



Proposed Striking Amendment to ESSB 5034 By Representative Hunter

Summary

April 10, 2013

Office of Program Research

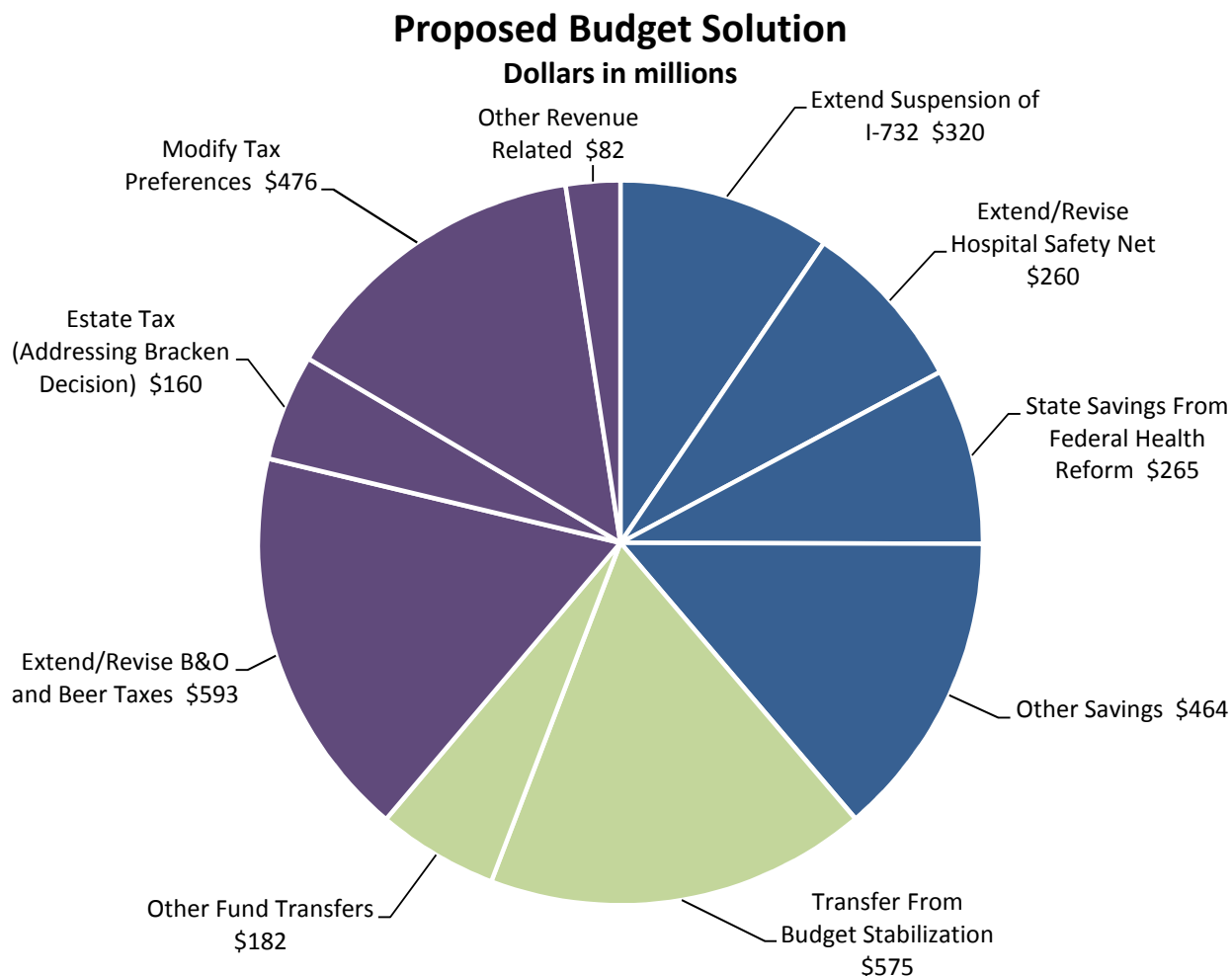
Summary

The Legislature entered the 2013 session with a slowly improving economy, rising caseload and per capita costs, as well as other fiscal issues to consider including how to address the state Supreme Court's McCleary decision (K-12 funding). In the 2013-15 Biennium, the cost of continuing current programs and complying with current laws exceeds forecasted revenue by approximately \$1.2 billion. This is sometimes referred to as the maintenance level shortfall.

The Appropriations Committee Chair's 2013-15 operating budget proposal includes \$2 billion in additional policy enhancements (\$1.4 billion of that in K-12 education). Taken together with leaving an ending fund balance, and the maintenance level shortfall, the combined budget problem is \$3.4 billion.

The budget proposal addresses this \$3.4 billion problem through:

- Fund transfers of \$757 million (including \$575 million from the Budget Stabilization Account);
- Reduced spending of \$1.3 billion; and
- Increased resources of \$1.3 billion.



The proposal leaves \$337 million in projected total reserves (all in Near General Fund-State [NGF-S] ending balance).

This proposal, under the provisions of the four-year outlook (Chapter 8, Laws of 2012), is projected to end the 2015-17 biennium with \$396 million in total reserves (\$43 million in NGF-S and the remainder in the Budget Stabilization Account).

Education

K-12:

The larger policy enhancements include:

- \$986 million for House Bill 2776 (Chapter 236, Laws of 2010) and House Bill 2261 (Chapter 548, Laws of 2009) as follows:
 - \$461 million for increased materials, supplies, and operating costs (MSOC);
 - \$225 million to reduce early elementary class size (K-3);
 - \$144 million for pupil transportation; and
 - \$63 million for instructional hours.
- \$247 million for administrative and salary allocation;
- \$40 million for school counseling;
- \$30 million for K-12 professional development;
- \$23 million for Learning Assistance Program (LAP) expansion;
- \$12 million for bilingual expansion; and
- \$10 million for levy equalization.

The larger K-12 policy savings include (see compensation for I-732):

- \$30 million savings from changes to the Alternative Learning Experience (ALE) programs;
- \$29 million savings from eliminating the House Bill 2776 (Chapter 236, Laws of 2010) hold harmless; and
- \$24 million savings from assessment changes.

Higher education:

The larger policy enhancements include:

- \$51 million for College Bound Scholarships;
- \$36 million for the State Need Grant (related to authorization for institutions to raise tuition as described below);
- \$12 million for biofuels and clean energy programs; and
- \$11 million for targeted state instructional support.

The larger reductions are \$19 million from re-suspension of smaller scholarship programs (WA Scholars, WAVE, Health Professions Scholarship, and Future Teaches Scholarships). Current recipients are not impacted.

This budget proposal authorizes/assumes residential undergraduate tuition increases of 5 percent per year for the University of Washington, Washington State University, and Western Washington University, and 3 percent for Central Washington University, Eastern Washington University, the Evergreen State College, and the Community and Technical Colleges. Residential undergraduate tuition is assumed to generate a total of \$116 million for the biennium.

Early Learning and Child Care:

The larger policy enhancements include:

- \$41 million for Early Childhood Education Assistance Program (ECEAP) enhancements; and
- \$31 million for child care subsidy increases.

Health and Human Services

Medicaid expansion under the Affordable Care Act: The budget assumes NGF-S policy savings of approximately \$266.3 million from opting into the Medicaid expansion. It is estimated that the state will receive additional federal funding of \$1.2 billion and cover an additional 250,000 clients.

Health Care and Human Services:

The larger policy enhancements include:

- \$146 million for home care worker compensation (Individual Provider and Agency Provider) related to the arbitration award;
- \$42 million in other Temporary Assistance for Needy Families (TANF) enhancements;
- \$25 million for telecommunications programs previously funded by dedicated taxes (Washington Telephone Assistance Program, and Telecommunications Relay Service);
- \$24 million for adult dental;
- \$22 million for intensive community programs in mental health; and
- \$11 million for placements for clients with developmental disabilities.

The larger policy savings, in addition to Medicaid expansion discussed above, include:

- \$260 million savings from reauthorizing the Hospital Safety Net Assessments;
- \$146 million in TANF/Working Connections Child Care savings (including fiscal year 2013);
- \$31 million savings from delaying the nursing home rebase; and
- \$14 million savings from suspending the Paid Family Leave Program.

General Government, Natural Resources, and Other Items

The larger policy enhancements include:

- \$25 million for debt service on anticipated new capital projects; and
- \$24 million in state support for state parks.

The larger policy savings include:

- \$30 million savings from shifting program funding to State and Local Toxics accounts (from NGF-S);
- \$20 million savings from Lean management;
- \$12 million savings from changes to truancy funding;
- \$12 million savings from shifting program funding to the Aquatic Lands Enhancement Account (ALEA) (from NGF-S);
- \$12 million savings from using the Judicial Stabilization Account; and
- \$10 million from suspending the transfer to the Local Public Safety Account.

Compensation Items

Collective bargaining agreements negotiated with former Governor Gregoire are approved and funded, including \$40 million for step M.

I-732 (Cost Of Living Adjustments) is suspended for the 2013-15 biennium for a savings of \$320 million (impacts K-12 and community and technical colleges).

State employee health benefit funding is reduced based on lower utilization and other lower than anticipated costs, saving about \$17 million.

Temporary salary reductions are restored at maintenance level for state employees and K-12 state-funded employees.

Revenue

Tax legislation assumed in the Chair's budget proposal is:

- The Bracken court decision reduced forecasted estate tax revenue to the Education Legacy Trust Account by \$163 million. House Bill 1920 (estate taxes) is estimated to restore \$160 million of that amount.
- House Bill 1971 (telecommunications parity) is estimated to increase GF-S revenue by \$110 million in 2013-15. The net impact is less as there is \$25 million in spending to support programs previously funded by dedicated taxes.
- Omnibus revenue legislation is assumed to increase revenues by \$1.1 billion into the Education Legacy Trust Account.
 - \$593 million by extending and revising expiring B&O and beer tax provisions

- \$476 million by modifying existing tax preferences.
- Three assumed bills are expected to reduce NGF-S collections:
 - Engrossed Substitute House Bill 1947 (exchange operations) redirects \$35 million to support operation of the health benefit exchange.
 - Substitute House Bill 1558 (honey beekeepers) is expected to reduce revenue by \$.2 million,
 - Second Substitute House Bill 1663 (hog fuel) is expected to reduce revenue by \$2 million.

Budget-driven revenue, fund transfers, and other items make up the resource changes assumed in the budget proposal. These, and larger budget items, are described in the remainder of this document.

Additional Information

Additional Information About This Proposal:

This information is provided in explanation of a proposed committee striking amendment to Engrossed Substitute Senate Bill (ESSB) 5034 by Representative Hunter. The striking amendment covers both the 2013 Supplemental (amending the existing budget for the 2011-13 Biennium) and the budget for the upcoming 2013-15 Biennium.

The striking amendment and a complete set of materials produced by the House Office of Program Research (OPR) are available at <http://leap.leg.wa.gov/leap/budget/detail/2013/ho1315p.asp> . Additional materials include:

- agency detail showing line item changes by agency (program level in selected areas such the Department of Social and Health Services and Public Schools); and
- supporting schedules referenced in the budget.

Additional Information About This Summary Document:

This summary document was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This summary document is not a part of the legislation nor does it constitute a statement of legislative intent.

This summary document includes:

- a brief introduction;
- balance sheet and supporting materials;
- description of selected items (a complete listing of all policy is included as part of the agency detail document);
- a summary grouping of expenditures by major category; and
- a chart illustrating a linear implementation of House Bill 2776, and other enhancements to the program of basic education based on the policy and funding choices made by Representative Hunter.

Note: It is possible for similar items to be summarized in slightly different ways. For example, the agency detail document lists items on an agency by agency basis. This summary may total the same item from multiple agencies into a single description. It also may summarize multiple similar items into a single description. For that reason, it is possible that budget items might be grouped differently, even within a single document.

Proposed 2011-13 and 2013-15 Balance Sheet

Including 2013 Supplemental Budget

**General Fund-State, Education Legacy Trust and Opportunity Pathways Accounts
(and Budget Stabilization Account)**

Dollars in Millions

	2011-13	2013-15
RESOURCES		
Beginning Fund Balance	(60.4)	219.8
March 2013 Forecast Update	31,009.3	33,025.0
Bracken Decision	(3.2)	(160.3)
Transfer to Budget Stabilization Account	(268.0)	(307.0)
Other Enacted Fund Transfers	378.6	-
Alignment to the Comprehensive Financial Statements	(5.0)	-
Adjustment to Working Capital (HB 2822)	238.0	-
Proposed Changes		
Transfer From Budget Stabilization Account to GFS		575.0
Other Fund Transfers	1.8	182.6
General Fund: Legislation & Budget Driven	-	82.0
HB 1920 - Estate taxes (Bracken Decision, ELTA)	-	160.3
Omnibus Revenue Legis: Extend 0.3% B&O Tax (ELTA)	-	534.0
Omnibus Revenue Legis: Extend/Revise Beer Tax (ELTA)	-	58.7
Omnibus Revenue Legis: Modify Tax Preferences (ELTA)	-	475.6
Total Resources (including beginning fund balance)	31,291.0	34,845.7
EXPENDITURES		
2011-13 Enacted Budget (Incl. 2012 Supp.)		
Enacted Budget	31,249.2	
Actual/Anticipated Reversions	(165.9)	
Proposed Changes		
Maintenance Level Changes	18.2	
Policy Changes	(30.4)	
Total Expenditures	31,071.2	
Proposed 2013-15		
Maintenance Level		33,758.7
Policy Changes		749.8
Total Expenditures		34,508.4
RESERVES		
Projected Ending Balance	219.8	337.3
Budget Stabilization Account Beginning Balance	-	268.0
Transfer from General Fund and Interest Earnings	268.0	307.0
Transfer from Budget Stabilization To GFS		(575.0)
Projected Budget Stabilization Account Ending Balance	268.0	-
Total Reserves (Near General Fund plus Budget Stabilization)	487.8	337.3

Fund Transfers, Revenue Legislation and Budget Driven Revenues

(Dollars, In Millions)

Fund Transfers	<u>2011-13</u>	<u>2013-15</u>
Public Works Assistance Account	-	100.0
Life Sciences Discovery Fund	-	28.0
Local Toxics Account	-	21.0
Treasurers Service Account	1.8	20.0
Waste Reduction/Recycling/Litter Account	-	11.7
Criminal Justice Treatment Account	-	3.2
Flood Control Assistance Account	-	2.0
Fair Fund	-	1.0
Health Benefit Exchange Account (Loan Repayment)		0.7
Transfer To Child/Family Reinvestment	-	(5.0)
Subtotal	1.8	182.6
General Fund: Legislation & Budget Driven		
SHB 1971 - Communications Services Reform	-	109.9
ESHB 1947 - HB Exchange Operations	-	(35.5)
SHB 1558 - Honey Beekeepers/Taxation	-	(0.2)
2SHB 1663 - Hog Fuel Sales & Use Tax Exemption	-	(1.9)
HB 1503 - Liquor License Renewals	-	2.1
SSB 5287 - Eliminating Accounts & Funds	-	0.2
Budget Driven: DOR Auditors	-	9.6
Budget Driven: Lottery (To Opp Pathways)	-	2.4
Budget Driven: Liquor	-	(4.6)
Subtotal	-	82.0
Education Legacy Trust: Legislation & Budget Driven		
HB 1920 - Estate taxes (Bracken Decision)	-	160.3
Omnibus Revenue Legis: Extend 0.3% B&O Tax	-	534.0
Omnibus Revenue Legis: Extend/Revise Beer Tax	-	58.7
Omnibus Revenue Legis: Modify Tax Preferences	-	475.6
Subtotal	-	1,228.6

Note: Transfers to/from the Budget Stabilization Account are displayed on the Balance Sheet.

K-12 EDUCATION

HOUSE BILL 2776 ENHANCEMENTS

Reduce Early Elementary Class Size, Expand Full Day Kindergarten, Increase Pupil Transportation, Materials, Supplies & Op. Costs (\$908 million Education Legacy Trust Account and General Fund-State)

Funding totaling \$922 million is provided for the linear implementation of the four enhancements to the program of basic education included in Chapter 236, Laws of 2010 (SHB 2776). \$225 million is provided for K-3 class size reductions. Non-poverty class sizes are reduced from 25.23 to 23.58 in SY 2013-14 and 21.94 in SY 2014-15. Class sizes in high poverty schools are reduced from 24.1 to 22.68 in SY 2014-15 and 21.26 in SY 2014-15. \$92 million is provided to increase the percentage of funded full-day kindergarten from 22% to 38% in SY 2013-14 and 53% in SY 2014-15. \$144 million is provided for the implementation of the revised pupil transportation expected cost funding formula, with 50% implementation in SY 2013-14 and full implementation in the SY 2014-15. Materials, Supplies & Operating Costs (MSOC) are funded at a per pupil rate of \$725.26 in SY 2013-14 and \$902.73 in SY 2014-15. The increased allocations for MSOC include an adjustment in the targeted full funding figure, based on reported, audited MSOC expenditures by school districts in the 2011-12 school year. MSOC expenditures total \$461 million. A funding formula hold harmless is removed and levy equalization is increased to reflect the increase to the school district levy base.

OTHER ENHANCEMENTS TO THE PROGRAM OF BASIC EDUCATION

Parent Engagement Coordinator, Guidance Counselor, Bilingual Instruction, Learning Assistance Program (LAP), instructional hours (\$139 million General Fund-State)

\$139 million is provided for the linear implementation of additional enhancements to the program of basic education. Prototypical middle and high school allocations are increased in increments of 0.1 full-time equivalent certificated instructional staff, increasing the guidance counselor allocations. Similarly the prototypical elementary school allocations for parent engagement coordinators are also increased in increments of 0.1 full-time equivalents. The additional hours of instruction allocated through Learning Assistance Program are increased from 1.5156 to 1.6125 in SY 2013-14 and 1.7094 in SY 2014-15. The Bilingual Instructional Program instructional hours in grades 7 and 8 are increased to 5.0224 in SY 2013-14 and 5.2668 in SY 2014-15. For grades 9 through 12, the instructional hours are increased to 5.4224 in SY 2013-14 and 6.0668 in SY 2014-15. Additional hours of instruction totaling 0.6 in SY 2013-14 and 1.2 in SY 2014-15 are provided for students that have exited the Bilingual program. Instructional hours are increased for grades 7 through 12, adding 0.4444 additional hours of instruction in SY 2013-14 and 0.8888 additional hours of instruction in SY 2014-15.

K-12 Salary Allocation Adjustments (\$248 million General Fund-State)

\$248 million is provided for state-funded classified and administrative staff allocation increases, linearly implementing a market rate adjustment to the state funded allocations. Classified staff state salary allocations are increased from \$32,310 to \$35,318 for school years 2013 -14 and 2014-15. Certificated administrative staff state salary allocations are increased from \$59,954 to \$71,332 for school years 2013-14 and 2014-15. For districts that currently receive allocations that are grandfathered at a rate that is higher than the state base salary allocation, but are below the new allocation level, the district's allocation will increase to the new base allocation. For districts that currently receive an allocation that is greater than the new, enhanced allocation, the district will remain at its higher, grandfathered allocation level.

OTHER ITEMS

Enhancements

Teacher & Principal Training (\$34 million General Fund-State)

\$34 million is provided for teacher training including: training to prepare and educate teachers in the new teacher principal evaluation system; and cultural competency training for teachers and principals.

Savings

Suspend I-732 COLA, Suspend National Board Inflation (-\$299 million General Fund State)

The I-732 COLA, requiring an enhancement to the state salary allocation for state-funded K-12 employees equal to the Seattle CPI and the inflation requirement for the National Board Certification bonus are suspended for the 2013-15 biennium, resulting in savings totaling approximately \$299 million.

Alternative Learning Experience Program Reforms and Audit Recoveries (-\$30 million General Fund-State)

The Alternative Learning Experience program is revised, resulting in savings totaling \$30 million. The program is redefined based on the course type and limitations are added to the funding allocations related to full-time equivalent student enrollment counted by districts. Additionally, \$8 million is recovered from previous ALE audit findings.

Assessment Reforms (-\$24.3 million General Fund-State)

Revisions are made to the required statewide student assessments, resulting in savings totaling approximately \$24.3 million. The revisions to statewide assessments include: replacement of the 10th grade high school reading and writing exams with a single English language arts exam; elimination of one required math exam; and implementation of consortium-developed assessments to align with the common core state standards.

HIGHER EDUCATION

ENROLLMENTS

Enhancements

Computer Science and Engineering Enrollments (\$9 million Education Legacy Trust Account)

Funding is provided to the University of Washington, Washington State University, and Western Washington University to expand enrollment in computer science and engineering.

Medical Education and Biomedical Research (\$6.8 million General Fund-State)

Funding is provided for the expansion of medical education and associated biomedical research for the Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) program. An additional 40 medical student FTEs will be available at the Spokane campus by the end of the biennium. \$2 million in one-time funding will be used to equip the new Biomedical and Health Sciences building in Spokane.

High-Demand Program Enrollments (\$4.4 million Education Legacy Trust Account)

\$3.9 million is provided to the community and technical colleges to expand enrollments in high-demand programs related to aerospace including composites, precision machining, and machine maintenance. An additional \$510,000 is provided to South Seattle Community College to support job training, education, and certification in the maritime industries.

Support Engineering Enrollments (\$4 million Education Legacy Trust Account)

Funding is provided to the University of Washington and Washington State University to support 425 FTEs in additional enrollments in engineering at each school.

RESIDENT UNDERGRADUATE TUITION INCREASES

Enhancements

Authorized Tuition Increase (\$116 million Institutions of Higher Education Operating Fee Account-Nonappropriated)

A 5 percent tuition increase per year for resident undergraduates is assumed at the University of Washington, Washington State University, and Western Washington University and a 3 percent tuition increase per year for resident undergraduates is assumed at Central Washington University, Eastern Washington University, The Evergreen State College, and the Community and Technical Colleges.

STUDENT FINANCIAL AID

Enhancements

College Bound Scholarship (\$50 million Education Legacy Trust Account)

The College Bound Scholarship is open to low income 7th and 8th graders who sign a pledge to meet certain criteria including graduating from high school on time with a 2.0 grade point average. Students who meet the eligibility requirements of the program are awarded scholarships covering the costs of public sector tuition and fees and a small book allowance. The first College Bound Scholarship cohort began receiving funding in the Fall of 2012. Funding is provided to continue to serve this and future cohorts.

Maintain State Need Grant (\$36.4 million General Fund-State)

The State Need Grant (SNG) program helps low-income undergraduate students attend institutions of higher education. Students can use the grants at any eligible institution in Washington. Additional funding is provided to off-set the cost of the tuition increases assumed in the proposed operating budget. Total program funding for the biennium is approximately \$606.4 million.

Opportunity Scholarship Program (\$5 million Education Legacy Trust Account)

The Opportunity Scholarship Program supports students with family incomes at or below 125 percent of the state median family income level pursuing bachelor's degrees in high employer demand fields including science, technology, engineering, math (STEM), and health care. \$5 million in additional scholarship funding is provided.

Savings

Re-Suspend WA Scholars and WAVE (-\$8.4 million General Fund-State)

Savings are achieved as a result of continuing the 2011-13 suspension of the Washington Scholars and Washington Award for Vocational Excellence Programs during the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.

Re-suspend Health Professional Program (-\$7.6 million General Fund-State)

Savings are achieved as a result of continuing the 2011-13 suspension of the Health Professionals Conditional Scholarship Program during the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.

Re-suspend Future Teachers Program (-\$2 million General Fund-State)

Savings are achieved as a result of continuing the 2011-13 suspension of the Future Teachers Conditional Scholarship Program during the 2011-13 biennium for the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.

Re-Suspend Small Grant Programs (-\$1 million General Fund-State)

Savings are achieved as a result of continuing the 2011-13 suspension of the Small Grant Program during the 2013-15 biennium, including the Community Scholarship Matching Grant program, Western Interstate Commission for Higher Education student Exchange, and state contributions to the Foster Care Endowment Scholarship Trust Fund.

OTHER ITEMS

Enhancements

Institute for Clean Energy (\$12 million General Fund-State)

Funding is provided to create the Clean Energy Institute hosted by the University of Washington. The institute will focus on research related to energy storage and solar energy, integrating physical sciences and engineering.

Other Institutional Support (\$1.9 million Education Legacy Trust Account-State)

Additional funds are provided to Central Washington University and Eastern Washington University to improve completion and retention rates in order to increase four-year graduation rates. Additional funds are provided to The Evergreen State College for instructional support.

EARLY LEARNING

EARLY LEARNING

Enhancements

Early Childhood Education and Assistance Program (ECEAP) Increase (\$41 million General Fund-State)

Funding and slots for the ECEAP, the state's low-income preschool program, are expanded in the 2013-15 biennium. The ECEAP funding is increased to serve an additional 1,882 children each year at the current slot rate. \$2.2 million of this funding is maintaining ECEAP slots that were funded in the 2011-13 budget from federal sources. The ECEAP serves families below 110 percent of the federal poverty level by providing preschool and other wrap around services. The ECEAP is scheduled to become a statutory entitlement in the 2018-19 school year.

HEALTH CARE

AFFORDABLE CARE ACT

Medicaid Expansion (-\$266.3 million General Fund-State; \$1.2 billion other funds)

Under the budget proposal, Washington will exercise the option under the federal Affordable Care Act to expand the Medicaid program to cover adults under 65 years of age with incomes below 138 percent of the federal poverty level (FPL) effective January 1, 2014. The expansion is expected to cover approximately 250,000 new clients. During the first three years of the expansion, the federal government will provide a 100 percent match for the newly eligible group's medical costs. The Health Care Authority will phase out various state-funded programs in the transition to the expansion, including the Basic Health Plan and the Medical Care Services program. Clients enrolled in those programs can enroll in Medicaid under the expansion with a 100 percent federal match, or they can enroll in subsidized coverage through the Washington Health Benefit Exchange if their incomes are above 138 percent of the FPL. Funding for HIV Client Services and the Breast, Cervical, and Colon Health Program in the Department of Health is reduced to reflect the anticipated shift of clients to Medicaid or federally subsidized coverage through the Washington Health Benefit Exchange.

Medicaid Eligibility Reform (\$13.8 million General Fund-State; \$22.9 million other funds)

Under the federal Affordable Care Act, the Medicaid program will use the same income definition to determine eligibility for families, children, pregnant women, and new enrollees under the Medicaid expansion effective January 1, 2014. All of these clients will enroll through the Washington Health Benefit Exchange portal. Staff and funding are provided to update and integrate information technology systems, process eligibility reviews, and develop a comprehensive communication plan for the Medicaid expansion.

HEALTH CARE AUTHORITY

Enhancements

Adult Dental Benefits (\$23.9 million General Fund-State; \$49.8 million other funds)

The Health Care Authority (HCA) will restore coverage for preventive and restorative dental services and dentures for currently eligible and newly eligible Medicaid adults.

Applied Behavioral Analysis Therapy for Autism Spectrum Disorders (\$8.7 million General Fund-State; \$8.7 million other funds)

The HCA will add Applied Behavioral Analysis therapy as a covered mental health service for children in the Apple Health for Kids program. The services are intended to ameliorate the core symptoms of conditions classified as autism spectrum disorders, improve functioning in communication, and enhance behavior and social skills. These services are provided in response to a settlement agreement from a lawsuit against the HCA.

Medicaid Benefits Alignment (\$7.9 million General Fund-State; \$7.9 million other funds)

The HCA will increase benefits for current medical assistance enrollees to match the benefits that will be provided under the Alternative Benefit Plan for newly eligible clients under the Medicaid expansion. Current clients will receive additional services in four areas. First, visit limits for mental health services will be removed. Second, habilitative services will be covered. Third, clients will be able to receive screening, brief intervention, and referral to treatment services for substance abuse disorders. Fourth, the shingles vaccine will be covered.

Savings

Hospital Safety Net Assessment (-\$260 million General Fund-State; \$1.2 billion other funds)

The Hospital Safety Net Assessment (HSNA) program, set to expire at the end of fiscal year 2013, was established to generate additional state and federal funding to support payments to hospitals for Medicaid services. As provided in Substitute House Bill 2016 (hospital safety net), the HSNA program will continue until the end of fiscal year 2017. Instead of increased inpatient and outpatient payment rates, hospital assessment funds will be used to provide supplemental payments and increased managed care premiums for hospital services.

12 Month Dispensing of Contraceptives (-\$4.4 million GF-S; -\$4.4 million other funds)

Under Substitute House Bill 2022 (birth control/Medicaid), the HCA will modify the dispensing methods of contraceptive drugs under the Medicaid program. The HCA will make arrangements for all Medicaid programs to require dispensing of contraceptive drugs with up to a one-year supply provided at one time. The additional convenience of longer-term contraception supplies is expected to reduce medical costs from unplanned pregnancies.

DEPARTMENT OF HEALTH

Enhancements

Continue Tobacco Quitline services (\$3.9 million General Fund-State)

The Tobacco Quitline provides tobacco cessation services to callers statewide. State general fund support is provided to continue the Tobacco Quitline in the 2013-15 biennium.

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

PROGRAMS FOR CHILDREN AND FAMILIES

Enhancements

Child Care Subsidy Rate Increases (\$30.9 million General Fund-State; \$0.3 million other funds)

Funding is provided to increase the quality of subsidized childcare. The Department of Social and Health Services (DSS) will provide a 3.9 percent base rate increase to all subsidized child care providers. In addition, DSHS will provide an additional 3.9 percent increase to all providers who achieve level 2 or above in the early achievers quality rating and improvement system. These rate increases will be effective September 1, 2013.

Implement Family Assessment Response (\$8.3 million General Fund-State; \$18.3 million other funds)

Funding is provided for goods and services, staff, and staff training for implementation of Family Assessment Response (FAR). FAR is an alternative to Child Protective Services (CPS) investigation for families screened in for low to moderate risk of child maltreatment, and aims to safely avoid out-of-home foster care placements by engaging and providing basic needs to families. FAR is the demonstration project for Washington's Title IV-E waiver.

Emergency Assistance (\$8.0 million General Fund-State; \$5.0 million Home Security Fund)

Funding is provided for emergency assistance to homeless families in the Temporary Assistance for Needy Families program. This program will be coordinated through an interagency agreement between the Department of Social and Health Services and the Department of Commerce.

Child Protective Services Workload (\$5.6 million General Fund-State; \$1.7 million other funds)

Child Protective Services (CPS) case workers and support staff are provided for DSHS field offices in which the average monthly caseload per worker exceeds 18:1. The purpose of the additional staff is to reduce the response and investigation times of potential child abuse or neglect cases.

Expanding Extended Foster Care (\$3.6 million General Fund-State; \$1.1 million other funds)

Funding and staff are provided to implement Engrossed Second Substitute House Bill 1302 (extended foster care). Extended foster care services will be available to eligible youth who have an open dependency case at age 18 and are participating in a program or activity designed to promote employment or reduce barriers to employment. The DSHS estimates that an average of 119 additional youth in fiscal year 2014 and 136 additional youth in fiscal year 2015 will participate in extended foster care.

Work Participation Rates (\$2.5 million General Fund-State)

Funding is provided to increase participation rates in the Workfirst program to help transition individuals to self sufficiency, meet minimum federal work participation requirements, and avoid financial penalties.

Expanding Individual & Family Services (\$2.0 million General Fund-State)

Programmatic changes, as well as additional funding, will allow approximately 1,500 clients who are not currently receiving paid services from the Developmental Disabilities Administration to enter the Individual and Family Services program during the 2013-15 biennium.

Limited English Proficiency Pilots (\$1.0 million General Fund-State)

Funding is provided for expansion of pilot programs which assist refugees with limited-english proficiency (LEP) to obtain and maintain employment.

Savings

Workfirst Caseload Reductions (-\$146.3 million General Fund-State)

The Workfirst program provides cash assistance and employment support to individuals eligible for the federal Temporary Assistance for Needy Families (TANF) program. The Working Connections Child Care Program provides child care subsidies for working individuals receiving TANF services as well as other low income working adults. Funding for these programs is adjusted in fiscal years 2013, 2014, and 2015 to reflect reductions in forecasted expenditures resulting from lower caseloads and expenditures than previously anticipated.

PROGRAMS FOR BEHAVIORAL HEALTH

Enhancements

Involuntary Commitment (\$17.7 million General Fund-State; \$10.2 million other)

Staff and funding are provided to implement Second Substitute House Bill 1777 (involuntary commitment). This bill accelerates the date for changes which broaden the criteria for involuntary commitment under the state's involuntary treatment act from July 1, 2015 to July 1, 2014. This funding is provided for Regional Support Networks to provide a variety of community services including evaluation and treatment center beds, program of assertive community treatment teams, mobile outreach crisis teams, crisis triage or stabilization beds, peer support services, and other services approved by the Department of Social and Health Services that will serve as alternatives to the need for additional state hospital capacity.

State Hospital Security Enhancements (\$7.5 million General Fund-State; \$2.1 million other funds)

Funding is provided to implement security enhancements at the state hospitals and comply with recent findings from review by the Joint Commission. These enhancements include additional psychiatric security attendants and nurses, registered nurses, and staff training.

Electronic Medical Record (\$4.1 million General Fund-State; \$0.2 million other funds)

Funding is provided to plan, procure, and implement the core elements of an electronic medical record system that is compliant with the tenth revision of the International Classification of Diseases (ICD-10) and will facilitate timely sharing of medical information between the state hospitals and other medical providers. This funding will support the Department's efforts to implement a billing system that meets new federal requirements that take effect on October 1, 2014.

Criminal Incompetency (\$3.9 million General Fund-State; \$1.7 million other funds)

Engrossed Second Substitute House Bill 1114 (crim. incompetency/commitment) modifies procedures and standards for involuntary treatment of persons who have been deemed incompetent to stand trial for violent felonies. This is expected to increase the number of individuals committed to state hospitals or under less restrictive community alternatives by approximately 20 persons per day. Regional Support Networks are provided funding to create alternative community programs which are expected to decrease the utilization of state hospital beds by 20 persons per day and allow for these beds to be used for increased commitments under the bill. These funds must be used for program of assertive community treatment teams, mobile outreach crisis teams, crisis triage centers or other alternatives approved by the Department of Social and Health Services that will result in decreased utilization of state hospital beds.

Improving Behavioral Health Services (\$3.1 million General Fund-State; \$2.4 million other funds)

Staff and funding are provided to implement Engrossed Substitute House Bill 1519 (health care coordination) and Engrossed Second Substitute Bill 1522 (behavioral health services). These bills require the use of evidence based practices and the creation of performance measures for service coordination organizations. In addition, the Department of Social and Health Services will create enhanced services facilities as a community alternative for individuals with dementia, traumatic brain injury, and other cognitive disorders that are deemed nonresponsive to active treatment in the state mental health hospitals.

PROGRAMS FOR INDIVIDUALS WITH DISABILITIES

Enhancements

Arbitration Award for Individual Providers (\$146 million General Fund-State; \$146 million other funds)

The 2013-15 arbitration award for individual providers is fully funded. This includes wage and health care increases in both years of the biennium, a paid holiday, an increase in the number of miles for which providers can be reimbursed, initial certification and testing fee subsidies, and pay differentials for workers who obtain certification and who complete advanced training. Current statute requires that agency homecare workers receive parity to the economic items awarded to the individual providers. The budget proposal fully funds agency parity with the individual provider arbitration award.

Additional Client Capacity (\$11 million General Fund-State; \$8 million other funds)

In addition to the formally forecasted caseload items, the budget proposal funds additional community capacity for people with developmental disabilities. Medicaid waiver slots are funded for 730 individuals primarily in need of employment services, and 50 clients in need of out-of-home placement.

Compliance with federal requirements and CBA requirements (\$10 million General Fund-State; \$30 million other funds)

The Department of Social and Health Services will contract with a fiscal employer agent to pay all W-2 paid providers. Implementing this change will result in compliance with Medicaid rules regarding time reporting for W-2 providers, federal financial participation requirements for federal matching funds, and meet collective bargaining agreement requirements.

MR v. Dreyfus - Exception-to-Rule (\$7 million General Fund-State; \$7 million other funds)

Funding is provided for the workload impact, as well as the per capita cost impact, from an anticipated increase in exception-to-rule (ETR) requests due to the M.R. lawsuit. An ETR refers to additional paid service granted when a client presents a situation that differs from the majority, and is in the interest of both the overall economy and the client's welfare. The exception may not contradict a specific provision of federal law or state statute.

Protecting Vulnerable Adults (\$0.4 million General Fund-State; \$7 million other funds)

Additional staffing resources, 24 FTE, are funded to improve the response to allegations of abuse, neglect, self-neglect, abandonment, and financial exploitation of vulnerable adults in both community and residential settings.

Savings

Nursing Home Rate Changes (-\$32 million General Fund-State; -\$32 million other funds)

The planned rebase of non-capital nursing home rate components is delayed for the 2013-15 biennium. Two rate component add-ons, the comparative add-on and the acuity add-on, which were established in 2011 are extended. Case mix adjustments continue to occur semi-annually in fiscal year 2014 and fiscal year 2015. The result is that nursing facility Medicaid rates will remain similar to current levels during the biennium.

Adult Family Home License Fees (-\$5 million General Fund-State; \$7 million other funds)

The budget proposal assumes an increase in the adult family home license fee of \$59 per bed in fiscal year 2014 and \$128 per bed in fiscal year 2015. The regulatory program for adult family homes (licensure, inspection, complaint investigation, etc.) is partially subsidized with a General Fund-State appropriation. The proposed increase will result in license fee revenue supporting about 90 percent of the state funding used for adult family home oversight.

PUBLIC SAFETY AND THE JUDICIARY

DEPARTMENT OF CORRECTIONS

Enhancements

Prison Safety Enhancements (\$2.8 million General Fund-State)

Funding is provided to increase correctional officer staffing levels in medium security housing units on the day shift, consistent with staffing model changes recommended by the Statewide Security Advisory Committee. In addition, funding is provided to upgrade the prison radio infrastructure.

Offenders With Special Needs (\$1.6 million General Fund-State)

Funding for additional mental health staffing is provided to deliver additional support for offenders with developmental disabilities or traumatic brain injuries. The DOC will create special housing units to provide specialized programming and treatment at the Monroe Correctional Complex and Washington State Penitentiary as recommended by the Vera Institute of Justice. In addition, funding is provided for additional custody staff and mental health staff to convert mental health administrative segregation beds to mental health Intensive Treatment Unit (ITU) beds at the Monroe Correctional Complex.

Savings

Centralized Prison Pharmacy (-\$1.7 million General Fund-State)

Five independent prison based pharmacies will be consolidated into two (one on the Eastern side and one on the Western side of the state). Savings are achieved from this consolidation.

Residential Drug Offender Sentencing Alternative (DOSA) Expansion (net -\$695,000 General Fund-State)

Net savings are assumed from contracting for an additional 75 residential Drug Offender Sentencing Alternative (DOSA) beds, bringing the contracted residential beds for the program to 220. This program is provided as a community alternative by the courts for otherwise prison bound offenders who are in need of chemical dependency treatment and supervision. In fiscal year 2013 the program was funded for 145 beds; the number of offenders sentenced to this option by the courts has increased. This expansion is expected to reduce the forecasted average daily population for prison beds by 197 in fiscal year 2014 and by 272 in fiscal year 2015, thereby reducing the need for the DOC to open the second new Washington State Penitentiary (WSP) unit until beyond fiscal year 2015.

JUDICIAL BRANCH

Funding Changes

Extension of Judicial Stabilization Trust Account Fees (-\$11.8 million General Fund-State; \$11.8 million Judicial Stabilization Trust Account)

Funding from the Judicial Stabilization Trust (JST) Account is used for costs associated with the Administrative Office of the Courts, the Office of Public Defense, and the Office of Civil Legal Aid. Revenue for the JST Account is assumed to come from extending the existing surcharges on court filing fees in 2013-15.

Enhancements

Judicial Branch Information Technology Projects (\$17.6 million Judicial Information Systems Account)

Funding is provided to judicial branch information technology projects including: \$11.3 million to continue with the implementation of the new commercial off-the-shelf case management system for the superior courts; \$2.1 million to replace servers and data center equipment; \$1.5 million to continue work on the Information Networking Hub project; \$1.4 million for a case management system for the Court of Appeals; and \$1.2 million to replace computer equipment in local courts.

Savings

Elimination of Funding for Becca/Truancy (-\$12.0 million General Fund-State)

Funding is reduced to reflect elimination of the requirement that school districts file juvenile court truancy petitions in response to students with certain numbers of unexcused absences.

NATURAL RESOURCES

MULTIPLE AGENCIES

Fund Shifts

General Fund-State Reductions Offset with Dedicated Funds (-\$41.4 million General Fund-State; \$30.6 million State Toxics Control Account-State; \$10.8 million Aquatic Lands Enhancement Account-State)

A total of \$41.4 million in state general fund expenditures are shifted to dedicated funding sources on a one-time (\$9.2 million) and ongoing (\$32.2 million) basis within several natural resources agencies during the 2013-15 biennium. Examples include \$5.1 million in air quality program work at the Department of Ecology (DOE) shifted permanently from the state general fund to the State Toxics Control Account, and \$4.4 million for state hatcheries shifted during the 2013-15 biennium only from the state general fund to the Aquatic Lands Enhancement Account.

Enhancements

Fish Production and Species Survival Study (\$0.8 million Aquatic Lands Enhancement Account-State; \$0.3 million General Fund-State; \$0.1 million General Fund-Private/Local; \$0.1 million State Wildlife Account)

The Legislature provides funding to the Puget Sound Partnership for a study on the decreased survival rate of juvenile steelhead in marine waters and to the Department of Fish and Wildlife to increase steelhead production at the Puyallup hatchery. Additional funds are provided to support increased fall Chinook and Coho at the hatchery and along the Cowlitz River.

DEPARTMENT OF ECOLOGY

Enhancements

Protecting Washington Shorelines (\$2.3 million Local Toxics Control Account-State; \$0.6 million State Toxics Control Account-State)

Since 2003, DOE has provided financial and technical assistance to local governments to initiate and complete updates to their respective local shoreline master programs. Funding and FTE staff are provided to DOE to continue progress towards meeting the statutory and legal deadline that local shoreline master programs be updated by 2016.

Low-Impact Development Training (\$2 million State Toxics Control Account-State)

The DOE, together with the Washington State University Stormwater Center, is provided funds to prepare local governments, developers, and other stakeholders to meet future low-impact development (LID) standards by developing and implementing a statewide LID training program.

Savings

Continued Litter Pickup Reduction (-\$8.9 million Waste Reduction, Recycling, and Litter Control Account-State)

The Waste Reduction, Recycling, and Litter Control Account (WRRLCA) funds litter prevention and pickup activity within the Department of Ecology (DOE), litter collection efforts by state agencies, and provides state assistance to local government waste reduction and recycling programs. Savings are achieved by continuing the reduction into the 2013-15 biennium.

Watershed Planning Reduction (-\$2.9 million General Fund-State)

Since 1998, DOE has provided financial and technical assistance to local watershed groups for planning development and project implementation. Funding and FTE staff are reduced to reflect completed watershed group plans and remaining funds are shifted for work identified in high-priority basins.

Continued Flood Control Grant Reduction (-\$2.0 million Flood Control Assistance Account-State)

The Flood Control Assistance Program provides grants to local governments for flood control planning and flood damage reduction projects. Funding is reduced to the 2011-13 biennium level.

DEPARTMENT OF NATURAL RESOURCES

Enhancements

Trust Land Management Work (\$7.9 million Resources Management Cost Account-State; \$0.5 million Forest Development Account-State)

Timber prices have rebounded in recent years and expenditure authority is increased in DNR timber management accounts to further restore activities designed to enhance the future value of timber on state's trust and forestlands. These activities include: pre-commercial thinning, land survey, silviculture vegetation management, and research and monitoring.

Aquatic Lands Environmental Work (\$5.9 million Resources Management Cost Account-State)

The Department of Natural Resource (DNR) is provided increased expenditure authority from the aquatics portion of the Resources Management Cost Account to reflect available fund balance for activities that include: creosote piling removal, adaptive management activities, restoring aquatic ecosystems, managing state aquatic reserves, outfall investigations, large debris removal, and for the eradication of invasive species.

Removing Derelict Vessels from State Waterways (\$0.6 million Aquatics Land Enhancement Account-State; \$0.4 million Derelict Vessel Removal Account-State)

Funding is provided for DNR pursuant to Engrossed Substitute House Bill 1245 (derelict and abandoned vessels), which continues a vessel registration surcharge, and additional funds appropriated for the purpose of enhancing the department's work at removing a backlog of over 200 derelict vessels in the waters of Washington state.

STATE PARKS AND RECREATION COMMISSION

Enhancements

State Parks Funding (\$23.7 million General Fund-State)

Since the inception in 2011 of the Discover Pass, a \$30 annual permit (or \$10 daily permit) to park on state recreational lands, revenue has been less than originally projected. Revenue from the pass was intended to make State Parks fully fee-supporting by the 2013-15 biennium. Funding is provided on an ongoing basis to maintain operations at Washington's 117 state parks and to partially restore service levels reduced in previous budget reductions.

GENERAL GOVERNMENT AND OTHER

COMMUNICATIONS SERVICES REFORM

Funding Changes

Universal Communications Service Program (\$5 million General Fund-State)

State sales and use tax exemptions for certain telecommunications services are repealed to equalize the funding of statewide services, such as 911 emergency services. A new universal communications service program is created to assist eligible communication providers transition from the federal universal service fund.

CONSOLIDATED TECHNOLOGY SERVICES

Enhancements

Consolidated State Data Center (\$34.3 million Data Processing Account)

Funding is provided for lease payments, maintenance and operations, and core data network and security services for the State Data Center (SDC). Most of the existing Consolidated Technology Services (CTS) information technology services will be migrated from the Office Building Two data center to the SDC.

EMPLOYMENT SECURITY

Savings

Suspend Family Leave Insurance (-\$13.6 million General Fund-State)

Funding is reduced to reflect the suspension of the Family Leave Insurance program. Under current law, persons meeting eligibility requirements for Family Leave Insurance are entitled to benefit payments beginning in October 2015.

GRANT REDUCTIONS

Savings

Pass-Through Grants (\$6.3 million)

General Fund-State funding for various grants is eliminated. These grants supported global health research, small businesses through increased training and technical assistance, provided grants to counties to reduce substance abuse and violence, and funded Innovation Research teams at the University of Washington and Washington State University.

GROWTH MANAGEMENT ASSISTANCE

Enhancements

Providing increased Growth Management Comprehensive Plan Grants and Technical Assistance Staff (\$4.2 million Public Works Assistance Account; \$1.6 million General Fund-State)

Funding is increased for Growth Management Comprehensive Plan activities in the 2013-15 biennium. Increased grant funding from the Public Works Assistance Account for grants to local entities preparing growth management plan updates is provided. Additionally, funding for the Department of Commerce is increased to provide technical assistance to local entities that must develop a comprehensive plan.

IMPROVING EMERGENCY RESPONSE INFRASTRUCTURE

Enhancements

Next Generation 911 Capability (\$9 million Enhanced 911 Account-State)

Expenditure authority is provided from the Enhanced 911 Account to continue to upgrade and replace 911 telephone systems for 22 counties to accommodate Next Generation 911. This upgrade provides a modern internet protocol system that will allow the 911 system to accept information from a wide variety of communication devices during emergencies and replace failing systems with modern technology.

INFORMATION TECHNOLOGY

Enhancements

Enterprise Security (\$10.5 million Data Processing Account)

Funding is provide to enhance security services for state information technology systems and provide delivery of common infrastructure and services through Consolidated Technology Services to state agencies for early warning and responses to security threats.

INNOVATION PROGRAMS

Innovation Contract

Funding for work done by Innovate Washington is transferred from Innovate Washington to the Department of Commerce, and Innovate Washington is eliminated. The Department of Commerce is directed to contract, through a competitive process, for services that facilitate technology transfer and commercialization activities and support business growth in technology sectors with an entity that is principally located in Washington with experience facilitating interaction between the state's higher education institutions and the states technology based companies.

LIQUOR CONTROL BOARD

Enhancements

Implement Initiative 502 (\$2.5 million Liquor Revolving Account)

Funding is provided to implement Initiative 502 (an act relating to marijuana). The Liquor Control Board will conduct additional rulemaking, update information technology, and implement licensing activities related to marijuana production, distribution, and sales.

Liquor Enforcement Officers (\$2.1 million Liquor Revolving Account-State)

Funding is provided to address public safety concerns associated with the increase in on- and off-premise licensees, product theft and smuggling, and underage consumption. Officers will perform duties such as educating licensees and conducting investigations and undercover compliance checks.

LOCAL PUBLIC SAFETY ENHANCEMENT ACCOUNT

Savings

Suspend Transfers to the Local Public Safety Enhancement Account for the 2013-15 Fiscal Biennium (-\$10 million General Fund-State)

The requirement that the State Treasurer transfer \$10 million General Fund-State to the Public Safety Enhancement Account by September 30, 2013 is suspended for the duration of the 2013-15 fiscal biennium. Funds that are deposited in the account are directed in even amounts toward funding increased pension benefits for members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), and toward local government entities employing LEOFF 2 members for new spending on criminal justice and public safety programs.

MILITARY DEPARTMENT-DISASTER RESPONSE COORDINATOR

Enhancements

Statewide Continuity Coordinator (\$200,000 Worker and Community Right-to-Know Account-State)

Funding is provided to establish an ongoing staff position within the Military Department to initiate and coordinate a statewide continuity of operations program for state government. This position will be responsible for overseeing a disaster response strategy for state agencies in order to respond to disasters and emergencies.

STATEWIDE ITEMS

COLLECTIVE BARGAINING AGREEMENTS

Enhancements

Collective Bargaining Agreements for State and Higher Education Employees, and Non-Employee Groups are Approved

Agency budgets contain funding to support agreements that are explicitly approved in the budget proposal, including both those negotiated with state employee representatives in general government agencies and higher education institutions, and those negotiated with non-state employee groups including the individual home-care providers, family child care providers, and language access providers.

STATE EMPLOYEE HEALTH INSURANCE

Savings

State Employee Health Insurance Funding Rate Reduction, (-\$16.6 million General Fund-State; -\$15.1 million other funds)

The state employer funding rate for the health, dental, vision and other insurance benefits offered to state employees and state and school district retirees through the Public Employee Benefits Board (PEBB) is reduced from \$800 per employee per month in Fiscal Year 2013 to \$782 per month in Fiscal Year 2014 and \$791 per month in Fiscal Year 2015. Costs below budget projections for the 2011-13 fiscal biennium have reduced expenditures by the state, employees, and retirees. State contributions at budgeted levels have accumulated in the PEBB system, and expenditure of those accumulated amounts offset some state contributions during the 2013-15 fiscal biennium.

STATE EMPLOYEE COMPENSATION

Enhancements

Restore the 3 percent General Government Employee Salary Reduction and the Higher Education Compensation Reduction (\$171 million General Fund-State)

Funding is provided at carry-forward level to restore the three percent salary reduction for state employees earning more than \$2,500 per month, and to restore related higher education funding reductions.

Funding for "Step M" on the state employee salary schedule (\$38.6 million General Fund-State; \$27.7 million other funds)

Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during the 2013-15 fiscal biennium. A new top step was included as part of several 2011-13 collective bargaining agreements.

STATE PENSION SYSTEM MEMBERSHIP

Enhancements

Public Safety Employees' Retirement System Membership Expansion, (\$5.3 million General Fund-State; \$0.8 million other funds)

Funding is provided for the increases to employer contribution rates associated with Engrossed House Bill 1923 (Public Safety Employees' Retirement System/corrections, DSHS), providing prospective membership in the Public Safety Employees' Retirement System for additional specified employees working in the custodial institutions of the Washington State Department of Corrections and in specified jobs with the Department of Social and Health Services.

LEAN MANAGEMENT

Savings

Lean Management (-\$20 million General Fund-State)

Savings will be achieved by implementing lean management practices. The Office of Financial Management (OFM) will develop a strategic lean management action plan to drive efficiencies in state spending and increase productivity of state employees while improving and increasing state services for taxpayers. The OFM will also develop a lean practitioner fellowship program to train state agency staff.

SYSTEMS MODERNIZATION

Enhancements

Information Technology Projects (\$15 million General Fund-State, \$185 Total Funds)

Funding is provided to update several legacy systems and make other IT investments. One example is a phased replacement of the core tax-collection systems. In a six-year project, the Department of Revenue will replace systems to reduce operational risks and increase available features. (\$5 million General Fund-State, \$12 million Total Funds)

Another example is the Department of Enterprise Services, along with selected state agencies, are developing the Time, Leave, and Attendance (TLA) system, an enterprise timekeeping system that will be shared by agencies statewide. An enterprise timekeeping system is expected to improve efficiency and effectiveness by automating and supporting timekeeping activities and compliance with applicable rules and regulations. Additional funding is also provided to establish an implementation strategy and action plan for enterprise financial and administrative systems to replace outdated financial systems. (\$10.6 million Total Funds)

2011-13 Revised Omnibus Operating Budget (2013 Supp)
Rep. Hunter Striking AMD
(Dollars in Thousands)

	NGF+OpPth	Total
<i>Policy Changes</i>		
Earn Federal TANF Contingency Funds	-32,472	0
Other TANF Related Items	-20,000	-65,274
Underexpenditures in DSHS/Childrens	-20,000	-20,000
HEN Underexpenditures	-10,000	-10,000
Other Savings	-6,134	-8,279
Initiative 1240 (Charter Schools)	527	607
Autism Services	2,221	4,438
Other Increases	11,185	48,958
Wildfires	44,301	44,301
Policy Changes Total	-30,372	-5,249

2013-15 Omnibus Operating Budget
Rep. Hunter Striking AMD
(Dollars in Thousands)

	NGF+OpPth	Total
<i>Employee Compensation</i>		
I-732 (K-12 and CTCs)	-320,488	-326,409
State Employee Health Insurance	-16,637	-31,742
Re-Suspend National Board Bonus Inflation	-3,167	-3,167
Coll. Bargained Personal Leave Day	1,133	1,717
PSERS Membership	5,283	6,321
Additional Pay Step (Step M)	40,295	68,430
Employee Compensation Total	-293,581	-284,850
<i>K-12 Education</i>		
ALE Programs	-29,756	-29,756
HB 2776: Reduce/Eliminate Hold Harmless	-24,717	-24,717
Assessment Reforms	-24,318	-24,318
ALE Audit Recoveries	-8,025	-8,025
Navigation 101	-5,616	-5,616
STEM Education	453	453
Drop Out Prevention & Intervention	504	504
Initiative 1240 (Charter Schools)	1,011	1,011
Other Increases	3,278	3,389
Educational Opportunity Gap	4,118	4,118
Washington Achievers Scholars	5,500	5,500
Levy Equalization	10,001	10,001
Bilingual Expansion	11,954	11,954
LAP Expansion	22,788	22,788
K12 Professional Development	30,000	30,000
Counseling	40,126	40,126
Instructional Hours -- HB 2261	63,453	63,453
HB 2776: Expand All Day K	91,514	91,514
HB 2776: Pupil Transportation	144,147	144,147
HB 2776: Reduce Early Elementary Class	225,299	225,299
Size		
Administrative & Classified Salary	246,978	246,978
Allocation		
HB 2776: Increase MSOC	461,262	461,262
K-12 Education Total	1,269,954	1,270,065
<i>Higher Education Institutions</i>		
Resident Undergraduate Tuition	0	115,882
Other Increases	1,383	1,383
UW/WSU: Engineering Enrollment	4,000	4,000
CTC: Aerospace & STEM Enrollment	4,490	4,490
Medical Educ. & Biomedical Research	6,800	8,282
Targeted State Support	11,002	11,002
Clean Energy Institute	12,000	12,000
Higher Education Institutions Total	39,675	157,039
<i>Higher Education Financial Aid & Other</i>		
Re-suspend WA Scholars and WAVE	-8,364	-8,364

2013-15 Omnibus Operating Budget
Rep. Hunter Striking AMD
(Dollars in Thousands)

	NGF+OpPth	Total
Re-suspend Health Prof Scholarship	-7,650	-7,650
Re-suspend Future Teachers Schol	-2,000	-2,000
Re-suspend Small Grant Program	-1,032	-1,032
Other Increases	100	100
Opportunity Scholarship Program	5,000	5,000
State Need Grant	36,470	36,470
College Bound	50,650	50,650
Higher Education Financial Aid & Other Total	73,174	73,174
Early Learning & Child Care		
Family Childcare Provider CBA	970	970
Other Increases	4,387	3,787
Improving Child Care Quality	30,849	31,144
ECEAP	40,757	40,757
Early Learning & Child Care Total	76,963	76,658
Health Care		
Fed Medicaid Expansion/Reform	-265,118	879,184
Continue Hospital Safety Net	-259,949	916,323
12 Month Dispensing	-4,426	-8,852
HealthPath Washington	-3,509	1,331
DOH/HCA Drug Rebates	-3,431	0
Public Health Lab Fund Shift	-2,350	0
Foster Care /Adoption to Managed Care	-1,686	-1,035
Professional Services Supp. Payment	0	38,000
Health Benefit Exchange Operations	0	109,738
Language Access Provider Agreement	434	607
Other Increases	937	9,953
ProviderOne Phase 2 Project	1,811	12,614
Tobacco Quitline	3,862	3,862
HBE Cost Allocation	4,030	14,159
HCA: Other Increases	5,359	188,691
Medicaid Eligibility Staffing/Related	7,465	13,949
Align Medicaid Benefit Packages	7,933	15,866
Autism Services	8,698	17,396
Adult Dental	23,889	73,680
Health Care Total	-476,051	2,285,466
Corrections and Other Criminal Justice		
Other Savings	-3,583	-2,031
Centralized Pharmacy	-1,728	-1,728
Presentence Credits	-1,103	-1,103
Residential DOSA	-695	-695
JRA: Other Increases	918	1,301
DOC: Equipment & Related	981	981
Other Increases	1,006	914
DOC: Incr Prison Staff Ratio	1,844	1,844
DOC: Other Increases	3,543	3,543

2013-15 Omnibus Operating Budget
Rep. Hunter Striking AMD
(Dollars in Thousands)

	NGF+OpPth	Total
Corrections and Other Criminal Justice	1,183	3,026
Total		
<i>Long Term Care, DD, and Mental Health</i>		
Delay Nursing Home Rebase	-31,428	-62,856
AFH Inspections/Fees	-5,303	2,522
Other Savings	-1,200	0
Supported Living Investigations	0	3,280
Protecting Vulnerable Adults	388	5,817
Walla Walla Veterans Home	777	8,282
Community LTC Behavior Support	1,473	2,833
Adult Family Home Agreement	1,538	3,044
Individual and Family Services	2,000	2,000
Other Increases	2,087	6,899
Criminal Incompetency	3,872	5,510
MHD: Electronic Medical Records	4,134	4,374
Exception To Rule	6,750	13,338
Mental Health Security Enhancements	7,478	9,563
In-Home Provider Fiscal Agent	9,661	39,571
DD Placements	10,653	18,793
Involuntary Treatment	17,726	27,964
Home Care Worker Compensation (AP & IP)	146,126	292,252
Long Term Care, DD, and Mental Health	176,732	383,186
Total		
<i>Other Human Services</i>		
TANF WCCC Caseload Savings	-126,324	-81,050
Paid Family Leave Program	-13,600	-13,600
Other Savings	-2,406	4
Fund Shifts	-1,633	0
IMD Conversions	-266	4,293
Washington Families Fund	0	2,000
ESD: Next Gen Tax System	0	12,386
Other Increases	998	11,563
Childrens: Other Increases	1,269	1,536
L&I: Increases	1,526	17,385
Extended Foster Care	3,565	4,825
Other TANF Increases	4,236	4,236
Childrens: Increase CPS Staffing	5,575	7,240
Emergency Assistance	8,000	13,000
Implement Family Assmnt Rspnse Svcs	8,297	26,548
TANF Reserve Fund	12,777	12,777
Other Human Services Total	-97,986	23,143
<i>Natural Resources</i>		
State & Local Toxic Related Shifts	-29,640	0
ALEA Related Shifts	-11,769	0
Reduce Watershed Planning Asst.	-2,873	-2,873
PILT Adjustment	-1,432	-1,432

2013-15 Omnibus Operating Budget
Rep. Hunter Striking AMD
(Dollars in Thousands)

	NGF+OpPth	Total
Other Savings	-300	-3,920
Fund Shifts	-114	-216
Litter Account Reduction	0	-8,931
Marine Spatial Planning	0	-4,200
Fair Fund	0	-1,000
Other Increases	2,858	39,027
State Suppt Of Parks	23,858	23,858
Natural Resources Total	-19,412	40,313
All Other		
Lean Management	-20,000	-20,000
Truancy Funding	-12,012	-12,012
JST Account Funding	-11,793	0
Susp Loc Publ Safety Acct Transfer	-10,000	-10,000
Fund Shifts	-9,308	0
DCOMM: Other Savings	-7,263	-7,263
Other Savings	-4,673	-18,044
Death Investigation Shifts	-4,226	0
Election & Voters' Pamphlet Savings	-1,600	-1,600
Innovate Wa	-1,000	-1,000
DES Savings	0	-20,158
Voter Registration & Online Service	0	-5,314
Legal Services Reduction	0	-3,005
Initiative 502 (Marijuana)	0	2,507
Growth Mgmt Grants	0	4,202
Time, Leave & Attendance System	0	8,013
Next Generation 911 Capability	0	9,000
State Data Center Operations	0	34,404
Initiative 1183 (Liquor)	1,004	1,004
Central Services	1,538	1,980
Judicial Increases	2,230	20,746
DCOMM: Other Increases	4,573	6,111
DOR: IT Projects	6,249	12,597
Disaster Response Account	7,600	11,369
Other Increases	8,143	50,234
Communications Tax/Prog Changes	24,558	26,854
Debt Service for New Capital Projects	25,087	25,087
All Other Total	-893	115,712
Grand Total	749,758	4,142,932

Linear Implementation of HB 2776, HB 2261, and Other Enhancements to the Program of Basic Education						
Enhancements to the Prototypical School Formula Proposed by Rep. Hunter						
	SY 2013-14	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18	SY 2018-19
HB 2776 Enhancements	Full Day Kindergarten (% of K FTEs)	38%	53%	69%	84%	100% Fully Funded
	K-3 Class Size (Non-Poverty Schools)	23.58	21.94	20.29	18.65	17.00
	K-3 Class Size (Poverty Schools)	22.68	21.26	19.84	18.42	17.00
State Salary Allocation Adjustments	MSOC (adjusted target)			1,090.04	1,107.48	1,128.52
	\$ per Pupil	725.26	902.73			1,149.96
	Transportation (Implement Expected Cost) (\$ Thousands) - School Year Estimate	54,867	111,599	113,385	115,199	117,387
State Salary Allocation	State Salary Allocation Adjustment - CLS (Funded State Salary Allocation per FTE)	35,318	35,318	39,912	39,912	45,603
	State Salary Allocation Adjustment - CAS (Funded State Salary Allocation per FTE)	71,332	71,332	87,111	87,111	105,430
	80 Additional Hours of Instruction (Additional Hours/Week/FTE in grades 7-12)	0.4444	0.8889	1.3333	1.7778	2.2222
HB 2261 Enhancements Implement as Career & College Ready Plan	Transitional Bilingual (MS to 6.0 Hours)	5.0224	5.2668	5.5112	5.7556	6.0000
	Transitional Bilingual (HS to 8.0 Hours)	5.4224	6.0668	6.7112	7.3556	8.0000
	Transitional Bilingual (Add Transitional 3.0 Hours)	0.6000	1.2000	1.8000	2.4000	3.0000
	Learning Assistance Program (Increase to 2,000 Hours)	1.612	1.709	1.806	1.903	2.000
	Guidance Counselors (Increase M.S. by 0.5 FTE)	1.22	1.32	1.42	1.52	1.62
	Guidance Counselors (Increase H.S. by 0.5 FTE)	2.01	2.11	2.21	2.31	2.41
	Parent Engagement Coordinators (Increase E.S. by 0.5 FTE)	0.10	0.20	0.30	0.40	0.50

2013

2015



Washington State House of Representatives
Office of Program Research