.1	0	30,149
2004 Policy Changes:			
1. Self-insurance Claims	<u>11.0</u>	<u>0</u>	<u>2,357</u>
Total Policy Changes	11.0	0	2,357
2003-05 Revised Appropriations	170.1	0	32,506

Comments:

1. Self-insurance Claims - Funding is provided to implement SSB 6317 which expands the role of self-insurers in the workers' compensation system. The Department of Labor and Industries projected that approximately 2,800 new appeals will be filed with the Board of Industrial Insurance Appeals. (Accident Account, Medical Aid Account)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Criminal Justice Training Comm
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	36.8	0	18,686
2004 Policy Changes:			
1. Ecoterrorism Assessment	0.0	50	50
2. Jail Capacity Staff	0.0	25	25
Total Policy Changes	0.0	75	75
2003-05 Revised Appropriations	36.8	75	18,761

Comments:

1. Ecoterrorism Assessment - One-time funding is provided for the Washington Association of Sheriffs and Police Chiefs (WASPC) to develop a database and perform an assessment of eco-terrorism crimes. WASPC shall report to the Criminal Justice Training Commission and the Legislature no later than December 31, 2004 on the scope of the eco-terrorism problem in Washington state.

2. Jail Capacity Staff - One-time funding is provided for WASPC staff support, in conjunction with the Sentencing Guidelines Commission and the Department of Corrections, to provide technical assistance to local and state government on jail and prison capacity issues, including exploring the use of regional jails. WASPC shall provide a summary report of the activities of the position to the Legislature no later than December 1, 2005.

Department of Labor and Industries

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	2,601.9	11,723	472,399
Total Maintenance Changes	0.0	0	-222
2004 Policy Changes:			
1. Other Fund Adjustments	0.0	285	0
2. Cholinesterase monitoring	0.0	0	781
3. Self Insurance Elec Data Intrchnge	0.7	0	214
4. Self-insurance Claims	1.0	0	2,378
Total Policy Changes	1.7	285	3,373
2003-05 Revised Appropriations	2,603.6	12,008	475,550

Comments:

1. Other Fund Adjustments - The State Auditor has found that Labor and Industries (L&I) was not allocating indirect costs to each of its funding sources for services provided and were charging the majority of costs to the Accident Account and Medical Aid Account. L&I has developed a cost allocation plan which allocates the indirect costs of support to each of the L&I direct service programs and funding sources. This fund adjustment implements Phase I of the indirect cost plan for the remainder of the biennium. (General Fund-State, Public Safety & Education Account, Asbestos Fund, Electrical License Account, Accident Account, Medical Aid Account and various other funds)

2. Cholinesterase monitoring - Funding is provided to implement ESB 6599, which provides reimbursement to growers for activities related to cholinesterase depression testing while the department is collecting data regarding the effectiveness of the rule's exposure limits. (Accident Account-State, Medical Aid Account-State)

3. Self Insurance Elec Data Intrchnge - The Self Insurance Electronic Data Interchange (SI-EDI) project is designed to assess the feasibility of using an electronic data interchange to collect and report on claims data for self-insured employers. Self-insured employers provide workers' compensation coverage to 30 percent of Washington State's workers. The department currently has limited ability to collect data on self-insured claims and there is no mechanism for self-insured employers to receive data regarding their performance and outcomes. (Accident Account, Medical Aid Account)

4. Self-insurance Claims - Funding is provided to implement SSB 6317 which expands the role of self-insurers in the workers' compensation system. (Accident Account, Medical Aid Account)

Home Care Quality Authority

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	5.0	671	671
Total Maintenance Changes	0.0	0	0
2004 Policy Changes:			
1. Home Care Referral Registry	0.0	160	160
2. Workers Comp Administrator	0.0	571	571
3. Additional Homecare Worker Training	0.0	252	252
4. Dispute Resolution & Legal Costs	0.0	22	22
5. Transfer Collective Bargaining	0.5	-75	-75
Total Policy Changes	0.5	930	930
2003-05 Revised Appropriations	5.5	1,601	1,601

Comments:

1. Home Care Referral Registry - Funding is provided to complete design and development of a computerized system through which persons in need of in-home care will be able to locate individual providers of that service in their area. The system is expected to be completed by the end of the current biennium, and to come "on line" in the summer or fall of 2005.

2. Workers Comp Administrator - Funding is provided for the Homecare Quality Authority to contract with a third party administrator to perform workers' compensation claims reporting, workplace safety promotion, and return-to-work efforts on behalf of the 24,000 individuals who contract with the state to perform homecare services. These functions would normally be performed by the worker's employer, but that is not feasible in this instance since the employer is a disabled individual. In addition to the funding provided here, an approximately equal amount of federal Medicaid funds will be expended by DSHS.

3. Additional Homecare Worker Training - Funding is provided to pay an estimated one-half of the individuals who contract with the state to provide homecare services to participate in four hours of workplace safety training. The training is expected to reduce avoidable injuries, and associated workers' compensation costs. These training sessions will also provide the thirty minutes of paid attendance at a union organized event required by the collective bargaining agreement. In addition to the funding provided here, an approximately equal amount of federal Medicaid funds will be provided by DSHS.

4. Dispute Resolution & Legal Costs - Funding is provided for various new administrative costs required for implementation of the collective bargaining agreement. Such costs include legal consultation on the state's roles and responsibilities with regard to the medical benefits trust; the employers' share of anticipated grievance and interest arbitration; and payment for union members to attend discussions and meetings with the Authority. In addition to the funding provided here, an approximately equal amount of federal Medicaid funds will be expended by DSHS.

5. Transfer Collective Bargaining - In accordance with House Bill 2933, responsibility for collective bargaining with individual providers of homecare services is transferred to the Governor's Office on Labor Relations.

Department of Health

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,251.9	118,367	729,616
Total Maintenance Changes	0.0	-337	7,347
2004 Policy Changes:			
1. Drinking Water Protection	0.0	-830	2,072
2. Federal Grants Spending Authority	10.7	0	36,181
3. Farmers Market Expansion	0.0	100	333
4. Methamphetamine Control #	0.9	0	188
5. Volunteer Retired Providers	0.0	250	250
6. Federal Vaccine Funding Shortfall	0.0	0	2,700
7. Nursing Work Environment Task Force	0.0	0	50
8. Zoonotic Disease Program	2.2	424	424
Total Policy Changes	13.8	-56	42,198
2003-05 Revised Appropriations	1,265.7	117,974	779,161

Comments:

1. Drinking Water Protection - Additional funding is available from a variety of sources to increase efforts to assure the safety of the state's drinking water. As approved by the Public Works Board, \$325,000 is appropriated from the Drinking Water State Revolving Fund (DWSRF) loan fee account to administer the growing number of open capital loans funded through the account. An additional \$420,000 is appropriated from the Waterworks Operator Certification Account to test and certify the operators of very small water systems, as required by a recent change in federal law. Finally, the availability of a new federal grant, together with unspent federal funds from prior years, will support a 50 percent increase in technical assistance and training for the operators of very small water systems, and approximately 20 percent increases in quality assurance activities with larger systems, while reducing some of the amount by which state general fund support exceeds federal matching requirements. (General Fund-State, Waterworks Operator Certification Account-State, Drinking Water Assistance Administrative Account-State, Drinking Water Assistance Account-Federal)

2. Federal Grants Spending Authority - Updated estimates of available federal funds exceed the agency's current federal expenditure authority. An increase in the appropriation will allow the Department of Health to spend additional federal funds for many department activities. Examples include the Women, Infants, and Children (WIC) nutrition program; and disease prevention in the areas of heart disease, obesity, diabetes, cancer, HIV/AIDS, tuberculosis, and sexually-transmitted disease. (General Fund-Federal)

3. Farmers Market Expansion - Funding is provided to increase the number of farmers' markets at which participants in the Women, Infants, and Children (WIC) Nutrition Program are able to redeem vouchers for fresh fruits and vegetables. First priority for program expansion is to be in areas that have previously participated in the program without any state financial assistance. (General Fund-State, General Fund-Federal)

4. Methamphetamine Control # - Funding is provided to implement the provisions of SB 6478, which gives the Department of Health and the Board of Pharmacy additional authority to prevent wholesale and retail transactions in excessive quantities of ephedrine products, for potential use in the illegal production of methamphetamine. Data suggest that some convenience stores are acquiring massive quantities of these products, far exceeding any plausible demand for legitimate consumption. The funds will be used for periodic on-site inspections, and for tracking of data on unusual sales patterns. (Health Professions Account-State)

5. Volunteer Retired Providers - The Volunteer Retired Provider program pays some or all of their professional licensing and malpractice insurance costs for retired health care professionals who volunteer their services in non-profit clinics serving low-income and other under-served populations. Funding is provided to more than triple the number of retired providers assisted through the program, to approximately 250 per year.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Department of Health

6. Federal Vaccine Funding Shortfall - The federal government has reduced the amount of funding Washington receives under the Vaccines for Children program. State funding is provided to assure continued availability of medically-necessary immunizations for all the state's children, regardless of family income, in keeping with the state's universal distribution policy. (Health Services Account-State, General Fund-Federal)

7. Nursing Work Environment Task Force - Funding is provided to support the work of a task force that shall examine and recommend strategies for improving patient safety, patient quality of care, and nursing staff retention through changes in the work environment. The task force is to report its findings and recommendations to appropriate committees of the legislature by January 1, 2005. (Health Professions Account-State)

8. Zoonotic Disease Program - The recent emergence of zoonotic diseases (diseases transmitted from insects and animals to humans), such as West Nile virus, St. Louis Encephalitis, and monkeypox, has greatly increased demands on the Department of Health and its Infectious Disease Control activity. Additional funding will help ensure rapid identification, response, and prevention of these diseases in Washington.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Department of Veterans' Affairs
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	609.8	21,576	78,593
Total Maintenance Changes	0.0	75	233
2003-05 Revised Appropriations	609.8	21,651	78,826

Comments:

Department of Corrections

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	8,060.8	1,164,069	1,199,364
Total Maintenance Changes	-4.8	77,716	73,060
2004 Policy Changes:			
1. Transfer Youthful Offender Program	-5.0	-2,633	-2,633
2. Drug Offender Sentencing Altern	23.0	3,077	3,077
3. Apply New Criteria to Misdemeanors#	-11.3	-1,478	-1,478
Total Policy Changes	6.7	-1,034	-1,034
2003-05 Revised Appropriations	8,062.7	1,240,751	1,271,390

Comments:

1. Transfer Youthful Offender Program - Funding is reduced to reflect the transfer of inmates under age eighteen in the Department of Corrections' Youthful Offender Program (YOP) at Clallam Bay Corrections Center to facilities managed by Department of Social and Health Services-Juvenile Rehabilitation Administration (JRA). YOP inmates transferred to JRA will remain under the jurisdiction of the Department of Corrections (DOC). The transfer will not change their sentences or time spent in total confinement, and the YOP inmates will return to DOC facilities after their eighteenth birthday. The transfer provides up to an additional 99 beds of close custody capacity for adult offenders, reducing the need to send adult offenders to more expensive, out-of-state rental beds. If necessary, the Legislature expects DOC to implement water savings measures to mitigate the impact of the additional inmates on local water resources.

2. Drug Offender Sentencing Altern - Additional funding is provided to support supervision of offenders on the Drug Offender Sentencing Alternative (DOSA). With these additional resources, the Department of Corrections can supervise these offenders at a level acceptable to prosecutors and the courts in order to continue the use of this sentencing alternative. Continuing the use of DOSA supports treatment for offenders and avoids longer and more costly sentences for drug offenders.

3. Apply New Criteria to Misdemeanors# - Funding is reduced pursuant to Senate Bill 6290 (misdemeanors). Chapter 379, Laws of 2003 (ESSB 5990) relieved DOC of supervision responsibilities for certain low-risk felons, but did not change the requirements for supervision of gross misdemeanants. Senate Bill 6290 applies the same supervision criteria in ESSB 5990 to gross misdemeanants sentenced in superior court, eliminating supervision for an estimated 2,026 low-risk misdemeanor cases. Supervision will continue for high-risk misdemeanants and offenders with treatment orders or current or prior convictions for sex offenses, violent offenses, crimes against persons, residential burglary, felony domestic violence, methamphetamine manufacture/delivery/possession with intent to deliver, and certain other offenses.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Department of Employment Security
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	2,142.0	0	520,472
2004 Policy Changes:			
1. Employer Outreach Activities	0.0	0	0
2. UI Technology Infrastructure	0.0	0	3,537
Total Policy Changes	0.0	0	3,537
2003-05 Revised Appropriations	2,142.0	0	524,009

Comments:

1. Employer Outreach Activities - Funding is provided from Reed Act Funds freeing up the Administrative Contingency Fund for higher education related activities. (Unemployment Compensation Administration Account-Federal; Administrative Contingency Fund)

2. UI Technology Infrastructure - One-time funding is provided using recent distribution of federal Reed Act funds to replace obsolete information technology infrastructure, thereby improving customer service capabilities and mitigating the risk of critical system failures. (Unemployment Compensation Administration Account-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	2,374.9	464,034	910,037
Total Maintenance Changes	-1.8	-18,448	-12,102
2004 Policy Changes:			
1. Domestic Violence Activities	0.0	2,000	2,000
2. Family Policy Council Transfer	-7.5	-12	-6,596
3. Child Support For DD Children #	0.0	-132	-182
4. Program Improvement Plan	7.5	1,000	1,300
Total Policy Changes	0.0	2,856	-3,478
2003-05 Revised Appropriations	2,373.2	448,442	894,457

Comments:

1. Domestic Violence Activities - Funding is provided to restore a reduction in federal funds (\$1 million) and to address an increase in domestic violence referrals for services (\$1 million). The majority of funds will be distributed according to the department's formula, with at least \$65,000 in operating funds provided to Mason County to support capital expenditures.

2. Family Policy Council Transfer - The Family Policy Council is transferred from the Children's Administration to the Administration and Supporting Services budget. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Education Account-State)

3. Child Support For DD Children # - Funding is adjusted to reflect reductions in expenditures in family foster home and behavioral rehabilitative services activities due to a change in State law allowing child support to be collected from all parents of developmentally delayed children. This request is dependent on either HB 2554 or SB 6379 passing. (General Fund-State, General Fund-Federal)

4. Program Improvement Plan - In response to the Child and Family Services Review, funding is provided for the phase-in of 12 family case facilitators, 2 supervisors and 3 clerical staff. The department is expected to use these staff to work towards generating savings in foster care placements in the future. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Juvenile Rehabilitation
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,131.4	146,792	204,951
Total Maintenance Changes	-6.1	-1,933	-2,243
2004 Policy Changes:			
1. Youthful Offender Program	<u>3.0</u>	<u>312</u>	<u>312</u>
Total Policy Changes	3.0	312	312
2003-05 Revised Appropriations	1,128.3	145,171	203,020

Comments:

1. Youthful Offender Program - Funding is added to reflect the transfer of inmates under age eighteen to Juvenile Rehabilitation Administration facilities from the Department of Corrections (DOC) Youthful Offender Program (YOP). The transfer of thirteen YOP inmates will empty a prison unit and provide bed space for up to 99 adult offenders. The transfer will not change the YOP inmates' sentences or time spent in total confinement, and the YOP inmates will return to DOC facilities after their eighteenth birthday. Net savings when combined with the reduction in DOC is \$2.3 million General Fund-State.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	3,077.9	674,685	1,229,646
Total Maintenance Changes	-38.7	-8,724	8,818
2004 Policy Changes:			
1. Additional DSH Funding	0.0	-12,114	0
2. Acute Care Plan	0.0	53	100
3. Children's Medical Premiums	0.0	600	1,382
4. Restore Ratable Reduction	0.0	2,849	5,698
5. Offender Collaborative Treatment	0.8	164	200
6. SCHIP Match	0.0	-2,509	0
7. CSTC Patient Care	6.0	316	652
8. Staff Training Requirement	0.0	284	408
9. Legal Fees	0.0	1,780	1,780
10. SCTF Mitigation (King Co)	0.0	245	245
11. Hospital Billing Systems Compliance	5.4	579	643
Total Policy Changes	12.1	-7,753	11,108
2003-05 Revised Appropriations	3,051.3	658,208	1,249,572

Comments:

1. Additional DSH Funding - Because Congress has increased the amount of federal disproportionate share hospital (DSH) funding available to the state, more federal and less state funding is required to support operation of the state psychiatric hospitals. (General Fund-State, General Fund-Federal)

2. Acute Care Plan - Funding is provided for development of a plan for maintaining and increasing the number of beds available for treatment of persons experiencing acute psychiatric emergencies. The plan is to provide an estimate of the number of acute care facilities needed to serve different areas of the state, and to estimate the construction and operating cost of meeting that need under alternative operating arrangements (for example, state hospital-based vs. community hospital-based vs. free-standing; publicly- vs. privately-operated). (General Fund-State, General Fund-Federal)

3. Children's Medical Premiums - The federal government has approved the state's proposal to charge monthly premiums for medical, dental, and mental health coverage of children whose family incomes are above the poverty level. The Senate budget provides additional state funds, so that families' monthly premium responsibilities can be lower than originally budgeted. The new premium levels are to be \$5 per child per month for families with incomes between 100 and 150 percent of poverty, rather than \$15 per month as originally budgeted; \$10, rather than \$20, for families with incomes between 150 and 200 percent of poverty; and \$15 per month, rather than \$25, for families with incomes between 200 and 250 percent of poverty. Additionally, the maximum amount due from any family will be capped at two children per household, rather than three as originally budgeted, and premium implementation is delayed until July 2004. (General Fund-State, General Fund-Federal)

4. Restore Ratable Reduction - Funding is provided to return Medicaid payment rates for community mental health services to the level originally budgeted for the biennium. Rates would otherwise be reduced by 1.7 percent in the second year of the biennium in order to implement the Governor's veto of the legislative provision that community mental health administrative costs be limited to 10 percent of public spending. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Mental Health

5. Offender Collaborative Treatment - Substitute Senate Bill 6358 seeks to improve information-sharing and collaborative treatment when offenders under supervision by the Department of Corrections are also subject to court-ordered mental health or chemical dependency treatment. Funding is provided to (1) develop and train community mental health and chemical dependency treatment providers in the information-sharing and collaborative treatment methods required by the legislation; and to (2) conduct additional risk assessments before a person who has been admitted from a correctional facility and who has a history of violent acts is discharged from a state hospital.

6. SCHIP Match - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund-Federal)

7. CSTC Patient Care - Funding is provided to employ six additional direct care staff at the Child Study and Treatment Center (CSTC). The additional staffing is needed to provide safe and appropriate care for an increasingly disturbed and assaultive adolescent population. (General Fund-State, General Fund-Federal)

8. Staff Training Requirement - Funding is provided for the Mental Health Division to provide consultation and specialized training for all supervisory staff at the state hospitals in the identification, prevention, and effective response to sexual harassment in the workplace. Such training is necessary to resolve organizational problems at the state hospitals, such as those identified in a recent lawsuit at Western State Hospital. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

9. Legal Fees - Funding is provided to increase the payment rate to counties for hourly prosecution and defense costs for sexually violent predator civil commitment. The Department of Social and Health Services (DSHS) currently pays attorneys a maximum allowable rate of \$49.41/hour, a rate established 13 years ago in WAC and not increased. Defense attorneys have recently argued before the courts that the low reimbursement rate negatively affects the defense work for their clients and may impair their clients' constitutional right to counsel. The additional funding assumes that the hourly prosecution and defense attorney payment rates are increased to \$65/hour.

10. SCTF Mitigation (King Co) - Funding is provided for mitigation costs to the City of Seattle for the siting of the Secure Community Transition Facility (SCTF) site on Spokane Street. The SCTF provides a less restrictive alternative for persons civilly committed as sexually violent predators who are transitioning from the Special Commitment Center on McNeil Island. The funding provides training for law enforcement, utility costs for improved lighting, an additional detective at the Seattle Police Department, victims counseling, and meeting costs for an advisory committee of community stakeholders. Total mitigation funding is \$385,000--\$140,000 of this funding was assumed in the 2003-05 enacted budget and is provided at the maintenance level; the resulting additional funding is \$245,000.

11. Hospital Billing Systems Compliance - Funding is provided for additional nurses and health records technicians to improve Western State Hospital business operations in the areas of patient utilization review and billing documentation. An independent review of the hospitals' systems has identified weaknesses in these areas that could jeopardize the continued availability of non-state revenues that support hospital operations. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	3,387.7	678,562	1,291,739
Total Maintenance Changes	-6.8	-16,427	-3,387
2004 Policy Changes:			
1. Placement and Waiver Block Grant	0.0	1,035	2,076
2. Community Protection Placements	0.0	826	1,658
3. Employment and Day Programs	0.0	1,000	1,000
4. SCHIP Match	0.0	-545	0
5. Comprehensive Assessment Tool	3.5	1,241	2,504
6. Agency Homecare Worker Wages	0.0	700	1,351
Total Policy Changes	3.5	4,257	8,589
2003-05 Revised Appropriations	3,384.5	666,392	1,296,941

Comments:

1. Placement and Waiver Block Grant - Funding is provided as a block grant for additional placement and waiver costs. Twenty-nine new residential placements will be added, for a total increase this biennium of 43 community residential placements and support services. The average rate for the 29 placements is provided at \$300 per day, which allows for the additional funding for waiver services. The allocation of placements is to be prioritized for at risk placements and children aging out of other services. (General Fund-State, General Fund- Federal)

2. Community Protection Placements - The Division of Developmental Disabilities (DDD) provides residential and support services to eligible clients who pose a significant public safety risk. This item includes funding for 20 additional community protection placements. Ten placements are designated for Allen and Marr lawsuit class members that reside in state psychiatric hospitals. Ten placements are designated for clients of the mentally ill offender program who have been released by the Department of Corrections (DOC). (General Fund-State, General Fund-Federal)

3. Employment and Day Programs - Additional funding is provided to increase the number of individuals served by employment and day programs. Priority should be given to eligible youths transitioning from high school. Funding for services is considered ongoing. The additional services are provided to non-waiver clients.

4. SCHIP Match - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund Federal)

5. Comprehensive Assessment Tool - A recent Joint Legislative Audit and Review Committee (JLARC) study found that the Division of Developmental Disabilities (DDD) did not use a consistent assessment tool to determine client service needs. After evaluating alternatives, DDD adopted the Comprehensive Assessment Reporting Evaluation (CARE) used by the Aging and Adult Services Administration. In Fiscal Year 2003, DDD implemented the CARE tool for its adult clients. This funding is part of a three-phase strategy to modify and automate the CARE tool to better assess DDD adults and children. Implementation of this strategy will allow DDD to improve its ability to match client needs with resources more consistently across the state. (General Fund-State, General Fund-Federal)

6. Agency Homecare Worker Wages - Funding is provided to increase wages for direct care workers employed by homecare agencies by an average of 50 cents per hour, effective October 2004. The total amount provided also includes the employer share of payroll taxes on the increased compensation. (General Fund-State, General Fund-Federal)

Dept of Social and Health Services

Long-Term Care

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,122.2	1,128,314	2,314,357
Total Maintenance Changes	-4.3	-41,143	-30,659
2004 Policy Changes:			
1. In-Home Care Legal Settlement	0.0	842	1,685
2. APS Fair Hearings	4.0	408	672
3. AAA Nursing/Case Mgmt Services	0.0	2,890	6,070
4. Nuring Home Rate Increase	0.0	11,134	22,820
5. Agency Homecare Worker Wages	0.0	1,656	3,303
Total Policy Changes	4.0	16,930	34,550
2003-05 Revised Appropriations	1,121.8	1,104,101	2,318,248

Comments:

1. In-Home Care Legal Settlement - The 9th Circuit Court of Appeals has found that the state is legally obligated to participate in the cost of community-based long-term care for persons whose incomes are too high to qualify for such services under the regular Medicaid program, but who would receive Medicaid-funded assistance if they were to enter a nursing home. The executive branch chose not to appeal this ruling, and has instead agreed in principle to a settlement under which up to 200 persons will receive Medicaid-funded in-home care and medical services. Continuing these services in the 2005-07 biennium will cost an estimated \$3.1 million in state funds. (General Fund-State, General Fund-Federal)

2. APS Fair Hearings - In response to a Superior Court order, and a settlement agreement reached upon appeal, the Department of Social and Health Services now provides a fair hearing opportunity to persons against whom Adult Protective Services (APS) has made a substantiated finding of abuse, abandonment, neglect, or financial exploitation of a vulnerable adult. Based upon the three months of experience to date, the department anticipates that an administrative hearing will need to be conducted in approximately 10 percent (180) of the annual APS investigations in which there is a substantiated finding, and that approximately one-third of the cases heard will subsequently be appealed. This item provides funding for APS staff to prepare and present the findings at hearing and appeal; and for programming of an electronic registry so that information about substantiated cases will be available to potential employers. In addition to the funds provided here, approximately \$1 million (\$0.5 million state) is provided in the department's central administrative budget for review judges to conduct hearings and appeals. (General Fund-State, General Fund-Federal)

3. AAA Nursing/Case Mgmt Services - Funding is provided for a 20 percent increase in state funding for Area Agency on Aging (AAA) case management services, beginning July 2004. The state contracts with the AAAs to provide case management and nurse oversight for persons who receive in-home long-term care. A recent study indicates that such an increase is needed in order for the AAAs to meet contracted requirements for client assessment, service implementation/coordination, and monitoring of client care. (General Fund-State, General Fund-Federal)

4. Nuring Home Rate Increase - Funding is provided for a 1.9 percent increase to the Medicaid nursing facility payment rate, retroactive to July 1, 2004. The increase is needed in response to the combined impacts of the shortage of skilled nurses, increasing liability insurance costs, and rising workers compensation costs. (General Fund-State, General Fund-Federal)

5. Agency Homecare Worker Wages - Funding is provided to increase wages for direct care workers employed by homecare agencies by an average of 50 cents per hour, effective October 2004. The total amount provided also includes the employer share of payroll taxes on the increased compensation. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	4,503.8	815,547	2,059,185
Total Maintenance Changes	-4.9	66,682	65,993
2004 Policy Changes:			
1. Distribution of Child Support #	0.2	-423	-834
2. Child Support For DD Children #	1.0	36	108
3. Time Limit for General Assistance	0.0	-7,383	-7,383
Total Policy Changes	1.2	-7,770	-8,109
2003-05 Revised Appropriations	4,500.1	874,459	2,117,069

Comments:

1. Distribution of Child Support # - This item supports agency request legislation (SB 6380) that would allow the department to consider income levels for past-due child support collection distributions, rather than proportionately with cases in which the department is enforcing on behalf of another state or jurisdiction. This will result in decreased state Temporary Assistance to Needy Families payments for the Child Support Enforcement activity. (General Fund-State, General Fund-Federal)

2. Child Support For DD Children # - Under Sb 6379 (child support payments), families with developmentally disabled children living in foster care or other out of home settings will be required to pay child support if SB 6379 is enacted. Implementation of this bill necessitates a collections officer in the Child Support Enforcement activity to handle the increased volume of collections caseload. (General Fund-State, General Fund-Federal)

3. Time Limit for General Assistance - Under ESSB 6017 (general assistance provisions), eligibility for cash and medical assistance under the General Assistance for the Unemployed (GA-U) program is time limited to six months in any twenty-four month period effective July 1, 2004. This is expected to reduce the number of GA-U persons qualifying for state-funded cash assistance by approximately 4,114 (37 percent of the November 2003 caseload) beginning in January 2005. Non-citizens (sub-types GA-A, GA-B, GA-D) have a twelve month lifetime limit and a FY 05 savings of \$20,000 in the Alcohol Drug and Substance Abuse Division.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Alcohol & Substance Abuse
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	97.6	80,640	232,354
Total Maintenance Changes	-0.3	-510	2,963
2004 Policy Changes:			
1. Fund Shifts	0.0	0	0
2. Washington State Mentoring Partners	<u>0.0</u>	<u>250</u>	<u>250</u>
Total Policy Changes	0.0	250	250
2003-05 Revised Appropriations	97.3	80,380	235,567

Comments:

2. Washington State Mentoring Partners - Funding is provided for the Washington State Mentoring Partnership, which is a prevention network targeting children and youth. The goal of the partnership is to obtain 1,000 new mentors per year and to increase the societal awareness regarding the benefits of mentoring.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	974.8	2,450,197	7,256,903
Total Maintenance Changes	20.0	-78,894	-126,097
2004 Policy Changes:			
1. Premera Law Suit Settlement	0.0	1,187	2,375
2. Additional Federal DSH Funding	0.0	0	44,763
3. Medically Indigent Hospital Grants	0.0	0	10,000
4. Increased Hospital DSH Grants	0.0	0	4,427
5. In-Home Care Legal Settlement	0.0	208	417
6. MMIS Replacement	19.3	1,817	16,853
7. Children's Medical Premiums	0.0	0	37,350
8. Time Limit for General Assistance	0.0	-8,471	-8,471
9. State Drug Pricing Program	5.6	-3,910	-7,913
10. Improve Drug Rebate Collections	2.5	-2,744	-5,611
11. SCHIP Match	0.0	-130	0
Total Policy Changes	27.3	-12,043	94,190
2003-05 Revised Appropriations	1,022.1	2,359,260	7,224,996

Comments:

1. Premera Law Suit Settlement - The Department of Social and Health Services agreed December 18, 2003 to settle a lawsuit that Premera Blue Cross filed on May 22, 2000. Under the settlement, the Department will pay Premera \$2,375,000. This payment will cover all of Premera's claims related to clients enrolled in their managed care plan who were subsequently determined to have been eligible for Supplemental Security Income payments for the time period beginning October 1, 1996, and ending June 30, 2000. (General Fund-State, General Fund-Federal)

2. Additional Federal DSH Funding - Congress has increased by approximately \$36 million the amount of federal disproportionate share hospital (DSH) revenue that will be available to the state this biennium. The Senate budget uses \$12 million of the new revenue to support operation of the state psychiatric hospitals. Of the remainder, \$4.4 million will be provided in direct transfers to public hospital districts, and the balance will be used to support the Basic Health Plan, children's Medicaid coverage, hospital grants, and other programs funded through the Health Services Account. (Health Services Account-State, General Fund-Federal)

3. Medically Indigent Hospital Grants - An additional \$10 million is provided to assist hospitals provide charity care for persons who are uninsured or under-insured. (Health Services Account-State)

4. Increased Hospital DSH Grants - This represents the amount of increased federal disproportionate share hospital (DSH) funding that will be directly retained by public hospital districts. As discussed in item #2, above, the balance will be used to support operation of the state psychiatric hospitals, to provide increased grants to all hospitals, and to pay for children's Medicaid coverage and the Basic Health Plan. (Health Services Account-State)

5. In-Home Care Legal Settlement - The 9th Circuit Court of Appeals has found that the state is legally obligated to participate in the cost of community-based long-term care for persons whose incomes are too high to qualify for such services under the regular Medicaid program, but who would receive Medicaid-funded assistance if they were to enter a nursing home. The executive branch chose not to appeal this ruling, and has instead agreed in principle to a settlement under which up to 200 persons will receive Medicaid-funded in-home care and medical services. Continuing these services in the 2005-07 biennium will cost an estimated \$3.1 million in state funds. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Medical Assistance Payments

6. MMIS Replacement - The Medicaid Management Information System (MMIS) is the automated, federally-required system that pays approximately 29 million medical billings, totaling about \$3.5 billion, per year. The current system is over 20 years old, and is inefficient, subject to frequent break-downs, difficult to adapt to changes in policy, and does not provide timely and integrated data for budget and policy planning. Additionally, the federal government, which pays 90 percent of the cost of system development and 75 percent of the cost of ongoing operation, has notified the state that the contract for operation of the current MMIS cannot be extended beyond December 2006. Funding is therefore provided to complete requirements analysis, systems specifications, contractor selection, and initial design and development work on a replacement system. (General Fund-State, General Fund-Federal)

7. Children's Medical Premiums - The federal government has approved the state's proposal to charge monthly premiums for medical, dental, and mental health coverage of children whose family incomes are above the poverty level. The Senate budget provides additional state funds, so that families' monthly premium responsibilities can be lower than originally budgeted. The new premium levels are to be \$5 per child per month for families with incomes between 100 and 150 percent of poverty, rather than \$15 per month as originally budgeted; \$10, rather than \$20, for families with incomes between 150 and 200 percent of poverty; and \$15 per month, rather than \$25, for families with incomes between 200 and 250 percent of poverty. Additionally, the maximum amount due from any family will be capped at two children per household, rather than three as originally budgeted, and premium implementation is delayed until July 2004. (Health Services Account-State, General Fund-Federal)

8. Time Limit for General Assistance - Under Senate Bill 6017, eligibility for cash and medical assistance under the General Assistance for the Unemployed program is to be limited to six months in any twenty-four month period. This is expected to reduce the number of persons qualifying for state-funded medical assistance by approximately 2,800 (37 percent) beginning in January 2005.

9. State Drug Pricing Program - Additional staff are authorized in order to increase the number of multi-source drug classes that are researched and priced at lower levels through the state maximum allowable cost process. The net savings result from purchasing more classes of drugs at prices closer to their actual acquisition cost, rather than at prices based on national guidelines that are often outdated. (General Fund-State, General Fund-Federal)

10. Improve Drug Rebate Collections - Funding is provided to assign four additional staff to collection of rebates due to the state under the Medicaid prescription drug program. The staff will reduce a backlog of approximately \$7 million of claims currently under dispute with the manufacturers, and initiate a number of process improvements that will result in faster recovery of rebates for a broader array of drugs in the future. The administration included these savings in its presentation of the "state drug pricing program" item, above. (General Fund-State, General Fund-Federal)

11. SCHIP Match - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund-Federal, Health Services Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	344.6	20,382	106,625
Total Maintenance Changes	1.8	-19	873
2003-05 Revised Appropriations	346.4	20,363	107,498

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Administration/Support Svcs
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	596.2	61,894	108,456
Total Maintenance Changes	27.0	2,698	3,908
2004 Policy Changes:			
1. APS Fair Hearings	1.8	154	280
2. Family Policy Council Transfer	<u>7.5</u>	<u>0</u>	<u>6,596</u>
Total Policy Changes	9.3	154	6,876
2003-05 Revised Appropriations	632.4	64,746	119,240

Comments:

1. APS Fair Hearings - In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide a fair hearing to an individual provider terminated from employment as a result of an Adult Protective Services (APS) substantiated findings of abuse, abandonment, neglect, and financial exploitation of a vulnerable adult. As of October 1, 2003, DSHS began providing due process to all these individuals. It is estimated that 315 APS investigations for the biennium will require an administrative fair hearing. (General Fund-State, General Fund-Federal)

2. Family Policy Council Transfer - This item transfers the Family Policy Council from the Children's Administration to the Administration and Supporting Services budget. (Public Safety and Education Account-State, Violence Reduction and Education Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Payments to Other Agencies
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	84,022	126,016
Total Maintenance Changes	0.0	2,552	3,575
2004 Policy Changes:			
1. APS Fair Hearings	<u>0.0</u>	<u>373</u>	<u>677</u>
Total Policy Changes	0.0	373	677
2003-05 Revised Appropriations	0.0	86,947	130,268

Comments:

1. APS Fair Hearings - In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide a fair hearing to an individual provider terminated from employment as a result of an Adult Protective Services (APS) substantiated findings of abuse, abandonment, neglect, and financial exploitation of a vulnerable adult. As of October 1, 2003, DSHS began providing due process to all these individuals. It is estimated that 315 APS investigations for the biennium will require an administrative fair hearing. The additional funding provided to implement APS fair hearings will affect the Payments to Other Agencies activity. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	151.4	0	0
Total Maintenance Changes	-1.0	0	0
2003-05 Revised Appropriations	150.4	0	0

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Dept of Social and Health Services
Homecare Collective Bargain Agree
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	0
2004 Policy Changes:			
1. Individual Provider Contract	0.0	22,521	44,368
2. Transfer Collective Bargaining	0.0	75	75
3. Payment System Operations	3.8	562	562
Total Policy Changes	3.8	23,158	45,005
2003-05 Revised Appropriations	3.8	23,158	45,005

Comments:

1. Individual Provider Contract - Funding is provided to implement the wage and benefit increase for individual providers of homecare services that, in accordance with Initiative Measure 775, was negotiated between the Homecare Quality Authority and the Service Employees Internation Union. The agreement includes a 50-cent per hour salary increase and workers' compensation coverage beginning October 2004; and a \$400 per half-time worker state contribution to medical benefits beginning January 2005. (General Fund-State, General Fund-Federal)

2. Transfer Collective Bargaining - In accordance with House Bill 2933, responsibility for collective bargaining with individual providers of homecare services is transferred to the Governor's Office on Labor Relations.

3. Payment System Operations - The collective bargaining agreement between the Homecare Quality Authority and the union representing individuals who contract with the state to provide homecare services requires the Department of Social and Health Services (DSHS) to pay and to make withholding deductions for workers' compensation, medical benefits, and union dues. Funding is provided for DSHS to develop, operate, and maintain the necessary revisions to its electronic payment systems. (General Fund-State, General Fund-Medicaid)

Department of Ecology

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,383.6	66,727	303,535
Total Maintenance Changes	0.0	0	0
2004 Policy Changes:			
1. Loan Tracking System Enhancements	0.0	0	41
2. Envirotest Settlement	0.0	2,500	2,500
3. Mercury/Rule/Chemical Action Plans	0.5	0	159
4. Hazardous Waste Mgmt Liability	0.5	0	350
5. Lummi/Tulalip Water Right Mediation	0.0	400	400
6. Mitigation Bank	0.5	120	120
7. Rathdrum Prairie Aquifer Study	0.0	100	100
8. Oil Spill Prevention (SSB 6641)	0.5	0	144
9. Storm Water Permits (ESSB 6415)	4.0	0	918
10. Water Data Quality (2SSB 5957)	4.6	203	977
11. Resore Water Rights Processing	1.5	500	500
Total Policy Changes	12.1	3,823	6,209
2003-05 Revised Appropriations	1,395.7	70,550	309,744

Comments:

1. Loan Tracking System Enhancements - Beginning in the 1999-01 Biennium, Ecology received funding to develop and implement a water quality loan tracking system to better manage approximately \$400 million in water quality loans. Additional enhancements to this system are necessary to ensure compatibility with Windows XP and Office of Financial Management Accounting and Fiscal Report System (AFRS) changes, and to address data transfer issues from Crystal Reports to Excel. (Water Pollution Control Revolving Account-State, Water Pollution Control Revolving Account-Federal)

2. Envirotest Settlement - Envirotest, the former contractor of the state's vehicle emission testing program, filed a breach of contract suit against the state in February 2002, alleging lost revenue due to legislative changes in the vehicle emission testing program that resulted in fewer vehicles being tested and less revenue being generated for Envirotest. After substantial discovery and dismissal of summary judgments requested by the state, mediation to resolve the matter was conducted. As a result of this mediation, the state has agreed to a one-time payment of \$2.5 million, subject to appropriation from the Legislature, to settle all claims.

3. Mercury/Rule/Chemical Action Plans - Last session the Legislature enacted Chapter 260, Laws of 2003, related to Mercury Reduction and Education. Additional funding of \$159,000 is provided to complete a memorandum of understanding with the Washington State Hospital Association and the Auto Recyclers of Washington for the safe disposal of products containing mercury, and for coordinating fluorescent lamp recycling. (State Toxics Control Account)

4. Hazardous Waste Mgmt Liability - In recent years, five hazardous waste management facilities have gone bankrupt or been abandoned, leaving property owners, customers, or the public with the responsibility of paying for cleaning up and removing wastes safely. Clean-up costs have ranged from several hundred thousand to millions of dollars. This enhancement will allow the department to amend rules to require closure plans, liability coverage, and financial assurances for such facilities. A temporary staff person will facilitate this process. In addition, a one-time contract for financial assurance expertise will be used to supplement the rule process and to develop technical assistance materials; assess and recommend pooled liability insurance options to lower costs for businesses; and assist in the review and approval of facility financial assurance documents. (Hazardous Waste Assistance Account)

5. Lummi/Tulalip Water Right Mediation - At the request of the Lummi Nation, the federal government has filed for a declaration of the Lummi's water rights in federal court. The Department of Ecology and the Attorney General have received support from the United States Department of the Interior to seek a mediated settlement of the water right claims of the Lummi Nation. In addition, the Tulalip tribe has expressed an interest in adjudicating their federally reserved tribal water rights. One-time funding of \$200,000 for each mediation is provided to expedite resolution of these matters.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Department of Ecology

6. Mitigation Bank - The department shall work with representatives from involved state agencies, the army corps of engineers, business, mitigation banking organizations, and environmental organizations to develop and implement a wetland banking rule. The department shall report to the appropriate committees of the legislature on the progress of the pilot rule by December, 2004.

7. Rathdrum Prairie Aquifer Study - Funding is provided for the state match for a federally funded study of the Rathdrum Prairie Aquifer. The state of Idaho is also provided matching funds.

8. Oil Spill Prevention (SSB 6641) - Funding is provided to implement SSB 6641(Oil Spills) which requires the development of a "zero spill" strategy to prevent the release of oil or hazardous substances into marine waters (Oil Spill Prevention Account)

9. Storm Water Permits (ESSB 6415) - Funding is provided to implement the provisions of ESSB 6415 (storm water discharge permits). The bill authorizes the department to issue storm water general permits for industrial and construction dischargers within federal requirements. (Water Quality Permit Account)

10. Water Data Quality (2SSB 5957) - Funding is provided to implement the provisions of E2SSB 5957 (water quality data). The bill requires the department to adopt rules and procedures that ensure water quality decisions are based on data that meet certain quality standards. (General Fund-State, Water Quality Account)

11. Resore Water Rights Processing - Funding is restored for reducing the backlog of applications for water rights change and transfers. The 2001 Legislature enacted a law allowing the agency to provide priority processing for water right changes and provided a budget increase that more than doubled the number of staff dedicated to processing water rights. The 2003-05 biennial budget reduce that funding by \$500,000 per year. This adjustment resorts that funding for Fiscal Year 2005.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
State Parks and Recreation Comm
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	693.6	59,962	103,146
Total Maintenance Changes	1.0	87	227
2004 Policy Changes:			
1. Digital Government	0.0	0	72
2. Grants and Donations	0.0	0	750
Total Policy Changes	0.0	0	822
2003-05 Revised Appropriations	694.6	60,049	104,195

Comments:

1. Digital Government - State Parks recently replaced its aging network server. A combination of one-time and on going funding is provided for information technology upgrades for this server that will enable State Parks to improve computer security and utilize statewide, new-generation applications that currently cannot be used, such as the Travel Voucher System. (Parks Renewal and Stewardship Account-State)

2. Grants and Donations - State Parks periodically receives unrestricted donations as well as grants for specific park-related purposes. State law provides for donations to be deposited in the Parks Renewal and Stewardship Account. Expenditure authority is provided so the agency can expend these donations. (Parks Renewal and Stewardship Account-State, Parks Renewal and Stewardship Account-Private/Local)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	25.1	2,502	24,260
2004 Policy Changes:			
1. Biodiversity Strategy	1.5	125	250
2. Land Acquisition Study (SSB 6242)	<u>1.0</u>	<u>190</u>	<u>190</u>
Total Policy Changes	2.5	315	440
2003-05 Revised Appropriations	27.6	2,817	24,700

Comments:

1. Biodiversity Strategy - Chapter 287, Laws of 2002, created a temporary committee at the Interagency Committee for Outdoor Recreation to develop recommendations to the Governor and the Legislature in establishing the framework for the development and implementation of a statewide biodiversity conservation strategy. This strategy is intended to replace existing single-species or single-resource protection programs with a more holistic approach. On October 1, 2003, the committee finalized its report and recommendations. State funds will be matched by private funding to initiate a new activity within the agency that begins implementing the Biodiversity Committee's recommendations. (General Fund-State, General Fund-Private/Local)

2. Land Acquisition Study (SSB 6242) - Funding is provided for a study regarding acquisition of habitat and recreational lands by state agencies as required by SSB 6242. The study will identify acquisitions and disposals of habitat and recreational lands since 1980, identifying funding authority, location, size, purpose, and what agency acquired the property. The study will also recommend a statewide strategy for acquisition of habitat and recreational lands.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Environmental Hearings Office
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	9.0	1,883	1,883
Total Maintenance Changes	0.0	15	15
2004 Policy Changes:			
1. Water Rights Permit Backlog	0.0	34	34
Total Policy Changes	0.0	34	34
2003-05 Revised Appropriations	9.0	1,932	1,932

Comments:

1. Water Rights Permit Backlog - Last biennium the Department of Ecology received funding to eliminate the backlog of water right change permits. In addition, the Environmental Hearings Office (EHO) received funding for one additional appeals judge to review the appeals of these additional decisions. Due to efficiency cuts, however, this position was reduced by 40 percent. This reduction cannot be sustained and still provide timely resolution of these complex appeals. This water right change appeals judge is increased from 60 percent to 80 percent time to provide independent review of these appeals, and to begin reducing the average of eight months for a decision back down to the agency goal of six months or less. Faster appeal decisions will allow some economic development projects to proceed and decrease the permit decision processing timelines.

Dept of Fish and Wildlife

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,530.3	81,632	277,840
Total Maintenance Changes	0.0	140	-267
2004 Policy Changes:			
1. Coastal Crab Pot Buoy Tags *	0.2	0	126
2. Contract Management System	0.0	150	300
3. Hunter Education	0.0	0	43
4. Oyster Reserve	0.3	0	274
5. Select Fishery-Lake Wash & E. WA	0.0	30	150
6. Facility & Operating Efficiencies	0.0	0	100
7. Fish Acclimation Pond Study	0.0	50	50
8. Mitigate Hatchery Reduction	0.0	50	50
9. Habitat Mitigation Agreements	0.0	0	200
10. Lease Payments & Facility Plan	0.0	50	50
11. Critical Wildlife Disease Testing	0.9	0	180
12. Wildfire	0.0	0	416
13. Access Area Maintenance	0.0	0	166
Total Policy Changes	1.4	330	2,105
2003-05 Revised Appropriations	1,531.6	82,102	279,678

Comments:

1. Coastal Crab Pot Buoy Tags * - The health of the coastal crab resource and the marine environment depends on a well-regulated program to ensure even-flow harvest of crab by limiting the number of crab pots deployed. Crab pot buoy tags are essential to the department's ability to adequately enforce pot limits and minimize the chance of over and/or illegal harvest. Funding will be provided to the Manage Fish and Wildlife Harvest activity to allow the department to collect a fee to reimburse the cost of providing buoy tags to coastal crab fishers and for administering the Coastal Crab Pot Buoy Tag program. (Coastal Crab Pot Account-Nonappropriated)

2. Contract Management System - The current contract management system within the department tracks approximately 1,300 contracts and amendments annually. However, the system does not provide timely and/or relevant management information about projects and funding. The Washington Department of Fish and Wildlife (WDFW) has developed the first phase of a revised system and seeks to complete the system. Existing resources within WDFW preclude completion of this project in a timely manner due to decreasing dedicated state, federal and private/local revenues. This item provides one-time funding for completion of the financial reporting components of the system. Future operations and maintenance needs for the system are to be absorbed by the department. (General Fund-State, State Wildlife Account-State)

3. Hunter Education - Increasing demand for hunter education has limited the Department's ability to provide adequate numbers of courses to the public and/or retain sufficient numbers of qualified instructors. This item provides one-time funding of \$40,000 for instructor training and recognition costs and an increase of \$3,500 in ongoing funding for classroom materials and out-of-pocket instructor costs. (State Wildlife Account-State)

4. Oyster Reserve - During the 2001-03 Biennium, revenues from the oyster reserve program exceeded initial projections by roughly \$160,000. The success of the program requires additional work to maintain existing revenues and to expand the program to increase revenues in future years. Initial authority allowed the department to use 40 percent of the revenue to administer the program, to return 10 percent to the state General Fund, and to transfer 50 percent to the Puget Sound Action Team for distribution as grants to improve septic systems in coastal areas of Southwest Washington. This item provides an increase of \$274,000 to continue and expand current activities and brings the total spending to \$411,000 per biennium. (Oyster Reserve Lands Account-State)

5. Select Fishery-Lake Wash & E. WA - Preliminary forecasts indicate a Lake Washington Sockeye salmon return of roughly 600,000 fish. The number of fish returning is expected to be 20-25 percent higher than the 1990 season. To provide this recreational opportunity to the public, the department must increase monitoring and sampling during the fishery to ensure that fish listed under the Endangered Species Act are adequately protected. This item provides one-time funding to conduct supplemental monitoring and sampling to open the Lake Washington Sockeye Fishery and one additional Eastern Washington recreational fishery during the 2004 season. The Lake Washington fishery is anticipated to generate increased fishing license revenue to help offset the additional costs. (General Fund-State, Recreational Fisheries Enhancement Account)

6. Facility & Operating Efficiencies - Funding is provided for the department to conduct a study of functions and operations in locations in Thurston county in an effort to identify efficiencies that would allow a reduction in the number of sites occupied. The study shall identify all operations and functions in Thurston county locations outside the Natural Resources Building (NRB). Decisions about alternative uses for the warehouse and annex near the Port of Olympia shall not be made until a report is presented to the Legislature on efficiencies that will reduce the need for facility space outside the NRB. (Wildlife Account-State)

7. Fish Acclimation Pond Study - Funding is provide for a feasibility study for an acclimation pond at or near the Chelan fish hatchery.

8. Mitigate Hatchery Reduction - Funding is provided to restore budget reductions that threatened hatchery production and public education opportunities at the Issaquah facility.

9. Habitat Mitigation Agreements - Funding for upland habitat mitigation agreements in the Snake River region is transferred from the capital budget to the operating budget. The \$500,000 capital appropriation from the wildlife account for this purpose is deleted. Instead, \$500,000 from the wildlife account is transferred to the special wildlife account to be available for appropriations for habitat mitigation agreements over multiple biennia. (Special Wildlife Account - State, Special Wildlife Account - Federal/Local)

10. Lease Payments & Facility Plan - Funding is provided for lease payments for the hatchery manager's residence at the Vancouver facility. Funding is also included for design work for an environmental education facility in cooperation with the Columbia Springs Environmental Education Center.

11. Critical Wildlife Disease Testing - In the 2002 supplemental budget, the department received \$180,000 for Fiscal Year 2003 to help control critical wildlife diseases such as Chronic Wasting Disease in deer and elk and swan lead poisoning. However, the supplemental funding was not fully recognized in the 2003-05 budget. This item fully funds these activities in the second year of the biennium. (State Wildlife Account-State)

12. Wildfire - Wildfires burned in excess of 6,250 acres of WDFW lands during the summer of 2003. To date, unanticipated fire suppression and rehabilitation costs amount to \$250,000. Within this amount, \$122,000 shall be paid to the Department of Natural Resources for their costs incurred for fire suppression related to Fish and Wildlife lands. These one-time funds will allow for immediate rehabilitation of lands to control erosion, restore native perennial vegetation, and to limit the spread of noxious weeds. Funding is also provided for restoration of deer, elk and boundary fencing on agency lands destroyed by wildfires. (Wildlife Account-State)

13. Access Area Maintenance - Increased use of agency access sites has resulted in steady deterioration of boat ramps, signs, fences, and restrooms as well as an erosion of agency weed control efforts at these sites. Revenue from the sale of vehicle use permits has increased substantially over the last two years. This item provides funding from dedicated revenues for additional maintenance and weed control at access sites. (State-Wildlife Account-State)

Department of Natural Resources

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,440.7	64,540	280,145
Total Maintenance Changes	0.0	19	77
2004 Policy Changes:			
1. NRCA Fire Damage Restoration	0.0	60	60
2. Pacific Sound Resources Litigation	0.7	940	940
3. Emergency Fire Suppression	0.0	23,516	24,823
4. Avoiding Camp & Trail Closures	0.0	200	200
5. Forest Health Study (2SSB 6144)	1.0	50	200
6. Mapping of Gravel & Stone Deposits	0.8	108	108
Total Policy Changes	2.5	24,874	26,331
2003-05 Revised Appropriations	1,443.2	89,433	306,553

Comments:

1. NRCA Fire Damage Restoration - One-time funding is provided for habitat restoration in the department-managed Loomis Natural Resource Conservation Area (NRCA), which sustained damage as a result of fighting the Farewell Creek fire during the summer of 2003. Restoration work for this conservation area will meet a higher standard than restoration on non-conservation lands, and will include replanting with native vegetation, reshaping slopes to the natural contour, and obliterating a fire road.

2. Pacific Sound Resources Litigation - One-time funding and staff are provided to the Contaminated Sediments activity for legal defense costs related to a toxic-cleanup lawsuit filed in King County Superior Court by Pacific Sound Resources (PSR) and the Port of Seattle against the State of Washington, the Department of Natural Resources (DNR), and other defendants. The port and PSR, a former wood-treating company, seek between \$20 million and \$40 million in costs associated with cleaning up contamination at a waterfront site formerly leased from DNR. Settlement discussions have not been successful and trial is scheduled for February 2005.

3. Emergency Fire Suppression - One-time funding is provided to the Fire Suppression activity for incurred and anticipated costs during Fiscal Year 2004, in excess of the department's existing fire suppression appropriations. Funding is also provided in the appropriations for the Department of Fish and Wildlife that will offset costs incurred by the Department of Natural Resources for fire suppression on Fish and Wildlife lands. Emergency fire suppression funding is not provided for indirect and administrative costs within the department. (General Fund-State, General Fund-Federal)

4. Avoiding Camp & Trail Closures - Funding is provided to avoid closures to camp sites and trails maintained by the department. This additional funding, along with increases provided in the biennial budget from the Off Road Vehicle Account more than restores 2003-05 reductions in General Fund-State support for camp sites and trails. If additional funding is required to avoid closures to camp sites and trails during the 2003-05 biennium, the department is directed to reduce expenditures for agency administration by five percent and redeploy those general fund resources to the recreation program prior to closing any camp sites or trails.

5. Forest Health Study (2SSB 6144) - Funding is provided for implementation of 2SSB 6144 regarding forest health. The bill requires the formation of a work group to study opportunities to address problems of forest health and several reports to be submitted by November and December of 2004. (General Fund-State, Resource Management Cost Account, Forest Development Account)

6. Mapping of Gravel & Stone Deposits - Funding is provided for the mapping of gravel and stone resources for Clark and Yakima counties. The project should produce electronic geologic maps with databases that estimate thickness and volumes of the deposits.

Department of Agriculture

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	653.9	14,688	90,871
Total Maintenance Changes	1.5	0	232
2004 Policy Changes:			
1. BSE Ongoing Response	1.8	329	329
2. Animal Disease Emergency Response	0.5	150	150
3. Agricultural Economic Development	1.5	630	630
4. Comprehensive Irrigation Plans	0.0	1,100	1,100
5. Peshastin Irrigation Plan	0.0	75	75
Total Policy Changes	3.8	2,284	2,284
2003-05 Revised Appropriations	659.1	16,972	93,387

Comments:

1. BSE Ongoing Response - Bovine Spongiform Encephelopathy (BSE), also known as "mad cow" disease, was discovered in a Washington state dairy cow in late December 2003. The Department of Agriculture's initial response to the discovery of BSE highlighted gaps in the agency's ability to respond to emergencies of this type. Funding is provided for increased food safety and commercial feed inspections, policy and investigative work in animal identification, and legal costs.

2. Animal Disease Emergency Response - The BSE incident response by the Washington State Department of Agriculture (WSDA) and other state agencies has resulted in unanticipated overtime and legal costs.

3. Agricultural Economic Development - Ongoing funding is provided to continue three agricultural promotion programs whose funding would otherwise expire, or be reduced, during the 2003-05 Biennium. "From the Heart of Washington" produces articles, advertisements, and events to "buy Washington," thereby promoting Washington agriculture. Within the International Marketing activity, the Southeast Asia/China trade representative assists international sales of Washington products to those areas of the world. The Small Farm and Direct Marketing activity connects small farmers directly with consumers, thereby increasing profitability and viability of small and family farms. Supplemental funding for Fiscal Year 2005 will: enable "From the Heart of Washington" to provide advertising and in-store labeling for Washington-produced agricultural products; provide trade representation for China and Southeast Asia; and allow the Small Farm and Direct Marketing activity to work on projects of importance to Washington stakeholders, in addition to federal priorities.

4. Comprehensive Irrigation Plans - Comprehensive Irrigation District Master Plans (CIDMPs) identify ways to improve the efficient use of water for agriculture. Funding is provided to complete three planning efforts underway in the Nooksack, Dungeness, and Walla Walla water basins, and to begin CIDMPs in three additional irrigation districts.

5. Peshastin Irrigation Plan - Funding is provided to assist the Peshastin Irrigation District in developing a program that will improve conditions for fish in Peshastin Creek and enhance affordable water reliability for the district. The program shall include an evaluation of potential options including system capacity enhancements, seasonal use of alternative sources of supply or multiple points of diversion, groundwater re-charge or storage, reservoir storage, water conservation improvements, and water rights acquisition. The program shall combine those options that have the best opportunity to meet both goals. This funding shall also be used to provide facilitation by the Governor's water team to build support for such a program and resolve outstanding issues that could otherwise lead to litigation.

2003-05 Revised Omnibus Operating Budget (2004 Supp)**Washington State Patrol**

(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	523.0	38,860	88,373
Total Maintenance Changes	0.0	0	712
2004 Policy Changes:			
1. Equip Maintenance/Software Licenses	0.0	0	217
2. Fund Switch Crime Lab	0.0	0	0
3. Fund Switch Investigative Assist.	0.0	0	0
4. DNA Kits	0.0	0	376
Total Policy Changes	0.0	0	593
2003-05 Revised Appropriations	523.0	38,860	89,678

Comments:

1. Equip Maintenance/Software Licenses - Funding is provided to cover increased vendor maintenance costs for the Washington State Identification System (WASIS) and Washington Crime Information Center (WACIC), known as the W2 system. W2 is the most frequently accessed criminal history system by all law enforcement agencies in the state. Providing the additional funding will allow the State patrol to maintain its current level of vendor support, and insure the reliability of the W2 system. (Public Safety and Education Account-State)

2. Fund Switch Crime Lab - State funding is provided to cover a shortfall in federal narcotics seizure account revenues that currently support the state crime lab. Federal seizure account revenues have decreased due to stepped up border security imposed after September 11, 2001. Without the state funding, crime lab functions would have to be reduced. (Violence Reduction and Drug Enforcement Account-State, Federal Narcotics Seizure Account-Non-Appropriated)

3. Fund Switch Investigative Assist. - State funding is provided to cover a shortfall in federal narcotics seizure account revenues that currently support the State Patrol Special Weapons and Tactics (SWAT) Team and methamphetamine response. Without the state funding, these activities would have to be reduced. (Violence Reduction and Drug Enforcement Account-State, Federal Narcotics Seizure Account-Non-Appropriated)

4. DNA Kits - Funding is provided for additional DNA kits and related supplies to keep up with the demand for DNA casework services. The Senate passed 2003 supplemental budget provided an equivalent amount of funding as an ongoing item, but the enacted supplemental budget provided only a one-time amount. Without the additional kits, the crime lab will run out of DNA supplies by FY 2005. (Public Safety and Education Account-State)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Department of Licensing
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	241.3	9,974	35,584
Total Maintenance Changes	0.0	74	-356
2003-05 Revised Appropriations	241.3	10,048	35,228

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)

**Public Schools
OSPI & Statewide Programs**
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	240.9	41,538	129,190
Total Maintenance Changes	0.0	0	6,298
2004 Policy Changes:			
1. Alternative Routes to Certification	0.0	340	340
2. Charter Schools #	0.8	130	130
3. Nature and Environmental Education	0.0	75	75
4. Child Abduction Materials	0.0	25	25
5. Nursing Corp	0.0	1,000	1,000
Total Policy Changes	0.8	1,570	1,570
2003-05 Revised Appropriations	241.6	43,108	137,058

Comments:

1. Alternative Routes to Certification - Funding is provided for the Washington Professional Educator Standards Board to expand the alternative routes to teaching program to provide more teacher certification opportunities in areas of the state without current access to an alternative route program. The expansion will add 40 additional internships to the alternative route to teaching program, building upon a federal grant to establish regional teacher preparation centers.

2. Charter Schools # - Funding is provided for the implementation of 2SHB 2295 or 2ESSB 5012 (charter schools), which authorizes the establishment of a limited number of charter schools. Most of the fiscal impact comes from an anticipated increase in funded enrollment due to home-schooled and private school students switching to public charter schools. The Office of the Superintendent of Public Instruction will monitor the number of charter schools subject to the limits in the legislation and provide technical assistance to districts and charter schools.

3. Nature and Environmental Education - Chapter 22, Laws of 2003 (ESHB 1466) established a natural science, wildlife, and environmental education grant program. One-time startup funding is provided to initiate the grant program. After this biennium, it is assumed that donations and other sources of funding will support the grant program. (General Fund-State, Natural Science, Wildlife and Environmental Partnership Account-Nonappropriated)

4. Child Abduction Materials - Funding is provided for the school safety center advisory committee to identify instructional materials and resources for students, parents and teachers that are designed to prevent the abduction of children.

5. Nursing Corp - Funding is provided to expand the school nurse corps program. The corps of nurses, located at educational service districts, addresses the most needy schools and students. The additional funding will help target the most needy areas and ensure that children with severe health needs can stay in school.

2003-05 Revised Omnibus Operating Budget (2004 Supp)

Public Schools
General Apportionment
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	7,945,276	7,945,276
Total Maintenance Changes	0.0	19,286	19,286
2004 Policy Changes:			
1. Charter Schools #	<u>0.0</u>	<u>401</u>	<u>401</u>
Total Policy Changes	0.0	401	401
2003-05 Revised Appropriations	0.0	7,964,963	7,964,963

Comments:

1. Charter Schools # - Funding is provided for the implementation of 2SHB 2295 or 2ESSB 5012 (charter schools), which authorizes the establishment of a limited number of charter schools. Most of the fiscal impact comes from an anticipated increase in funded enrollment due to home-schooled and private school students switching to public charter schools. The Office of the Superintendent of Public Instruction will monitor the number of charter schools subject to the limits in the legislation and provide technical assistance to districts and charter schools.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Pupil Transportation
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	411,917	411,917
Total Maintenance Changes	0.0	23,436	23,436
2003-05 Revised Appropriations	0.0	435,353	435,353

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
School Food Services
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	6,200	383,061
Total Maintenance Changes	0.0	0	-19,941
2003-05 Revised Appropriations	0.0	6,200	363,120

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Special Education
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1.5	861,198	1,270,835
Total Maintenance Changes	0.0	1,604	17,455
2003-05 Revised Appropriations	1.5	862,802	1,288,290

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Levy Equalization
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	329,309	329,309
Total Maintenance Changes	0.0	-4,315	-4,315
2003-05 Revised Appropriations	0.0	324,994	324,994

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Elementary/Secondary School Improv
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	46,198
Total Maintenance Changes	0.0	0	-3,381
2003-05 Revised Appropriations	0.0	0	42,817

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Institutional Education
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	37,688	37,688
Total Maintenance Changes	0.0	-1,306	-1,306
2003-05 Revised Appropriations	0.0	36,382	36,382

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Ed of Highly Capable Students
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	13,211	13,211
Total Maintenance Changes	0.0	40	40
2003-05 Revised Appropriations	0.0	13,251	13,251

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Student Achievement Program
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	0	398,203
Total Maintenance Changes	0.0	0	4,157
2003-05 Revised Appropriations	0.0	0	402,360

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)

**Public Schools
Education Reform**
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	40.2	74,767	204,129
Total Maintenance Changes	0.0	-275	35,410
2004 Policy Changes:			
1. WASL Changes	1.2	688	688
2. Reading and Math Software	0.0	250	250
Total Policy Changes	1.2	938	938
2003-05 Revised Appropriations	41.4	75,430	240,477

Comments:

1. WASL Changes - Pursuant to 3ESHB 2195 (school academic standards), changes are made to the Washington Assessment of Student Learning (WASL) system. The legislation will require students to pass the 10th grade WASL in three subject areas (reading, writing, and mathematics) or to meet the state standards established for the Iowa Test of Basic Skills (ITBS) in order to graduate beginning with the class of 2008. To implement the graduation requirement, the Office of the Superintendent of Public Instruction (OSPI) will offer two WASL retake opportunities for high school students and develop an ITBS-based alternate assessment process. Additionally, funding is provided for OSPI to review the alignment between the assessments and the state's learning standards.

2. Reading and Math Software - Funding is provided for the purchase of reading and math software in the Tukwila and Selah school districts. The software will be used in conjunction with other research-based reading and math intervention programs. The Office of Superintendent of Public Instruction will provide a report detailing the outcomes achieved in the two school districts.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Transitional Bilingual Instruction
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	101,853	148,162
Total Maintenance Changes	0.0	2,871	1,106
2003-05 Revised Appropriations	0.0	104,724	149,268

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Learning Assistance Program (LAP)
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	129,436	436,614
Total Maintenance Changes	0.0	-2,143	-7,999
2003-05 Revised Appropriations	0.0	127,293	428,615

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Public Schools
Compensation Adjustments
 (Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	145,181	145,740
Total Maintenance Changes	0.0	705	713
2004 Policy Changes:			
1. Classified Staff Salary Increase	<u>0.0</u>	<u>5,453</u>	<u>5,475</u>
Total Policy Changes	0.0	5,453	5,475
2003-05 Revised Appropriations	0.0	151,339	151,928

Comments:

1. Classified Staff Salary Increase - Funding is provided for a salary increase for classified school employees. The amount is calculated based on providing a 1 percent increase for the 2004-05 school year. In terms of dollars, this equates to providing approximately \$300 in the 2004-05 school year to every state funded classified FTE staff. (General Fund-State, General Fund-Federal)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Higher Education Coordinating Board
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	77.9	312,297	329,640
Total Maintenance Changes	0.0	99	113
2004 Policy Changes:			
1. State Need Grant	0.0	4,863	4,863
2. Washington Center Scholarships	0.0	160	160
3. High Demand Enrollments	0.0	2,500	2,500
4. Enrollment Growth Evaluation	0.0	100	100
5. Health Professional Program	0.0	2,000	2,000
Total Policy Changes	0.0	9,623	9,623
2003-05 Revised Appropriations	77.9	322,019	339,376

Comments:

1. State Need Grant - Funding is provided for grants to 35 percent of projected eligible, but unserved students for 2004-05 and for 227 new high demand enrollments. Grants will increase by 7 percent as assumed in the biennial budget. The Higher Education Coordinating Board (HECB) projects 5,260 eligible students will be unserved by the state need grant in 2004-05. According to the HECB approximately 65 percent of the unserved may be attributable to institutions' decisions to over-enroll by 15,472 in 2002-03. Ninety high demand enrollments are assumed at the research institutions and 127 are assumed at the comprehensive institutions.

2. Washington Center Scholarships - Funding is provided for \$4,000 scholarships to 40 Washington college students to participate in full-time, semester-long internships in Washington, DC. Students will apply to the Washington Center, which will place students in various agencies in Washington, DC related to the students' program majors and public sector career interests. These scholarships, distributed by the Higher Education Coordinating Board, ensure that all students are eligible to participate by offsetting housing and living expenses.

3. High Demand Enrollments - Funding is provided for 227 additional enrollments in high demand fields. The board will manage a competitive process for awarding high demand FTEs to public baccalaureate institutions and private independent institutions.

4. Enrollment Growth Evaluation - The proposed Senate budget provides funding for the Higher Education Coordinating Board and the National Collaborative for Postsecondary Education Policy to evaluate specific policy alternatives with which the Legislature will make key investment decisions in the 2005-07 budgets.

5. Health Professional Program - Funding is provided to expand the Health Professional Scholarships and Loan Repayment Program, which is linked with the Department of Health, Office of Community and Rural Health. An increase of \$2 million will triple the size of the program and expand awards to assist with recruitment and retention of providers in underserved areas.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
University of Washington
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	19,684.1	631,212	3,624,733
2004 Policy Changes:			
1. Korean Studies Endowment	0.0	500	500
2. UW-Tacoma Autism Center	1.5	675	675
3. UW Proteomics Center	4.0	1,300	1,300
Total Policy Changes	5.5	2,475	2,475
2003-05 Revised Appropriations	19,689.6	633,687	3,627,208

Comments:

1. Korean Studies Endowment - One-time funding is provided toward an endowment to support a professor of Korean studies at the Jackson School of International Studies. A proviso requires the receipt of \$1.5 million in matching funds by June 30, 2005 or the \$500,000 provided will lapse.

2. UW-Tacoma Autism Center - Funding is provided to establish an Autism Center at UW-Tacoma. The new facility will function as a satellite facility to the Autism Center at the UW Medical Center in Seattle and provide clinical service and professional training. One-time funding of \$300,000 is provided for facility renovation of leased space adjacent to the UW-Tacoma campus; ongoing funding of \$375,000 per year is provided for staffing.

3. UW Proteomics Center - On-going funding is provided for personnel and equipment for the University of Washington Proteomics Center. The funds provided may not be used for the rental or acquisition of real property. A proviso makes the funding contingent on receipt of one-time non-state funds for additional personnel, equipment and real property acquisition.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Central Washington University
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	1,119.3	81,156	181,036
Total Maintenance Changes	1.0	223	223
2003-05 Revised Appropriations	1,120.3	81,379	181,259

Comments:

2003-05 Revised Omnibus Operating Budget (2004 Supp)
The Evergreen State College
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	634.8	46,449	90,620
2004 Policy Changes:			
1. Charter School Study	0.0	65	65
2. SW Washington Baccalaureate Study	0.0	90	90
3. Bi-lingual Education Study	0.0	25	25
Total Policy Changes	0.0	180	180
2003-05 Revised Appropriations	634.8	46,629	90,800

Comments:

1. Charter School Study - Funding is provided for the implementation of 2SHB 2295 or SSB 5012 (charter schools), which requires the Institute for Public Policy to conduct a study of the effectiveness of charter schools.

2. SW Washington Baccalaureate Study - Funding is provided to implement 2SSB 5914 (higher education opportunities in Vancouver). The Institute for Public Policy will conduct a feasibility study for the creation of additional baccalaureate and graduate opportunities for public higher education in Vancouver.

3. Bi-lingual Education Study - Funding is provided for the Institute for Public Policy to examine issues related to the state's transitional bilingual education program. Specifically, the examination will include a review of the following issues: trends in enrollment and average length of stay in the transitional bilingual program; the different types of programs and delivery methods that exist in the Washington state and other states; the academic and language acquisition effectiveness of different types of programs and service delivery methods; the cost benefits of these different types of programs and service delivery methods; and potential changes that would result in more effective program delivery and cost-effectiveness.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Community/Technical College System
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	13,927.2	1,025,814	1,892,613
Total Maintenance Changes	0.0	3,860	3,860
2004 Policy Changes:			
1. Use of Admin. Contingency Account	0.0	-4,000	0
2. Operating Costs/Exist Capital Proj	<u>0.0</u>	<u>29</u>	<u>29</u>
Total Policy Changes	0.0	-3,971	29
2003-05 Revised Appropriations	13,927.2	1,025,703	1,896,502

Comments:

1. Use of Admin. Contingency Account - Funding for training and related support services for unemployed workers is shifted to the Administrative Contingency Account-State. (General Fund-State, Administrative Contingency Account-State)

2. Operating Costs/Exist Capital Proj - Funding is provided for maintenance and operation of the instructional space at the Family Education Center at South Puget Sound Community College. In its 2001-03 capital project request, the State Board for Community and Technical Colleges estimated operating impacts of \$28,052 per year or \$1.60/square foot for the \$17,512 square foot facility. The child care center occupies 19.4% of the facility and it is assumed the revenue from child care services will fund the maintenance and operation costs for that portion of the facility. The college will occupy the facility in March 2004.

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Bond Retirement and Interest
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	1,249,251	1,439,607
Total Maintenance Changes	0.0	-14,300	-4,128
2004 Policy Changes:			
1. Additional Bond Sales	<u>0.0</u>	<u>1,952</u>	<u>3,483</u>
Total Policy Changes	0.0	1,952	3,483
2003-05 Revised Appropriations	0.0	1,236,903	1,438,962

Comments:

1. Additional Bond Sales - Funding is provided for debt service costs and related bond sale expenses for additional, authorized general obligation and Gardner-Evans bonds. Projects include high priority education, public safety and water resource facilities. (General Fund-State, Gardner-Evans Higher Education Construction Account, State Building Construction Account)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Special Approps to the Governor
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	18,249	81,015
2004 Policy Changes:			
1. Help America Vote Act	0.0	3,140	3,140
2. K-20 Telecommunications Network	0.0	-1,154	-1,154
3. Liability Account	0.0	0	-4,572
4. Governmental Liability Reform	0.0	-10,000	-10,000
5. Mader v. HCA settlement	0.0	11,000	11,000
6. Travel, Equipment, Contracts	0.0	-11,400	-11,400
Total Policy Changes	0.0	-8,414	-12,986
2003-05 Revised Appropriations	0.0	9,835	68,029

Comments:

1. Help America Vote Act - A General Fund-State appropriation is made to the Election Account for use as matching funds for federal dollars. The funding in the Election Account will be used by the Voter Registration and Help America Vote Act Local Grant Program activities in the Office of the Secretary of State.

2. K-20 Telecommunications Network - Adjustments to the acquisition strategy have produced one-time equipment replacement savings for the K-20 Education Telecommunications Network activity.

3. Liability Account - Savings are projected for self-insurance premiums in dedicated funds and accounts in the same amount as the General Fund--State reduction included in the 2003-05 enacted budget. In addition, the General Fund--State savings for fiscal year 2004 are shifted to fiscal year 2005. (General Fund--State, various other funds)

4. Governmental Liability Reform - This item reflects the projected savings to the state General Fund from governmental liability reform in Substitute Senate Bill 5728, based on historical patterns in tort claims, settlements, and judgments.

5. Mader v. HCA settlement - Funding is provided to settle all claims in Mader et. al. v. Health Care Authority and the State of Washington. Community and technical colleges are required to provide health benefits during the summer months for part-time faculty who have worked half-time or more during the academic year. This settlement requires the reimbursement of health care premiums prior to 2003. The appropriation is contingent upon the execution of the settlement by June 30, 2004.

6. Travel, Equipment, Contracts - Funding is reduced 10 percent for travel, equipment, and personal service contract expenditures in fiscal year 2005.

Sundry Claims
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	18	383
2004 Policy Changes:			
1. Self-Defense Claims	0.0	61	61
2. Deer and Elk Damage Claims	0.0	0	30
Total Policy Changes	0.0	61	91
2003-05 Revised Appropriations	0.0	79	474

Comments:

1. Self-Defense Claims - On the recommendation of the Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self defense. The amount reflects claims received by the Legislature as of February 17, 2004.

2. Deer and Elk Damage Claims - On the recommendation of the Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. The amount reflects claims received by the Legislature as of February 17, 2004. (State Wildlife Account)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
State Employee Compensation Adjust
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	48,284	89,733
2004 Policy Changes:			
1. Minimum allowance for TRS/PERS 1	0.0	500	700
2. Vesting period revision for Plans 3	0.0	1,100	1,300
3. Military leave enhancement	0.0	1,000	1,000
4. Health Benefits	0.0	-8,674	-17,178
Total Policy Changes	0.0	-6,074	-14,178
2003-05 Revised Appropriations	0.0	42,210	75,555

Comments:

1. Minimum allowance for TRS/PERS 1 - Funds are appropriated to pay the additional employer contributions associated with establishing an alternative minimum monthly benefit of \$1,000 per month for members of Plan 1 of the Public Employees' and Teachers' Retirement Systems who have least 25 years of service credit and who have been retired for at least 20 years, pursuant to SSB 6253. This appropriation is contingent upon the enactment of SSB 6253. (General Fund-State and various other funds)

2. Vesting period revision for Plans 3 - Funds are appropriated to pay the additional employer contributions associated with changing the vesting period in Plan 3 of the Public Employees', Teachers', and School Employees' Retirement Systems from 10 years to 5 years pursuant to SB 6247. This appropriation is contingent upon the enactment of SB 6247. (General Fund-State and various other funds)

3. Military leave enhancement - Funds are appropriated to defray the cost to agencies of complying with the provisions to extend military leave to two years and to provide compensation for half of any salary loss experienced by military reservists and National Guards called to active duty, pursuant to 2SSB 6578 (military leave). This appropriation is contingent upon the enactment of 2SSB 6578.

4. Health Benefits - The actual cost of health care coverage provided through the Public Employees Benefits Board (PEBB) is less than anticipated in the 2003-05 biennial budget. The resulting surplus in the PEBB Fund are used to hold down health care premium costs. Surplus funds are expended in a manner proportional to current funding practices, with 16 percent of the surplus used to reduce employee contributions and 84 percent used to reduce state contributions. This item reflects the agency savings by reducing funding in agency budgets by \$13.46 per month per employee. (General Fund-State and various other funds)

2003-05 Revised Omnibus Operating Budget (2004 Supp)
Contributions to Retirement Systems
(Dollars in Thousands)

	FTEs	Senate Chair GF-S	Total
2003-05 Original Appropriations	0.0	55,170	55,170
Total Maintenance Changes	0.0	-500	-500
2003-05 Revised Appropriations	0.0	54,670	54,670

Comments:

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