

Washington State Legislative Budget Notes

2000 Table of Contents

(2000 Supplemental with Revised 1999-01 Biennium Numbers)

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2000 Supplemental Budget Overview

Operating, Transportation, and Capital Budgets

Washington State biennial budgets authorized by the Legislature in the 2000 2nd Special Session total \$45.26 billion. The omnibus operating budget accounts for \$37.92 billion. The transportation budget and the omnibus capital budget account for \$3.7 billion and \$3.63 billion, respectively. These budgets reflect changes from the biennial amounts originally authorized by the Legislature in the 1999 1st Special Session as follows: omnibus operating – an increase of \$0.76 billion, which is a 2.0 percent increase; transportation – a decrease of \$0.79 billion, which is a 17.6 percent reduction; and omnibus capital – an increase of \$0.09 billion, which is a 2.5 percent increase.

The loss of motor vehicle excise tax revenues triggered the reduction in the transportation budget. Much of the omnibus operating budget action focused on supporting local government programs impacted by the loss of motor vehicle excise tax revenues.

Separate overviews are included for each of the budgets. The omnibus operating budget overview can be found on page 11, the transportation budget overview on page 215, and the omnibus capital budget overview on page 328.

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

TOTAL STATE
(Dollars in Thousands)

	Omnibus Operating Budget	Transportation Budget		Capital Budget		Total
		Operating	Capital	New Approps	Reapprops	
Legislative	124,815	8,756	0	0	0	133,571
Judicial	123,118	0	0	2,400	0	125,518
Governmental Operations	2,518,891	222	0	394,489	260,479	3,174,081
Other Human Services	15,566,757	0	0	237,640	217,634	16,022,031
Natural Resources	997,655	1,170	2,690	569,222	264,878	1,835,615
Transportation	110,297	1,387,762	2,061,155	16,955	900	3,577,069
Public Schools	10,398,399	0	0	378,500	114,419	10,891,318
Higher Education	5,875,347	0	0	769,313	362,100	7,006,760
Other Education	101,506	0	0	37,138	1,115	139,759
Special Appropriations	2,100,858	254,776	0	0	0	2,355,634
Statewide Total	37,917,643	1,652,686	2,063,845	2,405,657	1,221,525	45,261,356

Note: This report includes all funds budgeted by the Legislature this biennium through the April 2000 session. In addition to amounts appropriated in the Omnibus Operating, Transportation, and Capital Budgets, the report includes budgeted but non-appropriated amounts of \$4,839 million in the Omnibus Operating Budget, \$165 million in the Transportation Operating Budget, and \$15 million in the Transportation Capital Budget. Appropriations from the General Fund to the Multimodal Transportation Account (\$50 million) and to the Puget Sound Ferry Operations Account (\$20 million) are shown in the Omnibus Operating Budget as General Fund-State appropriations. These same amounts show up in the Transportation Budget as appropriations to agencies from the Multimodal Transportation Account and from the Puget Sound Ferry Operations

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	Omnibus		Capital Budget			Total
	Operating Budget	Transportation Budget Operating	Capital	New Approps	Reapprops	
House of Representatives	51,034	0	0	0	0	51,034
Senate	41,404	2,436	0	0	0	43,840
Jt Leg Audit & Review Committee	3,375	0	0	0	0	3,375
Legislative Transportation Comm	0	3,633	0	0	0	3,633
LEAP Committee	2,937	887	0	0	0	3,824
Office of the State Actuary	1,967	0	0	0	0	1,967
Joint Legislative Systems Comm	13,875	0	0	0	0	13,875
Statute Law Committee	9,727	0	0	0	0	9,727
Redistricting Commission	496	0	0	0	0	496
Blue Ribbon Commission on Transpo	0	1,800	0	0	0	1,800
Total Legislative	124,815	8,756	0	0	0	133,571
Supreme Court	10,094	0	0	0	0	10,094
State Law Library	3,685	0	0	0	0	3,685
Court of Appeals	22,779	0	0	2,400	0	25,179
Commission on Judicial Conduct	1,756	0	0	0	0	1,756
Office of Administrator for Courts	71,814	0	0	0	0	71,814
Office of Public Defense	12,990	0	0	0	0	12,990
Total Judicial	123,118	0	0	2,400	0	125,518
Total Legislative/Judicial	247,933	8,756	0	2,400	0	259,089

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	Omnibus Operating Budget	Transportation Budget		Capital Budget		Total
		Operating	Capital	New Approps	Reapprops	
Office of the Governor	12,391	0	0	0	0	12,391
Office of the Lieutenant Governor	846	0	0	0	0	846
Public Disclosure Commission	3,921	0	0	0	0	3,921
Office of the Secretary of State	35,363	0	0	320	585	36,268
Governor's Office of Indian Affairs	520	0	0	0	0	520
Asian/Pacific-American Affrs	430	0	0	0	0	430
Office of the State Treasurer	14,244	0	0	0	0	14,244
Office of the State Auditor	43,171	0	0	0	0	43,171
Comm Salaries for Elected Officials	195	0	0	0	0	195
Office of the Attorney General	157,459	0	0	0	0	157,459
Caseload Forecast Council	910	0	0	0	0	910
Dept of Financial Institutions	20,359	0	0	0	0	20,359
Dept Community, Trade, Econ Dev	360,061	0	0	315,663	233,290	909,014
Economic & Revenue Forecast Council	947	0	0	0	0	947
Office of Financial Management	64,263	0	0	6,300	8,900	79,463
Office of Administrative Hearings	20,799	0	0	0	0	20,799
Department of Personnel	33,629	0	0	0	0	33,629
State Lottery Commission	796,297	0	0	0	0	796,297
Washington State Gambling Comm	27,630	0	0	0	0	27,630
WA State Comm on Hispanic Affairs	441	0	0	0	0	441
African-American Affairs Comm	378	0	0	0	0	378
Personnel Appeals Board	1,602	0	0	0	0	1,602
Department of Retirement Systems	49,365	0	0	0	0	49,365
State Investment Board	11,137	0	0	0	0	11,137
Department of Revenue	148,086	0	0	0	0	148,086
Board of Tax Appeals	1,856	0	0	0	0	1,856
Municipal Research Council	4,146	0	0	0	0	4,146
Minority & Women's Business Enterp	2,546	0	0	0	0	2,546
Dept of General Administration	127,405	0	0	51,352	6,704	185,461
Department of Information Services	216,173	0	0	0	0	216,173
Office of Insurance Commissioner	25,670	0	0	0	0	25,670
State Board of Accountancy	1,254	0	0	0	0	1,254
Forensic Investigations Council	272	0	0	0	0	272
Washington Horse Racing Commission	4,579	0	0	0	0	4,579
WA State Liquor Control Board	141,989	0	0	0	0	141,989
Utilities and Transportation Comm	27,418	222	0	0	0	27,640
Board for Volunteer Firefighters	573	0	0	0	0	573
Military Department	121,267	0	0	10,104	11,000	142,371
Public Employment Relations Comm	4,066	0	0	0	0	4,066
Growth Management Hearings Board	2,799	0	0	0	0	2,799
State Convention and Trade Center	32,434	0	0	10,750	0	43,184
Total Governmental Operations	2,518,891	222	0	394,489	260,479	3,174,081

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

HUMAN SERVICES
(Dollars in Thousands)

	Omnibus	Transportation Budget		Capital Budget		Total
	Operating			New	Reappropriations	
	Budget	Operating	Capital	Approps	Reappropriations	
WA State Health Care Authority	603,223	0	0	0	0	603,223
Human Rights Commission	6,721	0	0	0	0	6,721
Bd of Industrial Insurance Appeals	23,231	0	0	0	0	23,231
Criminal Justice Training Comm	17,880	0	0	0	0	17,880
Department of Labor and Industries	423,422	0	0	0	0	423,422
Indeterminate Sentence Review Board	1,854	0	0	0	0	1,854
Dept of Social and Health Services	12,430,563	0	0	83,510	50,212	12,564,285
Department of Health	565,255	0	0	23,065	18,878	607,198
Department of Veterans' Affairs	59,706	0	0	3,600	750	64,056
Department of Corrections	977,291	0	0	127,465	147,794	1,252,550
Dept of Services for the Blind	15,930	0	0	0	0	15,930
Sentencing Guidelines Commission	1,641	0	0	0	0	1,641
Department of Employment Security	440,040	0	0	0	0	440,040
Total Human Services	15,566,757	0	0	237,640	217,634	16,022,031

**1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds**

NATURAL RESOURCES
(Dollars in Thousands)

	Omnibus	Transportation Budget		Capital Budget		Total
	Operating Budget	Operating	Capital	New Approps	Reapprops	
Columbia River Gorge Commission	1,354	0	0	0	0	1,354
Department of Ecology	278,985	0	0	217,156	146,876	643,017
WA Pollution Liab Insurance Program	2,094	0	0	0	0	2,094
State Parks and Recreation Comm	89,360	859	2,690	27,898	10,315	131,122
Interagency Comm for Outdoor Rec	6,626	0	0	184,400	79,060	270,086
Environmental Hearings Office	1,612	0	0	0	0	1,612
State Conservation Commission	9,326	0	0	10,500	7,398	27,224
Dept of Fish and Wildlife	275,992	0	0	26,653	13,722	316,367
Department of Natural Resources	250,467	0	0	102,615	7,507	360,589
Department of Agriculture	81,839	311	0	0	0	82,150
Total Natural Resources	997,655	1,170	2,690	569,222	264,878	1,835,615

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

TRANSPORTATION
(Dollars in Thousands)

	Omnibus Operating Budget	Transportation Budget		Capital Budget		Total
		Operating	Capital	New Approps	Reapprops	
Board of Pilotage Commissioners	0	253	0	0	0	253
Washington State Patrol	77,206	227,104	2,328	16,955	900	324,493
WA Traffic Safety Commission	0	11,594	0	0	0	11,594
Department of Licensing	33,091	157,964	0	0	0	191,055
Department of Transportation	0	989,218	1,697,924	0	0	2,687,142
County Road Administration Board	0	0	91,147	0	0	91,147
Transportation Improvement Board	0	0	269,756	0	0	269,756
Marine Employees' Commission	0	322	0	0	0	322
Transportation Commission	0	767	0	0	0	767
Freight Mobility Strategic Invest	0	540	0	0	0	540
Total Transportation	110,297	1,387,762	2,061,155	16,955	900	3,577,069

1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds

EDUCATION

(Dollars in Thousands)

	Omnibus Operating Budget	Transportation Budget		Capital Budget		Total
		Operating	Capital	New Approps	Reapprops	
State Board of Education	0	0	0	376,881	114,419	491,300
Superintendant of Public Instruction	10,398,399	0	0	1,619	0	10,400,018
Total Public Schools	10,398,399	0	0	378,500	114,419	10,891,318
Higher Education Coordinating Board	250,835	0	0	1,200	0	252,035
University of Washington	2,712,042	0	0	308,284	140,901	3,161,227
Washington State University	789,187	0	0	137,515	62,004	988,706
Eastern Washington University	153,469	0	0	28,834	13,302	195,605
Central Washington University	155,959	0	0	19,000	11,050	186,009
The Evergreen State College	82,178	0	0	12,910	3,161	98,249
Spokane Intercol Rsch & Tech Inst	2,659	0	0	0	0	2,659
Western Washington University	219,672	0	0	32,080	18,578	270,330
Community/Technical College System	1,509,346	0	0	229,490	113,104	1,851,940
Total Higher Education	5,875,347	0	0	769,313	362,100	7,006,760
State School for the Blind	8,853	0	0	3,914	0	12,767
State School for the Deaf	13,699	0	0	3,840	0	17,539
Work Force Trng & Educ Coord Board	37,751	0	0	0	0	37,751
State Library	25,577	0	0	0	0	25,577
Washington State Arts Commission	5,921	0	0	0	0	5,921
Washington State Historical Society	7,185	0	0	6,119	815	14,119
East Wash State Historical Society	2,520	0	0	23,265	300	26,085
Total Other Education	101,506	0	0	37,138	1,115	139,759
Total Education	16,375,252	0	0	1,184,951	477,634	18,037,837

**1999-01 Washington State Budget
Including 2000 Supplemental
Total Budgeted Funds**

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	Omnibus Operating Budget	Transportation Budget Operating	Capital	Capital Budget New Approps	Reapprops	Total
Bond Retirement and Interest	1,295,863	254,776	0	0	0	1,550,639
Special Approps to the Governor	413,305	0	0	0	0	413,305
Sundry Claims	215	0	0	0	0	215
Other Appropriations	-13,408	0	0	0	0	-13,408
State Employee Compensation Adjust	353,171	0	0	0	0	353,171
Contributions to Retirement Systems	51,712	0	0	0	0	51,712
Total Special Appropriations	2,100,858	254,776	0	0	0	2,355,634

2000 Supplemental Omnibus Budget Overview

Operating Only

The 2000 supplemental omnibus operating budget enacted by Chapter 1, Laws of 2000, 2nd Special Session, Partial Veto (EHB 2487), totals \$37.92 billion. Of that amount, \$20.85 billion is from the state general fund and \$17.07 billion is from other funding sources.

Under RCW 43.135 (Initiative 601), spending from the state general fund is limited to \$20.9 billion – \$10.2 billion for fiscal year 2000 and \$10.7 billion for fiscal year 2001. The state general fund is \$100 million under the current Initiative 601 expenditure limit.

The 2000 supplemental omnibus operating budget as adopted by the Legislature and revised to reflect Governor vetoes increased 1999-01 state general fund appropriations by \$277 million and increased total funds by \$756 million. This represents a general fund increase of 1.3 percent and total funds increase of 2.0 percent.

Significant savings in the state general fund budget came from: continued maximization of federal funds, caseload savings, and program efficiencies in the Temporary Assistance for Needy Families and associated programs (\$106 million in savings between the Department of Social and Health Services [DSHS] Economic Services and Children's Services programs); enrollment savings in the public schools (\$84 million); and caseload savings in the DSHS Long Term Care and Medical Assistance programs (\$67 million).

Major increases in current services in the state general fund budget include over \$87 million in unbudgeted costs for health care rates in DSHS Medical Assistance, \$64 million to pay for decreased federal participation in social service programs, and \$18 million in unbudgeted costs for levy equalization.

Policy enhancements focused on two primary areas: backfilling losses brought about by the repeal of the motor vehicle excise tax; and enhancements to the public school system.

Fiscal Issues of Statewide Significance

The fiscal challenge for the 2000 legislative session was to address three competing demands on the state's large and growing general fund reserves. The combined state general fund ending fund balance and the Emergency Reserve Fund were projected to be over \$1.3 billion by the end of the 1999-01 biennium.

In November 1999, the voters enacted Initiative 695, which repealed the excise tax on motor vehicles. Initiative 695 directly affected state and local programs by eliminating \$1.2 billion in revenue to local governments, public transit programs, and state transportation programs. The primary focus of the session was this revenue loss.

Additionally, there were several proposals to use the state's favorable fiscal situation to reduce property taxes, such as tax cuts for senior citizens, homeowners, or an elimination of the state portion of the property tax. Finally, there were several proposals to enhance public school funding, including funding for class size reduction and common school construction.

Initiative 695

State transportation and local transit districts lost \$930 million (\$600 million in state transportation and \$330 million in local transit revenues) as a result of the passage of Initiative 695. Local governments and public health districts lost \$300 million as a result of the initiative passing.

To address these losses, the legislative supplemental omnibus operating and capital budget makes several appropriations totaling \$332.7 million which are designed to help local jurisdictions and the legislative supplemental transportation budget adjust to this loss of revenue. These appropriations include the following:

- \$35 million ongoing annual assistance from interest on the emergency reserve fund for debt service on highway construction.
- \$80 million one-time assistance from the general fund for transit districts.
- \$50 million one-time assistance from the general fund to the multimodal transportation account for transit liability payments.
- \$20 million ongoing annual assistance from the general fund for ferry operations.
- \$12.7 million from the general fund for the King Street Station rail maintenance facility.
- \$35.5 million in ongoing funding from the general fund for county public safety assistance, court operations, and other services.
- \$66.3 million in ongoing funding from the general fund for assistance to cities for criminal justice and fire and police protection.
- \$33.2 million in ongoing funding from the Health Services Account is provided to restore 90 percent of funding losses to public health districts and county public health programs.

The supplemental budget also provides back-fill funding for two state programs that lost funding due to the repeal of the motor vehicle excise tax: the air quality program at the Department of Ecology; and the state crime lab operated by the Washington State Patrol.

Education Finance

Responding to demands to increase funding for the public school system, the Legislature created the Better Schools Program and put in place a mechanism to generate funding for common school construction.

The Better Schools Program is intended to provide ongoing support for class size and extended learning opportunities (\$37.4 million) and for professional development for certificated and classified staff ensuring that instruction is aligned with state standards and student needs (\$20.1 million).

For school construction finance, separate legislation (Chapter 2, Laws of 2000, 2nd sp.s. – EHB 3169) reduced the threshold over which funds flow from the emergency reserve fund to the education construction account. This change will produce an estimated \$115 million for the Education Construction Fund in the 1999-01 biennium, of which \$35 million is appropriated to common school construction. The remaining funds may be used for K-12 or higher education construction.

1999-01 Estimated Revenues and Expenditures
2000 Supplemental Budget
General Fund-State
(Dollars in Millions)

Resources

Unrestricted Beginning Balance	462.0
February Revenue Forecast	20,842.9
Revenue Legislation	-3.1
Total Resources	21,301.8

Expenditure Limit and Appropriations

Official Initiative 601 Expenditure Limit	20,651.1
Net Adjustments to the Limit	299.0
Revised Initiative 601 Expenditure Limit	20,950.1
Original 1999-01 Appropriations	20,572.8
2000 Supplemental Budget *	277.4
Revised 1999-01 Appropriations	20,850.2
Spending Compared to Limit	-99.9

Unrestricted General Fund Reserves

Beginning Balance	462.0
Change in Reserves	-78.4
Unrestricted Ending Balance	383.6

Emergency Reserve Fund

Beginning Balance	535.7
New Deposit (Revenue > Limit)	68.0
Transfer to Education Construction Fund	-114.6
Transfer to Multimodal Transportation Account	-35.0
Interest Earnings	72.6
Emergency Reserve (5 percent Annual Threshold)	526.8
Education Construction Fund Balance	114.6

* The 2000 Supplemental Budget reflects Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487).

1999-01 Washington State Budget
2000 Supplemental Budget
Adjustments to the Initiative 601 Expenditure Limit
(Dollars in Millions)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>1999-01</u>
Current Limit	10,170.2	10,480.9	20,651.1
Shift of Local Program Costs			
Counties (I-695 Assistance)	11.9	11.9	23.7
Cities (I-695 Assistance)	21.7	23.0	44.6
Transit Districts (I-695 Assistance)	0.0	80.0	80.0
Sound Transit Contribution	15.0	0.0	15.0
King Street Rail Maintenance Facility	0.0	12.7	12.7
Shifts between State Funds			
Ferries (I-695 Assistance)	0.0	20.0	20.0
Superintendent of Public Instruction	15.1	0.0	15.1
Air Quality Program	3.2	3.5	6.6
Municipal Research Council	0.0	-1.8	-1.8
Other Fund Shifts	-0.4	0.0	-0.4
Shift of Federal Program Costs			
FMAP Adjustment	0.0	35.8	35.8
Disproportionate Share Adjustment	0.0	16.9	16.9
State Veterans' Homes	-0.1	0.0	-0.1
Rebase to Actual Spending in FY 2000	0.0	30.9	30.9
Total Adjustment	66.3	232.8	299.0
Revised Initiative 601 Expenditure Limit	10,236.5	10,713.7	20,950.1

**1999-01 Washington State Operating Budget
Appropriations Contained Within Other Legislation**

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Other	Total
EHB 2304 - School Safety Programs	C 12 L 99 E1	Superintendent of Public Instruction	7,000		7,000
2SSB 5802 - Telecomm Contractors	C 238 L 00 PV	Department of Labor & Industries		1,408	1,408
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Bond Retirement & Interest		254,776	254,776
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Department of Agriculture		311	311
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Department of Licensing		157,964	157,964
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	LEAP Committee		887	887
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Senate		2,436	2,436
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	State Parks & Recreation Commission		859	859
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Utilities & Transpo Commission		222	222
E2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Washington State Patrol		227,104	227,104
Total			7,000	645,967	652,967

Revenues

During the 2000 regular and first and second special legislative sessions, the Legislature enacted 23 bills affecting revenue. After four partial vetoes and two full vetoes, state general fund resources were reduced by \$3.1 million.

The most significant revenue legislation in 2000 was the people's adoption of Initiative 695. Initiative 695 reduced the motor vehicle fund and other dedicated funds by \$1.1 billion. About \$576 million of the decrease was revenue distributed to local governments for purposes such as public transportation, public health, public safety, and sales tax equalization. Initiative 695 repealed excise taxes that were imposed on motor vehicles, travel trailers, and campers. (A consequence of repealing these excise taxes was that motor vehicles, travel trailers, and campers became subject to property taxes.) The Initiative also instituted an annual \$30 license tab fee for motor vehicles and required voter approval for any increases in state or local taxes, fees, or other monetary charges by government. In March, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds (*Amalgamated Transit Union v. State of Washington*, March 14, 2000). The state is appealing the ruling to the Supreme Court.

In response to Initiative 695, the Legislature exempted motor vehicles, travel trailers, and campers from the property tax and made this exemption retroactive to the effective date of Initiative 695. The Legislature also adopted legislation making the repeal of excise taxes on motor vehicles, travel trailers, and campers and the imposition of \$30 license tab fees permanent, regardless of how the Supreme Court ultimately rules. Additionally, the Legislature granted local governments authority to impose up to 0.9 percent local sales and use tax for public transit purposes with voter approval; the previous limit was 0.6 percent.

In regards to legislation unrelated to Initiative 695, two bills had revenue impacts on the state general fund in excess of \$1 million. The first bill allows the Department of Community, Trade, and Economic Development to designate an additional community empowerment zone (CEZ) to complete the six zones that were initially authorized in 1993. As passed the Legislature, the bill had no impact on the state general fund. However, the Governor decreased the state general fund by \$1.5 million when he vetoed the section that made businesses located in a newly-designated CEZ ineligible for certain sales and use tax deferrals that apply to businesses located in already-existing CEZs.

The second bill deals with the taxation of electrical energy sales and decreases the state general fund by \$1.3 million. This legislation expands tax exemptions for electricity by exempting all wholesales of electricity from public utility tax and business and occupation tax, including wholesales to, or by, brokers and marketers.

All other revenue bills passed by the Legislature and signed by the Governor either had no revenue impacts or impacts of \$111,000 or less on the state general fund.

2000 Revenue Legislation
General Fund-State
(Dollars in Thousands)

			<u>1999-01</u>	<u>2001-03</u>
E2SHB	1987	Agricultural Burning Reduction	-111	-232
E2SHB	2109	Indian Housing Authorities	0	0
SHB	2398	Tax Statutes	0	0
SHB	2460	Community Empowerment Zones	-1,531	-3,311
SHB	2493	Sales and Use Tax Rate Change	0	0
HB	2505	Multiple-Unit Dwellings/Property Tax Exemption	0	0
HB	2515	Estate Tax Penalties	-110	-220
HB	2516	Successor Tax Liability	0	0
HB	2519	Excise Tax Code	0	0
HB	2590	Pollution Liability Insurance	0	0
EHB	2755	Electric Energy Sales	-1,338	-2,605
HB	2926	Coal Tax Exemptions	0	0
EHB	3068	Radioactive Waste Treatment	0	-839
EHB	3105	Zoos, Aquariums, Parks Funding	0	0
ESB	5667	Boxing, Kickboxing, Martial Arts, and Wrestling	-4	-5
2SSB	5802	Telecommunications Contractors	-11	-22
SSB	6115	Motor Vehicle Property Tax Exemption	0	4,244
SSB	6467	License Fraud	55	95
SB	6678	Parimutuel Wagering Sunset	0	-80
2E2SSB	6856	Transportation Funding	0	0
SB	6865	Vehicle License Tab Fees	0	0
Total All Bills			<u>-3,050</u>	<u>-2,975</u>

Revenue Legislation

Motor Vehicles and Transportation Tax Legislation

License Tab Tax Limitations – No General Fund-State Revenue Impact

Chapter 1, Laws of 2000 (Initiative 695 to the People), has no revenue impact on the state general fund, but it decreases the Motor Vehicle Fund and other dedicated funds by \$1.1 billion. About \$576 million of the decrease is revenue distributed to local governments for public transportation, public health, public safety, sales tax equalization, and other purposes. The Initiative repeals excise taxes that are imposed on motor vehicles, travel trailers, and campers. It also institutes an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000. Voter approval is required for any increase in a state or local tax, fee, or other monetary charge by government, but voter approval is not required to increase tuition, civil and criminal fines, and restitution. (On March 14, 2000, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds. The state is appealing the ruling to the Supreme Court. See the next paragraph for a description of legislation making the repeal of motor vehicle excise taxes and the imposition of \$30 license tab fee permanent regardless of how the Supreme Court ultimately rules.)

Replacing Vehicle Excise Taxes with a Fixed License Fee – No General Fund-State Revenue Impact

Chapter 1, Laws of 2000, 1st sp. s. (SB 6865), has no revenue impact on the state general fund. The legislation repeals excise taxes that are imposed on motor vehicles, travel trailers, and campers. It also institutes an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000. (On March 14, 2000, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds. The state is appealing the ruling to the Supreme Court. This legislation ensures that the repeal of the excise taxes and the imposition of the \$30 annual license tab fee are permanent regardless of how the Supreme Court ultimately rules.)

Reinstating the Property Tax Exemption for Motor Vehicles, Travel Trailers, and Campers – No General Fund-State Revenue Impact for the Current Biennium

Chapter 136, Laws of 2000 (SSB 6115), has no impact on the state general fund this biennium, but increases revenue next biennium by \$4.2 million. When voters adopted Initiative 695, the motor vehicle excise tax was repealed and the property tax applied once again to motor vehicles, travel trailers, and campers. The total valuation of motor vehicles, travel trailers, and campers is estimated at \$37.4 billion for calendar year 2000. This legislation exempts motor vehicles, travel trailers, and campers from the property tax retroactively to the effective date of Initiative 695. The \$4.2 million increase in revenue during the next biennium results from the complex formula used to compute the state property tax levy and how the value of new construction is multiplied by the previous year's levy rate in that formula.

Revising Transportation Funding – No General Fund-State Revenue Impact

Chapter 4, Laws of 2000, 2nd sp. s., Partial Veto (2E2SSB 6856), has no revenue impact on the state general fund, but local governments are given authority to impose up to a 0.9 percent local sales and use tax for public transit purposes with the voters' approval. Previously, the cap on a local sales and use tax for transit purposes was 0.6 percent. The legislation also creates a new multimodal transportation account, and funds from this account may be used only for transportation purposes, including rail, ferries, high capacity transit, highway construction, and other multimodal purposes. Revenue from the sales and use tax on rental cars, previously distributed in the same manner as motor vehicle excise tax revenue, is deposited into the multimodal transportation account. Other revenue deposited into the account includes two dollars from each combined vehicle licensing fee and penalties imposed for the evasion of motor vehicle and special fuel taxes. (The Governor vetoed a section modifying the membership and duties of the Transportation Revenue Forecast Council and a section that the Governor indicated was inadvertently copied from an earlier version of the bill.)

Other Tax Legislation

Addressing Economic Revitalization – \$1.5 Million General Fund-State Revenue Decrease

Chapter 212, Laws of 2000, Partial Veto (SHB 2460), decreases the state general fund by \$1.5 million and local governments' revenue by \$376 thousand. The legislation allows the Department of Community, Trade, and Economic Development (DCTED) to designate an additional community empowerment zone (CEZ) to complete the six zones that were initially authorized in 1993. The legislation also makes some administrative changes to the CEZ program. The \$1.5 million reduction in the state general fund results from the Governor's veto of a section pertaining to the sales and use tax deferral for labor and materials used in the construction or expansion of a manufacturing or research and development facility in a CEZ. Under this section, businesses in new CEZs would not have been eligible for sales and use tax deferrals that are available to businesses located in existing CEZs.

Clarifying the Taxation of Electrical Energy Sales – \$1.3 Million General Fund-State Revenue Decrease

Chapter 245, Laws of 2000 (EHB 2755), decreases the state general fund by \$1.3 million. This legislation expands tax exemptions for electricity by exempting all wholesales of electricity from public utility tax and business and occupation tax, including wholesales to, or by, brokers and marketers. Previously, public utility tax exemptions were limited to wholesales of electricity by one utility to another utility and sales of electricity for consumption outside the state. There were no previous business and occupation tax exemptions for wholesales of electricity.

Providing Tax Exemptions and Credits to Encourage a Reduction in Agricultural Burning of Cereal Grains and Field and Turf Grass Grown for Seed – \$111 Thousand General Fund-State Revenue Decrease

Chapter 40, Laws of 2000 (E2SHB 1987), decreases the state general fund by \$111 thousand and local governments' revenue by \$80 thousand. The legislation creates tax exemptions in order to encourage alternatives to field burning of cereal grains and field and turf grass grown for seed.

Simplifying Estate Tax Penalties – \$110 Thousand General Fund-State Revenue Decrease

Chapter 105, Laws of 2000 (HB 2515), decreases the state general fund by \$110 thousand. The legislation reduces penalties imposed for the late filing of an estate tax return.

Telecommunications Contractors – \$11 Thousand General Fund-State Revenue Decrease

Chapter 238, Laws of 2000, Partial Veto (2SSB 5802), decreases the state general fund by \$11 thousand. The legislation creates a new registration and inspection program for telecommunications contractors. It also requires permits and inspections for most non-residential installations of telecommunications systems. The revenue impact on the state general fund is due to the fact that some registration fee revenue will be deposited into a newly-created telecommunications fund instead of the state general fund. The net revenue impact of this legislation is a \$1.6 million revenue increase for the new telecommunications fund. (The Governor vetoed a legislative intent section that limited authority delegated to the Electrical Board and the Department of Labor and Industries for implementation of this legislation.)

Untaxed Complimentary Tickets for Boxing, Kickboxing, Martial Arts, and Wrestling – \$4 Thousand General Fund-State Revenue Decrease

Chapter 151, Laws of 2000 (ESB 5667), decreases the state general fund by \$4 thousand. The legislation allows 10 percent of all tickets for a wrestling, boxing, or martial arts event to be issued as tax-exempt, complimentary tickets. The number of complimentary tickets, however, may not exceed 1,000 tickets per event. Previous limit was 5 percent of all tickets, not to exceed 300 tickets per event.

Authorizing Tax Exemptions for Properties of Indian Housing Authorities Designated for Low-Income Housing Program Uses – No General Fund-State Revenue Impact

Chapter 187, Laws of 2000 (E2SHB 2109), has no revenue impact. The legislation provides a property tax exemption for property of a tribal government, tribal housing authority, or inter-tribal housing authority that has been designated for use as housing for low-income tribal members. A tribal government, tribal housing authority, or inter-tribal housing authority may reimburse local governments for services provided.

Making Technical Corrections to Tax Statutes – No General Fund-State Revenue Impact

Chapter 103, Laws of 2000 (SHB 2398), has no revenue impact. The legislation makes technical corrections to various sections of the excise and property tax statutes.

Simplifying Implementation of Sales and Use Tax Rate Changes – No General Fund-State Revenue Impact

Chapter 104, Laws of 2000 (SHB 2493), has no impact on the state general fund. The legislation allows sales and use tax rate changes to take effect only on the first day of January, April, July, or October. The Department of Revenue is also required to hold taxpayers harmless for sales and use tax rate computation errors if the taxpayers properly use technology provided by the Department to compute taxes due.

Modifying the Definition of a City for the Multiple-Unit Dwellings Property Tax Exemption – No General Fund-State Revenue Impact

Chapter 242, Laws of 2000 (HB 2505), has no impact on the state general fund. The legislation expands the areas included in the 10-year property tax exemption for multiple-unit housing projects by lowering the eligible city population threshold from 100,000 to 50,000.

Regarding the Disclosure of Information to Persons Against Whom Successor Tax Liability Is Asserted – No General Fund-State Revenue Impact

Chapter 173, Laws of 2000 (HB 2516), has no impact on the state general fund. The legislation permits the Department of Revenue to disclose tax return or tax information to successors.

Simplifying the Excise Tax Code – No General Fund-State Revenue Impact

Chapter 106, Laws of 2000, Partial Veto (HB 2519), has no impact on the state general fund. The legislation makes several changes to excise tax statutes. The Department of Revenue is allowed to disclose tax owed on properties involved in real estate transactions. Deadlines for remitting state 911 taxes are made the same as the deadlines for remitting other excise taxes. A change in ownership does not affect the deferral of sales and use taxes on facilities constructed under various tax incentive programs. Help desk or software/programming businesses located in rural counties do not lose their eligibility for business and occupation tax credits if they fail to file annual reports with the Department of Revenue. (The Governor vetoed a section allowing the Department of Revenue to collect unpaid watercraft excise taxes. Similar language allowing the Department to collect unpaid watercraft excise taxes is enacted in another bill, see Chapter 229, Laws of 2000.)

Extending the Expiration Date on Certain Pollution Liability Insurance Programs – No General Fund-State Revenue Impact

Chapter 16, Laws of 2000 (SHB 2590), has no impact on the state general fund. The pollution liability insurance program is designed to upgrade underground storage tanks. A petroleum products tax funds the program, but the tax is only collected when the pollution liability insurance program trust account falls below a threshold amount. The last time that the account balance was low enough to trigger collection of the tax was in 1992. Both the program and the tax were scheduled to expire on June 1, 2001. This legislation extends the program and the tax until June 1, 2007.

Repealing Certain Coal Tax Exemptions – No General Fund-State Revenue Impact

Chapter 4, Laws of 2000 (HB 2926), has no impact on the state general fund. The legislation modifies the sales and use tax exemption provided for coal used in a thermal electric generating facility by repealing an eligibility criterion that required 70 percent of the coal consumed by a facility to be from a mine in the same county or an adjacent county.

Exempting Personal Property Used in Connection with Privatization Contracts for the Treatment of Radioactive Waste and Hazardous Substances from Property Tax – No General Fund-State Revenue Impact for the Current Biennium

Chapter 246, Laws of 2000 (EHB 3068), has no impact on the state general fund this biennium but reduces the general fund by \$839 thousand next biennium. The legislation exempts private property used for tank waste cleanup at Hanford from the state property tax for years 2002 through 2005. Beginning in the year 2006, the property tax exemption applies to both state and local property taxes.

Apportioning a Sales and Use Tax for Zoos, Aquariums, Wildlife Preserves, and Regional Parks – No General-Fund State Revenue Impact

Chapter 240, Laws of 2000 (EHB 3105), has no impact on the state general fund. The legislation requires a county to submit to voters a ballot proposition authorizing no more than 1/10 of 1 percent local sales and use tax if a joint request is made by a metropolitan park district, a city with a population over 150,000, and the legislative authority of a county with a national park and a population between 500,000 and 1,500,000. The joint request and ballot proposition may be worded to spend either all of the tax revenue on zoo, aquarium, and wildlife preservation and display facilities or half of the tax revenue on those facilities and the other half on parks located throughout the county.

Pari-mutuel Wagering – No General Fund-State Revenue Impact for the Current Biennium

Chapter 145, Laws of 2000 (SB 6678), has no impact on the state general fund this biennium but reduces revenue by \$80 thousand next biennium. The legislation repeals a sunset date, allowing the reduced pari-mutuel tax rate and tax distribution to remain in effect.

License Fraud – \$55 Thousand General Fund-State Increase

Chapter 229, Laws of 2000 (SSB 6467), increases the state general fund by \$55 thousand. In 1999, the Legislature decriminalized license fraud and enacted civil penalties for intentionally licensing a vehicle in another state. The 1999 legislation also authorized the Washington State Patrol to use an administrative process to enforce the civil penalties. As a result of establishing that process, local law enforcement officials no longer had the authority to issue citations for license fraud and the Department of Revenue lost its ability to collect unpaid watercraft excise taxes. This year's legislation disbands the Washington State Patrol's license fraud task force that was created in 1999. Authority for enforcing license plate violations is returned to local law enforcement officials. The revenue increase for the state general fund stems from restoring the Department of Revenue's authority to collect unpaid watercraft excise taxes.

Full Vetoes of Tax Legislation

Providing a Sales and Use Tax Deferral for Natural Gas-Fired Energy Generating Facilities Sited in Rural Areas

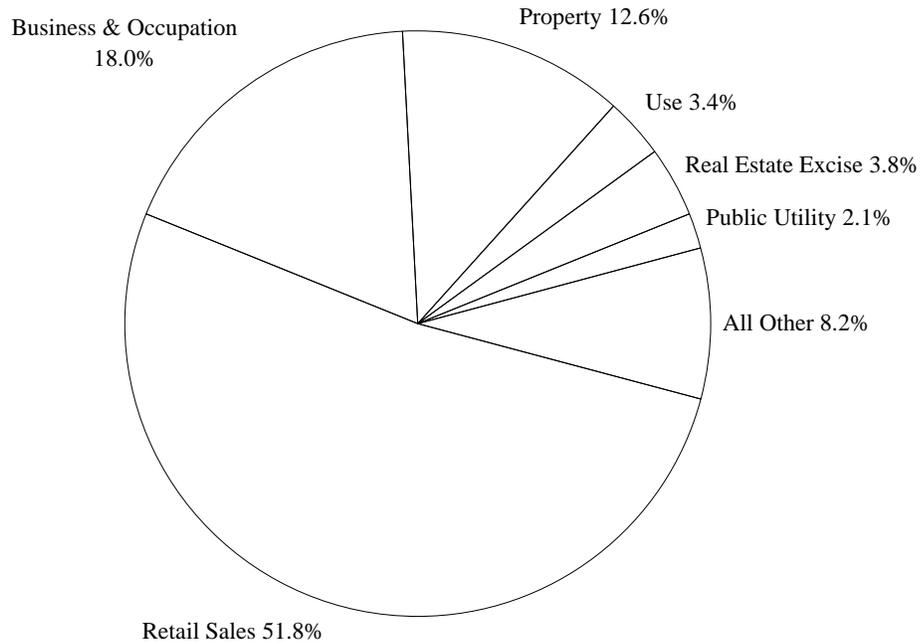
The Governor vetoed SSB 6062, which would have allowed sales and use taxes to be deferred on 600 megawatt or larger natural gas-fired generating facilities constructed in rural areas. If the legislation had taken effect, there would have been a \$3.9 million reduction in the state general fund.

Modifying the Tax Treatment of Linen and Uniform Supply Services

The Governor vetoed SHB 2850, which would have specified that the retail sale of linen and uniform supply services occurs at the place where delivery is made to the customer. If the legislation had taken effect, collection of sales tax on deliveries made by out-of-state linen suppliers to Washington customers would have resulted in a \$617 thousand increase in the state general fund and a \$161 thousand increase for local governments.

Washington State Revenue Forecast - February 2000
1999-01 General Fund-State Revenues by Source

(Dollars in Millions)



Sources of Revenue	
Retail Sales	10,805.3
Business & Occupation	3,760.2
Property	2,635.3
Use	709.2
Real Estate Excise	791.2
Public Utility	432.7
All Other	1,709.0
Total	20,842.9

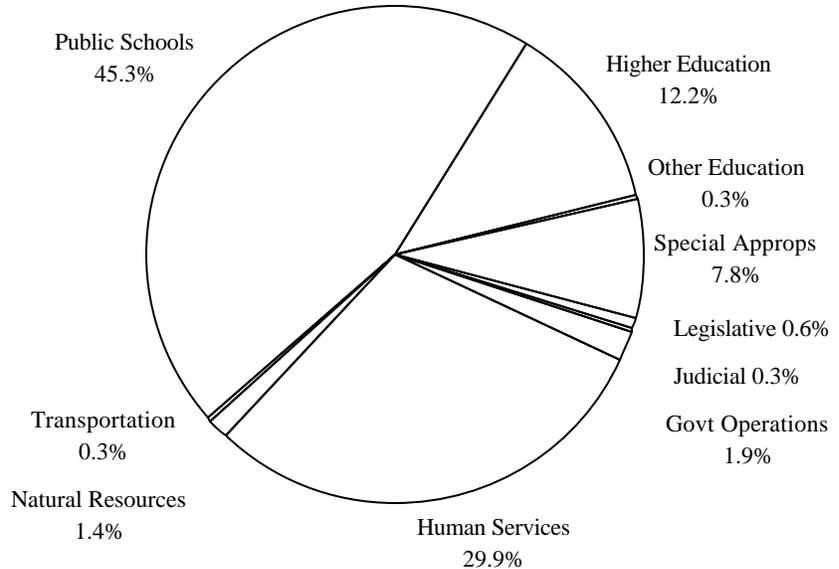
Note: Reflects the February 2000 Revenue Forecast.

1999-01 Omnibus Operating Budget Comparisons

(Dollars in Thousands)

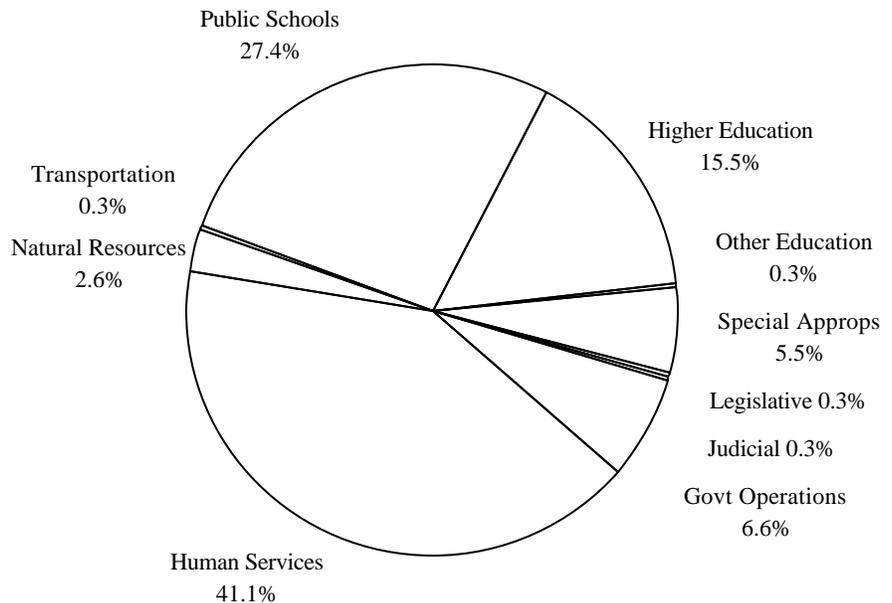
General Fund - State

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Total All Funds

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State Omnibus Operating Budget
2000 Supplemental Budget
TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Legislative	117,413	270	117,683	124,505	310	124,815
Judicial	62,060	4,467	66,527	117,098	6,020	123,118
Governmental Operations	403,375	-4,614	398,761	2,537,871	-18,980	2,518,891
DSHS	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563
Other Human Services	1,123,158	-25,384	1,097,774	3,106,770	29,424	3,136,194
Natural Resources	282,072	17,102	299,174	979,340	18,315	997,655
Transportation	53,453	-630	52,823	107,990	2,307	110,297
Total Education	12,055,153	-9,886	12,045,267	16,289,922	85,330	16,375,252
Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399
Higher Education	2,538,245	9,556	2,547,801	5,862,453	12,894	5,875,347
Other Education	52,930	1,591	54,521	99,870	1,636	101,506
Special Appropriations	1,346,329	288,165	1,634,494	1,743,569	357,289	2,100,858
Statewide Total	20,572,822	277,364	20,850,186	37,161,610	756,033	37,917,643

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the April 2000 special session of the Legislature.

Washington State Omnibus Operating Budget

2000 Supplemental Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
House of Representatives	50,914	75	50,989	50,939	95	51,034
Senate	41,274	85	41,359	41,299	105	41,404
Jt Leg Audit & Review Committee	3,265	110	3,375	3,265	110	3,375
LEAP Committee	2,532	0	2,532	2,937	0	2,937
Office of the State Actuary	0	0	0	1,967	0	1,967
Joint Legislative Systems Comm	11,694	0	11,694	13,875	0	13,875
Statute Law Committee	7,238	0	7,238	9,727	0	9,727
Redistricting Commission	496	0	496	496	0	496
Total Legislative	117,413	270	117,683	124,505	310	124,815
Supreme Court	9,864	230	10,094	9,864	230	10,094
State Law Library	3,685	0	3,685	3,685	0	3,685
Court of Appeals	22,361	418	22,779	22,361	418	22,779
Commission on Judicial Conduct	1,756	0	1,756	1,756	0	1,756
Office of Administrator for Courts	24,394	3,319	27,713	66,992	4,822	71,814
Office of Public Defense	0	500	500	12,440	550	12,990
Total Judicial	62,060	4,467	66,527	117,098	6,020	123,118
Total Legislative and Judicial	179,473	4,737	184,210	241,603	6,330	247,933

Washington State Omnibus Operating Budget

2000 Supplemental Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Office of the Governor	11,482	0	11,482	12,856	-465	12,391
Office of the Lieutenant Governor	665	21	686	825	21	846
Public Disclosure Commission	3,220	701	3,921	3,220	701	3,921
Office of the Secretary of State	22,434	8	22,442	33,725	1,638	35,363
Governor's Office of Indian Affairs	520	0	520	520	0	520
Asian/Pacific-American Affrs	430	0	430	430	0	430
Office of the State Treasurer	0	0	0	13,487	757	14,244
Office of the State Auditor	2,156	0	2,156	43,171	0	43,171
Comm Salaries for Elected Officials	150	45	195	150	45	195
Office of the Attorney General	7,795	841	8,636	155,280	2,179	157,459
Caseload Forecast Council	810	100	910	810	100	910
Dept of Financial Institutions	0	0	0	20,359	0	20,359
Dept Community, Trade, Econ Dev	143,856	1,586	145,442	340,532	19,529	360,061
Economic & Revenue Forecast Council	947	0	947	947	0	947
Office of Financial Management	24,646	1,162	25,808	63,101	1,162	64,263
Office of Administrative Hearings	0	0	0	20,799	0	20,799
Department of Personnel	0	0	0	33,629	0	33,629
State Lottery Commission	0	0	0	796,297	0	796,297
Washington State Gambling Comm	0	0	0	22,658	4,972	27,630
WA State Comm on Hispanic Affairs	441	0	441	441	0	441
African-American Affairs Comm	378	0	378	378	0	378
Personnel Appeals Board	0	0	0	1,602	0	1,602
Department of Retirement Systems	0	0	0	45,939	3,426	49,365
State Investment Board	0	0	0	10,519	618	11,137
Department of Revenue	138,169	0	138,169	148,086	0	148,086
Board of Tax Appeals	1,856	0	1,856	1,856	0	1,856
Municipal Research Council	3,588	-1,822	1,766	4,269	-123	4,146
Minority & Women's Business Enterp	0	0	0	2,546	0	2,546
Dept of General Administration	558	343	901	122,227	5,178	127,405
Department of Information Services	0	0	0	219,533	-3,360	216,173
Office of Insurance Commissioner	0	0	0	25,042	628	25,670
State Board of Accountancy	0	0	0	1,119	135	1,254
Forensic Investigations Council	0	0	0	272	0	272
Washington Horse Racing Commission	0	0	0	4,579	0	4,579
WA State Liquor Control Board	2,577	0	2,577	139,951	2,038	141,989
Utilities and Transportation Comm	0	0	0	26,618	800	27,418
Board for Volunteer Firefighters	0	0	0	573	0	573
Military Department	29,832	-7,599	22,233	182,697	-61,430	121,267
Public Employment Relations Comm	4,066	0	4,066	4,066	0	4,066
Growth Management Hearings Board	2,799	0	2,799	2,799	0	2,799
State Convention and Trade Center	0	0	0	29,963	2,471	32,434
Total Governmental Operations	403,375	-4,614	398,761	2,537,871	-18,980	2,518,891

Washington State Omnibus Operating Budget
2000 Supplemental Budget
HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>Orig 99-01</u>	<u>2000 Supp</u>	<u>Rev 99-01</u>	<u>Orig 99-01</u>	<u>2000 Supp</u>	<u>Rev 99-01</u>
Dept of Social & Health Services	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563
WA State Health Care Authority	13,004	0	13,004	596,766	6,457	603,223
Human Rights Commission	5,086	61	5,147	6,660	61	6,721
Bd of Industrial Insurance Appeals	0	0	0	23,231	0	23,231
Criminal Justice Training Comm	0	0	0	17,607	273	17,880
Department of Labor and Industries	14,508	0	14,508	418,023	5,399	423,422
Indeterminate Sentence Review Board	1,854	0	1,854	1,854	0	1,854
Department of Health	131,572	-4,448	127,124	550,139	15,116	565,255
Department of Veterans' Affairs	19,289	-925	18,364	56,733	2,973	59,706
Department of Corrections	930,780	-20,164	910,616	976,447	844	977,291
Dept of Services for the Blind	2,994	0	2,994	15,930	0	15,930
Sentencing Guidelines Commission	1,549	92	1,641	1,549	92	1,641
Department of Employment Security	2,522	0	2,522	441,831	-1,791	440,040
Total Other Human Services	1,123,158	-25,384	1,097,774	3,106,770	29,424	3,136,194
Total Human Services	6,252,967	-17,510	6,235,457	15,261,315	305,442	15,566,757

Washington State Omnibus Operating Budget
2000 Supplemental Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Children and Family Services	430,481	-19,787	410,694	772,432	-1,541	770,891
Juvenile Rehabilitation	167,945	5,233	173,178	220,721	19,521	240,242
Mental Health	505,084	10,945	516,029	988,248	27,924	1,016,172
Developmental Disabilities	518,068	11,418	529,486	1,010,382	15,697	1,026,079
Long-Term Care Services	928,805	-7,737	921,068	1,936,812	-30,429	1,906,383
Economic Services	898,737	-60,082	838,655	2,150,449	-51,213	2,099,236
Alcohol & Substance Abuse	43,309	130	43,439	219,123	145	219,268
Medical Assistance Payments	1,506,938	72,253	1,579,191	4,571,058	305,641	4,876,699
Vocational Rehabilitation	18,038	-633	17,405	102,848	-1,672	101,176
Administration/Support Svcs	50,895	-4,772	46,123	98,216	-8,146	90,070
Payments to Other Agencies	61,509	906	62,415	84,256	91	84,347
Total DSHS	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563

Washington State Omnibus Operating Budget
2000 Supplemental Budget
NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Columbia River Gorge Commission	697	0	697	1,354	0	1,354
Department of Ecology	67,097	11,590	78,687	266,931	12,054	278,985
WA Pollution Liab Insurance Program	0	0	0	2,094	0	2,094
State Parks and Recreation Comm	55,571	178	55,749	89,182	178	89,360
Interagency Comm for Outdoor Rec	275	0	275	3,294	3,332	6,626
Environmental Hearings Office	1,612	0	1,612	1,612	0	1,612
State Conservation Commission	5,264	0	5,264	11,126	-1,800	9,326
Dept of Fish and Wildlife	85,339	1,844	87,183	274,570	1,422	275,992
Department of Natural Resources	51,425	2,890	54,315	247,938	2,529	250,467
Department of Agriculture	14,792	600	15,392	81,239	600	81,839
Total Natural Resources	282,072	17,102	299,174	979,340	18,315	997,655

Washington State Omnibus Operating Budget
2000 Supplemental Budget
TRANSPORTATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Washington State Patrol	42,987	-665	42,322	74,299	2,907	77,206
Department of Licensing	10,466	35	10,501	33,691	-600	33,091
Total Transportation	53,453	-630	52,823	107,990	2,307	110,297

Washington State Omnibus Operating Budget
2000 Supplemental Budget
EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399
Higher Education Coordinating Board	237,237	3,400	240,637	247,435	3,400	250,835
University of Washington	650,906	1,041	651,947	2,711,104	938	2,712,042
Washington State University	380,566	-596	379,970	787,015	2,172	789,187
Eastern Washington University	84,965	574	85,539	152,636	833	153,469
Central Washington University	86,363	423	86,786	155,536	423	155,959
The Evergreen State College	46,592	555	47,147	81,623	555	82,178
Spokane Intercollegiate & Tech Inst	0	0	0	2,659	0	2,659
Western Washington University	109,565	242	109,807	219,430	242	219,672
Community/Technical College System	942,051	3,917	945,968	1,505,015	4,331	1,509,346
Total Higher Education	2,538,245	9,556	2,547,801	5,862,453	12,894	5,875,347
State School for the Blind	7,992	217	8,209	8,636	217	8,853
State School for the Deaf	13,390	309	13,699	13,390	309	13,699
Work Force Training & Educ Coord Board	2,247	600	2,847	37,151	600	37,751
State Library	16,598	120	16,718	25,457	120	25,577
Washington State Arts Commission	4,876	0	4,876	5,876	45	5,921
Washington State Historical Society	5,307	345	5,652	6,840	345	7,185
East Wash State Historical Society	2,520	0	2,520	2,520	0	2,520
Total Other Education	52,930	1,591	54,521	99,870	1,636	101,506
Total Education	12,055,153	-9,886	12,045,267	16,289,922	85,330	16,375,252

Washington State Omnibus Operating Budget
2000 Supplemental Budget
PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
OSPI & Statewide Programs	60,638	23,521	84,159	155,615	12,984	168,599
General Apportionment	7,096,837	-108,840	6,987,997	7,096,837	-108,840	6,987,997
Pupil Transportation	360,727	1,538	362,265	360,727	1,538	362,265
School Food Services	6,200	0	6,200	265,240	32,721	297,961
Special Education	785,497	-13,004	772,493	933,656	10,504	944,160
Traffic Safety Education	0	15,509	15,509	16,276	-767	15,509
Educational Service Districts	9,094	-27	9,067	9,094	-27	9,067
Levy Equalization	206,288	18,389	224,677	206,288	18,389	224,677
Elementary/Secondary School Improv	0	0	0	264,388	20,805	285,193
Institutional Education	41,743	-2,978	38,765	50,291	-2,978	47,313
Ed of Highly Capable Students	12,446	-177	12,269	12,446	-177	12,269
Education Reform	69,499	35	69,534	69,732	35	69,767
Transitional Bilingual Instruction	71,744	1,737	73,481	71,744	1,737	73,481
Learning Assistance Program (LAP)	146,250	-7,844	138,406	146,250	-7,844	138,406
Block Grants	60,720	-424	60,296	60,720	-424	60,296
Better Schools Program	0	57,500	57,500	0	57,500	57,500
Compensation Adjustments	536,295	-5,968	530,327	536,295	-5,968	530,327
Common School Construction	0	0	0	72,000	41,612	113,612
Total Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399

Washington State Omnibus Operating Budget
2000 Supplemental Budget
SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Bond Retirement and Interest	1,108,747	9,429	1,118,176	1,268,839	27,024	1,295,863
Special Approps to the Governor	27,165	279,849	307,014	74,403	338,902	413,305
Sundry Claims	0	215	215	0	215	215
Other Appropriations	0	-3,647	-3,647	0	-13,408	-13,408
State Employee Compensation Adjust	160,547	477	161,024	350,457	2,714	353,171
Contributions to Retirement Systems	49,870	1,842	51,712	49,870	1,842	51,712
Total Special Appropriations	1,346,329	288,165	1,634,494	1,743,569	357,289	2,100,858

Omnibus Appropriations Act - Agency Detail

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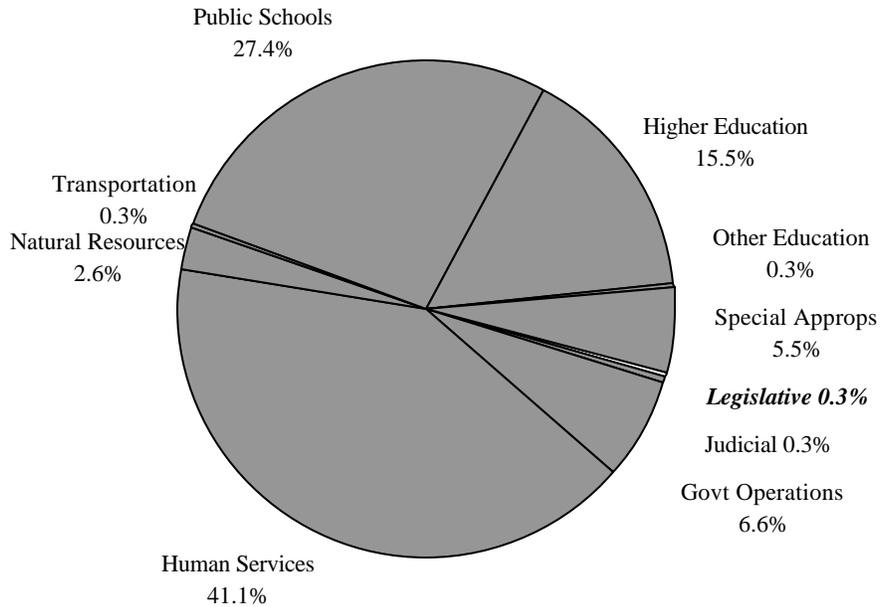
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Legislative

Supplemental appropriations for legislative agencies did not authorize any ongoing program enhancements. However, \$110 thousand in one-time funding is provided in the Joint Legislative Audit and Review Committee's budget for a study of the K-12 special education program.

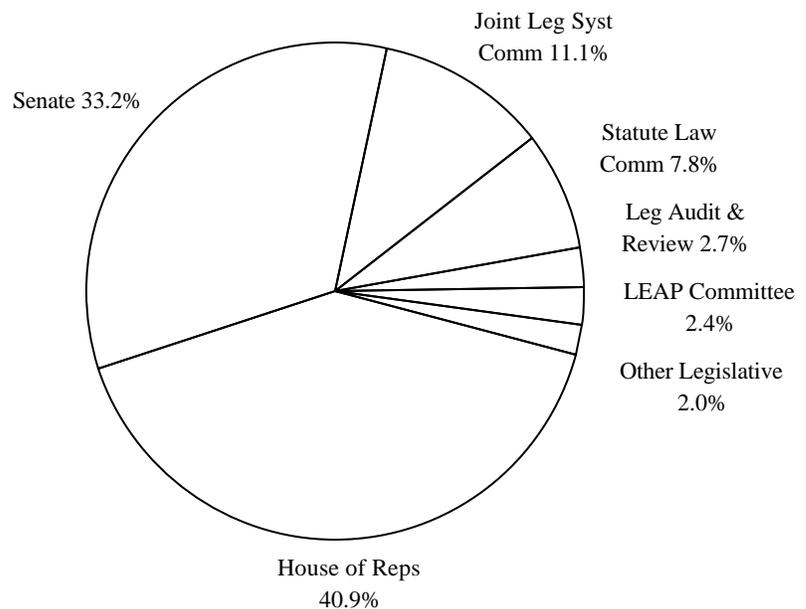
1999-01 Washington State Operating Budget
Total Budgeted Funds
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

House of Representatives	51,034
Senate	41,404
Jt Leg Systems Comm	13,875
Statute Law Committee	9,727
Jt Leg Audit & Rev Comm	3,375
LEAP Committee	2,937
Other Legislative	2,463
Legislative	124,815



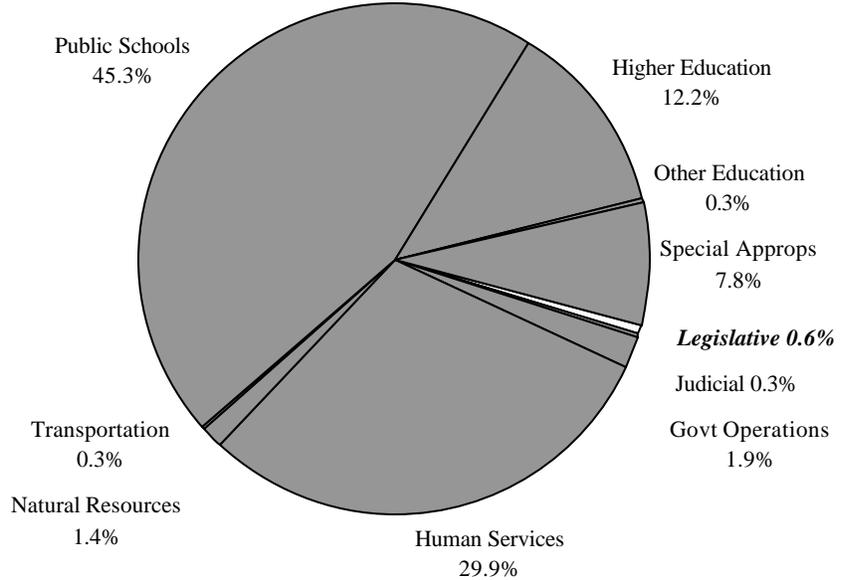
Legislative

1999-01 Washington State Operating Budget

General Fund-State

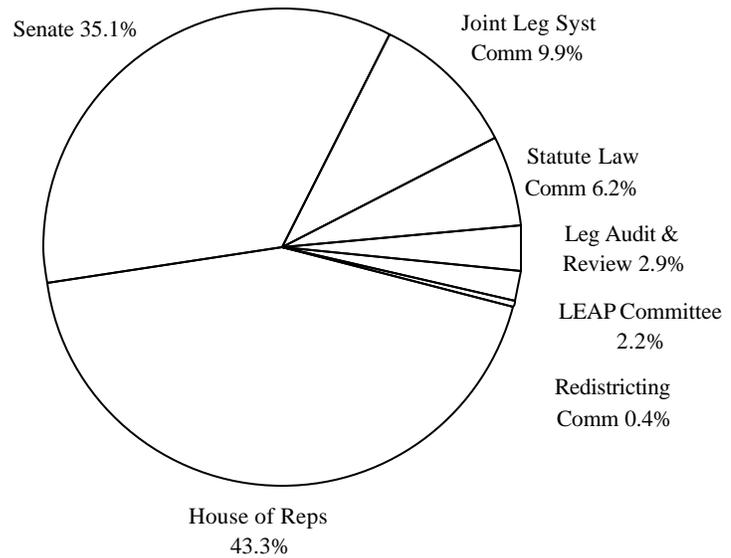
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

House of Representatives	50,989
Senate	41,359
Jt Leg Systems Comm	11,694
Statute Law Committee	7,238
Jt Leg Audit & Rev Comm	3,375
LEAP Committee	2,532
Redistricting Commission	496
Legislative	117,683



Legislative

House of Representatives

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	50,914	25	50,939
Total Maintenance Changes	0	0	0
Policy Changes			
1. Actuarial Consulting Services	0	20	20
2. Project Citizen	0	0	0
3. Developmental Disabilities Study	75	0	75
Total Policy Changes	75	20	95
<hr/>			
1999-01 Revised Appropriations	50,989	45	51,034
Fiscal Year 2000 Total	24,841	0	24,841
Fiscal Year 2001 Total	26,148	45	26,193

Comments:

1. **Actuarial Consulting Services** - Additional funding is provided for actuarial consulting services purchased by the Pension Funding Council.

2. **Project Citizen** - Funding for Project Citizen is shifted from FY 2000 to FY 2001, so that the moneys can be expended throughout the 1999-2001 biennium. Project Citizen is a program presented by the National Conference of State Legislatures and the Center for Civic Education to promote participation in government by middle school students.

3. **Developmental Disabilities Study** - Funding is provided for the Legislature to obtain expert consultation on legal and policy issues of involuntary commitment for persons with developmental disabilities. The 1999-2001 biennial appropriations act provides more than \$14 million to the Department of Social and Health Services to improve services to persons with developmental disabilities who are involuntarily committed in institutions. Funding will enable a study of legal, fiscal, and policy issues surrounding various long-range alternatives, so that the state is well informed if it chooses to fundamentally alter the state's involuntary treatment system under Chapter 71.05 RCW.

Senate

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	41,274	25	41,299
Total Maintenance Changes	0	0	0
Policy Changes			
1. Actuarial Consulting Services	0	20	20
2. Project Citizen	0	0	0
3. Developmental Disabilities Study	75	0	75
4. Health Insurance Actuarial Services	10	0	10
Total Policy Changes	85	20	105
1999-01 Revised Appropriations	41,359	45	41,404
Fiscal Year 2000 Total	19,736	0	19,736
Fiscal Year 2001 Total	21,623	45	21,668

Comments:

1. **Actuarial Consulting Services** - Funding is provided for actuarial services provided to the Pension Funding Council.

2. **Project Citizen** - The 1999 Legislature appropriated \$25,000 for FY 2000 allocation to Project Citizen, a program presented by the National Conference of State Legislatures and the Center for Civic Education to promote participation in government by middle school students. The fiscal year allocation of this appropriation is adjusted to allow the moneys to be expended throughout the 1999-2001 biennium, with no increase in the appropriation.

3. **Developmental Disabilities Study** - The 1999-2001 biennial appropriations act provides more than \$14 million to the Department of Social and Health Services to improve services to persons with developmental disabilities who need involuntary commitment. Prior to implementing any fundamental alteration in the state's involuntary treatment system under chapter 71.05 RCW, the Legislature finds that, while making significant improvements in the care of these clients, a review of long-range alternatives and their legal, fiscal, and policy implications is in order. Funding is provided for the Legislature to obtain expert consultation on legal and policy issues related to options for caring for persons with developmental disabilities who need involuntary commitment.

4. **Health Insurance Actuarial Services** - Funding is provided in FY 2001 to retain actuarial consulting services relating to the funding of health care insurance.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Senate's budget is shown in the Transportation Budget Section of this document.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	3,265	0	3,265
Total Maintenance Changes	0	0	0
Policy Changes			
1. Transitional Bilingual Pgm Study	135	0	135
2. Special Education Study	110	0	110
3. Governor Veto	-135	0	-135
Total Policy Changes	110	0	110
<hr/>			
1999-01 Revised Appropriations	3,375	0	3,375
Fiscal Year 2000 Total	1,634	0	1,634
Fiscal Year 2001 Total	1,741	0	1,741

Comments:

1. **Transitional Bilingual Pgm Study** - Funding is provided for a bilingual education study. The Office of the Superintendent of Public Instruction (OSPI) will provide a follow-up report addressing the implementation of recommendations from the 1992 Legislative Budget Committee report. The Joint Legislative Audit and Review Committee (JLARC) will review the data provided by OSPI and, if appropriate, make recommendations for changes to the funding allocation methods for transitional bilingual programs.

2. **Special Education Study** - Funding is provided for the Committee to conduct an examination of the K-12 special education program. The study will focus on the excess cost definition and implementation and the ability to determine need for safety net funding. Interim findings are due November 20, 2000, and November 20, 2001, with a final report by June 30, 2002.

3. **Governor Veto** - The Governor vetoed Section 103(2), which directed JLARC to study bilingual education programs. The study would have had two parts: 1) OSPI was to provide a follow-up report on implementation of recommendations contained in the 1992 Legislative Budget Committee study of bilingual education; and 2) JLARC was to review funding allocation methods for transitional bilingual programs.

Judicial

Statewide

Almost \$2.2 million is provided for judges' salary increases approved by the Citizens' Commission on Salaries for Elected Officials. At the Supreme Court level, \$230,000 is provided for the justices. For justices at the Court of Appeals, \$388,000 is provided. At the Superior Court level, judges will receive an additional \$1.6 million.

Office of the Administrator for the Courts

An appropriation of \$686,000 will support the state's portion of the costs of newly-appointed Superior Court judges in Spokane, Snohomish, Pierce, Lewis, and King counties. Funds will pay for half of the judges' salaries and non-retirement benefits, and for all the judges' retirement benefits.

Approximately \$1.4 million is provided for salary increases associated with the reclassification of judicial branch information systems personnel. The adjustment is provided to make salaries commensurate with those of executive branch information systems staff.

Supported by an appropriation of \$30,000, the Office will convene a task force to examine potential statutory revisions, which, if implemented, would reduce the likelihood of the inappropriate imposition of the death penalty.

Office of Public Defense

A total of \$500,000 is provided to implement a pilot program to enhance the legal representation for indigent persons in dependency hearings. The pilot will seek to reduce the number of continuances sought by defense attorneys and thus the amount of time that dependents spend in foster care.

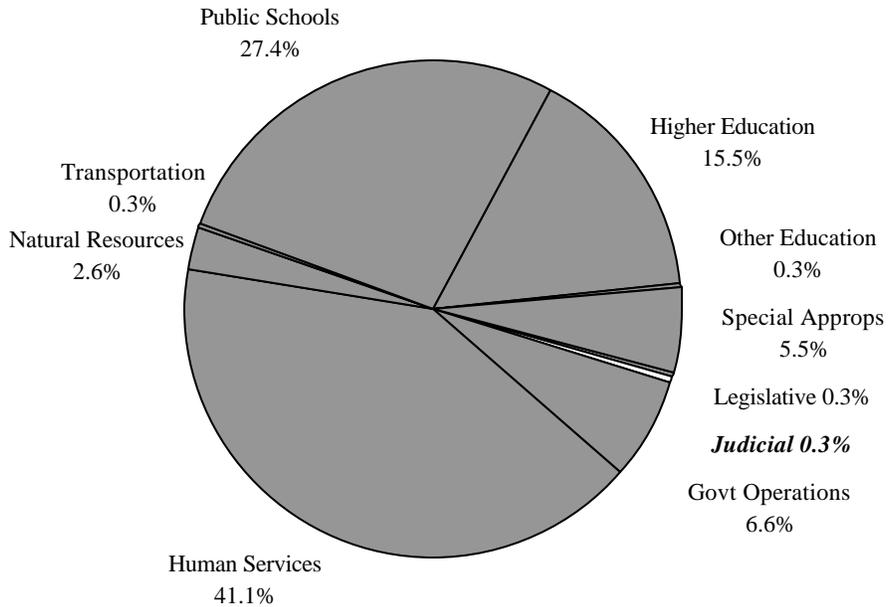
An amount of \$50,000 will support an evaluation of and report on the enhanced DNA testing process, established by Chapter 92, Laws of 2000 (SHB 2491), for persons sentenced to death or to life imprisonment without the possibility of parole.

1999-01 Washington State Operating Budget

Total Budgeted Funds

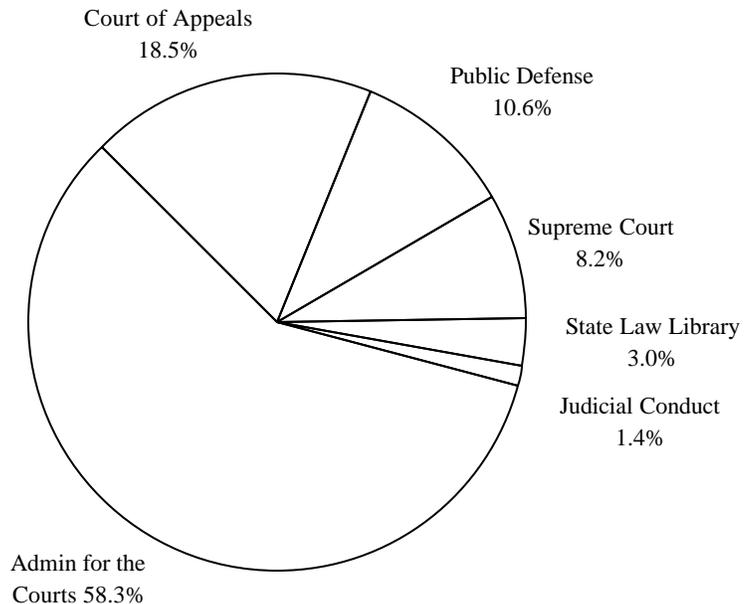
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
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Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

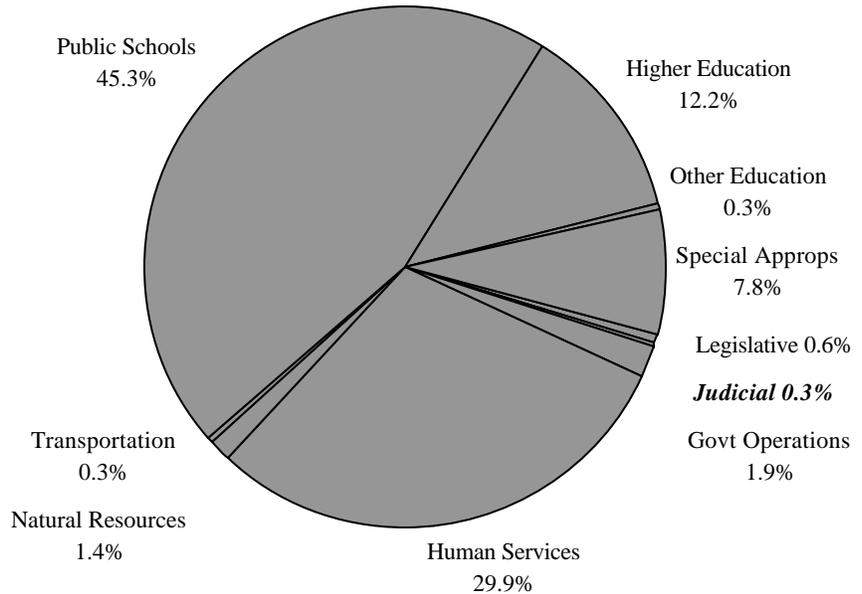
Admin for the Courts	71,814
Court of Appeals	22,779
Office of Public Defense	12,990
Supreme Court	10,094
State Law Library	3,685
Judicial Conduct Comm	1,756
Judicial	123,118



Judicial

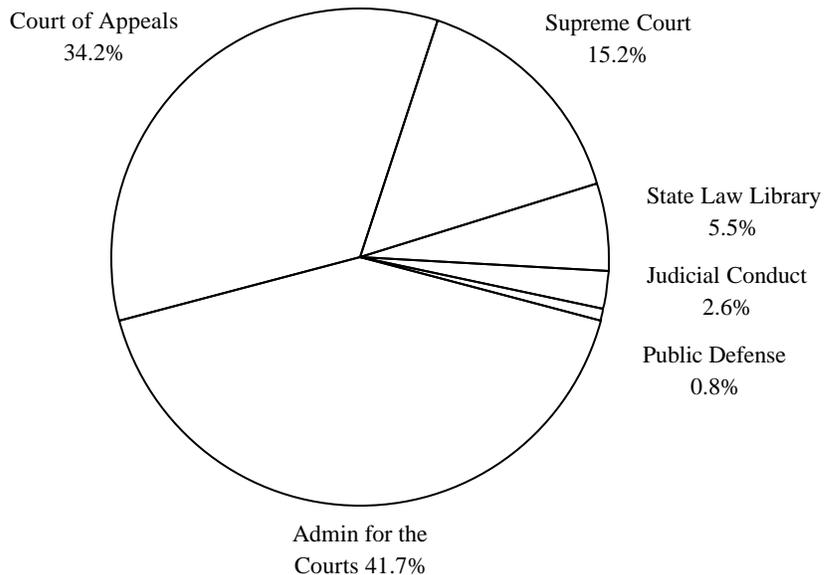
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Admin for the Courts	27,713
Court of Appeals	22,779
Supreme Court	10,094
State Law Library	3,685
Judicial Conduct Comm	1,756
Office of Public Defense	500
Judicial	66,527



Judicial

Supreme Court

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	9,864	0	9,864
Total Maintenance Changes	0	0	0
Policy Changes			
1. Salary Commission Recommendations	230	0	230
2. Redistribute Appropriation	0	0	0
Total Policy Changes	230	0	230
<hr/>			
1999-01 Revised Appropriations	10,094	0	10,094
Fiscal Year 2000 Total	4,980	0	4,980
Fiscal Year 2001 Total	5,114	0	5,114

Comments:

1. **Salary Commission Recommendations** - Funding is provided for salary increases awarded to the justices by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 7 percent and 3 percent effective September 1, 1999, and September 1, 2000, respectively.

2. **Redistribute Appropriation** - The Supreme Court received \$112,000 for equipment and building maintenance in the 1996 supplemental budget for the second year of the 1995-97 biennium. The appropriation is redistributed to provide \$56,000 for maintenance issues in each year of the current biennium.

Court of Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	22,361	0	22,361
Total Maintenance Changes	0	0	0
Policy Changes			
1. Salary Commission Recommendations	388	0	388
2. Periodic Salary Increments	30	0	30
Total Policy Changes	418	0	418
1999-01 Revised Appropriations	22,779	0	22,779
Fiscal Year 2000 Total	11,088	0	11,088
Fiscal Year 2001 Total	11,691	0	11,691

Comments:

1. **Salary Commission Recommendations** - Funding is provided for salary increases awarded to the justices by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 7 percent and 3 percent effective September 1, 1999, and September 1, 2000, respectively.
2. **Periodic Salary Increments** - Funds are provided for step increases awarded to state employees who have not yet reached the top of their salary range.

Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	24,394	42,598	66,992
Total Maintenance Changes	0	0	0
Policy Changes			
1. Mandatory Arbitration Program	268	0	268
2. Death Penalty Study	0	30	30
3. CASA Funding Transfer	750	0	750
4. Superior Court Judges Salaries	1,570	0	1,570
5. Newly Appointed Judges	686	0	686
6. Information System Job Reclass	0	1,399	1,399
7. Guardian Certification Oversight Bd	45	0	45
8. Board for Court Education	0	74	74
Total Policy Changes	3,319	1,503	4,822
<hr/>			
1999-01 Revised Appropriations	27,713	44,101	71,814
Fiscal Year 2000 Total	13,144	22,491	35,635
Fiscal Year 2001 Total	14,569	21,610	36,179

Comments:

- | | |
|---|--|
| <p>1. Mandatory Arbitration Program - Additional funding is provided for the state's portion of the costs of the Superior Court mandatory arbitration program. The increase is necessary to address an unanticipated level of activity in the program.</p> <p>2. Death Penalty Study - Funding is provided to convene a task force to evaluate potential revisions to existing statutes and court rules so as to decrease the likelihood of the inappropriate imposition of the death penalty. (Public Safety and Education Account)</p> <p>3. CASA Funding Transfer - A portion of the funding for Court Appointed Special Advocate (CASA) program is transferred from the Department of Community, Trade, and Economic Development to the Office of the Administrator for the Courts (OAC), effective July 1, 2000.</p> <p>4. Superior Court Judges Salaries - Funding is provided for salary increases awarded to Superior Court judges by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 7 percent and 3 percent effective September 1, 1999, and September 1, 2000, respectively.</p> <p>5. Newly Appointed Judges - Provides funds for the state's share of the salary and benefits of recently-appointed Superior Court judges in Spokane, Snohomish, Pierce, Lewis, and King counties.</p> <p>6. Information System Job Reclass - Provides funds for salary increases for judicial information technology positions so as to make salary levels commensurate with those in similar executive branch positions. Funding is provided at this time because the salaries of judicial branch agency employees are not evaluated under Chapter 319, Laws of 1996 (SSB 6767), the reclassification process for executive branch employees. (Judicial Information Systems Account)</p> | <p>7. Guardian Certification Oversight Bd - Chapter 312, Laws of 1997 (ESHB 1771), required the OAC to establish certification requirements for professional guardians. One-time funding is provided to implement the certification program. In future biennia, the program is expected to be self supporting.</p> <p>8. Board for Court Education - Funding is provided to manage the increase in participation by new judges and court managers and the increase in rental costs for meeting facilities. (Public Safety and Education Account)</p> |
|---|--|

Office of Public Defense

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	12,440	12,440
Total Maintenance Changes	0	0	0
Policy Changes			
1. Indigent Representation Pilot	500	0	500
2. DNA Testing Evaluation	0	50	50
Total Policy Changes	500	50	550
1999-01 Revised Appropriations	500	12,490	12,990
Fiscal Year 2000 Total	0	6,210	6,210
Fiscal Year 2001 Total	500	6,280	6,780

Comments:

1. **Indigent Representation Pilot** - Funding is provided to conduct a pilot program in two juvenile courts to enhance the quality of legal representation for indigent individuals. The pilot program will seek to reduce the number of continuances sought by defense attorneys in dependency hearings, thus reducing the amount of time dependents stay in foster care.

2. **DNA Testing Evaluation** - Chapter 92, Laws of 2000 (SHB 2491), enhances the formalization of the DNA testing process for persons sentenced to death or life imprisonment without the possibility of release or parole. Funding is provided to the Office to evaluate and report the results of the enhanced process and to provide an estimate of the number of people convicted of crimes where DNA evidence did not meet scientific standards or was not sufficiently developed to test the evidence. The Office will submit the report by December 1, 2001. (Public Safety and Education Account)

Governmental Operations

Public Disclosure Commission

Under Chapter 401, Laws of 1999 (E2SSB 5931), the Commission is required to offer electronic filing capabilities to political action committees and lobbyists. The sum of \$674,000 is provided for the development and maintenance of an electronic filing system.

Office of the Attorney General

The sum of \$462,000 is provided for the defense of Initiative 695, which repealed the Motor Vehicle Excise Tax. A three-person team will address lawsuits filed challenging the legality of the Initiative.

Funding in the amount of \$100,000 is provided for an additional staff person in the Criminal Justice division to handle privacy and law enforcement issues relating to the Internet and electronic commerce.

Department of Community, Trade, and Economic Development

A total of \$250,000 is provided to develop the state's proposal for the Lockheed Martin's VentureStar project. The VentureStar project will feature a reusable space vehicle for international space station development and other space technology activities. The state's proposed site is at Moses Lake.

Over \$950,000 is provided for additional grants in the Community Services Facilities Program. Projects that will be supported by this funding include the Multiservice Center of North and East King County; the Metropolitan Development Council in Tacoma; Children Northwest in Vancouver; Community Action Council in Lewis, Mason, and Thurston Counties; and Friends of Youth in Duvall.

Office of Financial Management

A total of \$614,000 is provided to improve contracting practices in state agencies. To provide better access to information on social service contracts, \$329,000 is authorized for a centralized contract database. For improved oversight of personal service and client service contracts, \$285,000 is to be used to fund the development of guidelines and training for agency staff.

Office of the Insurance Commissioner

Increased authority of almost \$500,000 is provided to the Office to implement provisions of two pieces of legislation passed to provide health care consumers a bill of rights and to strengthen the individual health care market. Funds will allow the Office to conduct rulemaking, collect fees, and provide for independent review processes.

Utilities and Transportation Commission

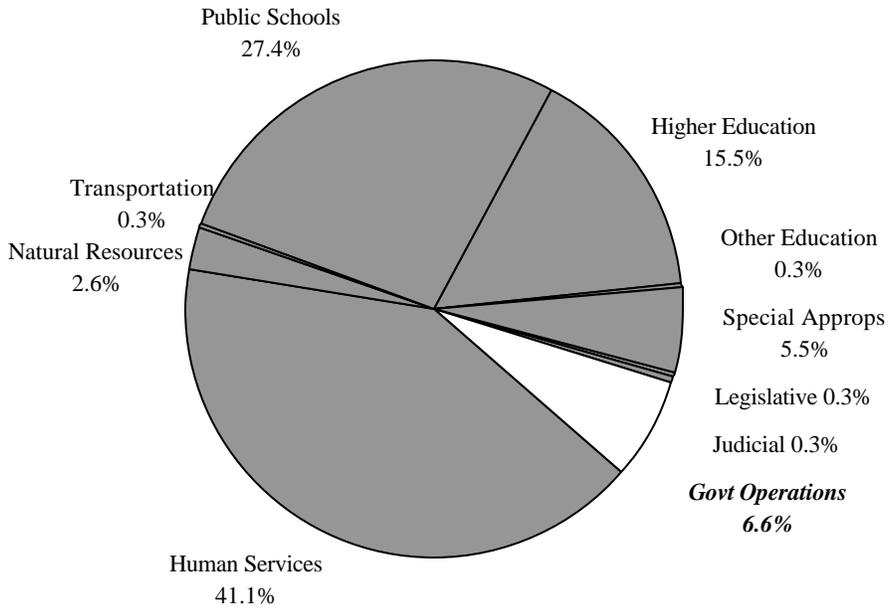
Chapter 191, Laws of 2000, Partial Veto (E2SHB 2420 – Pipeline Safety), creates a state pipeline safety program. The sum of \$800,000 is provided for the Commission to implement the program, which includes components for a statewide geographic information system that maps hazardous pipelines and for prevention of third-party damage to lines. Funding is provided to begin inspecting hazardous liquid pipelines and to develop rules related to safety and leak detection.

Military Department

Over \$3 million is authorized to complete enhanced 911 centers across the state. The Department will contract with counties to build and equip the enhanced centers.

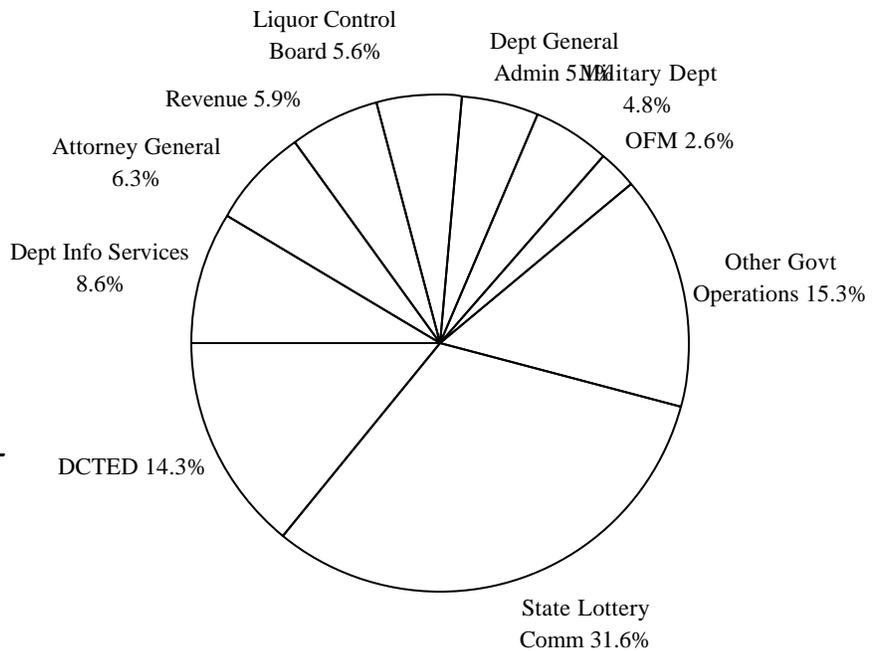
1999-01 Washington State Operating Budget
Total Budgeted Funds
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

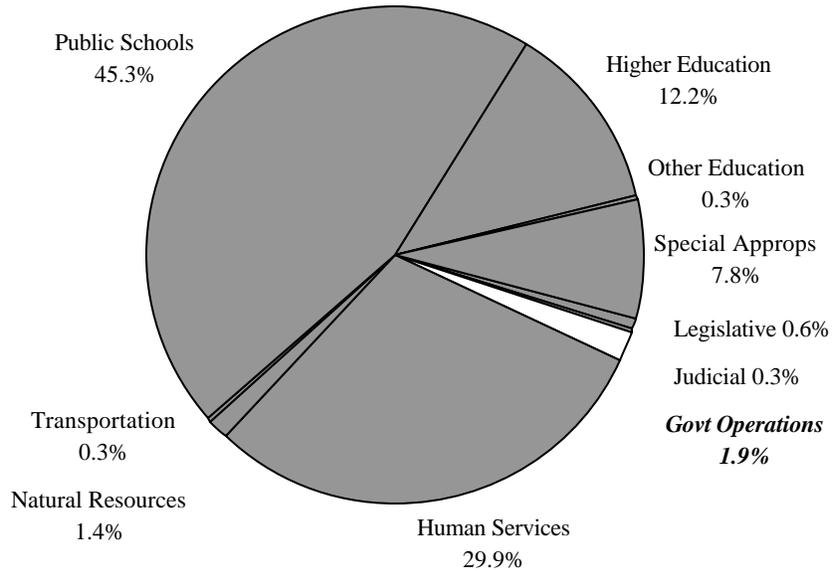
Lottery Commission	796,297
Comm/Trade/Econ Dev	360,061
Dept Information Services	216,173
Attorney General	157,459
Department of Revenue	148,086
Liquor Control Board	141,989
Dept General Administration	127,405
Military Department	121,267
Office of Financial Mgmt	64,263
Other Govt Operations	385,891
Governmental Operations	2,518,891



Governmental Operations

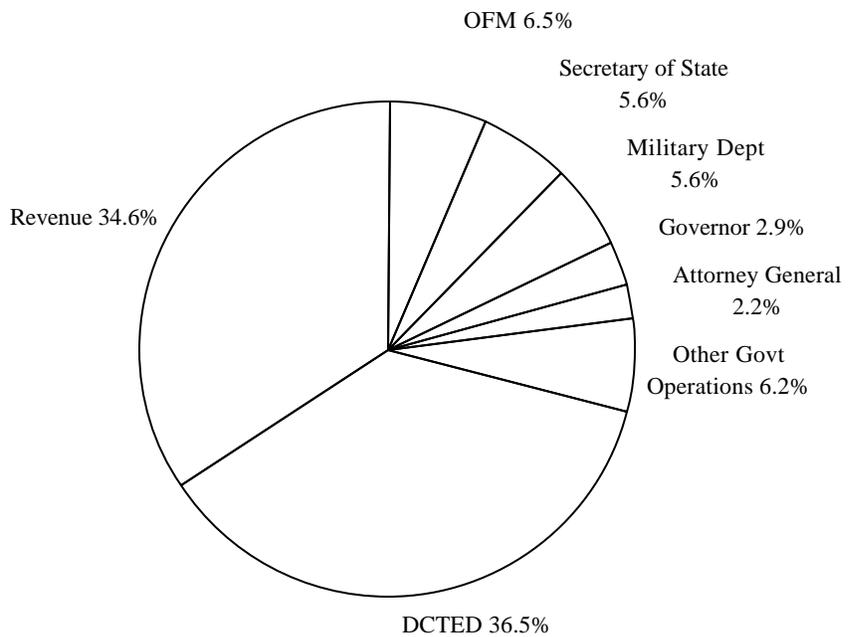
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Comm/Trade/Econ Dev	145,442
Department of Revenue	138,169
Office of Financial Mgmt	25,808
Secretary of State	22,442
Military Department	22,233
Office of the Governor	11,482
Attorney General	8,636
Other Govt Operations	24,549
Governmental Operations	398,761



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	11,482	1,374	12,856
Total Maintenance Changes	0	0	0
Policy Changes			
1. Federal Salmon Recovery Funding	0	-465	-465
2. Medal of Valor - SSB 5408	3	0	3
3. Puget Sound Action Team	-79	0	-79
4. Governor Veto	76	0	76
Total Policy Changes	0	-465	-465
<hr/>			
1999-01 Revised Appropriations	11,482	909	12,391
Fiscal Year 2000 Total	5,762	425	6,187
Fiscal Year 2001 Total	5,720	484	6,204
<hr/>			

Comments:

1. **Federal Salmon Recovery Funding** - Funding is reduced because federal funding for salmon recovery efforts is less than the amount assumed in the biennial budget. (General Fund-Federal)

2. **Medal of Valor - SSB 5408** - Funding is provided to implement Chapter 224, Laws of 2000 (SSB 5408), which establishes the state Medal of Valor.

3. **Puget Sound Action Team** - Funding is reduced for administration of the Puget Sound Water Quality Plan.

4. **Governor Veto** - The Governor vetoed Section 109(1), which resulted in the appropriations and provisioned amounts for the Puget Sound Action Team being restored to original budgeted levels as well as the entire change in the General Fund-State FY 2001 appropriation.

Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	665	160	825
Total Maintenance Changes	0	0	0
Policy Changes			
1. Printing Costs	5	0	5
2. Acting Governor Pay	4	0	4
3. Salary Commission Recommendation	12	0	12
Total Policy Changes	21	0	21
<hr/>			
1999-01 Revised Appropriations	686	160	846
Fiscal Year 2000 Total	338	80	418
Fiscal Year 2001 Total	348	80	428

Comments:

1. **Printing Costs** - Funding is provided to cover higher-than-anticipated demand for the guide "Take a Page From Our Book," which is published by the agency to educate the community about ways to prevent substance abuse and violence.

2. **Acting Governor Pay** - Funding is provided for increased compensation for the Lieutenant Governor when he acts in the Governor's absence. For each day as acting governor, RCW 43.03.011 mandates compensation of 1/260th of the difference between the Lieutenant Governor's and the Governor's salaries. The Citizens' Commission on Salaries for Elected Officials increased the pay level for the Governor in September 1999 and September 2000.

3. **Salary Commission Recommendation** - Funding is provided for a salary increase approved by the Citizens' Commission on Salaries for Elected Officials.

Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	3,220	0	3,220
Total Maintenance Changes	0	0	0
Policy Changes			
1. Implement Electronic Filing Bill	674	0	674
2. Additional Administrative Expenses	27	0	27
Total Policy Changes	701	0	701
<hr/>			
1999-01 Revised Appropriations	3,921	0	3,921
Fiscal Year 2000 Total	1,751	0	1,751
Fiscal Year 2001 Total	2,170	0	2,170

Comments:

1. **Implement Electronic Filing Bill** - Additional funding is provided for the Public Disclosure Commission (PDC) to implement the electronic filing requirements for political action committees and lobbyists under Chapter 401, Laws of 1999 (E2SSB 5931).

2. **Additional Administrative Expenses** - The PDC has contracted with the Department of Personnel to conduct a search for a new Executive Director. Funding is also provided to pay for the accumulated unused annual leave of the Executive Director who resigned in August.

Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	22,434	11,291	33,725
Total Maintenance Changes	0	0	0
Policy Changes			
1. Office of Historic Presv Task Force	0	0	0
2. Archives Security Microfilm Project	0	1,542	1,542
3. Puget Sound Archives - Research	0	88	88
4. Medal of Valor - SSB 5408	8	0	8
Total Policy Changes	8	1,630	1,638
<hr/>			
1999-01 Revised Appropriations	22,442	12,921	35,363
Fiscal Year 2000 Total	14,043	5,718	19,761
Fiscal Year 2001 Total	8,399	7,203	15,602

Comments:

1. **Office of Historic Presv Task Force** - Funding for the Task Force on Archaeology and Historic Preservation is shifted from FY 2000 to FY 2001 to facilitate completion of the Task Force's report by December 31, 2000.

2. **Archives Security Microfilm Project** - One-time funding and staff are provided to complete emergency restoration of essential local government microfilm records which are deteriorating due to ongoing chemical reactions and which will be otherwise unreadable within a few years. (Archives and Records Management Account-Private/Local)

3. **Puget Sound Archives - Research** - Ongoing funding is provided to meet increased demand for copies of public records of historical value. (Archives and Records Management Account-State)

4. **Medal of Valor - SSB 5408** - Funding is provided to implement Chapter 224, Laws of 2000 (SSB 5408), establishing the state Medal of Valor.

Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	13,487	13,487
Total Maintenance Changes	0	0	0
Policy Changes			
1. Debt Management Compliance	0	757	757
Total Policy Changes	0	757	757
<hr/>			
1999-01 Revised Appropriations	0	14,244	14,244
Fiscal Year 2000 Total	0	7,484	7,484
Fiscal Year 2001 Total	0	6,760	6,760

Comments:

1. **Debt Management Compliance** - Funding is provided for a compliance review of certain Washington general obligation bonds, and for two FTE staff positions to ensure compliance with IRS regulations, SEC securities laws, and to address the workload associated with Referendum 49, Initiative 695, Stadium and Exhibition Center activity, Housing Trust Fund review/audit, private activity monitoring, and the secondary market disclosure requirements. (State Treasurer's Service Account)

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	150	0	150
Total Maintenance Changes	0	0	0
Policy Changes			
1. Office Operations	35	0	35
2. Unemployment Insurance	10	0	10
Total Policy Changes	45	0	45
<hr/>			
1999-01 Revised Appropriations	195	0	195
Fiscal Year 2000 Total	67	0	67
Fiscal Year 2001 Total	128	0	128

Comments:

1. **Office Operations** - Funding is provided for the following: office rent for the remainder of the biennium; increased AFRS and consolidated mail costs; Department of General Administration consulting services; and unexpected commission meeting costs related to litigation. Funding for attorney general and settlement costs associated with recent litigation is provided in a special appropriation to the Governor in a different section of the budget.

2. **Unemployment Insurance** - Funding is provided for unemployment insurance compensation costs for a former employee.

Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	7,795	147,485	155,280
Total Maintenance Changes	0	0	0
Policy Changes			
1. Medicaid Fraud	79	235	314
2. Industrial Insurance Appeals Judges	0	510	510
3. Salary Commission Defense Costs	0	32	32
4. Natural Resources Workload	0	75	75
5. Initiative 695 Defense Costs	462	0	462
6. Electronic Privacy & Enforcement	100	0	100
7. Vulnerable Adults	0	486	486
8. Liquor Tax Authority Enforcement	200	0	200
Total Policy Changes	841	1,338	2,179
<hr/>			
1999-01 Revised Appropriations	8,636	148,823	157,459
Fiscal Year 2000 Total	4,079	75,395	79,474
Fiscal Year 2001 Total	4,557	73,428	77,985

Comments:

1. **Medicaid Fraud** - Funding is provided for an additional assistant attorney general and investigator/analyst in the Medicaid Fraud Control Unit to increase investigatory and prosecutorial capacity. A grant from the federal Office of Inspector General/Health and Human Services provides 75 percent of the funding for this item. (General Fund-State, General Fund-Federal)
6. **Electronic Privacy & Enforcement** - Funding is provided for an additional FTE staff position in the Criminal Justice Division of the Attorney General's Office to handle law enforcement and privacy issues relating to the Internet and electronic communications.
2. **Industrial Insurance Appeals Judges** - Funding is provided for four assistant attorney general (AAG) positions to handle the increased workload generated by five new industrial insurance appeals judges. The additional AAGs will prepare the Department of Labor and Industries for industrial insurance hearings in accordance with the timelines required by law. (Legal Services Revolving Account)
7. **Vulnerable Adults** - Funding is provided to increase attorney general support of several activities related to vulnerable adults. The new staff will perform activities relating to technical assistance for guardianships, financial exploitation cases, protection orders, and assistance to police and prosecutors dealing with vulnerable adults. (Legal Services Revolving Fund)
3. **Salary Commission Defense Costs** - One-time funding authority is provided for legal services relating to the litigation of a lawsuit filed by a citizens' group against the Citizens' Commission on Salaries for Elected Officials. (Legal Services Revolving Account)
8. **Liquor Tax Authority Enforcement** - Funding is provided for costs associated with enforcing state authority on taxation of liquor, with respect to regulation activity conducted by the Confederated Tribes and Bands of the Yakama Nation.
4. **Natural Resources Workload** - Funding is provided for services to the Department of Fish and Wildlife to address federal legislation allowing the agency to expedite its implementation of rules under the Endangered Species Act. (Legal Services Revolving Account)
5. **Initiative 695 Defense Costs** - Funding is provided retroactive to January 2000 for the establishment of a three-person legal defense team, consisting of a senior assistant attorney general, an assistant attorney general, and a paralegal. The team will address the estimated three to six lawsuits that may be filed to challenge the legality of Initiative 695.

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	143,856	196,676	340,532
Total Maintenance Changes	0	-182	-182
Policy Changes			
1. SIRTI Technology Commercialization	425	0	425
2. Community Econ Revitalization Team	200	0	200
3. Dev Disabilities Endowment Fund	284	0	284
4. Office Archaeology & Historic Pres	80	0	80
5. New Business for Rural Washington	250	0	250
6. Federal Authority Adjustment	0	17,700	17,700
7. Film & Video Promotion Account	0	40	40
8. SHB 2460 - Comm Emp Zones	62	0	62
9. Sexual Assault Center Assistance	0	300	300
10. Community Housing for Disabled	0	85	85
11. NEA Millenium Project	5	0	5
12. Transfer to DASA	-173	0	-173
13. Overnight Youth Shelters	100	0	100
14. Community Voice Mail	50	0	50
15. Loghouse Museum	75	0	75
16. EFSEC Study	25	0	25
17. CASA Funding Transfer	-750	0	-750
18. Community Services Facilities Pgm	953	0	953
Total Policy Changes	1,586	18,125	19,711
1999-01 Revised Appropriations	145,442	214,619	360,061
Fiscal Year 2000 Total	73,462	108,948	182,410
Fiscal Year 2001 Total	71,980	105,671	177,651

Comments:

- | | |
|---|---|
| <p>1. SIRTI Technology Commercialization - Funding is provided to continue technology commercialization activities at the Spokane Intercollegiate Research and Technology Institute (SIRTI). Funding is contingent upon the completion and submission of a plan developed by SIRTI and Washington State University (WSU). The plan will identify how SIRTI and WSU will work collaboratively to fulfill the current SIRTI goals and mission; strategies for acquiring non-state resources to reduce the need for state funding for SIRTI activities; and performance measures for evaluating the economic impacts of SIRTI efforts on the Eastern Washington economy.</p> <p>2. Community Econ Revitalization Team - Second year funding is provided to maintain the Washington Community Economic Revitalization Team, which helps rural communities identify, coordinate, and package state and federal resources to support prioritized local economic development projects. Funding for the interagency agreement with the Governor's Office is eliminated.</p> <p>3. Dev Disabilities Endowment Fund - Funding is provided to contract for a needs assessment and actuarial analysis to guide planning and decision making for the trust fund, and to carry out rule making, pursuant to Chapter 384, Laws of 1999, Partial Veto (ESSB 5693).</p> | <p>4. Office Archaeology & Historic Pres - Funding is provided to fill a staff position to address workload increases related to federally-mandated reviews of historic and cultural resources at state and federal project sites. This funding assumes the Office will remain at its current location, achieving savings in lease costs.</p> <p>5. New Business for Rural Washington - Funding is provided to develop Washington State's proposal to Lockheed Martin for the VentureStar project in Moses Lake. VentureStar is a reusable space vehicle designed to support satellite launch and repair, international space station development, and government and scientific research.</p> <p>6. Federal Authority Adjustment - Federal appropriation authority is increased to reflect the most current projections of federal funds expected to be received and spent during the 1999-2001 biennium. The amounts provided include authority for the Byrne Grant award. (General Fund-Federal)</p> <p>7. Film & Video Promotion Account - Authority is provided to the Washington State Film Office to promote in-state, on-location production by the film and video industry. (Film and Video Promotion Account)</p> |
|---|---|

Department of Community, Trade, & Economic Development

8. **SHB 2460 - Comm Emp Zones** - Funding is provided to implement Chapter 212, Laws of 2000, Partial Veto (SHB 2460), regarding Community Empowerment Zones (CEZs). Funding is provided for an additional FTE staff for the coordination, application, and selection of an additional CEZ-designated area. The evaluation of the program is to be conducted using available tools and methodologies.
9. **Sexual Assault Center Assistance** - Additional state funding is provided to the Office of Crime Victims' Advocacy for distribution to local centers for sexual assault prevention and treatment. (Public Safety and Education Account-State)
10. **Community Housing for Disabled** - Funding is provided to implement the provisions of Chapter 240, Laws of 2000 (EHB 3105 - Apportioning a Sales and Use Tax for Zoos, Aquariums, Wildlife Preserves, and Parks), regarding the operations and maintenance of community-based housing for persons who are mentally ill. (Washington Housing Trust Account-State)
11. **NEA Millenium Project** - Funding is provided to support the Washington State Millenium Project as designated by the National Endowment for the Arts (NEA). The project will feature the design and construction of structures in Yakima, Wapato, Toppenish, and Ellensburg that reflect the diverse populations of the Yakima River corridor. The project is also supported by a federal NEA grant.
12. **Transfer to DASA** - Funding is transferred to the Department of Social and Health Services (DSHS), Division of Alcohol and Substance Abuse (DASA), for services to women who give birth to infants exposed to the non-prescription use of controlled substances and/or to the abuse of alcohol by the mother during pregnancy.
13. **Overnight Youth Shelters** - One-time funding is provided to assist currently-licensed overnight youth shelters in meeting DSHS's licensing requirements. Funds may be used to provide staff, food, beds, or facility maintenance. Shelters are encouraged to seek other sources of funding to maintain service levels within licensing requirements.
14. **Community Voice Mail** - Funding is provided for pilot projects that provide voice mail services to homeless families and individuals. Community agencies with existing programs that serve the homeless may apply for start-up and ongoing service grants. The Department will require grant recipients to collect and submit outcome data to evaluate whether the service is accomplishing the purpose of facilitating employment and housing searches.
15. **Loghouse Museum** - One-time funding is provided to support the Southwest Seattle Historical Society Loghouse Museum.
16. **EFSEC Study** - Funding is provided for a review of current energy siting statutes and the Energy Facility Site Evaluation Council (EFSEC) operations. A task force will submit a report of recommendations to the Legislature by December 1, 2000.
17. **CASA Funding Transfer** - A portion of the funding for the Court Appointed Special Advocate (CASA) program is transferred from the Department to the Office of Administrator for the Courts, effective July 1, 2000.
18. **Community Services Facilities Pgm** - Funds are provided for deposit into the State Building Construction Account for the purpose of expanding grants to currently approved and prioritized projects.

Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	24,646	38,455	63,101
Total Maintenance Changes	0	0	0
Policy Changes			
1. WDFW Business System Improvement	200	0	200
2. K12 Regional Cost Differences Study	30	0	30
3. Ferry Capital Program Audit	243	0	243
4. Social Services Contracting Project	329	0	329
5. Health Insurance Task Force	75	0	75
6. Improving State Contracting	285	0	285
Total Policy Changes	1,162	0	1,162
<hr/>			
1999-01 Revised Appropriations	25,808	38,455	64,263
Fiscal Year 2000 Total	12,600	12,450	25,050
Fiscal Year 2001 Total	13,208	26,005	39,213

Comments:

1. **WDFW Business System Improvement** - Funding is provided to continue assistance to the Washington Department of Fish and Wildlife (WDFW) pertaining to business and information systems improvements started in 1998. Funds will be used to continue the network upgrade and the replacement of personal computers.

2. **K12 Regional Cost Differences Study** - Funding is provided for a review of regional cost differences in public education, including housing costs. The study will include options to mitigate the differences. A report will be submitted to the Legislature by December 15, 2000.

3. **Ferry Capital Program Audit** - Funding is provided for an audit of the state ferry capital program. The audit will evaluate several areas: whether the ferry system is acquiring, protecting, and using its resources economically and efficiently; the causes of inefficiencies or uneconomical practices; and whether the ferry system has complied with laws and regulations governing economy and efficiency. The audit report is to be completed and delivered to the Governor and the Legislature by January 1, 2001.

4. **Social Services Contracting Project** - Funding is provided to implement the recommendations of the Task Force on Agency Vendor Contracting Practices regarding a centralized contract database. The database will provide access to information on social service contracting across state agencies.

5. **Health Insurance Task Force** - Funds are provided, on a one-time basis, for the Task Force on Health Care Reinsurance established by Chapter 79, Laws of 2000 (E2SSB 6067 - Establishing Principles for Affordable Health Insurance Coverage).

6. **Improving State Contracting** - Funding is provided to improve the oversight and administration of state personal services and client services contracts by developing and publishing state guidelines, providing training to agency personnel, and performing periodic risk-based audits.

Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	45,939	45,939
Total Maintenance Changes	0	254	254
Policy Changes			
1. Implement SHB 2604 (Survivor Opt)	0	293	293
2. Implement ESSB 6530 (Pension Enhance)	0	2,879	2,879
Total Policy Changes	0	3,172	3,172
<hr/>			
1999-01 Revised Appropriations	0	49,365	49,365
Fiscal Year 2000 Total	0	24,418	24,418
Fiscal Year 2001 Total	0	24,947	24,947

Comments:

1. **Implement SHB 2604 (Survivor Opt)** - Funding is provided to implement Chapter 186, Laws of 2000 (SHB 2604, Survivor Options). (Department of Retirement Systems [DRS] Expense Account)

2. **Implement ESSB 6530 (Pension Enhance)** - Funding is provided to implement Chapter 247, Laws of 2000 (ESSB 6530 - PERS Plan 3; Early Retirement Enhancements for Plan 2 and Plan 3 Systems). (DRS Expense Account)

Governor's Vetoes:

The Governor vetoed Section 119(11), which would have required DRS, within existing resources, to implement changes to the rules governing post-retirement employment in order to track these activities on an hourly rather than monthly basis.

State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	10,519	10,519
Total Maintenance Changes	0	0	0
Policy Changes			
1. Increased Workload	0	618	618
Total Policy Changes	0	618	618
<hr/>			
1999-01 Revised Appropriations	0	11,137	11,137
Fiscal Year 2000 Total	0	5,251	5,251
Fiscal Year 2001 Total	0	5,886	5,886

Comments:

1. **Increased Workload** - The State Investment Board (SIB) is experiencing large workload increases as a result of its implementation of a 1996 asset allocation policy change that expanded the allocation for private equity investments to 15 percent of total retirement trust funds. SIB believes the superior returns available from private equity investments will far exceed the increased costs of supervising and administering those investments. Funding is provided for seven new positions and related additional expenditures. (SIB Expense Account-State)

Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	558	121,669	122,227
Total Maintenance Changes	343	2,000	2,343
Policy Changes			
1. Electronic Procurement Project	0	3,000	3,000
2. Statewide CTR Program Continuation	0	119	119
3. Air Pollution Account Reduction	0	-284	-284
Total Policy Changes	0	2,835	2,835
<hr/>			
1999-01 Revised Appropriations	901	126,504	127,405
Fiscal Year 2000 Total	279	62,347	62,626
Fiscal Year 2001 Total	622	64,157	64,779

Comments:

1. **Electronic Procurement Project** - Funding is provided to replace the Office of State Procurement's (OSP) current mainframe-based contract management system with an Internet-based system. This system will link OSP customers to suppliers and will support order placement, status tracking, and payment via the Internet. (General Administration Services Account-Non-appropriated)

2. **Statewide CTR Program Continuation** - Funding is provided to continue the Commute Trip Reduction (CTR) program for state agencies at a reduced staffing level. (State Capitol Vehicle Parking Account, General Administration Services Account)

3. **Air Pollution Account Reduction** - Passage of Initiative 695 eliminated the funding source for the Air Pollution Control Account. Because the CTR program receives its funding from the account, the program's biennial funding authority is reduced from 24 months to six months. (Air Pollution Control Account)

Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	219,533	219,533
Total Maintenance Changes	0	-3,360	-3,360
<hr/>			
1999-01 Revised Appropriations	0	216,173	216,173
Fiscal Year 2000 Total	0	110,858	110,858
Fiscal Year 2001 Total	0	105,315	105,315
<hr/>			

Comments:

No policy changes were recommended.

State Board of Accountancy

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	1,119	1,119
Total Maintenance Changes	0	0	0
Policy Changes			
1. Inform Tech & Communication Upgrade	0	41	41
2. Regulatory Reform	0	58	58
3. Investigation Staffing	0	36	36
Total Policy Changes	0	135	135
1999-01 Revised Appropriations	0	1,254	1,254
Fiscal Year 2000 Total	0	603	603
Fiscal Year 2001 Total	0	651	651

Comments:

1. **Inform Tech & Communication Upgrade** - Funding is provided for system and communication upgrades in support of the agency's growing database, and to ensure improved and secure Internet/intranet communications. (Certified Public Accountants' Account)

2. **Regulatory Reform** - Funding is provided for regulatory reform activities started in January in response to national and international changes in accountancy laws in the past three years. Activities include soliciting feedback from licensees and supporting board member training on changes in the legal structure. (Certified Public Accountants' Account)

3. **Investigation Staffing** - Funding is provided for the transition from contract investigators to a full-time investigator staff position in response to a 30 percent increase in the investigation caseload over the previous biennium. (Certified Public Accountants' Account)

Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	2,577	137,374	139,951
Total Maintenance Changes	0	1,985	1,985
Policy Changes			
1. Liquor Officer Training	0	53	53
2. Liquor Agencies Advisory Committee	0	8	8
3. Governor Veto	0	-8	-8
Total Policy Changes	0	53	53
1999-01 Revised Appropriations	2,577	139,412	141,989
Fiscal Year 2000 Total	1,293	69,678	70,971
Fiscal Year 2001 Total	1,284	69,734	71,018

Comments:

1. **Liquor Officer Training** - Funding is provided for the training of new enforcement officers by the Criminal Justice Training Commission. The Board will reimburse the Commission for the training at the rate of \$8,375 per trainee. The Commission and the Liquor Board will establish a training curriculum that is appropriate for liquor enforcement officers. (Liquor Revolving Account)

2. **Liquor Agencies Advisory Committee** - Funding is provided for the creation of a liquor agencies advisory committee that will meet at least twice a year and whose purpose is to foster communication between the Legislature, the Board, and liquor agencies. By June 30, 2001, the committee will prepare a report to the Legislature on liquor agencies fees and commissions. (Liquor Revolving Account)

3. **Governor Veto** - The Governor vetoed Section 124(6), which would have created a Liquor Agencies Advisory Committee to facilitate communications between the liquor agencies and the Liquor Control Board (LCB) and to evaluate the LCB's liquor agencies' fees and commissions. Because the Governor vetoed the section, the \$8,000 appropriation lapses.

Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	26,618	26,618
Total Maintenance Changes	0	0	0
Policy Changes			
1. Fuel Accident Prevention & Response	0	800	800
Total Policy Changes	0	800	800
<hr/>			
1999-01 Revised Appropriations	0	27,418	27,418
Fiscal Year 2000 Total	0	13,339	13,339
Fiscal Year 2001 Total	0	14,079	14,079

Comments:

1. **Fuel Accident Prevention & Response** - Funding is provided to implement Chapter 191, Laws of 2000, Partial Veto (E2SHB 2420 - Pipeline Safety). The Commission will adopt a comprehensive program of pipeline safety, develop curricula for prevention of third-party damage to pipelines, and develop a statewide geographic information system for gas and hazardous liquid pipelines. (Public Service Revolving Fund-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Utilities & Transportation Commission's budget is shown in the Transportation Budget Section of this document.

Military Department

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	29,832	152,865	182,697
Total Maintenance Changes	0	0	0
Policy Changes			
1. Disaster Funding Adjustment	-7,704	-57,149	-64,853
2. National Guard Cont Ed Scholarships	50	0	50
3. Readiness Center Adjustment	0	0	0
4. Enhanced 911	0	3,000	3,000
5. Enhanced 911 Advisory Committee	0	16	16
6. Air Guard Maintenance	55	0	55
7. National Guard Activation - WTO	0	302	302
Total Policy Changes	-7,599	-53,831	-61,430
1999-01 Revised Appropriations	22,233	99,034	121,267
Fiscal Year 2000 Total	12,889	77,200	90,089
Fiscal Year 2001 Total	9,344	21,834	31,178

Comments:

1. **Disaster Funding Adjustment** - Funding is adjusted to reflect updated projections of the costs associated with disaster recovery efforts occurring in the 1999-2001 biennium. The primary reason for the downward adjustment is substantially lower-than-expected costs in the Public Assistance program. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)
5. **Enhanced 911 Advisory Committee** - Funding is provided for Chapter 34, Laws of 2000 (SB 6378 - Enhanced 911 Advisory Committee), which continues the Enhanced 911 Advisory Committee. Although enhanced 911 service has been delivered to most of the state for wire-line customers, considerable work and statewide coordination efforts are required to implement wireless enhanced 911 capabilities. (Enhanced 911 Account)
2. **National Guard Cont Ed Scholarships** - Funding is provided to reinstate scholarship funds reduced in the original 1999-2001 budget. The scholarships provide continuing education for National Guard members.
6. **Air Guard Maintenance** - State funding is provided as match to federal grants for maintenance and repair of new facilities at Camp Murray and Fairchild Air Force Base.
3. **Readiness Center Adjustment** - In the original 1999-2001 budget, \$3 million in General Fund-State was appropriated to the Military Department in FY 2000 for the design and construction of new facilities in Bremerton, Spokane, and Yakima. The Military Department indicates that they will be able to spend \$2 million of the appropriation on the design of the facilities at Bremerton and Spokane, but will be unable to expend the remaining amount on the Yakima facility in FY 2000. For this reason, \$1 million of the appropriation is moved to FY 2001 for the Yakima facility.
7. **National Guard Activation - WTO** - The Governor activated the Washington State National Guard in response to civil disturbances associated with the World Trade Organization (WTO) conference in Seattle. Funding is provided for the costs associated with the activation. (Disaster Response Account-State)
4. **Enhanced 911** - Contracts to build and equip county enhanced 911 centers begun in the 1997-99 biennium were delayed. Several counties were unable to complete work on the centers during the biennium. Additional appropriation authority is provided to complete the work and enable other system upgrades. (Enhanced 911 Account)

State Convention and Trade Center

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	29,963	29,963
Total Maintenance Changes	0	0	0
Policy Changes			
1. Expansion Debt Service	0	2,471	2,471
Total Policy Changes	0	2,471	2,471
<hr/>			
1999-01 Revised Appropriations	0	32,434	32,434
Fiscal Year 2000 Total	0	15,384	15,384
Fiscal Year 2001 Total	0	17,050	17,050

Comments:

1. **Expansion Debt Service** - Funds are added to cover projected debt service payments related to the Convention Center's expansion Certificates of Participation (COP) authorized in 1995. The additional funding covers the difference between the current and original payment schedules, which differ because of increases in actual interest rates (\$1.771 million). Funding also provides debt service capacity to make initial payments (\$700,000) on the expansion equipment COP that is being issued earlier than anticipated due to adjustments in the construction schedule.
(State Convention and Trade Center Account)

Caseload Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	810	0	810
Total Maintenance Changes	0	0	0
Policy Changes			
1. Community Supervision Forecast	100	0	100
Total Policy Changes	100	0	100
<hr/>			
1999-01 Revised Appropriations	910	0	910
Fiscal Year 2000 Total	431	0	431
Fiscal Year 2001 Total	479	0	479

Comments:

1. **Community Supervision Forecast** - Funding is provided to implement Chapter 90, Laws of 2000 (HB 2344), which requires the Council to forecast state correctional non-institutional supervision caseloads. Previously, the Department of Corrections had this responsibility.

Municipal Research Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	3,588	681	4,269
Total Maintenance Changes	0	0	0
Policy Changes			
1. I-695 Replacement Funding	-1,822	1,699	-123
Total Policy Changes	-1,822	1,699	-123
<hr/>			
1999-01 Revised Appropriations	1,766	2,380	4,146
Fiscal Year 2000 Total	1,766	335	2,101
Fiscal Year 2001 Total	0	2,045	2,045

Comments:

1. **I-695 Replacement Funding** - The Council's funding was eliminated by Initiative 695. Chapter 227, Laws of 2000 (SSB 6357), replaces funding for the Council's services to cities and towns with liquor sales profits that would otherwise have been distributed to towns and cities. (City and Town Research Services Account)

Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	25,042	25,042
Total Maintenance Changes	0	0	0
Policy Changes			
1. Patient Bill of Rights	0	167	167
2. E2SSB 6067 - Individual Market	0	320	320
3. Life Insurance Actuaries	0	141	141
Total Policy Changes	0	628	628
<hr/>			
1999-01 Revised Appropriations	0	25,670	25,670
Fiscal Year 2000 Total	0	12,987	12,987
Fiscal Year 2001 Total	0	12,683	12,683
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Comments:

1. **Patient Bill of Rights** - Funding is provided to implement the Office's responsibilities under Chapter 5, Laws of 2000 (2SSB 6199 - Patient Bill of Rights). (Insurance Commissioner's Regulatory Account)

2. **E2SSB 6067 - Individual Market** - Funding is provided to implement provisions of Chapter 79, Laws of 2000 (E2SSB 6067 - Establishing Principles for Affordable Health Insurance Coverage). (Insurance Commissioner's Regulatory Account)

3. **Life Insurance Actuaries** - Funding is provided for ongoing actuarial support to complete the actuarial portion of the backlog of financial examinations. (Insurance Commissioner's Regulatory Account)

Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	22,658	22,658
Total Maintenance Changes	0	0	0
Policy Changes			
1. Enhanced Card Room Regulation	0	3,035	3,035
2. Tribal Lottery System	0	742	742
3. Nonprofit Coordinator	0	159	159
4. Headquarters Relocation/Lease Costs	0	1,036	1,036
Total Policy Changes	0	4,972	4,972
<hr/>			
1999-01 Revised Appropriations	0	27,630	27,630
Fiscal Year 2000 Total	0	13,314	13,314
Fiscal Year 2001 Total	0	14,316	14,316

Comments:

1. **Enhanced Card Room Regulation** - Funding is provided for additional staff to regulate an anticipated increase of between 20 and 30 in the number of house-banked cardrooms currently operating in the state. (Gambling Revolving Account-Non-appropriated)

2. **Tribal Lottery System** - Funding is provided for the testing and approval of electronic gaming systems in tribal casinos. Several tribes entered into compacts with the Governor and the Commission in December 1998 to allow the tribes to have such machines in their casinos, provided that they reimburse the Commission for the costs of regulating the machines. Funding and additional staff will be used to test and monitor the machines' usage and to regularly review resulting financial information. (Gambling Revolving Account-Non-appropriated)

3. **Nonprofit Coordinator** - Funding is provided for an additional staff position to coordinate policy and regulation of nonprofit gambling activities. (Gambling Revolving Account-Non-appropriated)

4. **Headquarters Relocation/Lease Costs** - One-time funding is provided for relocation costs incurred during the Commission's move to a new headquarters building and ongoing funding is provided to cover an increase in the Commission's headquarters lease costs. (Gambling Revolving Account-Non-appropriated)

Human Services

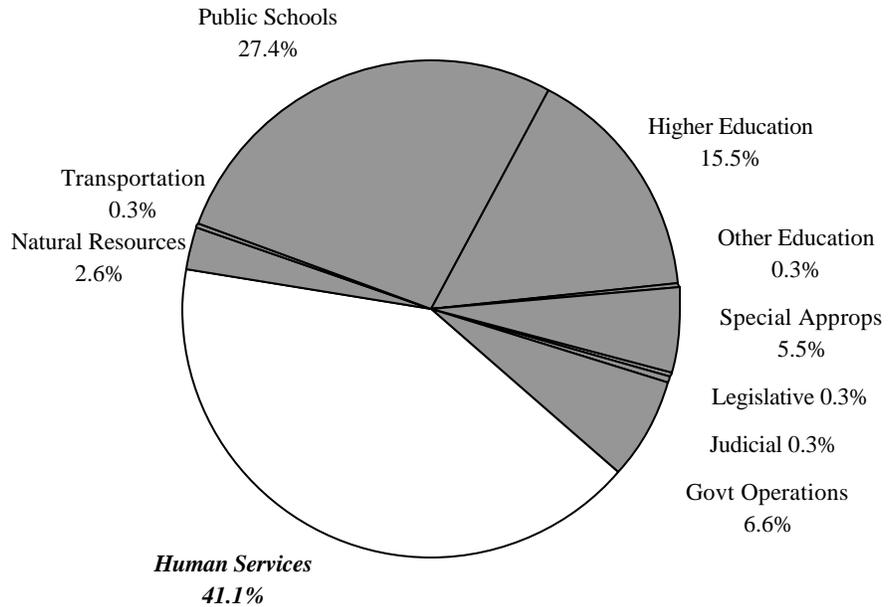
The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the departmental level, and includes the Department of Corrections, the Department of Labor and Industries, the Employment Security Department, the Health Care Authority, the Department of Health, and other human services related agencies.

1999-01 Washington State Operating Budget

Total Budgeted Funds

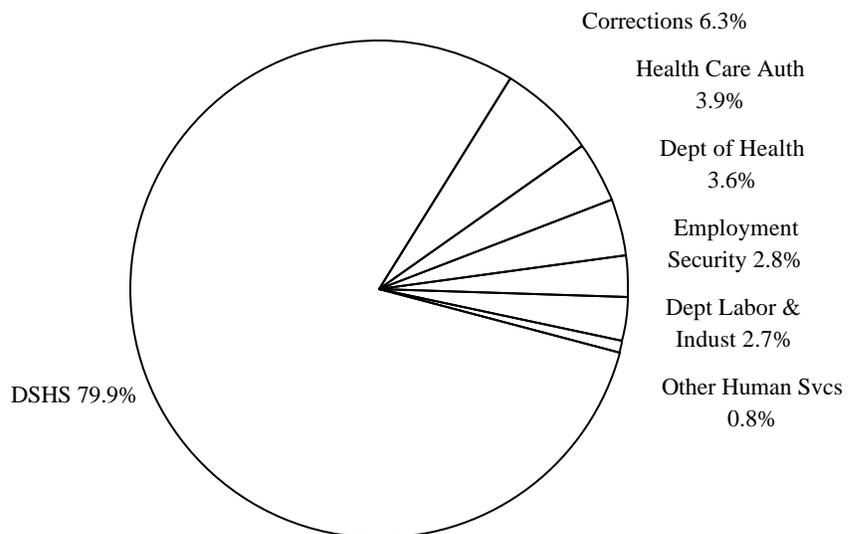
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

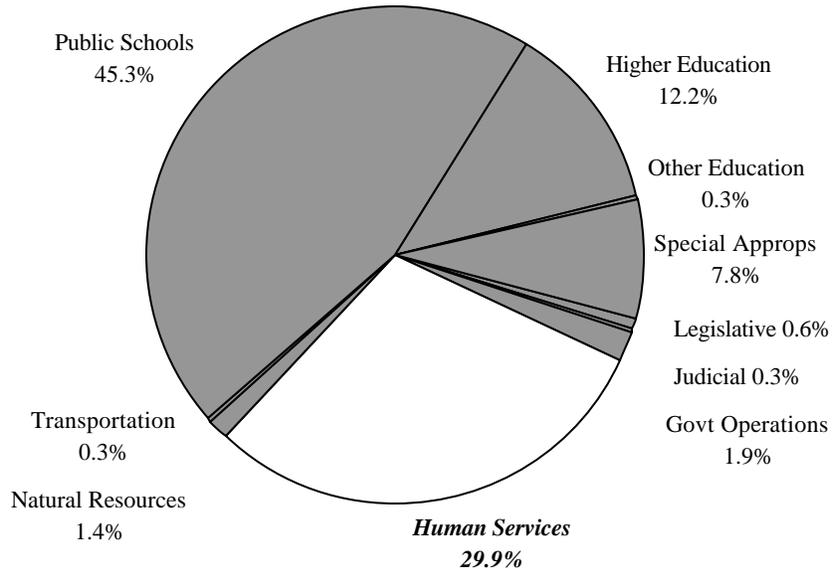
DSHS	12,430,563
Dept of Corrections	977,291
Health Care Authority	603,223
Dept of Health	565,255
Employment Security	440,040
Dept of Labor & Indust	423,422
Other Human Svcs	126,963
Human Services	15,566,757



Human Services

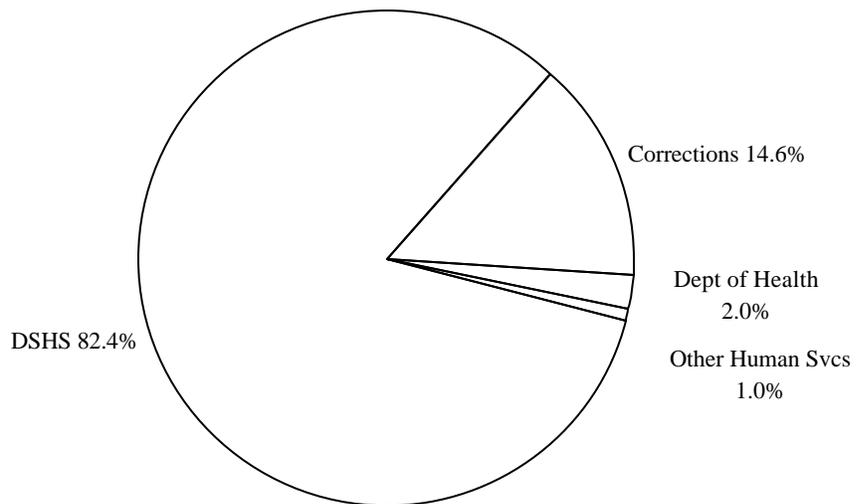
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

DSHS	5,137,683
Dept of Corrections	910,616
Dept of Health	127,124
Other Human Svcs	60,034
Human Services	6,235,457



Human Services

Department of Social & Health Services

Children and Family Services

The budget provides \$457,000 from the Public Safety and Education Account (PSEA) for various domestic violence prevention programs. This funding will be used: to design a curriculum for training domestic violence service providers; for increased monitoring of programs that provide treatment to perpetrators of domestic violence; to increase services to traditionally under-served victims of domestic violence; and to support the fatality review process for victims who died due to domestic violence. In addition, \$50,000 from the PSEA is provided in the Criminal Justice Training Commission's budget to provide domestic violence detection training courses to 911 operators.

A total of \$488,000 is provided to enable better selection and monitoring of care providers. Of this amount, \$348,000 General Fund-Federal will be used by the Department to conduct background checks on all people who receive state payment for providing care to children or vulnerable adults. An additional \$140,000 General Fund-State is for the Department to establish a statewide toll-free number and an electronic on-line system for access to information regarding child care providers.

The budget provides \$174,000 General Fund-State for a foster parent retention pilot program specifically to assist foster parents caring for children who act out sexually. The pilot program will cover: home-based assessments; education for foster parents; training for case workers, childcare providers, schools, and foster parents; emergency help if necessary; and an independent evaluation of the program. The Department will contract for these services.

The budget transfers all funding and program responsibility for the Becca Bill from the Children and Family Services Division to the Juvenile Rehabilitation Administration.

Juvenile Rehabilitation Administration

An additional \$10.7 million from PSEA is provided for distribution to local governments for costs associated with processing at-risk youth, child-in-need-of-services, and truancy petitions. The "Becca" processes allow families and the courts to work together to address the needs of children. In combination with the \$6.9 million provided in the original 1999-01 budget, the total appropriation for Becca legislation is increased to \$17.6 million. Of the \$10.7 million increase, \$6 million is provided to local governments due to reduced state revenue distributions resulting from Initiative 695. The remaining \$4.7 million in funding is provided for the settlement agreement reached between the state and 20 counties regarding Becca legislation funding.

An additional \$1.1 million in federal funding is made available to the state through the Juvenile Accountability Incentive Block Grant (JAIBG). Funds are used for 12 program areas with primary focus on improvement of court, probation, and treatment services for serious juvenile offenders. The majority of the funding is passed through to cities and counties for their use.

A total of \$867,000, primarily from federal funds, is provided to implement a pilot program of providing research-based, integrated, and individualized transitional services to juvenile offenders. To be selected for the program, the juvenile must have co-occurring substance abuse and mental health disorders and be at high risk of re-offending.

Based on recent studies of mental health services in Juvenile Rehabilitation Administration institutions, a need for additional mental health capacity at Echo Glen Children's Center has been identified. The budget provides \$187,000 for increased costs associated with converting an existing unit into a mental health maximum-security unit.

Mental Health Division

A total of \$1 million in state funds is provided to implement Chapter 217, Laws of 2000 (2SHB 2663), creating a pilot program for the distribution of atypical anti-psychotic medications to under-served populations. These funds will assure broader availability of atypical anti-psychotic medications for low-income people for whom they are not readily available through Medicaid or other state medical assistance programs.

The budget provides \$2.3 million in matching state and federal funds to assist local Regional Support Networks (RSNs) that do not have, or that are at risk of losing, adequate access to emergency psychiatric treatment facilities. The funds may be used for a broad array of locally-developed strategies, such as supplemental funding for community psychiatric facilities that do not currently receive disproportionate share payments; start-up funding for evaluation and treatment facilities; or increased payment rates for medically indigent patients. The state funds will match RSN funding for such strategies on a 3:1 basis.

In addition to the above increases, an additional \$1.7 million is provided for RSNs due to an increase in the number of persons eligible for Medicaid.

A total of \$4.6 million in state funding is provided to comply with a federal court injunction regarding treatment at the state's Special Commitment Center. An additional \$14.0 million in the supplemental capital budget is provided to begin construction of a new 258-bed facility on McNeil Island to house the center and begin citing of community pre-release facilities required by the court.

Developmental Disabilities Division

A total of \$18.6 million in state and federal funding is provided within the Developmental Disabilities and Mental Health Divisions' budgets to improve programs for people with developmental disabilities who are at risk of needing involuntary treatment at the state hospitals. Improvements include expansions to the community crisis response system, crisis prevention and stabilization, expanded community residential services, and improvements in the treatment program at the state hospitals.

A total of \$6.1 million in state funding is provided for enhancements to the Developmental Disabilities Program, including: family support services and related case management for over 100 families; increased training for boarding home staff; the development of rules regarding orientation, basic training, and continuing education for care givers in all long-term care settings; funding for the increased costs of care for dependent children in voluntary foster care placements; and enhanced funding for the administration of the Developmental Disabilities Endowment Fund.

Long-Term Care

Funding is provided for a number of new efforts to better protect people who are vulnerable to abuse because of their age or disability. A total of \$1.8 million is appropriated to cover the cost of the face-to-face review of all potentially high-risk, state-funded, in-home care situations that was conducted in fall 1998 in response to the Linda David case. An additional \$1.8 million is provided for an ongoing increase in efforts to quickly and thoroughly investigate allegations of adult abuse. A total of \$278,000 is provided for the implementation of Chapter 87, Laws of 2000, Partial Veto (SHB 2637), which requires homecare workers who have resided in the state for less than three years to be screened through an inter-state criminal history background check. Finally, \$120,000 is provided to improve the quality and timeliness of training for caregivers in adult family homes, assisted living facilities, and homecare programs.

A total of \$6.9 million in state and federal funds is provided so that the capital portion of the nursing home payment rate can grow by about 5 percent per year and so that all nursing homes will receive a 2 percent vendor rate increase in the second year of the biennium.

The budget also provides \$610,000 from General Fund-State to implement Chapter 207, Laws of 2000 (SHB 2454). To support implementation of the bill, funding is provided for support groups, information and assistance, and other services which will help unpaid caregivers support their disabled friends or family members at home.

Economic Services

The budget provides \$500,000 of federal Temporary Assistance for Needy Families (TANF) funding to the Office of Financial Management for three studies. The first study will review options for setting payment rates for subsidized child care. The second study will review the various means-tested programs throughout state government that are provided to low-income families with children. The third study will review the best method for coordinating and consolidating child care and early education programs funded by state government.

An increase of \$12.8 million General Fund-Federal is provided for subsidized child care. This funding will support an increasing number of low-income families who are working.

A total of \$44.4 million General Fund-State is saved by eliminating state funds reserved for TANF penalties and reducing the state's required maintenance of effort (MOE) level to 75 percent of historical levels rather than 80 percent. State MOE funds will be replaced by \$36 million General Fund-Federal. This savings is made possible by the WorkFirst program successfully fulfilling all federal welfare reform work participation requirements.

Alcohol and Substance Abuse

The budget provides \$442,000 from the state Public Safety and Education Account for drug courts in King, Pierce, and Spokane Counties. Research indicates that drug courts provide savings for state and local government because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These three drug courts will receive state assistance equal to one half of their net federal funding loss from fiscal year 2000 to fiscal year 2001. The balance in drug court funding will come from savings at the local level.

Medical Assistance

Medical assistance expenditures are expected to total \$4.9 billion for the 1999-01 biennium, an increase of about 6.7 percent over the level originally budgeted for the biennium. Major components of the increase include: higher managed care rates; increased prescription drug expenditures; increased federal revenues for public hospital districts; and growth in the number of people served. An average of about 760,000 people per month is budgeted to receive medical care through Medicaid and other DSHS medical assistance programs.

The budget provides \$24 million in additional assistance to public hospitals. Payments to hospitals, which serve a disproportionate share of low-income and uninsured patients, are returned to the same level as in the 1997-99 biennium. Public hospital districts receive \$7 million of additional disproportionate share payments, with \$2 million of that total allocated to the Harborview and University of Washington Medical Centers. Rural hospital districts will receive over \$10 million more than originally budgeted for a total of \$30 million available for debt repayment, capital projects, and ongoing operating costs this biennium. Finally, payment increases for complex cases will no longer be capped at 175 percent of hospital inflation.

Administration and Supporting Services

A total of \$3.2 million (\$933,000 General Fund-State) is provided for a Medicaid fraud and abuse detection program. The program will be able to run various tests on the Department's billing systems to determine anomalies and aberrant billing practices. This program will result in increased identification of potential fraud and abuse cases and increased cost recoveries and cost avoidance in the Long-Term Care, Medical Assistance, and Developmental Disabilities programs. The estimated Department-wide savings from this new program for the remainder of the 1999-01 biennium are \$6.6 million.

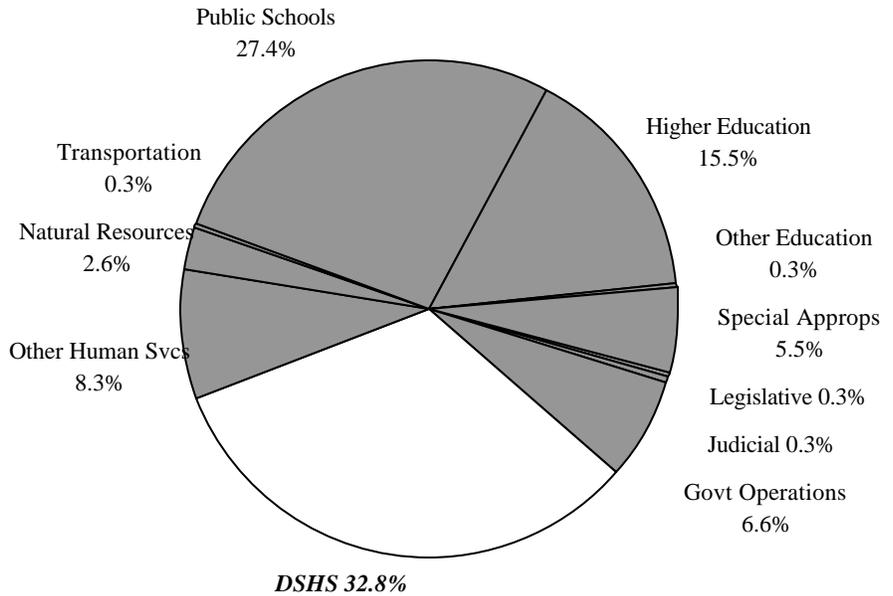
The budget reduces staffing across the agency by aligning core functions in each program area, resulting in a total savings of \$9 million (\$5.5 million General Fund-State). Savings are not intended to be taken from direct service staff unless justified by reduced workload or other efficiencies that will not impact licensing or certification standards. By September 1, 2000, the Department will report its plan to implement these staff reductions.

1999-01 Washington State Operating Budget

Total Budgeted Funds

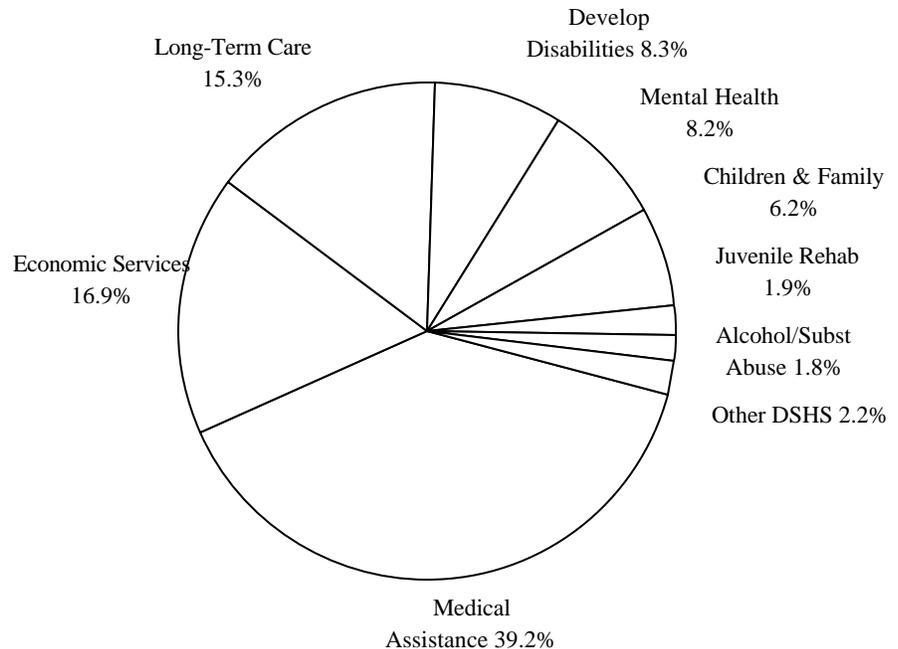
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
DSHS	12,430,563
Other Human Services	3,136,194
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

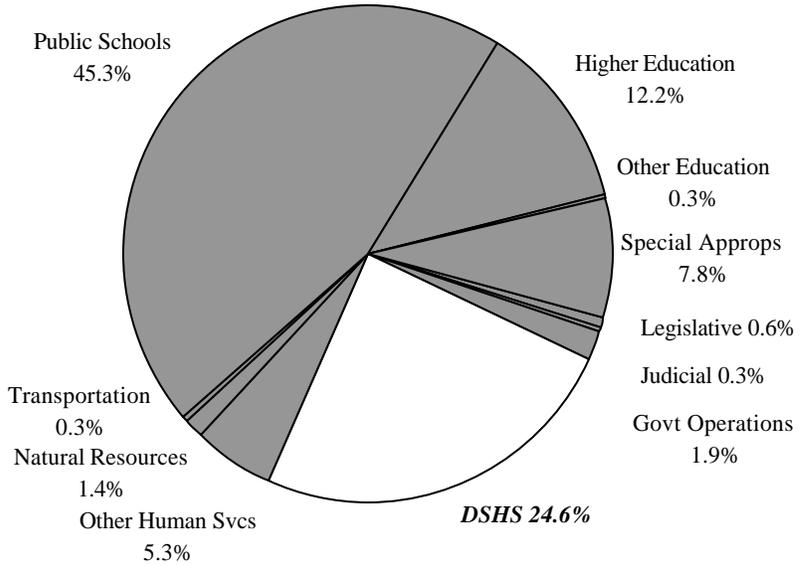
Medical Assistance	4,876,699
Economic Services	2,099,236
Long-Term Care Svcs	1,906,383
Developmental Disabilities	1,026,079
Mental Health	1,016,172
Children & Family Svcs	770,891
Juvenile Rehabilitation	240,242
Alcohol/Subst Abuse	219,268
Other DSHS	275,593
DSHS	12,430,563



DSHS

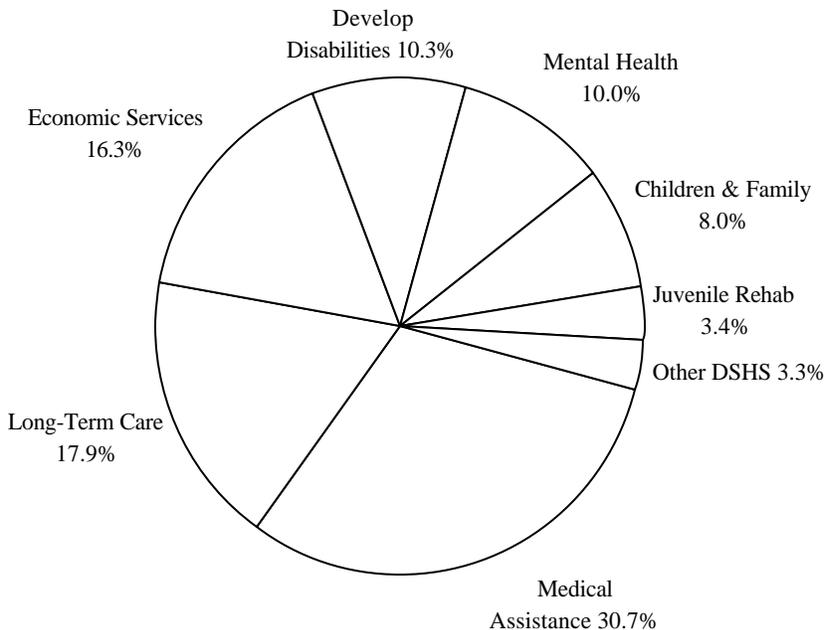
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General Fund-State
(Dollars in Thousands)

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Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Medical Assistance	1,579,191
Long-Term Care Svcs	921,068
Economic Services	838,655
Developmental Disabilities	529,486
Mental Health	516,029
Children & Family Svcs	410,694
Juvenile Rehabilitation	173,178
Other DSHS	169,382
DSHS	5,137,683



Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	430,481	341,951	772,432
Total Maintenance Changes	6,023	-207	5,816
Policy Changes			
1. Background Checks	0	348	348
2. Staff Secure Group Homes	-911	0	-911
3. Continuing Child Care Support	100	0	100
4. Domestic Violence Initiative	0	457	457
5. Increase Home-Based Services	-415	0	-415
6. Child Care Information	140	0	140
7. Increase Federal Funds	-17,678	17,678	0
8. Medicaid Fraud & Abuse Detection	-30	-30	-60
9. Eliminate Spec Assessments in CRCs	-309	0	-309
10. Foster Parent Retention Program	174	0	174
11. Becca Transfer	-6,881	0	-6,881
Total Policy Changes	-25,810	18,453	-7,357
1999-01 Revised Appropriations	410,694	360,197	770,891
Fiscal Year 2000 Total	196,694	175,191	371,885
Fiscal Year 2001 Total	214,000	185,006	399,006

Comments:

- | | |
|---|--|
| <p>1. Background Checks - Funding is provided that will allow the Department to conduct background checks on all people who receive state payment for providing care to children or vulnerable adults. (General Fund-Federal)</p> <p>2. Staff Secure Group Homes - Funding is adjusted for FY 2000 for staff secure group homes to reflect the number of beds that are currently contracted. The program will continue to work toward contracting the remaining staff secure group home beds in FY 2001. (General Fund-State)</p> <p>3. Continuing Child Care Support - One-time funding is provided to maintain the current level of seasonal child care. (General Fund-State)</p> <p>4. Domestic Violence Initiative - Funding is provided to train service providers to serve and advocate for victims with disabilities; to contract for coordination of domestic violence fatality review panels; to monitor batterer treatment programs for compliance with certification standards; and to increase support for services to under-served populations. (Public Safety and Education Account)</p> <p>5. Increase Home-Based Services - Home-based services provide a range of services to families in the child protection system. This item allows the Department to use unused funds from the Intensive Family Preservation Services and Family Preservation Services programs for increased home-based services. This readjustment is not intended to reduce the current level of Intensive Family Preservation or Family Preservation services across the state. (General Fund-State)</p> | <p>6. Child Care Information - Funds are provided for the Department to establish a statewide toll-free number and an electronic on-line system for access to information regarding child care providers. (General Fund-State)</p> <p>7. Increase Federal Funds - Temporary Assistance for Needy Families funding is transferred to the Social Services Block Grant to maximize federal resources. These federal funds will be used for clients at or below 200 percent of the federal poverty level. (General Fund-State, General Fund-Federal)</p> <p>8. Medicaid Fraud & Abuse Detection - Funding is provided for a fraud and abuse detection program. The new program will result in increased identification of potential fraud and abuse cases and increased cost recoveries and cost avoidance. (General Fund-State, General Fund-Federal)</p> <p>9. Eliminate Spec Assessments in CRCs - Funding for specialized assessments is adjusted. Becca legislation allows runaways in crisis residential centers (CRCs) to receive a specialized assessment of substance abuse or behavioral problems. Currently, these assessments are underutilized by providers due to the difficulty of completing an in-depth assessment in five days, which is the maximum amount of time a child can remain in a CRC. In addition, the CRC providers are already completing a family assessment, which identifies possible areas where services may be needed as part of their contractual requirements. (General Fund-State)</p> <p>10. Foster Parent Retention Program - Funding is provided for a foster parent retention pilot program directed at foster parents caring for children who act out sexually. (General Fund-State)</p> |
|---|--|

**Department of Social and Health Services
Children & Family Services**

11. **Becca Transfer** - The responsibility to monitor juvenile court petitions and total actual costs for Truancy, At-Risk-Youth, and Child-In-Need-of-Services petitions is transferred to the Juvenile Rehabilitation Administration. (General Fund-State)

**Department of Social & Health Services
Children & Family Services**

**WORKLOAD HISTORY
By Fiscal Year**

	1992	1993	1994	1995	1996	1997	1998	1999	<u>Estimate</u>	
									2000	2001
Foster Care *										
Avg # Children Served Monthly	6,734	6,723	6,665	6,762	8,333	8,283	8,297	8,219	8,266	8,335
% Change from prior year		-0.2%	-0.9%	1.5%	23.2%	-0.6%	0.2%	-0.9%	0.6%	0.8%
Child Care **										
Avg # Children Served Monthly	6,402	7,152	7,809	7,099	7,237	6,998	6,870	6,746	7,090	7,264
% Change from prior year		11.7%	9.2%	-9.1%	1.9%	-3.3%	-1.8%	-1.8%	5.1%	2.5%
Child Protective Services										
Avg Cases Referred Monthly	5,819	5,699	5,750	6,108	6,241	6,319	6,477	6,214	6,209	6,209
% Change from prior year		-2.1%	0.9%	6.2%	2.2%	1.2%	2.5%	-4.1%	-0.1%	0.0%
Adoption Support										
Avg # Served Monthly	1,901	2,361	2,843	3,186	3,678	4,040	4,683	5,455	6,370	7,278
% Change from prior year		24.2%	20.4%	12.1%	15.4%	9.8%	15.9%	16.5%	16.8%	14.3%
Caseload Ratio										
Avg Cases Per Worker ***	31:1	33:1	36:1	36:1	36:1	36:1	33:1	29:1	29:1	29:1

* Includes Family Foster Care, Group Foster Care, and Receiving Care. (Note: Receiving Care is not included prior to 1996.)

** Includes the following services: Protective/Welfare, Therapeutic, Teen Parent, Seasonal, and Foster Parent Employment.

*** Combined average number of open cases per worker for Child Protective Services, Child Welfare Services, and Family Reconciliation Services.

Data Source:

Child Care, Child Protective Services and Caseload Ratio from DSHS Budget Division.

Foster Care and Adoption Support from the Caseload Forecast Council.

Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	167,945	52,776	220,721
Total Maintenance Changes	-1,935	2,690	755
Policy Changes			
1. Team Child	100	0	100
2. Echo Glen Mental Health Unit	187	0	187
3. Becca Bill Funding	6,881	10,700	17,581
4. Co-Occurring Disorder Pilot Program	0	898	898
Total Policy Changes	7,168	11,598	18,766
<hr/>			
1999-01 Revised Appropriations	173,178	67,064	240,242
Fiscal Year 2000 Total	84,513	33,492	118,005
Fiscal Year 2001 Total	88,665	33,572	122,237

Comments:

1. **Team Child** - Funding is provided for the Team Child program. Team Child partners at-risk youth with attorneys who advocate for the child in a variety of settings.
2. **Echo Glen Mental Health Unit** - Currently, Echo Glen has a single mental health unit serving eight males and eight females. Funding is provided to convert an existing 16-bed maximum-security unit into a 16-bed mental health maximum-security unit. The result will be 16 male and 16 female mental health maximum-security beds.
3. **Becca Bill Funding** - The amount of \$6.9 million from the state general fund for local government costs associated with the implementation of Becca legislation is transferred from the Children's Administration to the Juvenile Rehabilitation Administration. Additionally, \$10.7 million in funding is provided for costs associated with the implementation of Becca legislation.
4. **Co-Occurring Disorder Pilot Program** - Funding is provided to implement a pilot program of providing research-based, integrated, and individualized transitional services to juvenile offenders. To be selected for the program, the juvenile must have co-occurring substance abuse and mental health disorders and be at high risk of reoffending. Funding is also provided for an evaluation of the effectiveness of the pilot program. (Juvenile Accountability Incentive Account-Federal, Violence Reduction and Drug Enforcement Account)

Of the \$10.7 million in new funding, \$4.7 million is provided for the lawsuit settlement between the state and 20 counties regarding Becca legislation funding. The other \$6 million is added due to reduced revenue distributions through the County Criminal Justice Assistance Account as a result of the passage of Initiative 695. This brings the total 1999-2001 Becca legislation appropriation level to \$17.6 million. At this funding level and with the continued distributions from the County Criminal Justice Assistance Account, local governments are fully reimbursed for their costs in implementing the legislation. (General Fund-State, Public Safety and Education Account-State)

**Department of Social & Health Services
Juvenile Rehabilitation**

WORKLOAD HISTORY
By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	1999	<u>Estimate</u>	
									2000	2001
Community Residential *										
Avg Daily Population/Month	253	314	353	346	359	362	305	239	222	270
% Change from prior year		24.1%	12.4%	-2.0%	3.8%	0.8%	-15.7%	-21.6%	-7.1%	21.6%
Institutions										
Avg Daily Population/Month	683	720	753	915	1,007	1,028	1,048	996	1,000	1,043
% Change from prior year		5.4%	4.6%	21.5%	10.1%	2.1%	1.9%	-5.0%	0.4%	4.3%
Parole**										
Avg Daily Population/Month	496	537	595	765	917	949	1,002	768	1,052	1,157
% Change from prior year		8.3%	10.8%	28.6%	19.9%	3.5%	5.6%	-23.4%	37.0%	10.0%

* Includes State Group Homes, Community Residential Placements, and the County Commitment Program.

** Parole eligibility standards were significantly modified in FY 1998 and again in FY 2000.

Data Source :

FY 1992 through FY 1997 from DSHS Juvenile Rehabilitation Administration.

FY 1998 through FY 1999 from DSHS Juvenile Rehabilitation Administration Executive Management Information System (EMIS) Reports.

FY 2000 through FY 2001 data from legislative fiscal staff.

**Department of Social and Health Services
 Mental Health**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	505,084	483,164	988,248
Total Maintenance Changes	10,692	-2,682	8,010
Policy Changes			
1. Community Inpatient Emergency Pool	0	2,349	2,349
2. Convert Wards to Outpatient Status	-318	-70	-388
3. Atypical Antipsychotic Meds Pilot	1,000	0	1,000
4. Increased DSH Revenues	-3,029	3,029	0
5. Worker Safety	290	0	290
6. MH/DD Collaborative Workplan	2,310	353	2,663
7. New SCC Facility	0	14,000	14,000
Total Policy Changes	253	19,661	19,914
1999-01 Revised Appropriations	516,029	500,143	1,016,172
Fiscal Year 2000 Total	249,471	252,823	502,294
Fiscal Year 2001 Total	266,558	247,320	513,878

Comments:

- Community Inpatient Emergency Pool** - Funding is provided for implementation of strategies which the Department concludes, in consultation with affected Regional Support Networks (RSNs), will best assure continued availability of community inpatient psychiatric services in all areas of the state. Strategies may include emergency contracts for continued operation of inpatient facilities otherwise at risk of closure because of demonstrated, disproportionate, uncompensated care; start-up grants for development of evaluation and treatment facilities; increases in the rate paid for inpatient psychiatric services for medically indigent and/or for general assistance for the unemployed patients; or the development of a new disproportionate share payment program for hospitals with distinct part psychiatric facilities. State expenditures must be matched on a one-quarter basis by the RSNs in the area served by the inpatient facility. An additional \$2.2 million of disproportionate share hospital (DSH) capacity is allocated for support of qualifying strategies. (General Fund-State, General Fund-Federal)
- Convert Wards to Outpatient Status** - The Department is to convert at least two state hospital wards to a more supportive, less medically-oriented model of care for residents for whom such an alternative model of care is judged appropriate by their psychiatric treatment team. (General Fund-State, General Fund-Federal, General Fund-Local)
- Atypical Antipsychotic Meds Pilot** - Provides funds to implement the responsibilities under the provisions of Chapter 217, Laws of 2000 (2SHB 2663). A pilot program will be established to supply atypical antipsychotic medications to under-served populations. A portion of these funds are to be used for the project evaluation required by the legislation. (General Fund-State)
- Increased DSH Revenues** - State general fund spending is reduced to account for additional federal DSH earnings. This adjustment anticipates \$111.8 million of mental health DSH expenditures in FY 2000 (of which \$110.4 million will be in the state hospitals), and \$114.4 million in FY 2001 (of which \$110.7 million will be in the state hospitals). (General Fund-State, General Fund-Federal)
- Worker Safety** - Funding is provided for equipment, environmental modifications, and specialized training and consultation needed to implement the state hospital workplace safety plans developed in accordance with Chapter 22, Laws of 2000 (SHB 2899). (General Fund-State, General Fund-Federal, General Fund-Private/Local)
- MH/DD Collaborative Workplan** - Funds are provided to further enhance ongoing efforts to address the needs of individuals with developmental disabilities (DD) and mental illness. Enhancements are to include establishment of specialized treatment wards; staff training and consultation; a professional team specializing in the treatment of dual psychiatric and developmental disabilities; development of specialized vocational and other therapeutic activity programs; additional staffing to provide greater individualized attention and recreational opportunities; and improved discharge planning activities to assure that these patients do not remain in the hospital longer than is needed for treatment of their psychiatric illness. (General Fund-State, General Fund-Federal, General Fund-Local)
- New SCC Facility** - Funding is provided to complete design and site preparation, and to begin construction of a new 250 bed facility for the Special Commitment Center (SCC), to be located on McNeil Island. These state general funds are to be appropriated to the State Building and Construction Account. (Violence Reduction and Drug Enforcement Account)

Department of Social & Health Services Mental Health

WORKLOAD HISTORY By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	1999	Estimate	
									2000	2001
State Hospitals *										
Avg Daily Population/Month	1,709	1,622	1,444	1,349	1,278	1,276	1,311	1,354	1,438	1,441
% Change from prior year		-5.1%	-11.0%	-6.6%	-5.3%	-0.2%	2.7%	3.3%	6.2%	0.2%
Avg Daily Census/Month				1,323	1,246	1,243	1,275	1,317	1,398	1,402
% Change from prior year					-5.8%	-0.2%	2.6%	3.3%	6.1%	0.3%
Community Outpatient Services										
	25,110	30,108	32,939	36,728	38,482	39,861	41,328	44,036	43,893	43,984
% Change from prior year		19.9%	9.4%	11.5%	4.8%	3.6%	3.7%	6.6%	-0.3%	0.2%
Avg Adults Served per Month	19,317	23,070	25,065	27,210	28,077	28,853	30,024	31,966	31,162	30,987
% Change from prior year		19.4%	8.6%	8.6%	3.2%	2.8%	4.1%	6.5%	-2.5%	-0.6%
Avg Children Served per Month	5,793	7,038	7,874	9,518	10,405	11,008	11,304	12,070	12,731	12,997
% Change from prior year		21.5%	11.9%	20.9%	9.3%	5.8%	2.7%	6.8%	5.5%	2.1%
Special Commitment Center **										
Avg Monthly Population	11	17	23	28	33	44	59	83	108	132
% Change from prior year		54.5%	35.3%	21.7%	17.9%	33.3%	34.1%	40.7%	30.1%	22.2%

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

** Special Commitment Center opened in July 1990. Counts include persons on supervised conditional release.

Data Sources:

FY 1992 through FY 1999 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2000 and FY 2001 estimates are from legislative fiscal committees.

Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	518,068	492,314	1,010,382
Total Maintenance Changes	7,207	1,851	9,058
Policy Changes			
1. MH/DD Collaborative Workplan	3,781	2,369	6,150
2. LTC Training Enhancements	75	53	128
3. Enhance Family Support	500	160	660
4. Medicaid Fraud & Abuse Detection	-145	-154	-299
Total Policy Changes	4,211	2,428	6,639
<hr/>			
1999-01 Revised Appropriations	529,486	496,593	1,026,079
Fiscal Year 2000 Total	253,980	238,662	492,642
Fiscal Year 2001 Total	275,506	257,931	533,437

Comments:

1. **MH/DD Collaborative Workplan** - Funding is provided to improve services for persons with developmental disabilities (DD) who would otherwise be at risk of needing involuntary commitment to, or prolonged treatment at, state psychiatric hospitals. These funds will enhance the community crisis response system managed by Regional Support Networks; improve crisis prevention and stabilization services through the developmental disabilities community services system; and expand community residential capacity for persons with developmental disabilities who are ready for discharge from state psychiatric hospitals. (General Fund-State, General Fund-Federal)

2. **LTC Training Enhancements** - Funding is provided to develop training modules for boarding home staff on dementia, mental illness, and developmental disabilities and to develop rules regarding orientation, basic training, and continuing education for caregivers in all long-term care (LTC) settings. (General Fund-State, General Fund-Federal)

3. **Enhance Family Support** - Funding is provided to expand family support services to an increased number of individuals. Case management support is also provided. (General Fund-State, General Fund-Federal)

4. **Medicaid Fraud & Abuse Detection** - Savings are achieved from a new fraud and abuse detection program implemented by the Department of Social and Health Services. The new program will help identify potential fraud and abuse cases and achieve increased cost recoveries in the Long Term Care, Medical Assistance, and Developmental Disabilities programs. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services
Developmental Disabilities**

**WORKLOAD HISTORY
By Fiscal Year**

	1992	1993	1994	1995	1996	1997	1998	1999	<u>Estimate</u>	
									2000	2001
Institutions										
Avg Monthly Population	1,534	1,477	1,412	1,322	1,295	1,262	1,228	1,189	1,231	1,231
% change from prior year		-3.7%	-4.4%	-6.4%	-2.0%	-2.5%	-2.7%	-3.2%	3.6%	0.0%
Community Residential Programs*										
Avg Month End Contracted Beds	3,188	3,474	3,585	3,683	3,740	3,819	3,742	3,747	4,008	4,093
% change from prior year		9.0%	3.2%	2.7%	1.5%	2.1%	-2.0%	0.1%	7.0%	2.1%
Employment & Day Programs										
Avg Monthly Number Served	6,133	6,531	6,789	7,049	7,571	7,954	8,455	8,567	8,760	9,076
% change from prior year		6.5%	4.0%	3.8%	7.4%	5.1%	6.3%	1.3%	2.2%	3.6%
Family Support**										
Number of Clients Served	1,486	1,674	2,071	2,207	2,659	3,637	3,985	4,658	5,284	5,747
% change from prior year		12.7%	23.7%	6.6%	20.5%	36.8%	9.6%	16.9%	13.4%	8.8%
Adult Personal Care***										
Number of Clients Served	2,154	2,443	2,844	3,244	3,525	3,951	4,199	4,730	5,028	5,504
% change from prior year		11.8%	14.1%	12.3%	8.0%	10.8%	5.9%	11.2%	5.9%	8.6%

* Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternatives (SOLA).

** Family Support includes Children's Personal Care.

***Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

Data Sources:

FY 1992 through FY 1998 from LEAP workload database except FY 1993 through FY 1997 Community Residential is from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 2000 through FY 2001 are budget estimates from legislative fiscal staffs.

Department of Social and Health Services Long-Term Care Services

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	928,805	1,008,007	1,936,812
Total Maintenance Changes	-13,617	-28,281	-41,898
Policy Changes			
1. Improve Home Care Safety	139	139	278
2. APS Referral Increase	624	662	1,286
3. Targeted Adult Protective Services	897	897	1,794
4. Nursing Home Rate Setting	3,382	3,560	6,942
5. Family Caregiver	610	0	610
6. LTC Training Enhancements	60	60	120
7. Private Duty Nursing	345	358	703
8. Medicaid Fraud & Abuse Detection	-372	-389	-761
9. Federal Reporting Requirements	195	302	497
Total Policy Changes	5,880	5,589	11,469
1999-01 Revised Appropriations	921,068	985,315	1,906,383
Fiscal Year 2000 Total	446,025	485,712	931,737
Fiscal Year 2001 Total	475,043	499,603	974,646

Comments:

1. **Improve Home Care Safety** - Funding is provided to implement Chapter 87, Laws of 2000, Partial Veto (2SHB 2637). The bill requires home care workers who have resided in the state for fewer than three years to be screened using both a state background check as well as an FBI interstate history background check. (General Fund-State, General Fund-Federal)
2. **APS Referral Increase** - Funding is provided for additional Adult Protective Services (APS) staffing to investigate cases of suspected abuse and neglect of vulnerable adults. The number of such cases being reported for state investigation has grown steadily in recent years, and increased sharply during the summer and fall of 1999 following publicity of the Linda David case and implementation of new reporting requirements. The recommended funding level anticipates that APS caseloads will continue to grow from this new, higher base at the previous rate of approximately 13 percent per year. (General Fund-State, General Fund-Federal)
3. **Targeted Adult Protective Services** - Funding is provided for the in-person review of potentially vulnerable in-home care cases, which was ordered by the Governor during the summer of 1999. Funding is also provided for two additional attorneys general to assist APS staff with financial exploitation cases, the filing of protection orders, and the coordination of cases with police and prosecutors. This triples the current level of assistance for such activities. (General Fund-State, General Fund-Federal)
4. **Nursing Home Rate Setting** - Funding is provided so that the capital portion of the rate will not require a pro-rata reduction to avoid exceeding the limit set in the budget. Funding is also provided for an additional 1 percent increase in the direct care rate, effective July 1, 2000, for facilities not paid in accordance with case mix. In total, funding is increased by \$0.49 per patient day in FY 2000 and by \$1.17 per patient day in FY 2001. (General Fund-State, General Fund-Federal)
5. **Family Caregiver** - In accordance with Chapter 207, Laws of 2000 (SHB 2454), funding is provided for support groups, information and assistance, and other services which will help unpaid caregivers support their disabled friends or family members at home. (General Fund-State)
6. **LTC Training Enhancements** - Funding is provided for an additional full-time staff position to monitor and coordinate training delivery, and to assist a stakeholder advisory group in the development of new staff training requirements for all community long-term care (LTC) programs, as required by Chapter 121, Laws of 2000 (SSB 6502). Funds are also provided for other activities which will enhance the quality of the training currently available to community LTC staff, such as curriculum consultation, video production, or trainer development. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Long-Term Care Services

7. **Private Duty Nursing** - The 1999 Legislature appropriated funding to the Medical Assistance Administration (MAA) for a 10 percent rate increase for home health agencies that provide private duty nursing services to children under the age of eighteen. Through the Aging and Adult Services program, the same agencies also provide private duty nursing for adults, many of whom transferred in from MAA when they became age eighteen. This item provides the same 10 percent increase for the Aging and Adult Services program as was provided for the MAA program, effective July 2000. (General Fund-State, General Fund-Federal)
8. **Medicaid Fraud & Abuse Detection** - The Department of Social and Health Services will implement a new fraud and abuse detection program. The new program will increase cost recoveries, cost avoidance, and the identification of potential fraud and abuse cases in the LTC, Medical Assistance, and Developmental Disabilities programs. (General Fund-State, General Fund-Federal)
9. **Federal Reporting Requirements** - Funding is provided to better meet federal Health Care Financing Administration mandates on compliance and reporting issues associated with nursing homes. The amount of staff time available to investigate complaints about nursing home care is increased by 38 percent. An additional inspector is added in order to assure timely completion of federally-required inspections in intermediate care facilities for the mentally retarded (ICF/MRs). (General Fund-State, General Fund-Federal)

**Department of Social & Health Services
Long-Term Care Services**

WORKLOAD HISTORY
By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	1999	Estimate	
									2000	2001
Nursing Homes										
# FTE Clients	17,344	17,445	17,168	16,639	15,905	14,992	14,648	14,078	13,726	13,262
% Change from prior year		0.6%	-1.6%	-3.1%	-4.4%	-5.7%	-2.3%	-3.9%	-2.5%	-3.4%
Community Care *										
# Clients Served	19,087	19,587	19,411	19,576	20,876	23,119	25,675	27,567	29,254	31,171
% Change from prior year		2.6%	-0.9%	0.9%	6.6%	10.7%	11.1%	7.4%	6.1%	6.6%

* Includes Chore Services, Community Options Program Entry Services (COPES), Adult Residential, and Medicaid Personal Care.

Data Source:

Nursing Homes for FY 1992 through FY 1995 from LEAP workload database.

Community Care for FY 1992 through FY 1996 from Aging and Adult Services Administration.

All other data is from the Caseload Forecast Council.

Department of Social and Health Services Economic Services

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	898,737	1,251,712	2,150,449
Total Maintenance Changes	6,122	-43,777	-37,655
Policy Changes			
1. OFM Studies	0	500	500
2. Increase Child Care Funding	0	12,888	12,888
3. Food Assistance Program Projection	-6,428	0	-6,428
4. Finance GA-H & Part of FAP w/TANF	-2,819	2,819	0
5. Unearned Child Support Incentives	31	-31	0
6. Increased Costs for Cnty Legal Svcs	554	1,077	1,631
7. Medicaid Eligibility (HB 2686)	-282	-282	-564
8. Child Support Technical Amendment	-7	-15	-22
9. Meet Federal Welfare Reform Rules	-44,400	36,000	-8,400
10. Administrative Efficiency Savings	-12,519	0	-12,519
11. Banking Fees	88	172	260
12. Eligibility Streamlining	-284	-207	-491
13. Reduce Supervisors in Child Support	-138	-275	-413
Total Policy Changes	-66,204	52,646	-13,558
<hr/>			
1999-01 Revised Appropriations	838,655	1,260,581	2,099,236
Fiscal Year 2000 Total	427,742	609,890	1,037,632
Fiscal Year 2001 Total	410,913	650,691	1,061,604

Comments:

1. **OFM Studies** - Temporary Assistance for Needy Families (TANF) funding is provided to support three studies to be conducted by the Office of Financial Management (OFM). The first study will review options for setting payment rates for subsidized child care. The second study will review the various means-tested programs throughout state government that are provided to low-income families with children. The third study will review the best method for coordinating and consolidating child care and early education programs funded by state government. (General Fund-Federal)
2. **Increase Child Care Funding** - Funding is enhanced for subsidized child care, which supports an increasing number of low-income working families. (General Fund-Federal)
3. **Food Assistance Program Projection** - Funding is reduced due to lower projected expenditures for the state food assistance program for legal immigrants who are not eligible for federal food stamps. (General Fund-State)
4. **Finance GA-H & Part of FAP w/TANF** - State funding is reduced by refinancing both the General Assistance program for children who live with court appointed guardians or custodians (GA-H) and a portion of the state food assistance program (FAP) with TANF block grant or TANF maintenance of effort dollars. (General Fund-State, General Fund-Federal)
5. **Unearned Child Support Incentives** - State funding is provided in FY 2000 to cover the projected shortfall in federal performance incentive dollars for the state child support system. (General Fund-State, General Fund-Local)
6. **Increased Costs for Cnty Legal Svcs** - Funding is provided for increased county legal services costs for child support enforcement. The Department shall ensure that these increased costs do not drop its cost effectiveness ratio for federal incentive payments below the \$5 threshold in the federal performance incentive formula. (General Fund-State, General Fund-Federal)
7. **Medicaid Eligibility (HB 2686)** - Chapter 218, Laws of 2000 (HB 2686 - Public Assistance Income and Resources), simplifies the process for determining continuing medicaid eligibility for families getting off TANF. This results in savings in the community service offices. (General Fund-State, General Fund-Federal)
8. **Child Support Technical Amendment** - Funding is provided for Chapter 86, Laws of 2000 (HB 2579 - Federal Welfare Reform Act), which changes the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act that apply to the child support program. The savings are achieved by allowing child support orders to be issued by regular mail delivery instead of personal delivery. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Economic Services

9. **Meet Federal Welfare Reform Rules** - State funds reserved for possible TANF penalties are eliminated and the state's required maintenance of effort level is reduced to 75 percent of historical levels rather than 80 percent. This is made possible by the WorkFirst program successfully fulfilling all federal welfare reform work participation requirements. (General Fund-State, General Fund-Federal)
10. **Administrative Efficiency Savings** - Funding is reduced for staff that were hired to reduce the food stamp error rate. The error rate has been reduced, therefore funding for these staff is no longer necessary. (General Fund-State)
11. **Banking Fees** - Funding is provided to cover the costs of banking fees for the Division of Child Support (DCS). DCS maintains a contractual relationship with a financial institution to provide banking services for the DSHS Child Support Services Account. Due to low interest rates, requirements to disburse funds within 48 hours, and an increase in the number of transactions, the costs associated with banking services are out-pacing earnings. (General Fund-State, General Fund-Federal)
12. **Eligibility Streamlining** - Ten staff are eliminated by July 2001 as a result of improvements in work practices and supporting technologies used by community service offices. (General Fund-State, General Fund-Federal)
13. **Reduce Supervisors in Child Support** - Six managers are eliminated by July 2000 as a result of consolidation, elimination, or redistribution of work in DCS. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services
Economic Services**

**WORKLOAD HISTORY
By Fiscal Year**

	1992	1993	1994	1995	1996	1997	1998	1999	Estimate	
									2000	2001
SSI State Supplement										
Avg Monthly Caseload	62,532	69,332	76,518	82,249	86,299	87,674	88,006	89,176	91,280	92,878
% Change from prior year		10.9%	10.4%	7.5%	4.9%	1.6%	0.4%	1.3%	2.4%	1.8%
General Assistance *										
Avg Monthly Caseload	16,326	16,683	17,617	18,371	18,074	18,155	17,657	17,129	16,395	16,187
% Change from prior year		2.2%	5.6%	4.3%	-1.6%	0.4%	-2.7%	-3.0%	-4.3%	-1.3%
TANF Cases **										
Avg Monthly Caseload	99,012	102,306	104,626	104,472	101,136	97,309	84,685	67,475	58,421	55,874
% Change from prior year		3.3%	2.3%	-0.1%	-3.2%	-3.8%	-13.0%	-20.3%	-13.4%	-4.4%
Child Care										
Avg # Children Served/Month	21,436	27,142	29,772	32,757	30,636	33,309	41,707	51,187	56,798	59,922
% Change from prior year		26.6%	9.7%	10.0%	-6.5%	8.7%	25.2%	22.7%	11.0%	5.5%

* FY 1992 through FY 2000 includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001 GA-H cases are covered by TANF funding and are moved out of the General Assistance estimate into the TANF Cases estimate. Data collection changed to the Caseload Analysis and Reporting Database (CARD) system in FY 1998. To provide comparable data, monthly caseload data from FY 1992-1997 have been adjusted to reflect the CARD system, which is 7.05 percent higher on average than the previous Average Grant method.

** Includes General Assistance-Pregnant Women (GA-S) cases, which will be integrated into the Temporary Assistance for Needy Families (TANF) caseload during the 1999-01 biennium. Also includes GA-H cases starting in FY 2001 (see note above). To provide comparable data, monthly caseload data from FY 1992-1997 have been adjusted to reflect the CARD system, which is 7.08 percent higher on average than the previous Average Grant method.

Data Source :

FY 1992 through FY 1999 SSI State Supplement and General Assistance actuals from the Caseload Forecast Council.

FY 1992 through FY 1999 TANF Cases and Child Care actuals from DSHS Budget Division.

FY 2000 and FY 2001 estimates represent legislative budget assumptions, based upon forecasts provided by the Caseload Forecast Council and the DSHS Budget Division.

**Department of Social and Health Services
 Alcohol & Substance Abuse**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	43,309	175,814	219,123
Total Maintenance Changes	-43	-427	-470
Policy Changes			
1. Drug Courts	0	442	442
2. Transfer from DCTED	173	0	173
Total Policy Changes	173	442	615
1999-01 Revised Appropriations	43,439	175,829	219,268
Fiscal Year 2000 Total	21,338	87,275	108,613
Fiscal Year 2001 Total	22,101	88,554	110,655

Comments:

- Drug Courts** - Funding is provided for drug courts in King, Pierce, and Spokane Counties. Research indicates that drug courts provide savings for state and local governments, because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These three drug courts will receive state assistance equal to one half of their net federal funding loss from FY 2000 to FY 2001. The balance in drug court funding will come from savings at the local level. (Public Safety and Education Account-State)
- Transfer from DCTED** - Funding is transferred from the Department of Community, Trade and Economic Development (DCTED) for services to women who give birth to infants exposed to non-prescription use of controlled substances and/or abuse of alcohol by the mother during pregnancy. This will consolidate funding for this program within the Division of Alcohol and Substance Abuse. (General Fund-State)

**Department of Social & Health Services
Alcohol & Substance Abuse**

**WORKLOAD HISTORY
By Fiscal Year**

	1992	1993	1994	1995	1996	1997	1998	1999	<u>Estimate</u>	
									2000	2001
ADATSA - Assessment										
Avg Monthly Assessments	1,168	1,199	1,195	1,278	1,284	1,199	1,194	1,162	1,230	1,230
% Change from prior year		2.7%	-0.3%	6.9%	0.5%	-6.6%	-0.4%	-2.7%	5.9%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	345	320	272	295	325	308	322	340	303	303
% Change from prior year		-7.2%	-15.0%	8.5%	10.2%	-5.2%	4.5%	5.6%	-10.9%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	585	519	586	608	610	631	673	633	531	531
% Change from prior year		-11.3%	12.9%	3.8%	0.3%	3.4%	6.7%	-5.9%	-16.1%	0.0%

*The Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) was established in 1987.
Workloads in ADATSA services are limited to openings available.*

Data Source :

*FY 1992 through FY 1999 actuals provided by the DSHS Budget Division.
FY 2000 and FY 2001 estimates provided by the Division of Alcohol & Substance Abuse.*

Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	1,506,938	3,064,120	4,571,058
Total Maintenance Changes	68,171	73,821	141,992
Policy Changes			
1. Pharmacy Lawsuit	5,606	5,394	11,000
2. Public Hospital Payments	0	30,117	30,117
3. Primary Care Study	49	49	98
4. TANF Assets Disregard	290	298	588
5. Medicaid Fraud & Abuse Detection	-2,626	-2,778	-5,404
6. Maximize ProShare Reimbursement	0	125,092	125,092
7. Restore Low-Income DSH	3,067	3,333	6,400
8. Prescription Drug Program Savings	-2,538	-2,462	-5,000
9. Pharmacy Benefit Management	113	113	226
10. Insurance Market Reform	121	411	532
Total Policy Changes	4,082	159,567	163,649
1999-01 Revised Appropriations	1,579,191	3,297,508	4,876,699
Fiscal Year 2000 Total	744,327	1,629,958	2,374,285
Fiscal Year 2001 Total	834,864	1,667,550	2,502,414

Comments:

1. **Pharmacy Lawsuit** - Funding is provided for implementation of the lawsuit settlement in the case of Allenmore Pharmacy, Inc. et al v. Department of Social and Health Services. The lawsuit was for recovery of damages allegedly incurred by pharmacies because the Department did not fully specify in the Washington Administrative Code its procedures for establishing prescription drug payment levels. (General Fund-State, General Fund-Federal)
2. **Public Hospital Payments** - Contingent on federal approval of a new methodology for reimbursing the state teaching hospitals, \$7 million of additional disproportionate share hospital (DSH) funding is to be distributed to the public hospital districts, of which \$2 million is to be provided to the state teaching hospitals. (Health Services Account, General Fund-Federal)
3. **Primary Care Study** - Funding is provided for the Department of Social and Health Services (DSHS) and the Health Care Authority to study how public payment rates for primary health care services compare with those paid by commercial insurers; the level of publicly-funded clients and at what level these clients constitute a disproportionate share of a primary care practice; and what impact such a level has on the practice's financial viability. (General Fund-State, General Fund-Federal)
4. **TANF Assets Disregard** - Chapter 218, Laws of 2000 (HB 2686), provides that assets are no longer to be considered when determining continued Medicaid eligibility for persons on Temporary Assistance for Needy Families (TANF). This change is expected to result in an additional 175 adults per month being covered by Medicaid during the second year of the biennium. (General Fund-State, General Fund-Federal)
5. **Medicaid Fraud & Abuse Detection** - Savings are achieved from a new fraud and abuse detection program implemented by DSHS. The new program will help identify potential fraud and abuse cases and achieve increased cost recoveries in the Long Term Care, Medical Assistance, and Developmental Disabilities programs. (General Fund-State, General Fund-Federal)
6. **Maximize ProShare Reimbursement** - On a one-time basis, the state will be able to claim three Pro-Share intergovernmental transfer payments in the 1999-2001 biennium, rather than two, as originally budgeted. In addition, the maximum amount available to claim is greater than budgeted. (General Fund-Federal, Health Services Account)
7. **Restore Low-Income DSH** - Funding is provided to restore the low-income DSH program to the same level as during the 1997-99 biennium. (General Fund-State, General Fund-Federal)
8. **Prescription Drug Program Savings** - The Department is to take a number of steps to control costs while maintaining or improving patient care in its prescription drug program. Actions which are expected to result in immediate savings, in FY 2001, include: (1) establishing the maximum allowable cost for certain drugs by conducting in-state average wholesale price surveys, rather than relying upon nationwide data; (2) working with pharmacists to steer patients with gastro-intestinal reflux disease away from non-steroidal anti-inflammatory drugs through prior authorization on certain prescriptions; and (3) no longer paying for certain drugs which the federal Medicare program will now purchase for certain recipients. Additional staffing is also provided for the Department to conduct the in-state maximum allowable cost surveys. (General

Department of Social and Health Services Medical Assistance Payments

Fund-State, General Fund-Federal)

9. **Pharmacy Benefit Management** - Funding is provided for the Department to research disease management programs, which have proven effective with similar populations in other states, and to work with concerned provider and consumer groups to adapt them to Washington's service delivery system. Second, resources are provided for the Drug Utilization and Education Council to develop a proposed therapeutic substitution program for at least two classes of drugs. Prior to implementing either strategy, the Department is to report to the appropriate committees of the Legislature on its proposed approach. (General Fund-State, General Fund-Federal)

10. **Insurance Market Reform** - Chapter 79, Laws of 2000 (E2SSB 6067), seeks to increase the availability of individual insurance coverage by providing for expanded enrollment in the Washington State High-Risk Insurance Pool (WSHIP). The amount by which WSHIP claims exceed the premiums paid by enrollees will be covered through assessments on insurance carriers, who are likely to pass the cost on in the premiums they charge other purchasers. Funding is provided to cover the projected impact of these assessments on calendar year 2001 Medicaid managed care rates. (General Fund-State, Health Services Account, General Fund-Federal)

Department of Social & Health Services
Medical Assistance Payments

WORKLOAD HISTORY
By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	1999	<u>Estimate</u>	
									2000	2001
Categorically Needy	473,222	520,569	559,686	613,968	653,083	697,456	705,378	690,373	718,857	727,262
AFDC/TANF	301,760	319,499	329,660	329,519	320,540	310,247	287,012	254,037	252,769	231,751
Elderly	34,397	35,365	35,823	36,892	38,716	42,050	45,081	47,115	49,838	51,528
Disabled	67,904	77,335	85,454	91,261	94,848	94,962	95,168	96,344	98,339	101,118
Non-AFDC Children	42,669	59,511	75,602	121,343	162,748	211,707	239,688	253,365	277,798	301,332
Non-AFDC Pregnant Women	14,201	15,734	17,845	18,299	19,043	20,853	21,624	21,877	20,992	21,619
Undocumented Children	11,127	10,911	12,361	12,786	13,000	13,468	13,047	13,299	15,098	16,303
Medicare Beneficiaries	1,164	2,214	2,941	3,868	4,188	4,169	3,758	4,336	4,023	3,611
Medically Needy	17,616	18,151	17,012	14,425	11,395	10,245	11,096	11,670	13,122	14,180
AFDC-Related	6,934	7,126	5,822	3,895	1,433	0	0	0	0	0
Elderly	5,169	5,163	5,208	4,837	4,295	4,341	4,663	4,908	5,804	6,504
Disabled	4,752	5,246	5,537	5,559	5,576	5,765	6,357	6,662	7,227	7,585
All Others	761	616	445	134	91	139	76	100	91	91
Children's Health Insurance Program*									3,074	7,800
General Assistance/ADATSA										
# Persons/Month	12,243	10,368	10,049	10,955	11,786	12,997	13,165	12,875	11,392	10,419
State Medically Indigent										
# Persons/Month	2,472	2,640	2,634	2,407	2,060	2,003	2,286	2,235	2,296	2,296
Refugees										
# Persons/Month	1,824	1,429	1,546	1,665	1,411	1,064	1,350	1,308	1,349	1,374
Total Eligibles per Month	507,377	553,157	590,927	643,420	679,735	723,765	733,275	718,460	750,090	763,331
% Change from prior year	15.0%	9.0%	6.8%	8.9%	5.6%	6.5%	1.3%	-2.0%	4.4%	1.8%

* The Children's Health Insurance Program (CHIP) begins in FY 2000. Enrollment is expected to reach the budgeted level of 10,000 children by April 2001.

Data Sources:

Fiscal Years 1992-1998: DSHS Budget Division, Office of Forecasting and Policy Analysis.

Fiscal Years 1999-2001: Caseload Forecast Council.

**Department of Social and Health Services
Vocational Rehabilitation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	18,038	84,810	102,848
Total Maintenance Changes	-633	-1,039	-1,672
<hr/>			
1999-01 Revised Appropriations	17,405	83,771	101,176
Fiscal Year 2000 Total	8,770	41,320	50,090
Fiscal Year 2001 Total	8,635	42,451	51,086

Comments:

No policy changes were recommended.

**Department of Social and Health Services
 Administration & Supporting Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	50,895	47,321	98,216
Total Maintenance Changes	-177	-2,107	-2,284
Policy Changes			
1. Medicaid Fraud & Abuse Detection	933	2,251	3,184
2. Align Core Functions	<u>-5,528</u>	<u>-3,518</u>	<u>-9,046</u>
Total Policy Changes	-4,595	-1,267	-5,862
1999-01 Revised Appropriations	46,123	43,947	90,070
Fiscal Year 2000 Total	26,004	24,180	50,184
Fiscal Year 2001 Total	20,119	19,767	39,886

Comments:

- Medicaid Fraud & Abuse Detection** - Funding is provided for a fraud and abuse detection program. The new program will result in increased identification of potential fraud and abuse cases and increased cost recoveries and cost avoidance in the Long Term Care, Medical Assistance, and Developmental Disabilities programs. (General Fund-State, General Fund-Federal)
- Align Core Functions** - The Department of Social and Health Services will selectively reduce the number of staff across the agency, resulting in a total savings of \$9,046,000. Savings are not intended to be taken from direct service staff unless justified by reduced workload or other efficiencies that will not impact licensing or certification standards. By September 1, 2000, the Department will report its plan to implement these staff reductions. (General Fund-State, General Fund-Federal)

Department of Social and Health Services
Payments to Other Agencies

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	61,509	22,747	84,256
Total Maintenance Changes	906	-815	91
<hr/>			
1999-01 Revised Appropriations	62,415	21,932	84,347
Fiscal Year 2000 Total	31,190	10,895	42,085
Fiscal Year 2001 Total	31,225	11,037	42,262

Comments:

No policy changes were recommended.

Other Human Services

Health Care Authority

An appropriation of \$200,000 from the Health Services Account is provided for state-subsidized premium discounts for Washington State high-risk insurance pool enrollees age 50 and older who are not on Medicare, and who have family incomes between 200 percent and 300 percent of the federal poverty level. Such discounts are authorized by Chapter 79, Laws of 2000 (E2SSB 6067 – Individual Health Insurance Coverage Reform). This legislation also authorizes the Health Care Authority to offer a catastrophic coverage policy in counties where no other individual insurance coverage is available. The amount of \$150,000 is provided to the Authority to design such a policy.

Basic Health Plan

The budget provides an additional \$1 million from the Health Services Account to increase enrollment in the Basic Health Plan. The additional funding is projected to be sufficient to enroll 570 additional low-income working adults beginning July 1, 2000, bringing total enrollment in the subsidized program to approximately 133,210 for fiscal year 2001.

Criminal Justice Training Commission

The amount of \$215,000 is provided from the Public Safety and Education Account for the Washington Association of Sheriffs and Police Chiefs to conduct a study of law enforcement services and expenditures for both counties and cities, but only in counties with populations over 150,000. The study will focus on identifying potential efficiencies in service delivery, especially relating to special service units such as bomb squads, SWAT teams, and hostage rescue units.

The budget also provides \$50,000 to allow the Criminal Justice Training Commission to provide domestic violence related courses to 911 operators.

Department of Labor and Industries

Funding in the amount of \$2.8 million is provided for direct services to victims of crime. The enhancement helps offset increases in medical costs and pension costs that have constrained the Department's ability to reimburse claims.

Department of Veterans' Affairs

The budget includes \$231,000 as the state's contribution to the national World War II (WWII) memorial, which is to be constructed in Washington, D.C., beginning Veterans' Day, 2000. The funds represent \$1 for each Washington State resident who served in WWII.

Department of Health

The budget provides \$15.0 million from the Tobacco Prevention and Control Account for the first year of a multi-year effort to reduce the use of tobacco. Coordinated by the Department of Health, the plan may include community and school-based programs, cessation support, public awareness campaigns, youth access information, and assessment and evaluation activities.

A total of \$750,000 from the Health Services Account is provided to the Department of Health to continue operations of the Comprehensive Hospital Abstract Reporting System (CHARS) while reducing fees charged to local hospitals that support the system. CHARS is the primary source of morbidity data in the state.

Department of Corrections

The budget provides \$117,000 from the state general fund to implement Chapter 225, Laws of 2000 (2SSB 6255), which makes felonies of the theft or storage of anhydrous ammonia in an unapproved container or possession of anhydrous ammonia with intent to manufacture methamphetamine.

Based on a recent evaluation of hepatitis C treatment needs in the state's correctional system, \$1.9 million is provided for the Department of Corrections to implement a voluntary testing program and to provide medical treatment to offenders who are both infected with the hepatitis C virus and who would benefit from such treatment.

The budget also recognizes savings in the Department of Corrections which are achieved in several ways. Equipment with longer life cycles will be lease-purchased, saving approximately \$1 million. The Department has experienced hiring delays in a number of programs, generating \$3.0 million in savings. The Department has under spent its allotted number of staff in the program support area by an average of 26 staff during the first nine months of the biennium. The budget expects the Department to continue achieving savings of three administrative staff on an ongoing basis, resulting in annual savings of \$147,000.

Sentencing Guidelines Commission

The budget provides \$80,000 from the state general fund for the Sentencing Guidelines Commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation will include an analysis of whether current sentencing ranges and standards, as well as existing mandatory minimum sentences, and existing sentence enhancements and special sentencing alternatives, are consistent with the purposes of the sentencing reform act and with prison capacity.

Employment Security Department

The budget provides \$2.5 million from the state Employment Service Administrative Account to implement a new training benefits program for qualified dislocated workers established in Chapter 2, Laws of 2000 (SHB 3077 - Unemployment Insurance). This program will allow dislocated workers to receive additional unemployment insurance benefits for up to 52 weeks while they are in retraining and making satisfactory progress toward completion of their training plan.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	13,004	583,762	596,766
Total Maintenance Changes	0	0	0
Policy Changes			
1. UDP Benefit Administration	0	0	0
2. UMP Claim Admin & Operations	0	0	0
3. UMP New Enrollment Admin Costs	0	3,667	3,667
4. Insurance System Study	0	275	275
5. UMP Trend Management/Admin	0	973	973
6. Primary Care Study	0	33	33
7. Insurance Market Reform	0	159	159
8. WSHIP Premium Discounts	0	200	200
9. New Individual Market Product	0	150	150
10. BHP Enrollment Increase	0	1,000	1,000
Total Policy Changes	0	6,457	6,457
1999-01 Revised Appropriations	13,004	590,219	603,223
Fiscal Year 2000 Total	6,441	279,203	285,644
Fiscal Year 2001 Total	6,563	311,016	317,579

Comments:

1. **UDP Benefit Administration** - The Health Care Authority (HCA) contracts with the Washington Dental Service (WDS) for the administration of the self-insured Uniform Dental Plan (UDP). The total annual value of the contract is dependent upon UDP enrollment. The 1999-2001 operating budget transferred the estimated WDS contract costs from the non-appropriated Public Employees' and Retirees' Insurance Account to the appropriated HCA Administrative Account. The appropriation does not allow the flexibility necessary to respond to potentially large annual increases in UDP enrollment during the open enrollment period. The WDS contract costs are moved to the newly-created, non-appropriated, budgeted UDP Claims Administration Account. (HCA Account, UDP Claims Administration Account-Non-appropriated)
2. **UMP Claim Admin & Operations** - The Uniform Medical Plan (UMP) is the state's self-insured preferred provider organization, which is administered by HCA. The 1999-2001 operating budget transferred the estimated costs of claims processing and management contracts from the non-appropriated Public Employees' and Retirees' Insurance Account to the appropriated HCA Administrative Account. Most of these contracted costs are paid on a per subscriber, per month basis and, therefore, vary directly with changes in the total UMP membership. The appropriation does not allow the flexibility necessary to respond to potentially large shifts in enrollment between managed care plans and UMP during open enrollment periods. UMP contract expenditures for claims administration, data analysis, utilization management, and preferred provider administration are transferred from the appropriated HCA Administrative Account to a new non-appropriated, budgeted UMP Benefits Administration Account. Funding for other administrative activities, such as third-party risk adjustment, the cardiac outcomes assessment program, and new activities funded in the 1999 budget, are not transferred. (HCA Administrative Account, UMP Benefits Administration Account-Non-appropriated)
3. **UMP New Enrollment Admin Costs** - Funding is provided for increases in non-appropriated benefit administration costs caused by enrollment growth in UMP for calendar year 2000. (UMP Benefits Administration Account-Non-appropriated)
4. **Insurance System Study** - Funding is provided for HCA to initiate a study of their insurance systems for the Public Employees' Benefits Board and the Basic Health Plan (BHP). The study will provide direction for a possible systems redesign in the 2001-03 biennium. Total cost for the study is expected to be approximately \$275,000, of which \$164,000 is funded from the Health Services Account. It is anticipated that the Health Services Account savings that will result from a more efficient system in the 2001-03 biennium will be used in part to cover any increased administrative costs associated with implementation of the self-insured BHP program authorized by Chapter 79, Laws of 2000 (E2SSB 6067). (HCA Administrative Account, Health Services Account)
5. **UMP Trend Management/Admin** - Funding is provided for UMP to increase actuarial services in support of claims trend management, vendor contract procurement, and for a reimbursement systems specialist position to update and maintain UMP reimbursement systems. Funding is also provided for a continuation of current credentialing verification organization contracts and for testing of UMP payment systems. (HCA Administrative Account)

Washington State Health Care Authority

6. **Primary Care Study** - Funding is provided for HCA to study, in conjunction with the Medical Assistance Administration, how public payment rates for primary health care services compare with those paid by commercial insurers; the level of publicly-funded clients that constitutes a disproportionate share of a primary care practice; and what impact such a level has on the practice's financial viability. (Health Services Account)
7. **Insurance Market Reform** - Chapter 79, Laws of 2000 (E2SSB 6067), seeks to increase the availability of individual insurance coverage by providing for expanded enrollment in the Washington State Health Insurance Pool (WSHIP). The amount by which WSHIP claims exceed the premiums paid by enrollees will be covered through assessments on insurance carriers, who will in turn pass on the cost in premium increases. Funding is provided for the projected impact of these assessments on BHP. (Health Services Account)
8. **WSHIP Premium Discounts** - As authorized by Chapter 79, Laws of 2000 (E2SSB 6067), funding is provided for state-subsidized premium discounts for WSHIP enrollees age fifty and older who are not on Medicare, and who have family incomes between 200 percent and 300 percent of the federal poverty level. Of the total funds provided, \$75,000 are for one-time costs associated with establishing ongoing systems for administering the premium discounts. (Health Services Account)
9. **New Individual Market Product** - As required by Chapter 79, Laws of 2000 (E2SSB 6067), HCA is to design a new program that would provide catastrophic insurance coverage in counties where no other individual insurance coverage is available. The recommended product design is to be available for consideration during the budget process for the 2001-03 biennium. (Health Services Account)
10. **BHP Enrollment Increase** - Current estimates indicate that the original appropriation for BHP can support an enrollment level of 132,640 from July 2000 through June 2001. Funding is provided for the enrollment of an additional 570 adults beginning July 1, 2000. (Health Services Account)

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	Estimate		
								1999	2000	2001
Basic Health Plan (Subsidized)	21,717	22,747	29,773	37,580	61,926	124,972	127,646	129,888	133,430	134,154
% Change from prior year		4.7%	30.9%	26.2%	64.8%	101.8%	2.1%	1.8%	2.7%	0.5%
Regular Enrollees	21,717	22,747	29,773	37,580	61,773	124,190	126,541	128,625	129,659	133,211
% Change from prior year		4.7%	30.9%	26.2%	64.4%	101.0%	1.9%	1.6%	0.8%	2.7%
Homecare Workers					153	782	1,105	1,263	1,180	1,154
% Change from prior year						411.1%	41.3%	14.3%	-6.6%	-2.2%

* State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for homecare worker enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.

Data Source :

FY 1992 through FY 1998 from the Health Care Authority.

FY 1999 through FY 2001 estimates from the legislative fiscal staffs.

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	5,086	1,574	6,660
Total Maintenance Changes	0	0	0
Policy Changes			
1. Information to Small Businesses	61	0	61
Total Policy Changes	61	0	61
<hr/>			
1999-01 Revised Appropriations	5,147	1,574	6,721
Fiscal Year 2000 Total	2,567	803	3,370
Fiscal Year 2001 Total	2,580	771	3,351

Comments:

1. **Information to Small Businesses** - One-time funding is provided for the Commission to educate owners of businesses with fewer than eight employees about the recent state supreme court decision, *Roberts vs. Dudley*. (General Fund-State)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	0	17,607	17,607
Total Maintenance Changes	0	-102	-102
Policy Changes			
1. Domestic Violence Initiative	0	50	50
2. Law Enforcement Study	0	215	215
3. Death Investigation Training	0	110	110
Total Policy Changes	0	375	375
1999-01 Revised Appropriations	0	17,880	17,880
Fiscal Year 2000 Total	0	8,399	8,399
Fiscal Year 2001 Total	0	9,481	9,481

Comments:

1. **Domestic Violence Initiative** - Funding is provided to allow the Criminal Justice Training Commission to provide domestic violence related courses to 911 operators. (Public Safety and Education Account-State)

2. **Law Enforcement Study** - Funding is provided for the Washington Association of Sheriffs and Police Chiefs to conduct a study of law enforcement services and expenditures for both counties and cities, but only in counties with populations over 150,000. The study will begin no later than July 1, 2000, and it must be completed by June 30, 2001. The study will focus on identifying ways of delivering service more efficiently and avoiding duplication. (Public Safety and Education Account-State)

3. **Death Investigation Training** - Funding is provided for the Criminal Justice Training Commission to expand the number classes offered to coroners, medical examiners, and other criminal justice personnel. (Death Investigations Account-State)

Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	14,508	403,515	418,023
Total Maintenance Changes	0	1,326	1,326
Policy Changes			
1. Increase Crime Victims Compensation	0	2,665	2,665
2. 2SSB 5802 - Telecomm Contractors	0	1,408	1,408
Total Policy Changes	0	4,073	4,073
<hr/>			
1999-01 Revised Appropriations	14,508	408,914	423,422
Fiscal Year 2000 Total	7,268	206,512	213,780
Fiscal Year 2001 Total	7,240	202,402	209,642

Comments:

1. **Increase Crime Victims Compensation** - Funding is provided for the increased costs in client benefits in the Crime Victims Compensation program. The additional funding assumes a benefit payout rate equivalent to that which occurred during July through December 1999, plus 3 percent growth for FY 2001. The enhancement also assumes a reduction in program administration expenditures to 18.4 percent of the total program budget. Finally, the amount provided assumes that the agency will discontinue the practice of paying for invoices received in a prior fiscal period out of appropriations from a new fiscal period. (Public Safety and Education Account-State)

2. **2SSB 5802 - Telecomm Contractors** - Chapter 238, Laws of 2000, Partial Veto (2SSB 5802), requires that a telecommunications contractor be licensed to install certain telecommunications systems. Permits and inspections are required for most non-residential installations. Funding is provided to the Department for licensing and regulation activities. (Electrical License Account)

Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	19,289	37,444	56,733
Total Maintenance Changes	-1,356	3,898	2,542
Policy Changes			
1. Skilled Nursing Facility Study	200	0	200
2. National World War II Memorial	231	0	231
Total Policy Changes	431	0	431
<hr/>			
1999-01 Revised Appropriations	18,364	41,342	59,706
Fiscal Year 2000 Total	9,452	20,414	29,866
Fiscal Year 2001 Total	8,912	20,928	29,840

Comments:

1. **Skilled Nursing Facility Study** - Funding is provided to complete predesign work for a new skilled nursing facility. The predesign will include siting, program, facility, and financing plans.

2. **National World War II Memorial** - Funding is provided for Washington State's contribution to the national World War II memorial, to be constructed in the nation's capital. The contribution represents \$1 for each Washingtonian who served in the nation's armed forces during the war.

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	131,572	418,567	550,139
Total Maintenance Changes	0	0	0
Policy Changes			
1. Federal Salmon Recovery Funding	0	-678	-678
2. Patient Bill of Rights	141	0	141
3. Aids Prescription Drug Program	173	0	173
4. Epidemiology Health Statistics	480	0	480
5. Reduce CHARS Data Assessment	0	0	0
6. Restore HSA Funding to FY 1999 Lvl	-5,242	5,242	0
7. Tobacco Prevention & Control Plan	0	15,000	15,000
Total Policy Changes	-4,448	19,564	15,116
<hr/>			
1999-01 Revised Appropriations	127,124	438,131	565,255
Fiscal Year 2000 Total	62,840	212,412	275,252
Fiscal Year 2001 Total	64,284	225,719	290,003

Comments:

1. **Federal Salmon Recovery Funding** - Excess federal appropriation authority and associated staffing are removed from the budget to reflect a lower level of federal funding for salmon recovery, as appropriated by Congress, for federal FY 2000. Federal FY 2001 funding is also adjusted to reflect lower-than-anticipated federal receipts. (General Fund-Federal)

2. **Patient Bill of Rights** - Funding is provided for the Department to implement its responsibilities under the provisions of Chapter 79, Laws of 2000 (E2SSB 6067). (General Fund-State)

3. **Aids Prescription Drug Program** - Funding is provided to the Aids Prescription Drug Program for increased client costs associated with Chapter 79, Laws of 2000 (E2SSB 6067). (General Fund-State).

4. **Epidemiology Health Statistics** - Funding is provided to revise state birth certificate information to comply with United States Standard Birth Certificate requirements and to convert paper documents to an electronic format. (General Fund-State)

5. **Reduce CHARS Data Assessment** - Funding is provided to continue operations of the Comprehensive Hospital Abstract Reporting System (CHARS) while reducing fees charged to local hospitals that support the system. (Health Services Account [HSA], Hospital Commission Account)

6. **Restore HSA Funding to FY 1999 Lvl** - The use of HSA funding for public health services is restored to FY 1999 levels. (General Fund-State, Health Services Account)

7. **Tobacco Prevention & Control Plan** - Funding is provided for the Tobacco Prevention and Control Plan (TPCP). The TPCP may include community- and school-based programs, cessation support, public awareness campaigns, youth access enforcement, and assessment and evaluation activities. (Tobacco Prevention Trust Account-State)

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	930,780	45,667	976,447
Total Maintenance Changes	-17,866	13,045	-4,821
Policy Changes			
1. Equipment Savings	-1,000	0	-1,000
2. Correctional Industries	-131	3,509	3,378
3. Administrative Efficiencies	-1,532	0	-1,532
4. Hepatitis C Protocol	0	1,884	1,884
5. Mentally Ill Offender Evaluations	248	0	248
6. Welfare Betterment Account Transfer	0	2,570	2,570
7. Anhydrous Ammonia	117	0	117
8. Cost of Supervision Fund	0	0	0
Total Policy Changes	-2,298	7,963	5,665
<hr/>			
1999-01 Revised Appropriations	910,616	66,675	977,291
Fiscal Year 2000 Total	448,915	33,166	482,081
Fiscal Year 2001 Total	461,701	33,509	495,210

Comments:

1. **Equipment Savings** - Savings are accrued by lease purchasing (rather than purchasing outright) equipment. Under this approach, costs are spread out over the life of the equipment.
2. **Correctional Industries** - Funding sufficient to meet statutorily-mandated offender employment targets and maintain the Correctional Industries program was originally assumed to come from the non-appropriated Cost of Incarceration Account. Previously, a portion of any financial contribution was subject to a mandatory deduction into this account. A court decision in the summer of 1999 has ordered the Department to stop making the deductions if the contribution is made by the spouse. The Institutional Welfare Betterment Account is used to replace the lost funding. (General Fund-State, Institutional Welfare Betterment-Non-appropriated)
3. **Administrative Efficiencies** - Funding is adjusted to more closely reflect actual expenditures. During the first nine months of the biennium, the Department of Corrections (DOC) has been expending 26 FTE staff below budgeted levels in the Administrative Services program. Funding is adjusted to reflect the savings associated with these vacancies through June 2000. Additionally, funding is adjusted on the assumption that the Department will be able to continue to achieve a portion of this level of administrative savings on an ongoing basis by providing support services at a lower cost.
4. **Hepatitis C Protocol** - Funding is provided for the voluntary testing of inmates for Hepatitis C as well as for the medical treatment of offenders who are infected with the Hepatitis C virus. (Public Health Services Account)
5. **Mentally Ill Offender Evaluations** - Funding is provided to perform mental health evaluations for offenders sentenced directly to community supervision who may have a mental health illness and present a high risk to commit violent acts. Based on the outcomes of the evaluation, DOC can require an offender to participate in mental health treatment. Approximately 4 percent of offenders under supervision, but who have not served a term of confinement in a Department facility, are expected to be evaluated.
6. **Welfare Betterment Account Transfer** - Sufficient funds in the Institutional Welfare Betterment Account are available to support the testing and treatment of offenders who have Hepatitis C. The amount of \$2.6 million is appropriated from the Institutional Welfare Betterment into the Public Health Services Account to be used for this purpose. Of this amount, \$1.9 million is appropriated in the 2000 supplemental budget. The remaining amount will be available for appropriation in the 2001-03 biennium. (Institutional Welfare Betterment Account, Public Health Services Account)
7. **Anhydrous Ammonia** - Funding is provided to implement Chapter 225, Laws of 2000 (2SSB 6255 - Anhydrous Ammonia), which makes theft of anhydrous ammonia, storage of anhydrous ammonia in an unapproved container, or possession of anhydrous ammonia with intent to manufacture methamphetamine a felony.
8. **Cost of Supervision Fund** - Sufficient funds are available in the Cost of Supervision Fund to support the replacement of DOC's Offender Based Tracking System (OBTS). Funding of \$2.3 million for OBTS is switched from the Public Safety and Education Account to the Cost of Supervision Fund. (Public Safety and Education Account-State, Cost of Supervision Fund)

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	1992	1993	1994	1995	1996	1997	1998	1999	Estimate	
									2000 **	2001 **
Community Supervision										
# Active (Non-Monetary) Offenders	24,603	23,226	24,987	26,458	28,700	28,961	31,173	30,973	33,269	33,874
% Change from prior year		-5.6%	7.6%	5.9%	8.5%	0.9%	7.6%	-0.6%	7.4%	1.8%
# of Monetary Only Offenders	15,297	19,068	19,726	21,291	22,284	22,997	23,208	22,979	23,120	23,539
% Change from prior year		24.7%	3.5%	7.9%	4.7%	3.2%	0.9%	-1.0%	0.6%	1.8%
Work Release										
Avg Daily Pop/Month	492	533	542	576	604	622	612	636	686	699
% Change from prior year		8.3%	1.7%	6.3%	4.9%	3.0%	-1.6%	3.9%	7.9%	1.9%
Institutions										
Avg Daily Pop/Month	8,856	9,599	9,949	10,421	11,177	11,968	12,694	13,629	13,962	14,425
% Change from prior year		8.4%	3.6%	4.7%	7.3%	7.1%	6.1%	7.4%	2.4%	3.3%
Average Cost Per Inmate *										
Annual	21,642	22,370	22,903	23,610	23,394	22,906	22,986	22,849	24,579	24,834
% Change from prior year		3.4%	2.4%	3.1%	-0.9%	-2.1%	0.3%	-0.6%	7.6%	1.0%

* Cost per offender includes institutions, pre-releases, and work-releases.

** With the enactment of Chapter 196, Laws of 1999 (E2SSB 5421), and beginning in FY 2000, the Department may contract out for the supervision of monetary only offenders.

Data Source :

Department of Corrections and legislative fiscal staff.

Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	1,549	0	1,549
Total Maintenance Changes	0	0	0
Policy Changes			
1. Data Entry & Verification	12	0	12
2. Sentencing Study	80	0	80
Total Policy Changes	92	0	92
<hr/>			
1999-01 Revised Appropriations	1,641	0	1,641
Fiscal Year 2000 Total	803	0	803
Fiscal Year 2001 Total	838	0	838

Comments:

1. **Data Entry & Verification** - Funding is provided for intermittent staff to process increased workload. The additional staff will perform data entry, coding, and quality control tasks.

2. **Sentencing Study** - Funding is provided for the Sentencing Guidelines Commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation will include an analysis of whether current sentencing ranges and standards, as well as existing mandatory minimum sentences, existing sentence enhancements, and special sentencing alternatives, are consistent with the purposes of the sentencing reform act as set out in statute. The study must be completed no later than December 1, 2001.

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	2,522	439,309	441,831
Total Maintenance Changes	0	-4,685	-4,685
Policy Changes			
1. Federal Reed Act Distribution	0	327	327
2. Unemployment Insurance Legislation	0	2,567	2,567
Total Policy Changes	0	2,894	2,894
1999-01 Revised Appropriations	2,522	437,518	440,040
Fiscal Year 2000 Total	1,263	221,856	223,119
Fiscal Year 2001 Total	1,259	215,662	216,921

Comments:

1. **Federal Reed Act Distribution** - The Social Security Act provides that certain excess funds in the Employment Security Administration Account can be distributed back to the states for unemployment insurance administrative expenses. The Department received \$327,000 in November of 1998, which will fund improvements to the Department's Tax Information System (TAXIS). (Unemployment Compensation Administration Account-Federal)

2. **Unemployment Insurance Legislation** - Funding is provided to implement the new training benefits program for qualified dislocated workers established in Chapter 2, Laws of 2000 (SHB 3077 - Unemployment Insurance). This program will allow dislocated workers to receive additional unemployment insurance benefits for up to 52 weeks while they are in retraining and making satisfactory progress toward completion of their training plan. (Employment Service Administrative Account-State)

Governor's Vetoes:

The Governor vetoed Section 222(4), which would have required the Employment Security Department to provide \$5 million through contracts with community-based organizations for family development or similar services.

Natural Resources

Salmon Recovery

Forest Practices and Salmon Recovery

The 1999 Forest Practices - Salmon Recovery Act increased stream setbacks and changed road development and maintenance requirements for all timber harvests. To continue implementing the new forestry rules, the operating budget provides \$3 million for rule development and implementation, small landowner technical assistance, and improvements to the Department of Natural Resources' forestry geographic information systems. In addition, the capital budget includes \$2.5 million for purchasing riparian easements from small landowners.

Shoreline Protection

To provide additional resources for local governments to protect and restore riparian habitat, the operating budget provides \$5 million from the Salmon Recovery Account to cities and counties for lease or less than fee simple acquisition of shoreline areas. Of this amount, a total of \$1.5 million is provided to Skagit County to implement an agricultural riparian buffer plan.

Hatchery ESA Strategy

The operating budget provides \$4.2 million to implement an Endangered Species Act strategy for hatcheries, restore hatchery production, and for data collection and analysis related to citing a permanent hatchery for Lake Washington sockeye. The budget also ensures that the Reiter Pond and Colville hatcheries will continue to operate at current production levels.

Methow River Salmon Recovery

To assist the residents of the Methow River Valley in responding to the Endangered Species Act listings, the budget provides \$1.3 million for watershed planning to develop baseline hydrological data and for screening and in-stream flow projects for irrigation diversions.

Agriculture, Fish, and Water

In 1999, the Conservation Commission initiated a collaborative process to develop and implement agricultural management practices that will meet the requirements of both the federal Endangered Species Act and the Clean Water Act. The budget provides \$267,000 to the Conservation Commission for meeting facilitation and project coordination.

Of this amount, \$100,000 is provided for grants to participants in the Agriculture, Fish, and Water process, to partially defray the costs of participation. The Governor vetoed all changes to the General Fund-State appropriation for the Conservation Commission.

Other Natural Resources

Air Quality Program

Initiative 695 repealed a two dollar per vehicle excise tax that funded approximately half of the Department of Ecology's air quality program. To address this revenue shortfall, the operating budget provides \$9.8 million, restoring 90 percent of lost funding. Essential federal and state program requirements are maintained, including air quality monitoring, grants to local air pollution control agencies, and compliance with state and federal air quality laws.

Recovery of Marine Fish

Several species of marine fish, including cod, herring, and rockfish, are being considered for listing under the Endangered Species Act. The budget provides \$400,000 for science-based monitoring and fishery management to restore these fish stocks.

Water Storage

The operating budget provides \$825,000 for a water storage task force and for feasibility studies of water storage projects in Pine Hollow and Washout Canyon.

Bear and Cougar Management

The operating budget provides \$800,000 for eight additional enforcement staff, as well as vehicles and equipment, to respond to an increasing number of bear and cougar encounters.

Water Quality Pilot Projects

Funding is earmarked for three local pilot projects to evaluate the potential for existing voluntary and regulatory programs to improve water quality in stream segments that do not currently meet water quality standards.

Everett Smelter Cleanup

The northeast section of Everett is contaminated with arsenic from the operation of a smelter. It is estimated that 585 residences have arsenic concentrations in their yards that present chronic and acute health threats. The operating budget provides \$1.5 million to continue the cleanup of the most contaminated homes during the summer of 2000.

Oil Spill Prevention

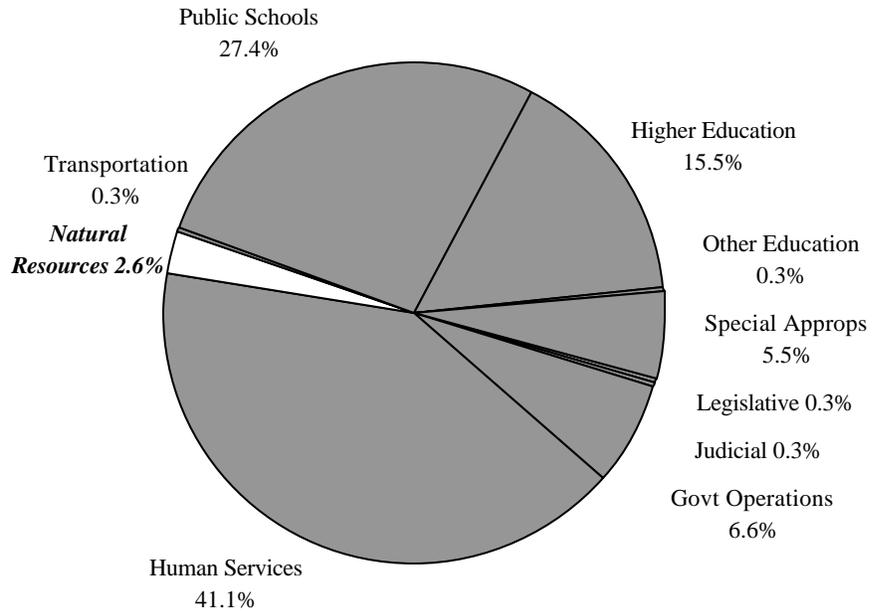
Funding is provided for a dedicated rescue tug to operate during the 2000-2001 fall and winter at the mouth of the Strait of Juan de Fuca to protect marine waters.

1999-01 Washington State Operating Budget

Total Budgeted Funds

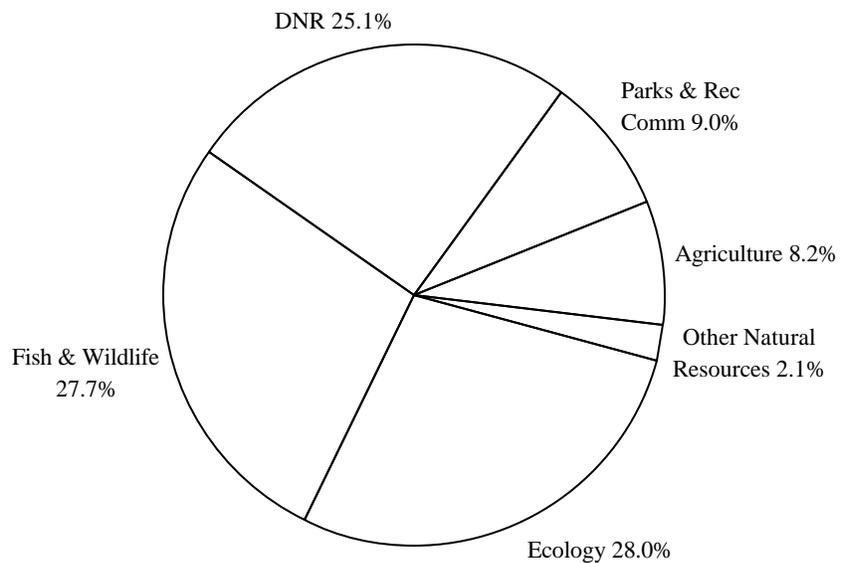
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

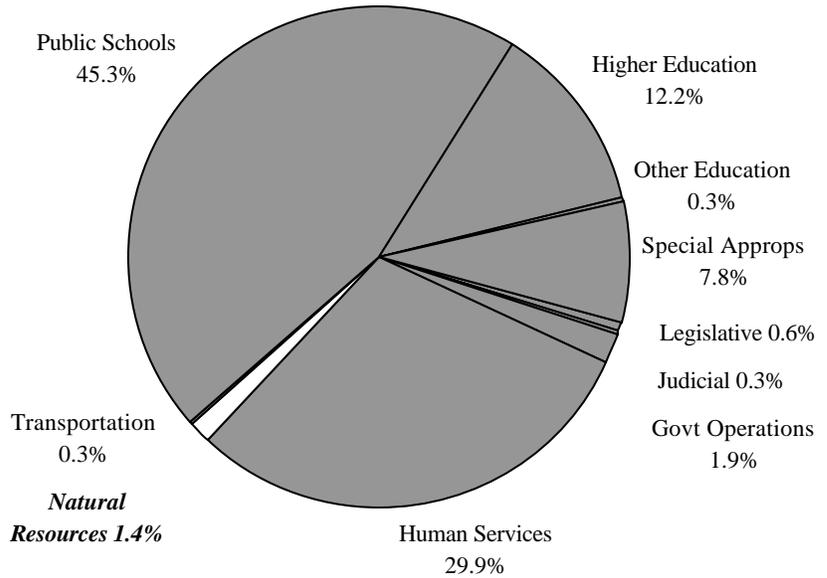
Dept of Ecology	278,985
Dept of Fish & Wildlife	275,992
Dept of Natural Resources	250,467
Parks & Recreation Comm	89,360
Dept of Agriculture	81,839
Other Natural Resources	21,012
Natural Resources	997,655



Natural Resources

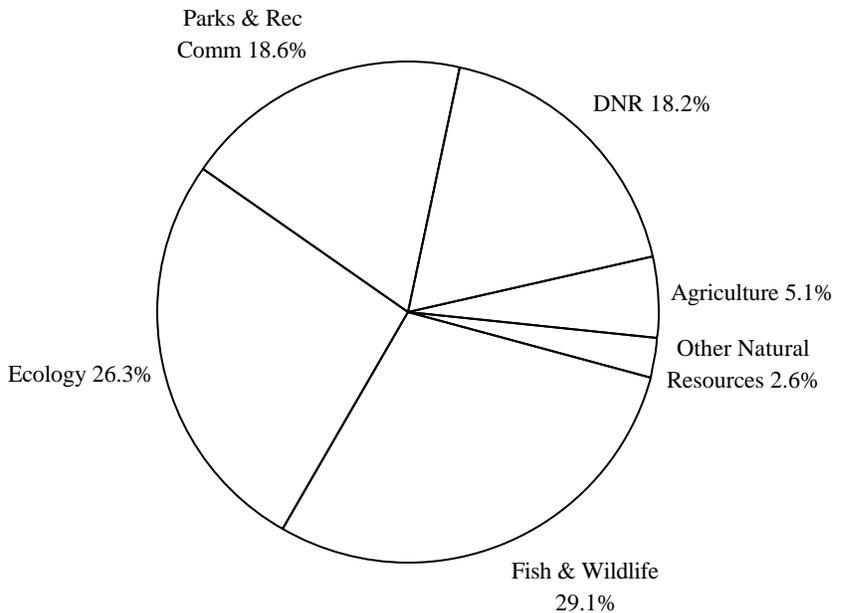
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Dept of Fish & Wildlife	87,183
Dept of Ecology	78,687
Parks & Recreation Comm	55,749
Dept of Natural Resources	54,315
Dept of Agriculture	15,392
Other Natural Resources	7,848
Natural Resources	299,174



Natural Resources

Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	67,097	199,834	266,931
Total Maintenance Changes	55	48	103
Policy Changes			
1. Methamphetamine Lab Cleanup	0	749	749
2. Wastewater Discharge Permit Program	0	750	750
3. Continuing Wood Stove Education	0	200	200
4. Air Quality Program	9,803	-11,268	-1,465
5. Federal Salmon Recovery Funding	0	-3,453	-3,453
6. Landscape Planning Pilot	-68	0	-68
7. Pine Hollow EIS	0	375	375
8. Federal Funding Authority	0	9,613	9,613
9. Roza Water Storage	0	300	300
10. Water Storage Task Force	150	0	150
11. Methow River Hydrological Data	0	0	0
12. Oil Spill Prevention	1,650	1,650	3,300
13. Everett Smelter Cleanup	0	1,500	1,500
Total Policy Changes	11,535	416	11,951
1999-01 Revised Appropriations	78,687	200,298	278,985
Fiscal Year 2000 Total	36,462	98,049	134,511
Fiscal Year 2001 Total	42,225	102,249	144,474

Comments:

- | | |
|---|---|
| <p>1. Methamphetamine Lab Cleanup - Funding is provided for cleanup of contamination resulting from methamphetamine manufacturing labs. (Public Safety and Education Account)</p> <p>2. Wastewater Discharge Permit Program - Appropriation authority is provided for water quality permitting activities including stormwater management, municipal permit processing, and improved access to permit program information. (Water Quality Permit Account)</p> <p>3. Continuing Wood Stove Education - A one-time fund balance from the Wood Stove Education and Enforcement Account will be divided between local air quality authorities for local air quality programs and the Department of Ecology to conduct education and outreach activities. (Wood Stove Education and Enforcement Account)</p> <p>4. Air Quality Program - Initiative 695 eliminated the Clean Air Excise Tax, which partially funded the state's air pollution program. Funding is provided to continue the primary air program activities. Both program funding and pass-through grants are maintained at 90 percent of the level budgeted prior to Initiative 695. (General Fund-State, Air Pollution Control Account)</p> <p>5. Federal Salmon Recovery Funding - Appropriation authority is reduced for federal funding of salmon recovery efforts due to lower-than-anticipated funding from the federal government. (General Fund-Federal)</p> | <p>6. Landscape Planning Pilot - All landscape management plans under the pilot program initiated in 1997 must be completed by March 1, 2000. Funding for this pilot program is removed for the second fiscal year of the biennium.</p> <p>7. Pine Hollow EIS - Funding is provided to conduct an environmental impact statement (EIS) of the Pine Hollow Reservoir Project in coordination with the local irrigation district. (State Drought Preparedness Account)</p> <p>8. Federal Funding Authority - Appropriation authority is increased due to federal grants for watershed monitoring and assessment, watershed restoration projects, nonpoint pollution controls, irrigation system improvements, and other agency activities. (General Fund-Federal)</p> <p>9. Roza Water Storage - Funding is provided for a preconstruction analysis of the Roza irrigation district off-stream storage project in Washout canyon, near the City of Sunnyside. The funding is contingent on provision of an equal match of cash and in-kind services from the Roza irrigation district. (State Drought Preparedness Account)</p> <p>10. Water Storage Task Force - Funding is provided for costs associated with staffing a water storage task force. The purpose of the task force is to examine the role of increased water storage in providing water supplies to meet the needs of fish, population growth, and economic development.</p> |
|---|---|

Department of Ecology

11. **Methow River Hydrological Data** - Existing funding is earmarked for a grant to the Methow River Planning unit to develop baseline hydrological data for the Methow River in response to Endangered Species Act listings.
12. **Oil Spill Prevention** - Funding is provided to contract for a rescue tug in the Strait of Juan de Fuca to operate during the fall and winter months. The Department is required to report to the Legislature on the activities performed by the tug. (General Fund-State, Oil Spill Administration Account)
13. **Everett Smelter Cleanup** - Funding is provided to continue cleanup of arsenic contamination at homes surrounding the smelter site in the City of Everett. Funding transferred from the Local Toxics Control Account to support the cleanup shall be repaid from the State Toxics Control Account by June 30, 2005. (State Toxics Control Account)

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	55,571	33,611	89,182
Total Maintenance Changes	0	0	0
Policy Changes			
1. Northwest Avalanche Center	78	0	78
2. Cascade Foothills Recreation	100	0	100
3. Native American Artifacts	0	0	0
Total Policy Changes	178	0	178
<hr/>			
1999-01 Revised Appropriations	55,749	33,611	89,360
Fiscal Year 2000 Total	27,522	16,096	43,618
Fiscal Year 2001 Total	28,227	17,515	45,742

Comments:

1. **Northwest Avalanche Center** - Funding is provided to maintain operation of the Northwest Weather and Avalanche Center. The Center provides weather and avalanche forecasts for motorists, skiers, and other participants in outdoor recreation activities.

2. **Cascade Foothills Recreation** - Funding is provided for an assessment of existing and future recreational demands in the west slope Cascade foothills.

3. **Native American Artifacts** - Funding is shifted to the second fiscal year to continue an inventory of Native American items in compliance with the federal Native American Graves Protection and Repatriation Act.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the State Parks & Recreation Commission's budget is shown in the Transportation Budget Section of this document.

Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	275	3,019	3,294
Total Maintenance Changes	0	0	0
Policy Changes			
1. Hatchery Improvement Activities	0	3,332	3,332
Total Policy Changes	0	3,332	3,332
<hr/>			
1999-01 Revised Appropriations	275	6,351	6,626
Fiscal Year 2000 Total	137	1,548	1,685
Fiscal Year 2001 Total	138	4,803	4,941

Comments:

1. **Hatchery Improvement Activities** - Federal funding is provided to develop guidelines to improve hatchery management activities and minimize the potentially negative effects of hatchery programs on naturally-spawning populations. (General Fund-Federal)

State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	5,264	5,862	11,126
Total Maintenance Changes	0	0	0
Policy Changes			
1. Agriculture, Fish, & Water	267	0	267
2. Federal Salmon Recovery Funding	0	-1,800	-1,800
3. CREP Technical Assistance	-300	0	-300
4. Governor Veto	33	0	33
Total Policy Changes	0	-1,800	-1,800
<hr/>			
1999-01 Revised Appropriations	5,264	4,062	9,326
Fiscal Year 2000 Total	2,630	2,155	4,785
Fiscal Year 2001 Total	2,634	1,907	4,541

Comments:

1. **Agriculture, Fish, & Water** - The Conservation Commission has initiated a collaborative process to develop and implement agricultural best management practices that ensure compliance with both the federal Endangered Species Act and the Clean Water Act. Funding is provided for meeting facilitation and other costs associated with this process and for grants to the agricultural and environmental communities to partially defray the costs of participation. This item was vetoed by the Governor.

2. **Federal Salmon Recovery Funding** - Appropriation authority is reduced for federal funding of salmon recovery efforts due to lower-than-anticipated funding from the federal government. (General Fund-Federal)

3. **CREP Technical Assistance** - Funding for technical assistance for the Conservation Reserve and Enhancement Program (CREP) is reduced to reflect a delay in persons enrolling in the program. This item was vetoed by the Governor.

4. **Governor Veto** - The Governor vetoed Section 304(4) and 304(5) as well as the entire change in the General Fund-State FY 2001 appropriation. This eliminated a reduction to CREP and new funding for the Agriculture, Fish, and Water negotiation process.

Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	85,339	189,231	274,570
Total Maintenance Changes	0	0	0
Policy Changes			
1. Landscape Planning Pilot	-219	0	-219
2. Hatchery Production/ESA Strategy	703	200	903
3. Rebuilding Distressed Elk Herds	0	200	200
4. Safety Requirements	85	65	150
5. Chiliwist Fire: Feed/Rehabilitation	0	245	245
6. Recovery of Marine Fish	400	0	400
7. Increased Legal Services - ESA	75	0	75
8. Pheasant Enhancement	0	400	400
9. Warmwater Game Fish Program	0	80	80
10. Hunter Education Program	0	30	30
11. Bear & Cougar Management	800	0	800
12. ALEA Revenue Adjustment	0	-440	-440
13. Federal Salmon Recovery Funding	0	-3,375	-3,375
14. Federal Salmon Enhancement Grants	0	1,000	1,000
15. Cost Reimbursement	0	384	384
16. Crab Catch Record Cards	0	0	0
17. Methow Valley Screening	0	789	789
Total Policy Changes	1,844	-422	1,422
<hr/>			
1999-01 Revised Appropriations	87,183	188,809	275,992
Fiscal Year 2000 Total	42,616	91,369	133,985
Fiscal Year 2001 Total	44,567	97,440	142,007

Comments:

- | | |
|---|--|
| <p>1. Landscape Planning Pilot - All landscape management plans under the pilot program initiated in 1997 must be completed by March 1, 2000. Funding for this pilot program is removed for the second fiscal year of the biennium.</p> <p>2. Hatchery Production/ESA Strategy - Funding is provided for implementation of an Endangered Species Act (ESA) strategy that modifies existing hatcheries to support at-risk stocks, to study data regarding the development of a hatchery for Lake Washington sockeye, and to restore hatchery production. (General Fund-State, Wildlife Account-State)</p> <p>3. Rebuilding Distressed Elk Herds - Funding is provided for elk population surveys to assist in elk herd recovery and to develop more accurate harvest estimates for state and tribal managers. (Wildlife Account-State)</p> <p>4. Safety Requirements - Funding is provided for a safety manager and equipment to meet current standards. (General Fund-State, Wildlife Account-State)</p> <p>5. Chiliwist Fire: Feed/Rehabilitation - A fire in September 1999 burned approximately 1,800 acres of winter range in the Chiliwist Wildlife Area. Funding is provided for a winter feeding program for deer and for range rehabilitation activities. (Wildlife Account-State)</p> | <p>6. Recovery of Marine Fish - Funding is provided for science-based monitoring and fishery management to restore marine fish stocks including cod, herring, and rockfish. Specific activities include population monitoring, age composition analysis, genetic analysis to determine stock structure, and establishing and managing a network of marine protected areas.</p> <p>7. Increased Legal Services - ESA - Funding is provided for additional Assistant Attorney General services to engage in negotiations and litigation of agency activities related to the listing of several salmonids under ESA, including hatchery and harvest management.</p> <p>8. Pheasant Enhancement - Funding is provided for the Department to remove existing pheasant pens from the Whidbey Island Game Farm, raise pheasants for release on public lands, and offer grants to enhance pheasant habitat. (Eastern Washington Pheasant Enhancement Account, Wildlife Account-State)</p> <p>9. Warmwater Game Fish Program - Funding is provided for operation of the warmwater game fish program to maintain existing production levels. (Warmwater Game Fish Account)</p> <p>10. Hunter Education Program - Appropriation authority is provided to support volunteer instructors in the basic firearms safety training program conducted by the Department. (Wildlife Account-State)</p> |
|---|--|

Department of Fish and Wildlife

11. **Bear & Cougar Management** - Funding is provided for eight additional enforcement staff for the Department to provide timely response to public complaints regarding bear and cougar, and to take appropriate management action, such as removal or relocation.
12. **ALEA Revenue Adjustment** - Revenue projections to the Aquatic Lands Enhancement Account (ALEA) have dropped since the biennial budget was enacted. Reductions will be made in the Department's salmon recovery efforts, shellfish management, and administration. (Aquatic Lands Enhancement Account)
13. **Federal Salmon Recovery Funding** - Appropriation authority is reduced for federal funding for salmon recovery efforts due to lower-than-anticipated funding from the federal government. (General Fund-Federal)
14. **Federal Salmon Enhancement Grants** - Appropriation authority is increased for the Department to provide pass-through federal grants to Regional Fisheries Enhancement Groups for salmon enhancement projects. (Regional Fisheries Enhancement Salmonid Recovery Account-Federal)
15. **Cost Reimbursement** - Appropriation authority is provided for the Department to enter into cost-recovery agreements at the request of permit applicants in accordance with Chapter 251, Laws of 2000 (ESSB 6277). (General Fund-Private/Local)
16. **Crab Catch Record Cards** - Funding for implementation of Chapter 399, Laws of 1999, Partial Veto (ESSB 5508), is shifted to the second year of the biennium.
17. **Methow Valley Screening** - Funding is provided for repair and replacement of salmon screens and for in-stream flow projects on irrigation diversions in the Methow Valley. (Salmon Recovery Account)

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	51,425	196,513	247,938
Total Maintenance Changes	0	0	0
Policy Changes			
1. Landscape Management Pilot Project	-110	0	-110
2. Resource Management Costs	0	2,000	2,000
3. Emergency Fire Suppression	0	4,251	4,251
4. Correctional Camp Program	0	400	400
5. Forests & Fish Legislation	3,000	0	3,000
6. Reduced Revenue from Aquatic Lands	0	-300	-300
7. Reduce Air Pollution Control	0	-177	-177
8. Federal Salmon Recovery Funding	0	-10,991	-10,991
9. Tributyl-Tin Sediment Study	0	250	250
10. Cost Reimbursement	0	384	384
11. Lake Whatcom Landscape Management	0	2,043	2,043
12. Access Road Revolving Fund	0	1,479	1,479
13. Board of Natural Resources	45	95	140
14. Governor Veto	-45	205	160
Total Policy Changes	2,890	-361	2,529
<hr/>			
1999-01 Revised Appropriations	54,315	196,152	250,467
Fiscal Year 2000 Total	25,784	97,197	122,981
Fiscal Year 2001 Total	28,531	98,955	127,486

Comments:

- | | |
|---|---|
| <p>1. Landscape Management Pilot Project - All landscape management plans under the pilot program initiated in 1997 must be completed by March 1, 2000. Funding for this pilot program is removed for the second fiscal year of the biennium.</p> <p>2. Resource Management Costs - Appropriation authority is increased for the Resource Management Cost Account to support revenue-generating activities. (Resource Management Cost Account)</p> <p>3. Emergency Fire Suppression - Funding is provided for fire suppression activities on state lands during the 1999 fire season. Additional authority is provided in federal and private/local funds to properly account for firefighting costs on lands owned by others. (General Fund-Federal, General Fund-Private/Local, Disaster Response Account-State)</p> <p>4. Correctional Camp Program - Additional appropriation authority is provided for operation of the Department's Correctional Camp Program to cover the costs of reimbursable payments from the Department of Corrections and other contracting parties. (General Fund-Private/Local)</p> <p>5. Forests & Fish Legislation - Funding is provided to continue implementation of Chapter 4, Laws of 1999, 1st sp.s., Partial Veto (ESHB 2091), including establishment of a small forest landowner office, rule development, geographic information system development, and technical assistance for landowners to comply with the new rules.</p> | <p>6. Reduced Revenue from Aquatic Lands - Revenue projections to the Aquatic Lands Enhancement Account (ALEA) have dropped since the biennial budget was enacted. Reductions will be made in the Department's grant administration and aquatic land management activities. This item was vetoed by the Governor. (Aquatic Lands Enhancement Account)</p> <p>7. Reduce Air Pollution Control - Appropriation authority is reduced due to the elimination of the Clean Air Excise Tax with the passage of Initiative 695. Public safety and fire prevention activities of the outdoor burning program are continued from permit fees collected solely for that purpose. (Air Pollution Control Account)</p> <p>8. Federal Salmon Recovery Funding - Appropriation authority is reduced for federal funding for salmon recovery efforts due to lower-than-anticipated funding from the federal government. (General Fund-Federal)</p> <p>9. Tributyl-Tin Sediment Study - Funding is provided to develop a new protocol for testing dredged sediments that may be contaminated with tributyl-tin. Once developed and adopted the test will be available for use by all dredging project proponents. (Aquatic Land Dredged Material Disposal Site Account)</p> <p>10. Cost Reimbursement - Appropriation authority is provided for the Department to enter into cost-recovery agreements at the request of permit applicants in accordance with Chapter 251, Laws of 2000 (ESSB 6277). (General Fund-Private/Local)</p> |
|---|---|

Department of Natural Resources

11. **Lake Whatcom Landscape Management** - Funding is provided to implement Chapter 205, Laws of 2000 (E2SSB 6731). The Department will complete the Lake Whatcom landscape management plan and implement plan recommendations for harvest and road management. Additional appropriation authority is provided from the Forest Development Account for immediate road maintenance and repair. (Forest Development Account, Resource Management Cost Account)
12. **Access Road Revolving Fund** - Appropriation authority is increased from the Access Road Revolving Fund due to 1999 rate structure revisions. The Department will provide a report to the Legislature by December 1, 2000, on the uses of the fund. (Access Road Revolving Fund-State)
13. **Board of Natural Resources** - Funding is provided for independent staff for the Board of Natural Resources. This item was vetoed by the Governor. (General Fund-State, Forest Development Account, Resource Management Cost Account)
14. **Governor Veto** - The Governor vetoed Section 306(1) and the entire change to the ALEA-State appropriation. This removes the "Reduced Revenue from Aquatic Lands" item and restores original budget proviso language regarding amounts provided from ALEA for the Puget Sound work plan.

The veto of Section 306(14) deletes a proviso which would have done two things: earmarked existing funding solely for agency administration and provided new funding for additional positions to independently staff the Board of Natural Resources.

Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	14,792	66,447	81,239
Total Maintenance Changes	0	0	0
Policy Changes			
1. Asian Gypsy Moth	600	0	600
Total Policy Changes	600	0	600
<hr/>			
1999-01 Revised Appropriations	15,392	66,447	81,839
Fiscal Year 2000 Total	7,876	33,139	41,015
Fiscal Year 2001 Total	7,516	33,308	40,824

Comments:

1. **Asian Gypsy Moth** - Funding is provided for Asian Gypsy Moth eradication efforts to prevent damage to native vegetation.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget Section of this document.

Transportation

The majority of funding for transportation services is included in the transportation budget, not in the omnibus appropriations act. The omnibus appropriations act includes only a portion of the funding for the Washington State Patrol and the Department of Licensing. Therefore, the notes contained in this section are limited. For additional information on transportation funding, please see the Transportation Budget and Special Appropriations sections of this document.

Department of Licensing

An amount of \$326,000 is provided to upgrade access to Uniform Commercial Code (UCC) Account information. Funds will be used to improve current work processes, upgrade software, and provide electronic retrieval and processing to speed the filing and searching of UCC records.

Washington State Patrol

The budget provides \$141,000 for two additional forensic scientists to respond to the scene of, and to support testing generated by, an increasing number of clandestine drug laboratories. The scientists will collect and provide analysis of evidence seized from these labs. This funding is in addition to the increased funding provided for the methamphetamine lab task force provided in the original 1999-2001 budget.

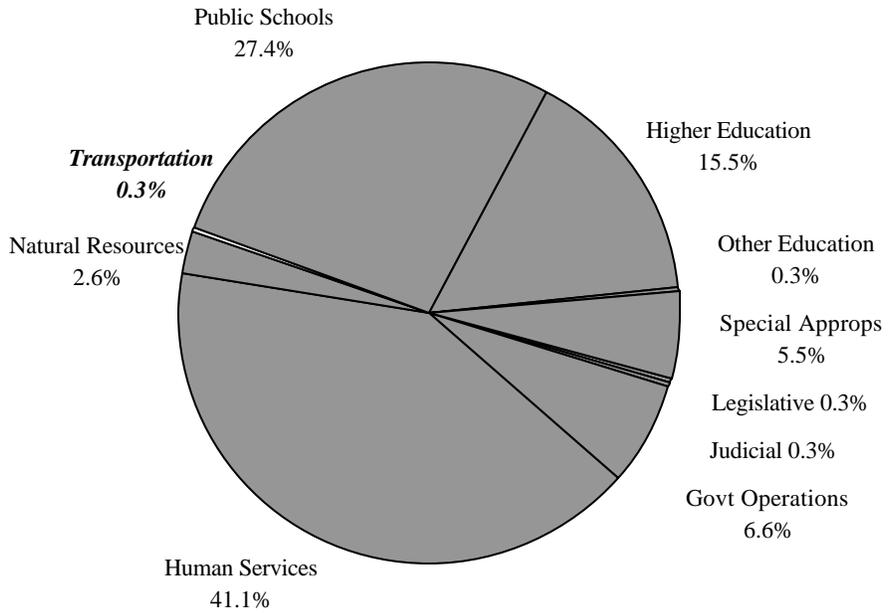
The Washington State Patrol (WSP) crime labs process physical evidence, primarily for local law enforcement agencies. Services include the scientific analysis of evidence such as blood, hair, fibers, paint, soil, bullets, impressions, and other physical indications. As a result of Initiative 695, a portion of the revenue that previously supported the activities of the crime lab was eliminated. The sum of \$2.5 million is provided to replace the lost funding and continue current crime lab activities.

The budget provides \$1.4 million for costs associated with WSP participation in support of the World Trade Organization conference held last winter. Activities performed by the WSP included traffic control, dignitary escorts, and security for the event. Additional funding is provided to the Military Department for costs associated with activating the National Guard.

Funding is also provided to continue numerous programs at WSP including the Missing and Exploited Children's Task Force (\$434,000), Justice Information Network (\$179,000), and the Narcotics Task Forces (\$454,000).

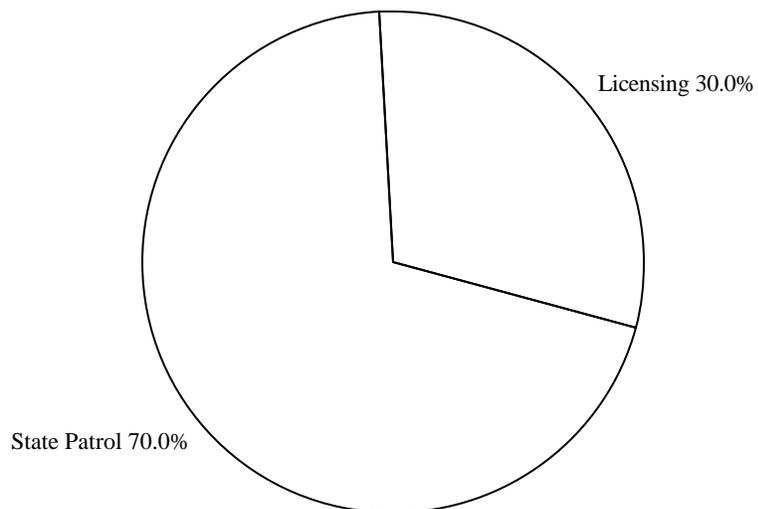
1999-01 Washington State Operating Budget
Total Budgeted Funds
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

Washington State Patrol	77,206
Dept of Licensing	33,091
Transportation	110,297

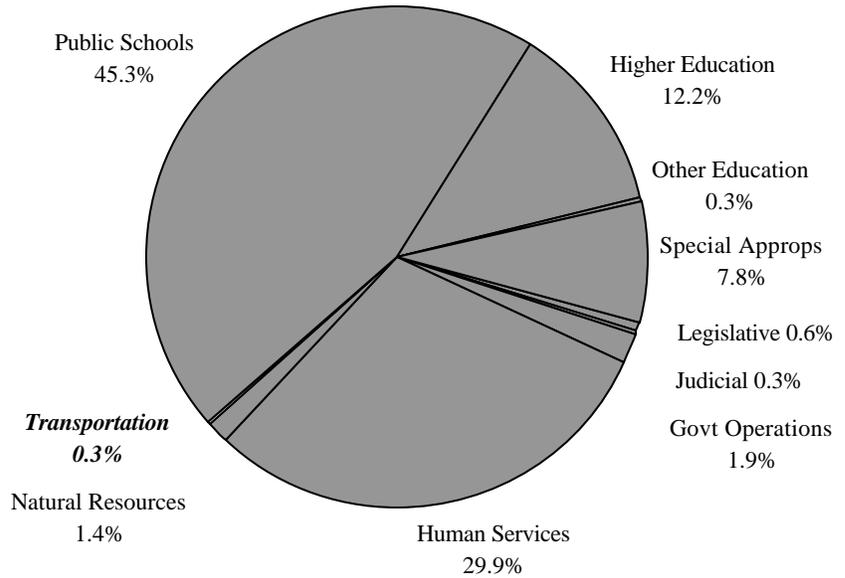


Transportation

1999-01 Washington State Operating Budget General Fund-State

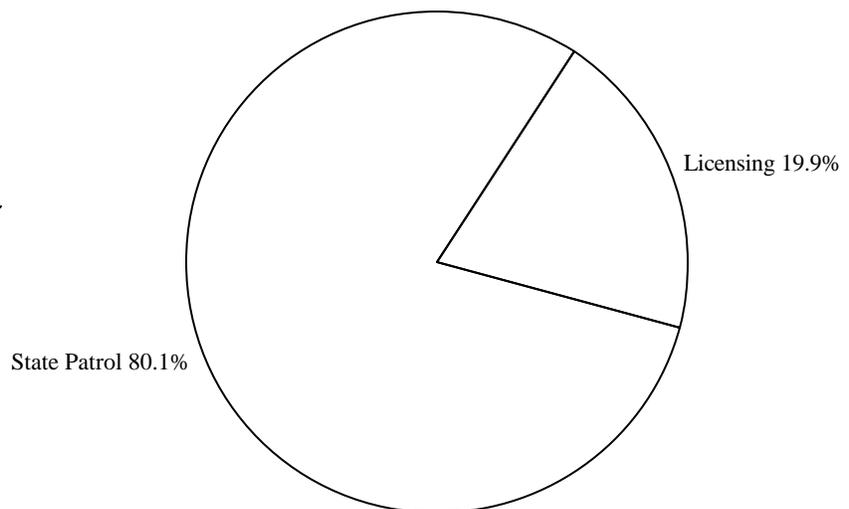
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Washington State Patrol	42,322
Dept of Licensing	10,501
Transportation	52,823



Transportation

Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	10,466	23,225	33,691
Total Maintenance Changes	0	0	0
Policy Changes			
1. Division Fund Realignment	447	-447	0
2. Uniform Commercial Code Automation	0	326	326
3. Agency Support Services Realignment	45	-443	-398
4. Adjust Real Estate Research Account	0	-71	-71
5. Change in Business Operations	-457	0	-457
Total Policy Changes	35	-635	-600
<hr/>			
1999-01 Revised Appropriations	10,501	22,590	33,091
Fiscal Year 2000 Total	5,630	11,263	16,893
Fiscal Year 2001 Total	4,871	11,327	16,198

Comments:

1. **Division Fund Realignment** - Funding sources are adjusted for the Office of the Assistant Director, Core Training, Decentralized Administrative Services, and Decentralized Information Services within the Business and Professions Division in order to more accurately represent the services provided to direct program areas. (General Fund-State, various other accounts) of this document.
2. **Uniform Commercial Code Automation** - Increased appropriation authority is provided from the Uniform Commercial Code (UCC) Account for consultant support to re-engineer current work processes, develop the necessary software, and provide electronic retrieval and processing to speed the filing and searching of UCC records. (UCC Account-State)
3. **Agency Support Services Realignment** - Funding sources are adjusted for the Management and Support Services program and the Information Services program in order to more accurately represent the services provided to direct program areas. (General Fund-State, various other accounts)
4. **Adjust Real Estate Research Account** - Expenditures from the Real Estate Research Account are adjusted to match anticipated revenue. (Real Estate Research Account-State)
5. **Change in Business Operations** - As a result of a departmental review of the distribution of overhead costs, the agency has realigned overhead costs among programs and funds. Additionally, the Department is expected to explore changes in business operations that will reduce division and agency overhead costs without shifting administrative costs to the state general fund.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Licensing's budget is shown in the Transportation Budget Section

Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	42,987	31,312	74,299
Total Maintenance Changes	0	0	0
Policy Changes			
1. Agency Efficiencies	-688	0	-688
2. Oil/Gas Pipeline Safety	125	0	125
3. License Fraud Investigators	-243	0	-243
4. Vulnerable Adults	0	216	216
5. WTO Response	0	1,386	1,386
6. Replace Crime Lab Funding (I-695)	0	0	0
7. Missing Children's Task Force	0	434	434
8. Justice Information Network	0	179	179
9. Drug Lab Forensic Investigators	141	0	141
10. Narcotics Grant Match	0	454	454
11. Regional Info Sharing (RISSNET)	0	30	30
12. Toxicology Lab Transition	0	473	473
13. Toxicology Lab Technical Correction	0	300	300
14. Toxicology Lab: Network Study	0	100	100
Total Policy Changes	-665	3,572	2,907
<hr/>			
1999-01 Revised Appropriations	42,322	34,884	77,206
Fiscal Year 2000 Total	21,496	17,797	39,293
Fiscal Year 2001 Total	20,826	17,087	37,913

Comments:

1. **Agency Efficiencies** - General Fund-State funding for the Support Services and Investigative Services Bureaus is adjusted to better reflect actual expenditures through November 1999. Additionally, funding is also reduced to reflect ongoing savings, but only in the Support Services Bureau.
2. **Oil/Gas Pipeline Safety** - Funding is provided to implement Chapter 191, Laws of 2000, Partial Veto (E2SHB 2420 - Oil/Gas Pipeline Safety). The Washington State Patrol (WSP) will evaluate the preparedness of local first responders, conduct an assessment of the equipment and personnel, and develop curricula for training local first responders to deal with pipeline accidents.
3. **License Fraud Investigators** - A total of 22 FTE staff funded by both the transportation and operating budgets have been assigned to investigate vehicle license fraud. Funding is removed for investigators funded from the general fund beginning in FY 2001.
4. **Vulnerable Adults** - Funding is provided to implement Chapter 87, Laws of 2000, Partial Veto (2SHB 2637 - Vulnerable Adults). The bill requires home care workers who have resided in the state for fewer than three years to be screened using both a state background check as well as an FBI interstate history background check. (Fingerprint Identification Account-State)
5. **WTO Response** - Funding is provided for participation by WSP in support of the World Trade Organization (WTO) conference held last winter. WSP provided traffic control, dignitary escorts, and security for the event. (Disaster Response Account-State)
6. **Replace Crime Lab Funding (I-695)** - Funds are provided to replace those lost as a result of passage of Initiative 695 to maintain service levels at the WSP crime laboratory. The State Crime Laboratory provides forensic and DNA analysis of crime scene evidence for state and local criminal justice agencies. (Public Safety and Education Account, County Criminal Justice Assistance Account, Municipal Criminal Justice Assistance Account).
7. **Missing Children's Task Force** - In 1999, the Legislature enacted legislation which created a task force on missing and exploited children within WSP. At that time, funding was provided only for the first year of the 1999-2001 biennium. Funding is provided to continue the operation of the task force in FY 2001. (Public Safety and Education Account-State, Federal Seizure Account-Non-appropriated, State Seizure Account-Non-appropriated)
8. **Justice Information Network** - The Justice Information Network (JIN) is a long-term, multi-jurisdictional project to improve the accuracy, completeness, and timeliness of information used by the criminal justice system. State matching funds are provided to add an electronic interface between the Automated Fingerprint Identification System and the Washington State Identification System. Federal funding for the JIN project for FY 2001 is provided from federal Byrne Grant funding through the Department of Community, Trade, and Economic Development. (Public Safety and Education Account-State, Fingerprint Identification Account-State)

Washington State Patrol

9. **Drug Lab Forensic Investigators** - Funding is provided for two additional forensic scientists to respond to the scene of, and support testing generated by, an increasing number of clandestine drug laboratories. The scientists will collect and provide analysis of evidence seized from these labs.
10. **Narcotics Grant Match** - For the past several biennia, WSP has been the recipient of allocations of federal Byrne grant funding for the support of multi-jurisdictional drug task forces. State funds are provided to match the Byrne grant funding during FY 2001. (Public Safety and Education Account-State, Federal Seizure Account-Non-appropriated, State Seizure Account-Non-appropriated)
11. **Regional Info Sharing (RISSNET)** - Funding is provided to conduct a needs assessment and feasibility study for a system to aid in the identification, tracking, analysis, and apprehension of criminals. The system being contemplated would make criminal intelligence and investigation data available to law enforcement and corrections personnel across Washington State on a 24-hour a day basis. (Public Safety and Education Account-State)
12. **Toxicology Lab Transition** - The State Toxicology Laboratory was transferred from the University of Washington (UW) to WSP by the 1999 Legislature. Funding is provided to complete this transition and to replace outdated instruments used for the analysis of illicit drugs. (Death Investigations Account-State)
13. **Toxicology Lab Technical Correction** - The State Toxicology Laboratory was transferred from UW to WSP by the 1999 Legislature. A portion of the revenue that supports the Toxicology Laboratory comes from the Liquor Revolving Account. In the past, these funds were expended by UW through a non-appropriated account. Because WSP does not have a non-appropriated account in which to receive and expend these funds, the transfer of these revenues to WSP necessitates an increase in the appropriation authority for the Death Investigations Account. This funding supports existing maintenance contracts on scientific equipment, other systems support, and the cost of referred testing for poisons that cannot be conducted at the State Toxicology Laboratory. (Death Investigations Account-State)
14. **Toxicology Lab: Network Study** - Funding is provided to conduct pre-design activities for a system that will link the toxicology lab to the justice information network. The system would provide local law enforcement agencies with electronic access to causes of death and results of toxicological tests. (Death Investigations Account-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget Section of this document.

Public Schools

Better Schools Program

The Better Schools Program is created in the supplemental budget and is intended to be ongoing in future biennia. Program funds are provided for two purposes as follows.

The amount of \$37.4 million is provided for class size/extended learning opportunities starting with the 2000-01 school year. The funds are allocated through an additional 2.2 certificated instructional staff per 1000 full-time equivalent students in grades K-4. The funds may be used to provide additional teachers in grades K-4 or to provide extended learning opportunities through before-and-after school, weekend school, summer school, or intersession programs.

An additional \$20.1 million is provided for professional development for certificated and classified staff to ensure that instruction is aligned with state standards and student needs. The funds are allocated starting July 1, 2000, at a rate of \$20.04 per student. The expenditure of the funds will be determined at each school site by the school staff.

Common School Construction

An additional \$6.6 million in education savings account revenues is appropriated to help fund the \$56.8 million K-12 capital supplemental budget. In addition, Chapter 2, Laws of 2000, 2nd sp.s. (EHB 3169), changed the calculation of the 5 percent emergency reserve requirement from a biennial amount to an annual amount. This change will produce an estimated \$115 million for the Education Construction Fund in fiscal year 2001. These moneys may be used for K-12 or higher education construction. A total of \$35 million is appropriated from the Education Construction Fund to the Common School Construction Account.

Pension Enhancements

School districts are provided \$26.5 million General Fund-State for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). The increased pension costs for school districts result from reducing the early retirement reduction factors for Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS). In addition, the rate paid for Department of Retirement System administration will increase as a result of the creation of a PERS Plan 3 contained in this legislation. (Additional appropriations for this legislation are made to state agencies, institutions of higher education, and state contributions to the Law Enforcement Officers' and Fire Fighters' [LEOFF] retirement system in Special Appropriations.)

Adjust Pension Contribution Rate

The 1998 actuarial valuations conducted by the Office of the State Actuary determined that the contribution rates necessary to meet the state's pension funding goals are lower than the pension rates currently in effect, due primarily to higher-than-expected returns on the investments in the pension funds. The budget lowers the state and employer contribution rates for PERS, TRS, SERS, and LEOFF to reflect the actuarial valuations. Appropriations to school districts are reduced by \$65.8 million General Fund-State to reflect the savings from the lower rates. (The savings for state agencies, higher education institutions, and state contributions to LEOFF are contained in Special Appropriations.)

School Safety

The 1999 Legislature appropriated \$8.7 million for competitive matching grants to school districts for school security personnel. The supplemental budget provides an additional \$5.6 million to be allocated to all school districts at a maximum rate of \$10 per student. The funds may be expended by school districts for school safety purposes including equipment, training of school staff, and minor remodeling of buildings. Adjustments are made for school districts that received safety program and school security grants.

Substitute Teacher Allocation

The sum of \$4.6 million General Fund-State is provided to increase the state allocation for provision of substitute teachers from \$77.51 to \$98.87 per day starting in the 2000-01 school year. Allocations for five substitute teacher days per state-funded teacher in the apportionment and special education programs are a component of the state's basic education definition.

Enrollment Decline Transition

A number of school districts throughout the state have experienced unanticipated enrollment declines. The amount of \$3.9 million General Fund-State is provided to assist school districts with enrollment decline transition for the 1999-00 school year. A district is eligible for the funds if it has an enrollment decline of 300 or more full-time equivalent students or 4.5 percent or more of its full-time equivalent student enrollment when compared to the prior school year.

Eligible districts will receive funding for up to 50 percent of the enrollment decline at the basic education un-enhanced rate of the district.

Health Benefit Rate Adjustments

A total of \$1.8 million General Fund-State is provided for an expected increase in health benefit insurance rates for school year 2000-01, increasing the monthly rate per K-12 employee by \$1.82 per month. In addition, the rate is increased by \$0.48 per month for insurance market reform costs and by \$0.02 per month for expanded prescription drug benefit coverage. The total increase is \$2.32 per month.

Information Technology Workforce Training

The 1999-01 biennial budget provided \$1 million per year for information technology grants for programs that prepare high school students for careers in the information technology industry. Funding is increased by \$0.8 million in the second year of the biennium to allow more high schools to participate in the grant program.

Principal Internship and Mentorship Programs

The 1999-01 budget provided \$1.6 million for the superintendent/principal internship program. This program funds the cost of release time for teachers and other individuals enrolled in a principal or administrator preparation program so that the individuals may engage in an internship during the school day when children are present. An additional \$0.6 million is provided to increase the number of participants in the internship program. In addition, \$125,000 is provided to create a principal support program to pair new principals with experienced mentors for up to three years.

Internet Filtering Servers

The amount of \$431,000 General Fund-State is made available to purchase an Internet filtering server for districts that currently do not have a filtering system in place.

Teacher Professional Standards Board

An amount of \$431,000 is provided to implement Chapter 39, Laws of 2000 (EHB 2760), which establishes a professional standards board for educators. The function of the board is to advise the State Board of Education on educator issues and to prepare a basic skills teacher assessment to be available September 1, 2001.

Oral Medications Training

Persons administering oral medications in public schools must be trained prior to administering the medications. An amount of \$297,000 is provided for state training in oral medication procedures, using a model program developed by the Office of the Superintendent of Public Instruction.

Accountability Commission

The Academic Achievement and Accountability Commission was established in 1999 to oversee the state's new K-12 accountability system and associated issues. The Legislature appropriated \$340,000 for the operation of the Commission in the 1999-01 biennial budget. An additional \$250,000 is provided in the supplemental budget to expand the research and operations capacity of the Commission.

Civil Liberties Education

The amount of \$150,000 General Fund-State is provided for grants to document the history of the internment of persons of Japanese ancestry during World War II for public education and to prevent similar civil rights violations in the future.

World War II Oral History Projects

A total of \$150,000 is provided for grants to document the experiences of World War II veterans through oral history projects at local schools.

Second Grade Reading Test

The second grade reading test was enacted by the 1997 Legislature and requires teachers to assess individual student's reading ability using approved assessment materials. The amount of \$106,000 General Fund-State is provided to pay for training of new second grade teachers and for replacement of assessment materials.

National Teacher Certification Bonus

The 1999 Legislature provided \$327,000 for a 15 percent pay bonus for teachers achieving certification by the National Board for Professional Teaching Standards. The 1999-01 appropriations act did not specify whether the bonus was one time or for the life of the certificate. The supplemental budget provides an additional \$65,000, and clarifies that the bonus is for two years. Beginning with the 2000-01 school year, the amount of the bonus is changed from 15 percent of pay to a flat \$3,500 bonus and is not considered earnable compensation for pension purposes.

Funding Source Change

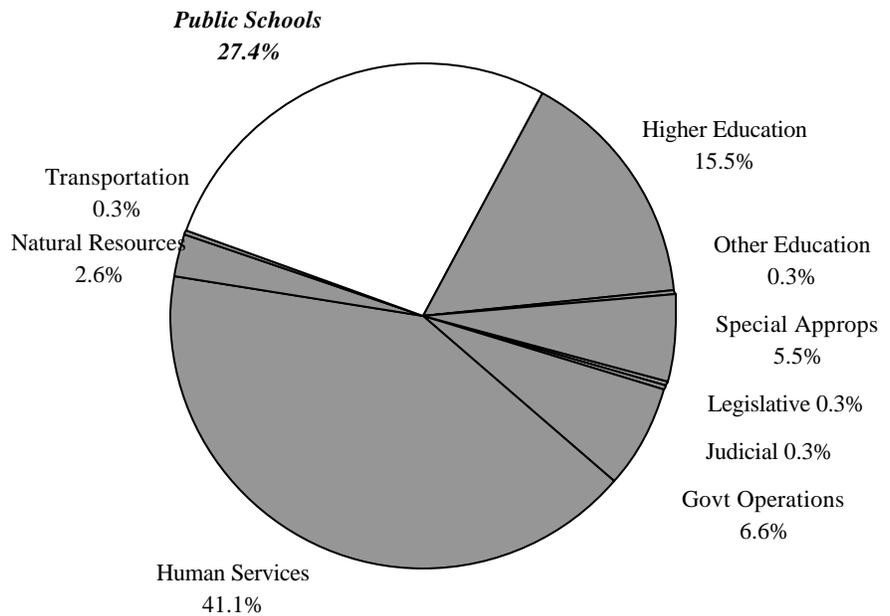
Various dedicated fund sources have been used to fund the K-12 budget. These included the Public Safety and Education Account, the Health Services Account, and the Violence Reduction and Drug Enforcement Account. The supplemental budget replaces these various dedicated fund sources, totaling \$31.0 million, with an equivalent amount from the General Fund-State.

1999-01 Washington State Operating Budget

Total Budgeted Funds

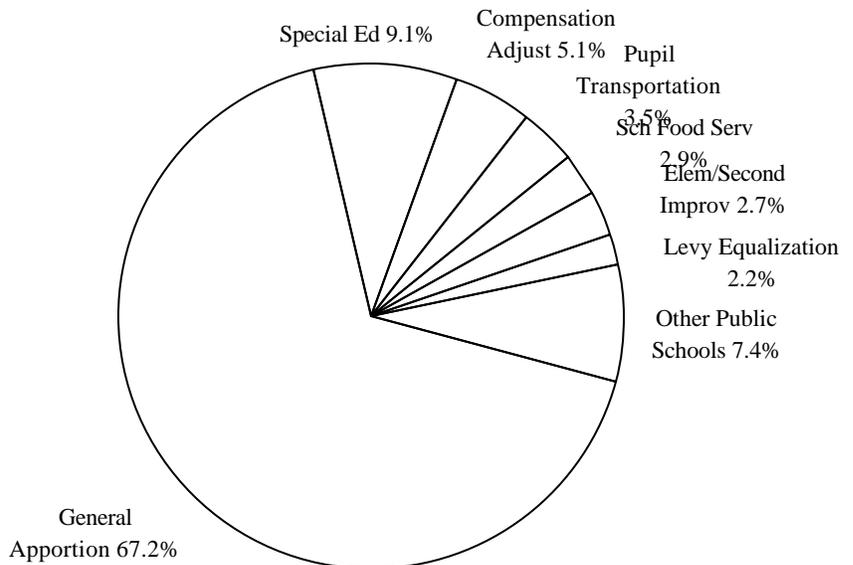
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
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Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

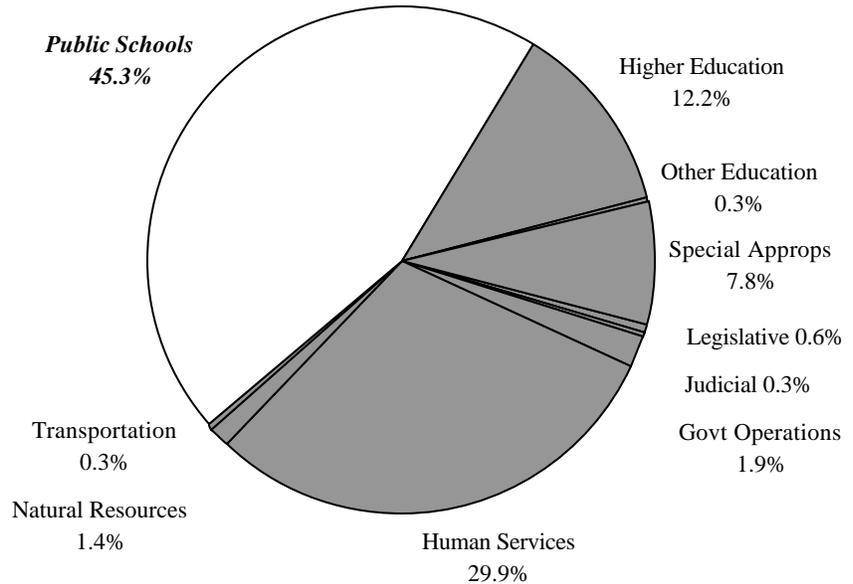
General Apportionment	6,987,997
Special Education	944,160
Compensation Adj	530,327
Pupil Transportation	362,265
School Food Services	297,961
Elem/Second Sch Improve	285,193
Levy Equalization	224,677
Other Public Schools	765,819
Public Schools	10,398,399



Public Schools

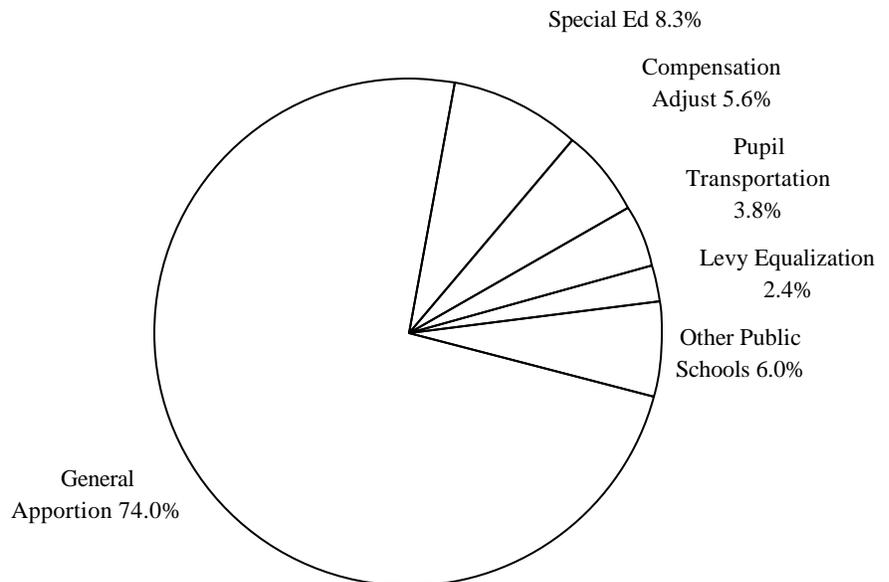
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

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Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

General Apportionment	6,987,997
Special Education	772,493
Compensation Adj	530,327
Pupil Transportation	362,265
Levy Equalization	224,677
Other Public Schools	565,186
Public Schools	9,442,945



Public Schools

**Public Schools
 OSPI & Statewide Programs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	60,638	94,977	155,615
Total Maintenance Changes	0	3,898	3,898
Policy Changes			
1. Information Tech Workforce Training	800	0	800
2. Teacher Professional Standards Bd	431	0	431
3. Civil Liberties Education	150	0	150
4. World War II Oral History Project	150	0	150
5. Filtering Servers	431	0	431
6. Voc Student Organization	100	0	100
7. Funding Source Change	15,513	-15,513	0
8. Oral Medications Training	297	0	297
9. School Safety	5,649	0	5,649
10. Federal Teacher Quality Grant	0	1,078	1,078
Total Policy Changes	23,521	-14,435	9,086
1999-01 Revised Appropriations	84,159	84,440	168,599
Fiscal Year 2000 Total	38,344	39,742	78,086
Fiscal Year 2001 Total	45,815	44,698	90,513

Comments:

- Information Tech Workforce Training** - The 1999-01 biennial budget provided \$1 million per year for information technology grants for programs that prepare high school students for careers in the information technology industry. Funding is increased by 80 percent in the second year of the biennium to allow more high schools to participate in the grant program.
- Teacher Professional Standards Bd** - Funds are provided to implement Chapter 39, Laws of 2000 (EHB 2760), which establishes a professional standards board for educators. The function of the board is to advise the State Board of Education on teacher certification matters and to prepare a basic skills teacher assessment for September 1, 2001. The appropriation includes funds for the operation of the board and for preparation of the teacher assessment.
- Civil Liberties Education** - Funding is provided for grants to develop educational materials under the Washington civil liberties public education program created in Chapter 210, Laws of 2000 (E2SHB 1572). Grants may be provided to develop curriculum materials to complement or augment current resources on the history and the lessons of the World War II exclusion, removal, and detention of persons of Japanese ancestry. In addition, grants can be utilized to develop videos, plays, presentations, speaker bureaus, and exhibitions.
- World War II Oral History Project** - Funding is provided to implement the WWII Oral History Project, created in Chapter 112, Laws of 2000 (SHB 2418). The Office of the Superintendent of Public Instruction (OSPI), with the assistance of an advisory group, will develop instructional guides. Mini-grants will be provided to school districts for documentation projects to supplement the instructional guides.
- Filtering Servers** - As access to the Internet increases, installation of filtering systems can protect students from adult material that is readily available through this medium. Funds to purchase a filtering server are made available for districts that currently do not have a filtering system in place.
- Voc Student Organization** - Additional funding is provided to support the coordination of current vocational student organizations (VSOs). VSOs provide students opportunities to gain competencies and develop leadership skills.
- Funding Source Change** - Various state fund sources have been utilized to fund the K-12 budget, including: General Fund-State; Public Safety and Education Account; Health Services Account; and the Violence Reduction and Drug Enforcement Account. These various state fund sources are changed to a single source, General Fund-State.
- Oral Medications Training** - Persons administering oral medications in schools must be trained prior to administering oral medications. \$297,000 is provided for state training in oral medication procedures using a model program developed by OSPI.

Public Schools OSPI & Statewide Programs

9. **School Safety** - Funding is provided for school safety allocations for all school districts in the state at a maximum rate of \$10 per full-time equivalent (FTE) student. The funds may be used by school districts for school safety purposes including equipment, minor remodeling of buildings, preparation of school safety plans, and training of school staff in school safety. A district's allocation will be adjusted for any state grants received for school security or school safety programs.

10. **Federal Teacher Quality Grant** - Appropriation authority is provided for the second year of a three year federal Teacher Quality Enhancement Grant from the U.S. Department of Education. The grant provides funding for pilot projects that will assist in the development of statewide models that link teacher preparation to pupil outcomes, align teacher preparation programs with ongoing professional training and teacher certification, and extend successful local and regional programs to ensure competent teachers in high-poverty areas. (General Fund-Federal)

Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	7,096,837	0	7,096,837
Total Maintenance Changes	-85,366	0	-85,366
Policy Changes			
1. Pension Changes	-31,567	0	-31,567
2. Enrollment Decline Transition	3,896	0	3,896
3. Substitute Teacher Pay	3,937	0	3,937
4. School District Emergencies	260	0	260
Total Policy Changes	-23,474	0	-23,474
<hr/>			
1999-01 Revised Appropriations	6,987,997	0	6,987,997
Fiscal Year 2000 Total	3,507,296	0	3,507,296
Fiscal Year 2001 Total	3,480,701	0	3,480,701

Comments:

1. **Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

building suddenly unusable. The Toutle Lake School District recently lost the use of two of its buildings due to a severe mold problem and it is estimated that it will cost \$260,000 to render one of the buildings inhabitable. \$260,000 is provided to supplement the funds available to respond to school district emergencies in FY 2000.

2. **Enrollment Decline Transition** - Enrollment decline transition funds are provided for the 1999-2000 school year. Districts that experience an enrollment decline of 300 or more FTE students or 4.5 percent or more of their FTE student enrollment when compared with the prior school year are eligible for the funds. Eligible districts will receive funding for up to 50 percent of the enrollment decline at the basic education unenhanced rate for the district.

3. **Substitute Teacher Pay** - Allocations for substitute teachers are a component of the state's basic education definition. For the 2000-01 school year, the biennial budget allocated five days of substitute teacher time for state-funded teachers in the apportionment and special education programs at a rate of \$77.51 per day. The budget increases the rate to \$98.87 per day, a 27.6 percent increase.

4. **School District Emergencies** - The 1999-2001 biennial budget provided \$325,000 to the Superintendent of Public Instruction for school district emergencies, such as situations that make a school

Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	536,295	0	536,295
Total Maintenance Changes	-5,104	0	-5,104
Policy Changes			
1. Health Benefit Rate Adjustments	1,464	0	1,464
2. Pension Changes	-2,974	0	-2,974
3. Substitute Teacher Pay	265	0	265
4. Insurance Market Reform	381	0	381
Total Policy Changes	-864	0	-864
<hr/>			
1999-01 Revised Appropriations	530,327	0	530,327
Fiscal Year 2000 Total	186,314	0	186,314
Fiscal Year 2001 Total	344,013	0	344,013

Comments:

1. **Health Benefit Rate Adjustments** - Funding is provided for an expected increase in health benefit insurance rates by increasing the monthly rate per K-12 employee by \$1.82 per month. In addition, the rate is increased by \$0.02 per month for expanded prescription coverage. This is consistent with increases funded for state employees covered under Public Employees' Benefits Board plans for the same purposes.

2. **Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

3. **Substitute Teacher Pay** - Funds are provided to increase substitute teacher pay allocations in the apportionment and special education programs, which increases the amount of salary increase amounts needed.

4. **Insurance Market Reform** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers for subsidized care provided through the Washington State Health Insurance Pool. An additional \$0.48 per employee per month is provided for the increased premiums that will result from higher assessments on health carriers providing care to school district employees.

**Public Schools
 Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	360,727	0	360,727
Total Maintenance Changes	1,647	0	1,647
Policy Changes			
1. Pension Changes	-109	0	-109
Total Policy Changes	-109	0	-109
1999-01 Revised Appropriations	362,265	0	362,265
Fiscal Year 2000 Total	181,204	0	181,204
Fiscal Year 2001 Total	181,061	0	181,061

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

**Public Schools
School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	6,200	259,040	265,240
Total Maintenance Changes	0	32,721	32,721
<hr/>			
1999-01 Revised Appropriations	6,200	291,761	297,961
Fiscal Year 2000 Total	3,100	142,037	145,137
Fiscal Year 2001 Total	3,100	149,724	152,824

Comments:

No policy changes were recommended.

**Public Schools
 Special Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	785,497	148,159	933,656
Total Maintenance Changes	-9,999	23,508	13,509
Policy Changes			
1. Pension Changes	-3,427	0	-3,427
2. Substitute Teacher Pay	422	0	422
Total Policy Changes	-3,005	0	-3,005
1999-01 Revised Appropriations	772,493	171,667	944,160
Fiscal Year 2000 Total	387,011	77,729	464,740
Fiscal Year 2001 Total	385,482	93,938	479,420

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.
- Substitute Teacher Pay** - Allocations for substitute teachers are a component of the state's basic education definition. For the 2000-01 school year, the biennial budget allocated five days of substitute teacher time for state-funded teachers in the apportionment and special education programs at a rate of \$77.51 per day. The budget increases the rate to \$98.87 per day, a 27.6 percent increase.

NOTE: Budget language is added requiring that, if the \$5.5 million federal safety net appropriation for high-cost students does not suffice to fund the awards approved by the safety net committee, the Superintendent shall use all available federal discretionary funds to meet this need. Use of General Fund-State moneys for this purpose is prohibited.

Public Schools
Traffic Safety Education

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	0	16,276	16,276
Total Maintenance Changes	0	-767	-767
Policy Changes			
1. Funding Source Change	<u>15,509</u>	<u>-15,509</u>	<u>0</u>
Total Policy Changes	15,509	-15,509	0
<hr/>			
1999-01 Revised Appropriations	15,509	0	15,509
Fiscal Year 2000 Total	7,738	-1	7,737
Fiscal Year 2001 Total	7,771	1	7,772

Comments:

- Funding Source Change** - Various state fund sources have been utilized to fund the K-12 budget, including: General Fund-State; Public Safety and Education Account; Health Services Account; and the Violence Reduction and Drug Enforcement Account. These various state fund sources are changed to a single source, General Fund-State.

**Public Schools
 Educational Service Districts**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	9,094	0	9,094
Total Maintenance Changes	0	0	0
Policy Changes			
1. Pension Changes	<u>-27</u>	<u>0</u>	<u>-27</u>
Total Policy Changes	-27	0	-27
1999-01 Revised Appropriations	9,067	0	9,067
Fiscal Year 2000 Total	4,537	0	4,537
Fiscal Year 2001 Total	4,530	0	4,530

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

**Public Schools
Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	206,288	0	206,288
Total Maintenance Changes	18,389	0	18,389
<hr/>			
1999-01 Revised Appropriations	224,677	0	224,677
Fiscal Year 2000 Total	102,563	0	102,563
Fiscal Year 2001 Total	122,114	0	122,114

Comments:

No policy changes were recommended.

**Public Schools
 Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	41,743	8,548	50,291
Total Maintenance Changes	-2,785	0	-2,785
Policy Changes			
1. Pension Changes	<u>-193</u>	<u>0</u>	<u>-193</u>
Total Policy Changes	-193	0	-193
1999-01 Revised Appropriations	38,765	8,548	47,313
Fiscal Year 2000 Total	19,296	4,274	23,570
Fiscal Year 2001 Total	19,469	4,274	23,743

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	12,446	0	12,446
Total Maintenance Changes	-120	0	-120
Policy Changes			
1. Pension Changes	<u>-57</u>	<u>0</u>	<u>-57</u>
Total Policy Changes	-57	0	-57
1999-01 Revised Appropriations	12,269	0	12,269
Fiscal Year 2000 Total	6,164	0	6,164
Fiscal Year 2001 Total	6,105	0	6,105

Comments:

1. **Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

Public Schools
Elementary & Secondary School Improvement

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	0	264,388	264,388
Total Maintenance Changes	0	20,805	20,805
<hr/>			
1999-01 Revised Appropriations	0	285,193	285,193
Fiscal Year 2000 Total	0	136,456	136,456
Fiscal Year 2001 Total	0	148,737	148,737

Comments:

No policy changes were recommended.

**Public Schools
 Education Reform**

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	69,499	233	69,732
Total Maintenance Changes	-1,121	0	-1,121
Policy Changes			
1. Accountability Commission	250	0	250
2. Principal Mentorship	125	0	125
3. National Teacher Certif Bonus	65	0	65
4. Superintendent/Principal Internships	610	0	610
5. Second Grade Reading Assessment	106	0	106
Total Policy Changes	1,156	0	1,156
1999-01 Revised Appropriations	69,534	233	69,767
Fiscal Year 2000 Total	33,234	127	33,361
Fiscal Year 2001 Total	36,300	106	36,406

Comments:

- Accountability Commission** - Additional funding is provided to the Academic Achievement and Accountability Commission for a research analyst position, consultant services, and an expanded meeting schedule.
- Principal Mentorship** - Funding is provided to create a principal support program. Under the program, new principals will develop an individualized, professional growth plan and will receive mentorship support for up to three years.
- National Teacher Certif Bonus** - The 1999 Legislature provided \$327,000 for a 15 percent pay bonus for teachers achieving certification by the National Board for Professional Teaching Standards. The 1999-01 appropriations act did not specify whether the bonus was one-time or for the life of the certificate. The supplemental budget provides an additional \$65,000 and clarifies that the bonus is for two years. Beginning with the 2000-01 school year, the amount of the bonus is changed from 15 percent of pay to a flat \$3,500 bonus and is not considered earnable compensation for pension purposes.
- Superintendent/Principal Internships** - The 1999-2001 budget provided \$1.598 million for the superintendent/principal internship program. This program funds the cost of release time for teachers and other individuals enrolled in a principal or administrator preparation program so that the individuals may engage in an internship during the school day when children are present. An additional \$610,000 is provided to increase the number of participants in the program.
- Second Grade Reading Assessment** - Funds are provided to pay for training of new second grade teachers and for replacement of assessment materials for the second grade reading test. This test was enacted by the 1997 Legislature and requires teachers to assess individual student's reading ability using approved assessment materials.

**Public Schools
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	71,744	0	71,744
Total Maintenance Changes	2,197	0	2,197
Policy Changes			
1. Pension Changes	<u>-460</u>	<u>0</u>	<u>-460</u>
Total Policy Changes	-460	0	-460
<hr/>			
1999-01 Revised Appropriations	73,481	0	73,481
Fiscal Year 2000 Total	35,876	0	35,876
Fiscal Year 2001 Total	37,605	0	37,605

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

**Public Schools
 Learning Assistance Program (LAP)**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	146,250	0	146,250
Total Maintenance Changes	-7,439	0	-7,439
Policy Changes			
1. Pension Changes	<u>-405</u>	<u>0</u>	<u>-405</u>
Total Policy Changes	-405	0	-405
1999-01 Revised Appropriations	138,406	0	138,406
Fiscal Year 2000 Total	68,936	0	68,936
Fiscal Year 2001 Total	69,470	0	69,470

Comments:

- Pension Changes** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuations for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Starting May 1, 2000, the Public Employees Retirement System (PERS) employer rate will drop from the current 4.41 percent of salary to 3.58 percent of salary, and the Teachers Retirement System (TRS) employer rate will decrease from the current 8.49 percent to 6.03 percent. Beginning September 1, 2000, the PERS rate will increase to 4.44 percent and the TRS rate will increase to 7.10 percent to pay for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). Also beginning May 1, 2000, the Department of Retirement Systems (DRS) administrative rate will increase from 0.19 percent to 0.23 percent.

**Public Schools
Block Grants**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	60,720	0	60,720
Total Maintenance Changes	-424	0	-424
<hr/>			
1999-01 Revised Appropriations	60,296	0	60,296
Fiscal Year 2000 Total	32,981	0	32,981
Fiscal Year 2001 Total	27,315	0	27,315

Comments:

No policy changes were recommended.

**Public Schools
 Better Schools Program**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Total Maintenance Changes	0	0	0
Policy Changes			
1. Better Schools Program	<u>57,500</u>	<u>0</u>	<u>57,500</u>
Total Policy Changes	57,500	0	57,500
<hr/>			
1999-01 Revised Appropriations	57,500	0	57,500
Fiscal Year 2000 Total	0	0	0
Fiscal Year 2001 Total	57,500	0	57,500

Comments:

1. **Better Schools Program** - Better School Program funds are intended to be ongoing in future biennia and are provided for two purposes as follows:

1) \$37.4 million is provided for class size/extended learning opportunities starting with the 2000-01 school year. The funds are allocated through an additional 2.2 certificated instructional staff per 1000 full-time equivalent students in grades K-4. The funds may be used to provide additional teachers in grades K-4 or to provide extended learning opportunities through before-and-after school, weekend school, summer school, and intersession programs.

2) \$20.1 million is provided for professional development for certificated and classified staff to ensure that instruction is aligned with state standards and student needs. The funds are allocated starting July 1, 2000, at a rate of \$20.04 per student. The expenditure of the funds will be determined at each school site by the school staff.

**Public Schools
 Common School Construction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1999-01 Original Appropriations	0	72,000	72,000
Total Maintenance Changes	0	0	0
Policy Changes			
1. Transfer to Common School Construct	0	41,612	41,612
Total Policy Changes	0	41,612	41,612
<hr/>			
1999-01 Revised Appropriations	0	113,612	113,612
Fiscal Year 2000 Total	0	42,612	42,612
Fiscal Year 2001 Total	0	71,000	71,000

Comments:

- Transfer to Common School Construct** - Additional Education Savings Account revenues of \$6.6 million are appropriated to help fund the \$56.8 million K-12 capital supplemental budget.

Chapter 2, Laws of 2000, 2nd sp.s. (EHB 3169), changes the calculation of the 5 percent emergency reserve requirement from a biennial amount to an annual amount. This change will produce an estimated \$115 million for the Education Construction Account in FY 2001. These moneys may be used for K-12 or higher education construction. A total of \$35 million is appropriated from the Education Construction Account to the Common School Construction Account.

Higher Education

Community and Technical College System

The community and technical colleges are provided \$750,000 General Fund-State to develop system-wide on-line catalogs for distance learning and other admissions information. Students will be able to access distance education course openings available at any community or technical college in the state.

The sum of \$1.65 million is provided to replace failing roofs at Columbia Basin College, to enable a new facility at Cascadia College to open a year early and state support to maintain and operate facilities built by colleges with certificates of participation, whose construction was approved by the Legislature.

The community college districts have access to a centralized reserve pool of funds to provide for emergent needs of students with disabilities. Additional funding in the amount of \$500,000 General Fund-State is provided to ensure that the reserve pool is sufficient to meet extraordinary demand through the school year.

University of Washington

The budget pays for a portion (\$375,000 General Fund-State) of the University of Washington's connection to the Internet, which is used by faculty and students and was formerly funded by the National Science Foundation.

To respond to the rising cost of health care insurance premiums and to maintain reasonable levels of co-payments, additional state funds in the amount of \$450,000 General Fund-State are provided for graduate assistant health insurance coverage. The University is expected to match this appropriation, in partnership with the state, to provide compensation to graduate research and teaching assistants.

Washington State University

The sum of \$450,000 General Fund-State is provided for the University to conduct research activities related to biotechnology and health sciences for potential commercialization activities of the Spokane Intercollegiate Research and Technology Institute (SIRTI). In addition, \$425,000 of state funds is also added to the Department of Community, Trade, and Economic Development budget for SIRTI to support its commercialization activities.

The budget provides \$3.6 million from the Education Construction Fund to Washington State University to support the permanent replacement of a steam boiler, and to assess the campus-wide heating system for its viability and need for further modern upgrades.

At the request of Washington State University, budgeted enrollments for Pullman, Spokane, Vancouver, and Tri-Cities campuses are lowered, resulting in savings of \$1.4 million to the General Fund.

Eastern Washington University

Funding in the amount of \$482,000 General Fund-State is provided for 100 additional enrollments in the 2000-01 academic year based on continued increases in students seeking access to the University.

Higher Education Coordinating Board

Funding for Washington Promise scholarships for high-performing students is increased by \$2.4 million General Fund-State so awards are closer to full-time community college tuition for the 2000-01 academic year. Eligibility is expanded to include home-schooled students, and makes it possible for any young person to qualify academically by scoring 1200 or higher on their first attempt at the Scholastic Aptitude Test.

The budget also provides \$1.0 million General Fund-State for scholarship loans of up to \$4,000 per year to encourage classified K-12 employees to become classroom teachers, particularly in shortage areas identified by the Superintendent of Public Instruction. Loans made by the Higher Education Coordinating Board can be repaid by teaching in Washington public schools.

Enrollment Growth Adjustment

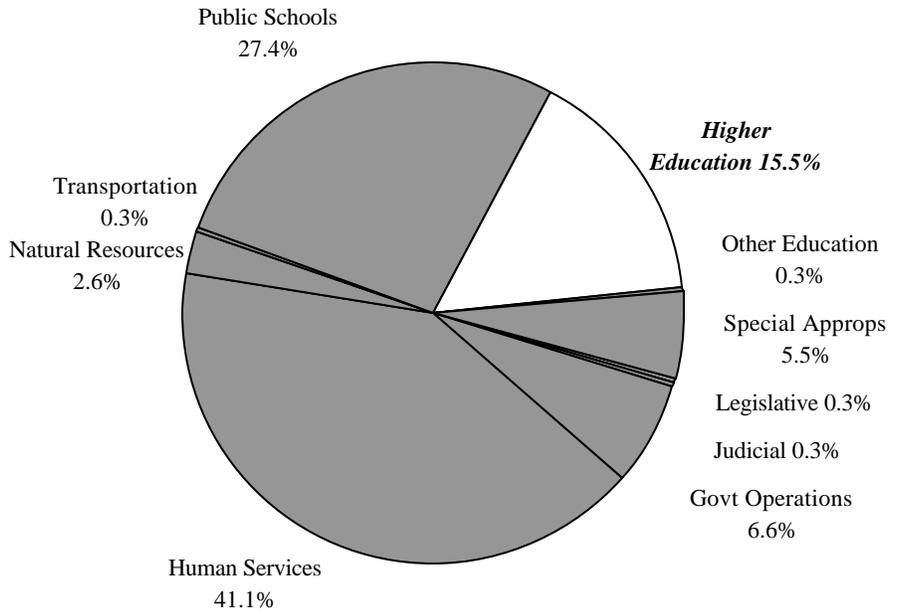
The budget directs the Office of Financial Management to hold and release state money as new FTE students appear during the 2000-01 academic year for Western Washington University, Central Washington University and at the Bothell and Tacoma campuses of the University of Washington. This is in response to shortfalls in actual enrollments relative to budgeted enrollments at most state universities. Money subject to this provision that is not realized by a university lapses to the Education Savings Account at the close of the biennium.

1999-01 Washington State Operating Budget

Total Budgeted Funds

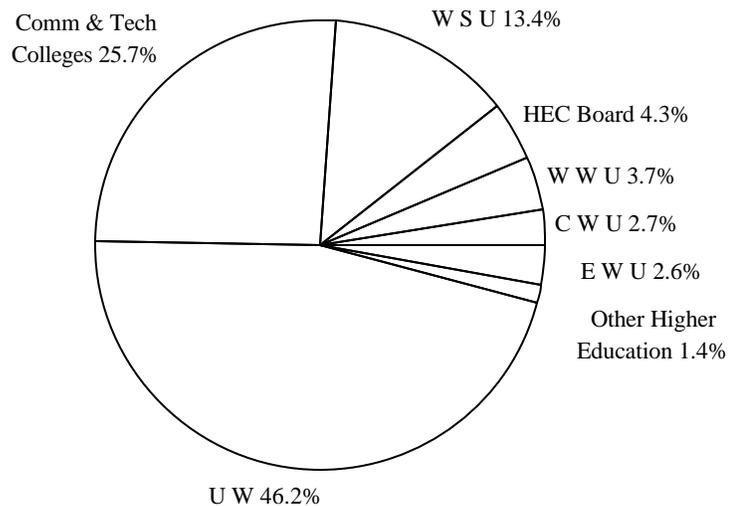
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

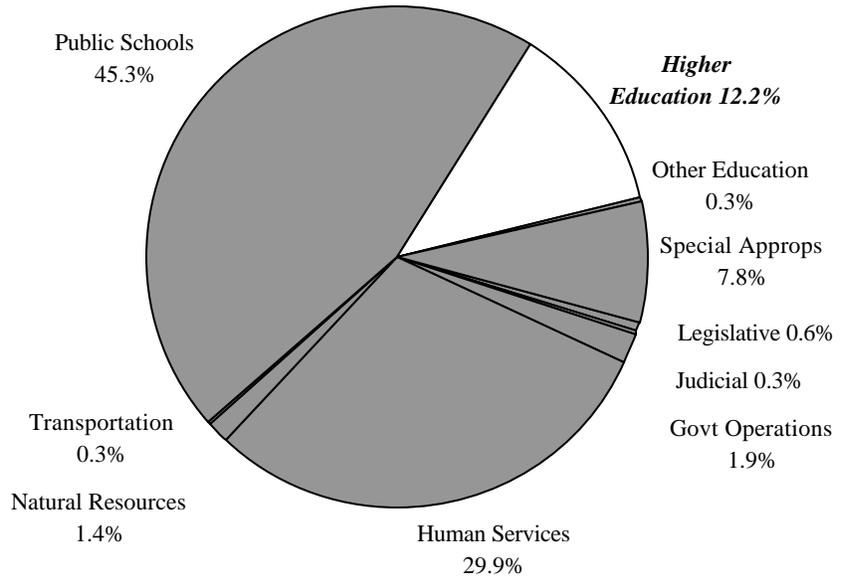
Univ of Washington	2,712,042
Community/Tech Colleges	1,509,346
Washington State Univ	789,187
Higher Ed Coord Bd	250,835
Western Washington Univ	219,672
Central Washington Univ	155,959
Eastern Washington Univ	153,469
Other Higher Education	84,837
Higher Education	5,875,347



Higher Education

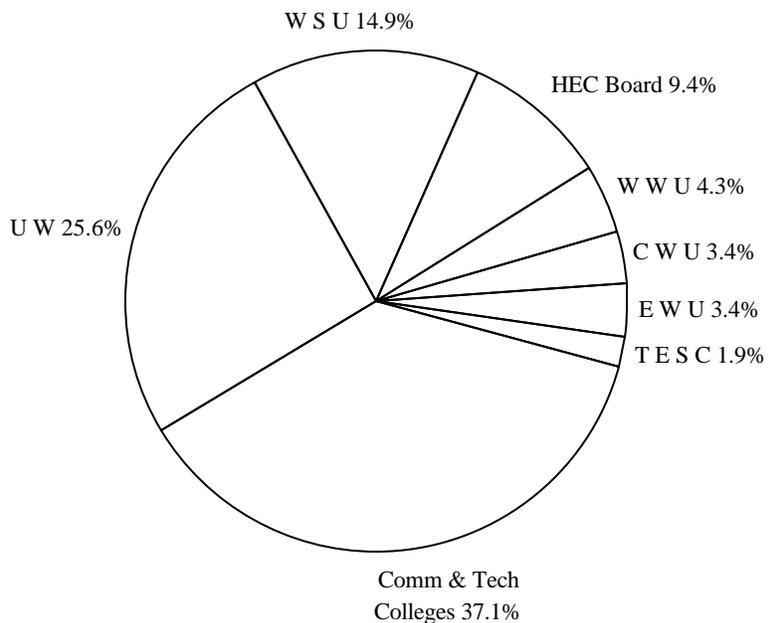
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

Community/Tech Colleges	945,968
Univ of Washington	651,947
Washington State Univ	379,970
Higher Ed Coord Bd	240,637
Western Washington Univ	109,807
Central Washington Univ	86,786
Eastern Washington Univ	85,539
The Evergreen State Coll	47,147
Higher Education	2,547,801



Higher Education

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment							Budgeted	
	1992-93	1993-94 ^{1,2}	1994-95 ¹	1995-96 ¹	1996-97 ¹	1997-98 ¹	1998-99 ¹	1999-00	2000-01
Community & Technical Colleges	107,115	111,035	113,609	118,075	118,653	117,925	121,302	120,529	123,362
General Enrollment ⁽³⁾	107,115	111,035	113,609	109,907	111,129	110,808	114,885	113,329	116,132
Dislocated Workers ⁽³⁾	0	0	0	8,168	7,524	7,117	6,417	7,200	7,200
Two-plus-Two	0	0	0	0	0	0	0	0	30
Four-Year Schools	74,481	76,411	77,305	77,977	79,435	80,458	81,814	83,277	84,655
University of Washington	31,210	31,341	31,493	31,811	32,858	33,398	33,592	34,063	34,688
Washington State University	16,685	17,467	18,007	18,425	18,594	18,584	19,148	19,519	19,787
Eastern Washington University	7,533	7,635	7,605	7,364	6,945	6,907	7,244	7,739	7,839
Central Washington University	6,588	7,339	7,337	7,339	7,448	7,474	7,471	7,670	7,867
The Evergreen State College	3,326	3,282	3,377	3,387	3,489	3,728	3,822	3,638	3,713
Western Washington University	9,139	9,347	9,486	9,651	10,101	10,367	10,537	10,648	10,761
HECB Timber Workers	21	63	104	118	139	148	177	50	50
HECB High Demand Pool									550
Total Higher Education	181,617	187,509	191,018	196,170	198,227	198,531	203,293	203,856	208,617

(1) Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

(2) Enrollment caps were eliminated in 1993-94.

(3) General Enrollment includes technical college and Distressed Economic Community program enrollments. For 1993-94 and 1994-95, actual enrollment includes dislocated worker FTEs funded through the Employment and Training Trust Fund. For 1997-98 and 1998-99, the Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

Data Source :

Community and Technical College data from the State Board for Community and Technical Colleges.

Four Year Schools data from the Higher Education Enrollment Report (HEER) from the OFM Forecasting Division.

HECB Timber Worker data from the Higher Education Coordinating Board (HECB).

Higher Education
Budgeted Enrollment Increases
 By Academic Year

	FTE Student Enrollment				
	Budgeted Level 1998-1999	Increase for 1999-2000	Total Budgeted 1999-2000	Increase for 2000-2001	Total Budgeted 2000-2001
Community & Technical Colleges *	118,526	2,003	120,529	2,833	123,362
Community Colleges	97,100	1,768	98,868	2,568	101,436
Technical Colleges	13,726	235	13,961	235	14,196
Dislocated Workers**	7,200	0	7,200	0	7,200
Timber Workers	500	0	500	0	500
Two-plus-Two	0	0	0	30	30
Four-Year Schools	82,002	1,325	83,327	1,378	84,705
University of Washington	33,414	649	34,063	625	34,688
Seattle	31,527	400	31,927	339	32,266
Bothell	895	98	993	143	1,136
Tacoma	992	151	1,143	143	1,286
Washington State University	19,439	80	19,519	268	19,787
Main	17,272	0	17,272	277	17,549
Spokane	442	30	472	79	551
Tri-Cities	754	0	754	-138	616
Vancouver	971	50	1,021	50	1,071
Eastern Washington University	7,739	0	7,739	100	7,839
Central Washington University	7,446	224	7,670	197	7,867
The Evergreen State College	3,576	62	3,638	75	3,713
Western Washington University	10,338	310	10,648	113	10,761
HECB Timber Workers	50	0	50	0	50
HECB High Demand Pool***	0	0	0	550	550
Total Higher Education	200,528	3,328	203,856	4,761	208,617

* FTE enrollments for the Community & Technical Colleges represent legislatively authorized FTE students; these amounts differ from the actual distribution of FTE enrollments by the State Board for Community & Technical Colleges.

** The State Board for Community and Technical Colleges is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

*** The Higher Education Coordinating Board will allocate enrollments in high demand pool to two- and four-year institutions.

1999-2001 New Tuition and Services and Activities Fee Authority*

	Current Rate 1998-1999	New Rates	
		1999-2000	2000-2001
Research Universities			
Resident Undergraduate	3,381	3,538	3,668
Resident Graduate	5,319	5,566	5,768
Resident Law	5,634	5,892	6,106
Resident MD/DDS/DVM	8,709	9,112	9,440
Nonresident Undergraduate - UW	11,403	11,926	12,356
Nonresident Undergraduate - WSU	10,539	11,026	11,420
Nonresident Graduate	13,365	13,978	14,480
Nonresident Law	14,040	14,688	15,220
Nonresident MD/DDS/DVM	22,137	23,158	23,990
Comprehensive Institutions			
Resident Undergraduate	2,626	2,746	2,845
Resident Graduate	4,204	4,396	4,555
Nonresident Undergraduate	9,319	9,748	10,099
Nonresident Graduate	12,784	13,372	13,852
Community & Technical Colleges			
Resident Undergraduate	1,515	1,585	1,642
Nonresident Undergraduate	5,961	6,235	6,460

* These are average tuition and fees rates by sector; individual institutions may vary slightly from these averages.

Notes:

The budget grants institutions' governing boards the flexibility to increase tuition rates by up to 4.6 percent in 1999-00 and by up to 3.6 percent in 2000-01. The tuition and fee levels above illustrate the maximum amounts that could be set by institutions. Institutions may adopt tuition rates increases that vary by student category. Institutions may also adjust tuition rate based upon time of day, day of week, delivery method, or campus.

Services and activities (S&A) fees included in the figures above are estimated at the highest levels permissible under tuition statutes. S&A fees are set by institutions' governing boards, and they may be increased from one year to the next by a percentage not to exceed the annual percentage increase in student tuition fees for any tuition category. If the institution has dedicated a portion of the S&A fees to repay bonded debt, then that portion of the S&A fees may not be increased.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	942,051	562,964	1,505,015
Total Maintenance Changes	665	-586	79
Policy Changes			
1. Expand Distance Learning	750	0	750
2. Olympic College 2+2 Transfer	425	0	425
3. Enhanced Prescription Benefit	2	0	2
4. HB Trend & UMP Claims	893	0	893
5. Roof Replacement	0	1,000	1,000
6. Facilities Maintenance & Operations	433	0	433
7. Cascadia Phase II - M&O	225	0	225
8. Students With Disabilities	500	0	500
9. Insurance Market Reform Assessments	24	0	24
Total Policy Changes	3,252	1,000	4,252
<hr/>			
1999-01 Revised Appropriations	945,968	563,378	1,509,346
Fiscal Year 2000 Total	456,291	278,168	734,459
Fiscal Year 2001 Total	489,677	285,210	774,887

Comments:

1. **Expand Distance Learning** - Provides one-time funds to acquire computer hardware and programming services to lay the foundation for a one-stop distance learning system that students can use to search for available classes and complete other admissions tasks.
2. **Olympic College 2+2 Transfer** - Current level funds and 30 full-time equivalent students for the Olympic Community College (OCC) 2+2 program are transferred from the University of Washington (UW) to the State Board for Community and Technical Colleges. OCC will receive and apply these monies to expand or foster partnerships with accredited baccalaureate institution(s) so that upper division classes continue to be offered locally for place- and time-bound students on the Kitsap Peninsula. The partnership with the UW-Tacoma ended last summer. Any fiscal year adjustments the Board might grant to accommodate OCC this biennium shall not carryforward for the 2001-03 biennium.
3. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
4. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. Finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
5. **Roof Replacement** - Funding is provided to restore failing roof systems at Columbia Basin College. (Education Construction Account)
6. **Facilities Maintenance & Operations** - Funds are provided to maintain facilities financed with certificates of participation (COP) that were considered and approved by the Legislature in prior budgets. State support assumes that current year operating expenses for COP projects have been met, and the State Board for Community and Technical Colleges will redirect available resources (\$334,000 per year) to meet the maintenance and operations (M&O) expenses of other local capital projects not recognized here.
7. **Cascadia Phase II - M&O** - Funds are provided to maintain 36,000 square feet of new space on the Cascadia College campus. Occupancy of the Phase II facilities will be possible as early as July 2000, a year ahead of schedule.

Community & Technical College System

8. **Students With Disabilities** - Additional funding is provided to meet emergent needs by the Community and Technical Colleges for services to assist students with disabilities. Current expenditures are approximately \$1.5 million per year.
9. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	650,906	2,060,198	2,711,104
Total Maintenance Changes	0	0	0
Policy Changes			
1. Olympic College 2+2 Transfer	-425	0	-425
2. Forensic Pathology Vacancy	0	-110	-110
3. Enhanced Prescription Benefit	1	0	1
4. HB Trend & UMP Claims	623	7	630
5. Graduate Student Health Insurance	450	0	450
6. Commodity Internet Connectivity	375	0	375
7. Insurance Market Reform Assessments	17	0	17
Total Policy Changes	1,041	-103	938
<hr/>			
1999-01 Revised Appropriations	651,947	2,060,095	2,712,042
Fiscal Year 2000 Total	316,379	1,025,611	1,341,990
Fiscal Year 2001 Total	335,568	1,034,484	1,370,052

Comments:

Enrollments at the University of Washington (UW) branch campuses are projected to be below budget in Bothell and Tacoma. The Office of Financial Management is directed to hold and release state money as new FTE students appear in Bothell and Tacoma during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

1. **Olympic College 2+2 Transfer** - Current level funds and 30 full-time equivalent students for the Olympic College 2+2 program are transferred from UW to the State Board for Community and Technical Colleges. Olympic Community College will receive and apply these monies to expand or foster partnerships with accredited baccalaureate institution(s) so that upper division classes continue to be offered locally for place- and time-bound students on the Kitsap Peninsula. The partnership with the UW-Tacoma ended last summer.
2. **Forensic Pathology Vacancy** - One-time savings will accrue to the State Death Investigations Account due to a vacant position in the Forensic Pathology Program at the UW. (Death Investigations Account-State)
3. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
4. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an

expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

5. **Graduate Student Health Insurance** - Provides 50 percent of funds necessary to maintain the current level of graduate appointee health insurance coverage. The University is expected to allocate existing funds to provide the balance of funds to maintain current levels of coverage.
6. **Commodity Internet Connectivity** - Funding is provided for campus use of the Internet. Federal funding is being discontinued due to general campus use that is beyond the type of telecommunications applications consistent with the mission of the National Science Foundation.
7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased

University of Washington

assessments beginning January 1, 2001.

Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	380,566	406,449	787,015
Total Maintenance Changes	0	0	0
Policy Changes			
1. Air Pollution Control Fund Adjust	0	-149	-149
2. Enhanced Prescription Benefit	1	0	1
3. HB Trend & UMP Claims	369	0	369
4. Boiler Replacement	0	3,600	3,600
5. Enrollment Adjustment 2000-01 SY	-1,426	-683	-2,109
6. Biotech Research	450	0	450
7. Insurance Market Reform Assessments	10	0	10
Total Policy Changes	-596	2,768	2,172
<hr/>			
1999-01 Revised Appropriations	379,970	409,217	789,187
Fiscal Year 2000 Total	183,051	200,342	383,393
Fiscal Year 2001 Total	196,919	208,875	405,794

Comments:

1. **Air Pollution Control Fund Adjust** - Funding is reduced due to the loss of revenue to the Air Pollution Control Account as a result of Initiative 695. (Air Pollution Control Account)
2. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001.
3. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
4. **Boiler Replacement** - One-time funding is provided to support steam requirements of the Pullman campus in response to boiler failure and life safety problems that surfaced last summer. It is recognized that monies may be used to conduct an energy audit of the entire campus heating system to assess its viability and the need for modern upgrades. (Education Construction Account)
5. **Enrollment Adjustment 2000-01 SY** - Enrollment growth for the 2000-01 academic year is reduced at the request of the University. The Pullman campus will be reduced by 100 full time equivalent (FTE) students, the Spokane branch campus by 50 and the Vancouver branch campus by 50. The TriCities branch campus enrollment is adjusted by 138 to 616 without a reduction of funds to provide resources for meeting enrollment goals. (General Fund-State, Non-appropriated Institutional Operating Fees Account)
6. **Biotech Research** - The University will develop biomedical research programs in Spokane. The research will contribute to the efforts of the Spokane Intercollegiate Research and Technology Institute (SIRTI) to provide economic development for eastern Washington through commercialization of ideas from higher education.
7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	84,965	67,671	152,636
Total Maintenance Changes	0	0	0
Policy Changes			
1. HB Trend & UMP Claims	90	0	90
2. Enrollments EWU 2000-01	482	259	741
3. Insurance Market Reform Assessments	2	0	2
Total Policy Changes	574	259	833
1999-01 Revised Appropriations	85,539	67,930	153,469
Fiscal Year 2000 Total	41,620	33,494	75,114
Fiscal Year 2001 Total	43,919	34,436	78,355

Comments:

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

2. **Enrollments EWU 2000-01** - Funds are provided to enroll 100 new full-time equivalent students at Eastern Washington University beginning in the 2000-01 academic year. (General Fund-State, Non-appropriated Institutional Operating Fees Account)

3. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	86,363	69,173	155,536
Total Maintenance Changes	324	0	324
Policy Changes			
1. HB Trend & UMP Claims	96	0	96
2. Insurance Market Reform Assessments	3	0	3
Total Policy Changes	99	0	99
1999-01 Revised Appropriations	86,786	69,173	155,959
Fiscal Year 2000 Total	42,060	34,002	76,062
Fiscal Year 2001 Total	44,726	35,171	79,897

Comments:

Enrollments at Central Washington University are projected to be below budget. The Office of Financial Management is directed to hold and release state money as new, FTE students appear during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

increased assessments beginning January 1, 2001.

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

2. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through the PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for

The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	46,592	35,031	81,623
Total Maintenance Changes	0	0	0
Policy Changes			
1. WSIPP High School Study	100	0	100
2. WSIPP Child Welfare Study	258	0	258
3. WSIPP Health Care Studies	130	0	130
4. WSIPP State Library Study	75	0	75
5. HB Trend & UMP Claims	51	0	51
6. WSIPP Study Adjustment	-60	0	-60
7. Insurance Market Reform Assessments	1	0	1
Total Policy Changes	555	0	555
<hr/>			
1999-01 Revised Appropriations	47,147	35,031	82,178
Fiscal Year 2000 Total	22,354	17,190	39,544
Fiscal Year 2001 Total	24,793	17,841	42,634

Comments:

1. **WSIPP High School Study** - One-time funding is provided for the Washington State Institute for Public Policy (WSIPP) to examine opportunities currently available to high school students. Information will be gathered on program attributes, student demographics, and outcomes for high school programs, including, but not limited to, college credit (advanced placement and running start), tech prep, distance learning, and career pathways. Interim findings will be reported to the Legislature by next January, with a final report due by September 15, 2001.
2. **WSIPP Child Welfare Study** - One-time funding is provided for WSIPP to examine current issues in the child welfare system. The budget act provides specific direction about each element of the study which includes: (a) outcomes for Becca youth placed in secure crisis residential facilities or mandatory chemical dependency treatment; (b) barriers to improved educational attainment by children in long-term foster care; (c) best practices in the placement and funding of residential care for children, and (d) criteria, service level decisions, and funding method for adoption support. Findings about residential care and adoption support will be reported to the Legislature by December 15, 2000. Findings about Becca youth and educational outcomes of children in long-term foster care will follow in a second report to the Legislature by December 15, 2001.
3. **WSIPP Health Care Studies** - One-time funding is provided for WSIPP to: (a) analyze strategies for containing state health care expenditures; and (b) assess options for expanding Medicaid eligibility for people with disabilities who go to work.
4. **WSIPP State Library Study** - One-time funding is provided for WSIPP to examine the mission, programs, and use of the state library. The Institute will provide recommendations about alternatives to improve services and opportunities to reduce costs by November 1, 2000.
5. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.
6. **WSIPP Study Adjustment** - Because of the late start date of new programs for street youths to be studied by WSIPP, research funding needs to be shifted so that six months of work is extended into FY 2002.

The Evergreen State College

7. **Insurance Market Reform Assessments** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	109,565	109,865	219,430
Total Maintenance Changes	123	0	123
Policy Changes			
1. HB Trend & UMP Claims	116	0	116
2. Insurance Market Reform Assessments	3	0	3
Total Policy Changes	119	0	119
<hr/>			
1999-01 Revised Appropriations	109,807	109,865	219,672
Fiscal Year 2000 Total	53,293	54,323	107,616
Fiscal Year 2001 Total	56,514	55,542	112,056

Comments:

Enrollments at Western Washington University were projected last fall to be below budget. The Office of Financial Management is directed to hold and release state money as new, FTE students appear during the 2000-01 academic year. Provisoed funds for students who do not enroll would lapse to the Education Savings Account at the close of the biennium.

increased assessments beginning January 1, 2001.

1. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits (HB) by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in Retired State Employees v. State of Washington; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and the Public Employees' Benefits Board (PEBB) will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001.

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Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	237,237	10,198	247,435
Total Maintenance Changes	0	0	0
Policy Changes			
1. Washington's Promise Scholarships	2,400	0	2,400
2. Future Teacher Cond Scholarship	1,000	0	1,000
3. Community Scholarships Matching Gr	0	0	0
Total Policy Changes	3,400	0	3,400
1999-01 Revised Appropriations	240,637	10,198	250,835
Fiscal Year 2000 Total	111,273	4,943	116,216
Fiscal Year 2001 Total	129,364	5,255	134,619

Comments:

High Demand Enrollments - The Board may contract for as many as 50 more full-time equivalent students in the 2000-01 academic year using funds presently unallocated. This reinvestment of current funds permits the board to fund up to two more proposals it received from state community and technical colleges seeking to expand undergraduate opportunities in fields of study where graduates are highly sought after by Washington employers.

1. **Washington's Promise Scholarships** - Additional funds are provided so students who qualify for a Promise Scholarship may receive an award that comes closer to full community college tuition this biennium, including home-schooled students. Any student finishing secondary studies in 2000 may qualify academically by taking the Scholastic Aptitude Test and scoring 1200 or higher on their first try.
2. **Future Teacher Cond Scholarship** - Funds are provided for college loans up to \$4,000 annually, on a demonstration basis, to encourage classified K-12 employees to become future teachers. The loan obligation can be repaid by teaching in a Washington K-12 school with shortened service requirements for those who teach in geographic or subject matter shortage areas as determined by the Superintendent for Public Instruction. The Board will report to the Legislature and Governor about the impact of the demonstration project on decisions to enter the teaching profession and shortage areas by January of 2002.
3. **Community Scholarships Matching Gr** - Makes available matching resources for community-based scholarships that are not likely to be used this year to any qualifying organization next year. The budget is reduced by \$130,000 in FY 2000 and increased by the same amount in FY 2001. This fiscal year adjustment is granted on a one-time basis and shall not carryforward for the 2001-03 biennium.

Other Education

Schools for Blind and Deaf

To provide parity between funding for teachers at the Schools for the Blind and Deaf and teachers in the K-12 public school system, \$100,000 is provided for three annual training days and \$146,000 is provided for a 3 percent salary increase. In addition, \$280,000 is provided for additional training of staff to improve recognition of, and responses to, child abuse and neglect.

Workforce Training and Education Coordinating Board

The budget provides one-time funding of \$600,000 General Fund-State for grants to local workforce development councils that will help close the skills gap facing Washington's industries. Facilitators will bring businesses, labor organizations, and/or industry associations together into industry skills panels. These panels will identify skills gaps in their industry and develop training curricula that will provide the education needed by workers to fill those gaps. Expenditure of these funds requires a 50 percent cash or in-kind match from the industries involved in the skills panels.

Washington State Historical Society

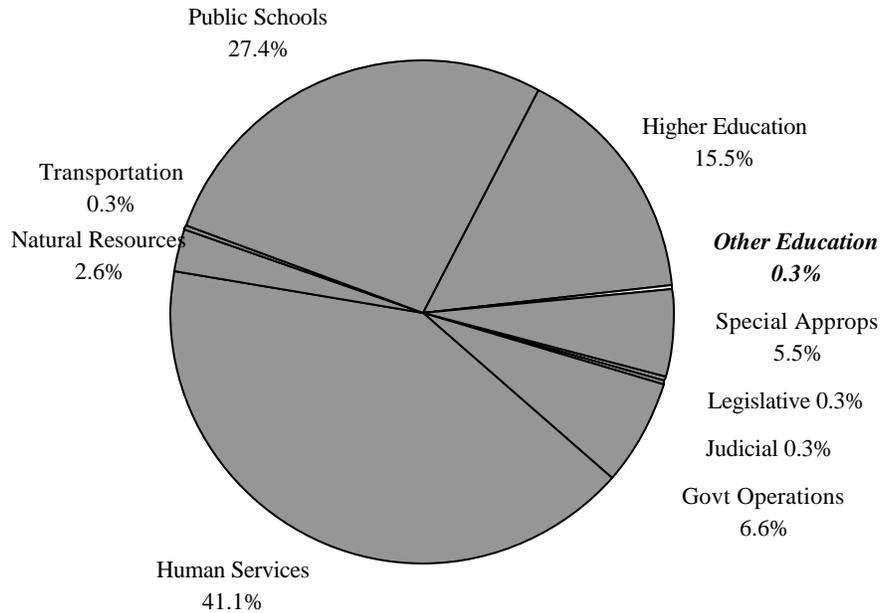
Two projects receive funding through the State Historical Society: the Columbia Gorge Interpretive Center and the History Lab, an Internet state history program for K-12 students and teachers.

1999-01 Washington State Operating Budget

Total Budgeted Funds

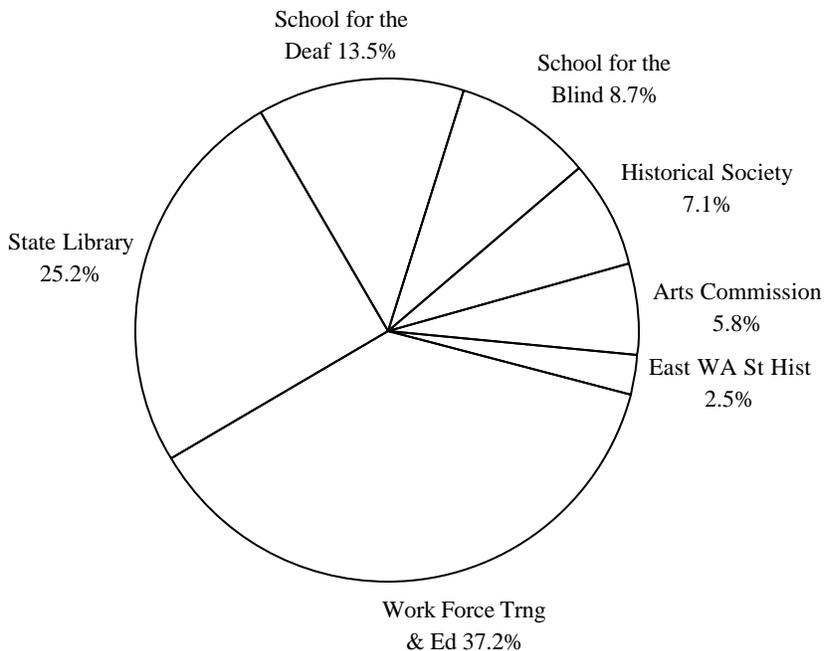
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
Natural Resources	997,655
Transportation	110,297
Public Schools	10,398,399
Higher Education	5,875,347
Other Education	101,506
Special Appropriations	2,100,858
Statewide Total	37,917,643



Washington State

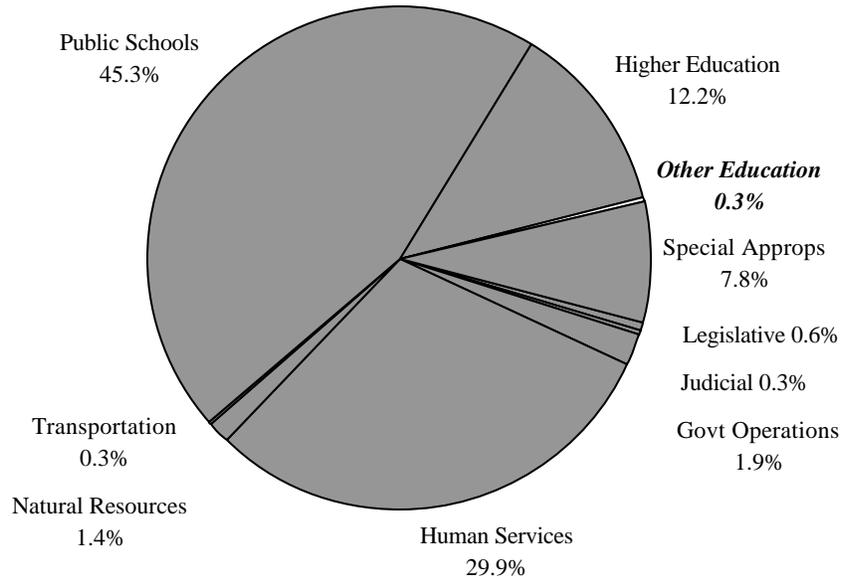
Work Force Trng & Ed	37,751
State Library	25,577
School for the Deaf	13,699
School for the Blind	8,853
State Hist Society	7,185
State Arts Comm	5,921
East WA State Hist Society	2,520
Other Education	101,506



Other Education

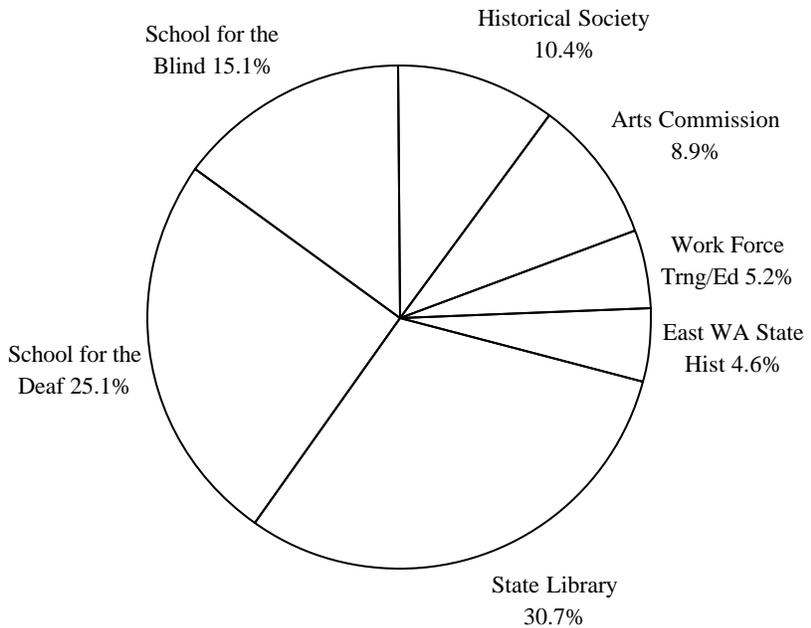
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

Legislative	117,683
Judicial	66,527
Governmental Operations	398,761
Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
Special Appropriations	1,634,494
Statewide Total	20,850,186



Washington State

State Library	16,718
School for the Deaf	13,699
School for the Blind	8,209
State Hist Society	5,652
State Arts Comm	4,876
Work Force Trng & Ed	2,847
East WA State Hist Society	2,520
Other Education	54,521



Other Education

State Library

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	16,598	8,859	25,457
Total Maintenance Changes	0	0	0
Policy Changes			
1. Facility Lease	120	0	120
Total Policy Changes	120	0	120
<hr/>			
1999-01 Revised Appropriations	16,718	8,859	25,577
Fiscal Year 2000 Total	8,419	3,909	12,328
Fiscal Year 2001 Total	8,299	4,950	13,249

Comments:

1. **Facility Lease** - Funding is provided for the lease of a facility off-site for computer staff and equipment, in order to reduce crowding at the Library and safeguard computer equipment from high room temperatures. (General Fund-State)

Washington State Arts Commission

(Dollars in Thousands)

	GFS	Other	Total
1999-01 Original Appropriations	4,876	1,000	5,876
Total Maintenance Changes	0	0	0
Policy Changes			
1. National Endowment for the Arts	0	20	20
2. Strategic Planning Process	0	25	25
Total Policy Changes	0	45	45
<hr/>			
1999-01 Revised Appropriations	4,876	1,045	5,921
Fiscal Year 2000 Total	2,314	429	2,743
Fiscal Year 2001 Total	2,562	616	3,178

Comments:

1. **National Endowment for the Arts** - In FY 2001, the National Endowment for the Arts will increase its funding of the Commission. (General Fund-Federal)

2. **Strategic Planning Process** - The Commission successfully raised private funds to support the strategic planning process, which will be completed by June 30, 2000. Completion of the strategic plan is necessary for the release of \$500,000 in state funds in FY 2001. (General Fund-Local)

Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	5,307	1,533	6,840
Total Maintenance Changes	0	0	0
Policy Changes			
1. Skamania Historical Society	200	0	200
2. History Lab	145	0	145
Total Policy Changes	345	0	345
<hr/>			
1999-01 Revised Appropriations	5,652	1,533	7,185
Fiscal Year 2000 Total	2,656	761	3,417
Fiscal Year 2001 Total	2,996	772	3,768

Comments:

1. **Skamania Historical Society** - One-time funds are provided through the Skamania Historical Society for the Columbia Gorge Interpretive Center to maintain current services. (General Fund-State)

2. **History Lab** - Funding is provided for two FTE staff for an Internet state history program for K-12 students and teachers. This funding enables the Society to realize \$1.9 million in grants and donations for the History Lab. (General Fund-State)

State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	7,992	644	8,636
Total Maintenance Changes	0	0	0
Policy Changes			
1. Teacher Training Days	44	0	44
2. Salary Correction	69	0	69
3. Training & Support	104	0	104
Total Policy Changes	217	0	217
<hr/>			
1999-01 Revised Appropriations	8,209	644	8,853
Fiscal Year 2000 Total	4,040	322	4,362
Fiscal Year 2001 Total	4,169	322	4,491

Comments:

1. **Teacher Training Days** - Funding is provided for three annual teacher training days that were funded last session for public schools in the state but not the Schools for the Deaf and Blind. (General Fund-State)

2. **Salary Correction** - Funding is provided for a 3 percent salary increase, to bring salaries up to the same level as in public schools in the district. Public school teachers received a 3 percent salary increase last year, and salary parity at the School for the Blind is legally mandated in RCW 72.40.028. (General Fund-State)

3. **Training & Support** - Funding is provided to implement Chapter 125, Laws of 2000 (SSB 6361), which increases training requirements for students, staff, and teachers at the School. (General Fund-State)

State School for the Deaf

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	13,390	0	13,390
Total Maintenance Changes	0	0	0
Policy Changes			
1. Teacher Training Days	56	0	56
2. Salary Correction	77	0	77
3. Training & Support	176	0	176
Total Policy Changes	309	0	309
<hr/>			
1999-01 Revised Appropriations	13,699	0	13,699
Fiscal Year 2000 Total	6,768	0	6,768
Fiscal Year 2001 Total	6,931	0	6,931

Comments:

1. **Teacher Training Days** - Funding is provided for three annual teacher training days that were funded last session for public schools in the state but not the Schools for the Deaf and Blind. (General Fund-State)

2. **Salary Correction** - Funding is provided for a 3 percent salary increase, to bring salaries up to the same level as in public schools in the district. Public school teachers received a 3 percent salary increase last year, and salary parity at the School for the Deaf is legally mandated in RCW 72.40.028. (General Fund-State)

3. **Training & Support** - Funding is provided to implement Chapter 125, Laws of 2000 (SSB 6361), which increases training requirements for students, staff, and teachers at the School. (General Fund-State)

Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	2,247	34,904	37,151
Total Maintenance Changes	0	0	0
Policy Changes			
1. Closing the Skills Gap	600	0	600
Total Policy Changes	600	0	600
<hr/>			
1999-01 Revised Appropriations	2,847	34,904	37,751
Fiscal Year 2000 Total	1,124	19,576	20,700
Fiscal Year 2001 Total	1,723	15,328	17,051

Comments:

1. **Closing the Skills Gap** - Funding is provided for grants to local workforce development councils that will help close the skills gap facing Washington's industries. Facilitators will bring businesses, labor organizations, and/or industry associations together into industry skills panels. These panels will identify skills gaps in their industry and develop training curriculums that will provide the education needed by workers to fill those gaps. Expenditure of these funds requires a 50 percent cash or in-kind match from the industries involved in the skills panels. (General Fund-State)

Special Appropriations

Local Government Assistance

A total of \$135 million is provided to local jurisdictions to help maintain programs affected by the passage of Initiative 695 (I-695). For counties, the budget provides \$35.5 million in ongoing funding for public safety assistance, court operations, and other services, restoring at least 53 percent of funding lost in each county. For cities, \$66.3 million in ongoing funding is provided for criminal justice, fire and police protection, and other services, restoring at least 37 percent of funding lost in each city and ensuring that no city suffers a budgetary loss in excess of 7.5 percent. Ongoing funding in the amount of \$33.2 million is provided to restore 90 percent of funding losses to public health districts and county public health programs.

Transportation

The budget includes \$177.7 million in special appropriations for transportation and transit programs. A majority of these funds are provided to help offset the loss of Motor Vehicle Excise Tax revenue from the passage of I-695. I-695 assistance includes the following: \$80 million in one-time assistance from the general fund for transit districts; \$50 million in one-time assistance from the general fund to the multimodal transportation account for transit liability payments; \$20 million in ongoing annual assistance from the general fund for ferry operations; and \$12.7 million in one-time assistance for the King Street Station rail maintenance facility. In addition to the I-695 related assistance, \$15 million is provided to Sound Transit to support the development of a light rail extension to Northgate in Seattle.

Digital Government

To facilitate the transition of doing business over the Internet, \$10 million in funding is provided to the Office of Financial Management (OFM) for projects that will permit agencies and their clientele to conduct transactions electronically. In one of the digital government initiatives, OFM will assist the Office of the Secretary of State and the Department of Licensing to convert the master business licensing process to an Internet-based application.

Trade Workers Lawsuit Settlement

Funding is provided for payments to persons employed in certain general government trades job classes between 1988 and 1993, as provided under a 1999 lawsuit settlement. Appropriations of \$3.5 million General Fund-State and \$688,000 in other funds are provided for this purpose.

Shoreline Block Grants

Funding in the amount of \$5 million is provided for grants to cities and counties for lease or less than fee simple acquisition of shoreline areas.

Extraordinary Criminal Justice Assistance

The budget provides \$550,000 for costs associated with aggravated murder cases in Cowlitz, Thurston, and Franklin counties. Within the amount provided, OFM shall determine the amount to be paid to each county based on an assessment of greatest need.

Pension Enhancements

The sums of \$13.5 million from the state general fund and \$12.2 million in other funds are provided for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530) to state agencies and higher education institutions, and as the state contribution to the Laws Enforcement Officers' and Fire Fighters' retirement system (LEOFF). The increased pension costs result from lowering the retirement age in LEOFF Plan 2 from 55 to 53, and from reducing the early retirement reduction factors for LEOFF Plan 2, Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS). In addition, the rate paid for Department of Retirement System administration will increase as a result of the

creation of a PERS Plan 3 contained in the legislation. (School districts receive another \$26.5 million for the increased pension and administration rates resulting from the legislation.)

Adjust Pension Contribution Rates

The 1998 actuarial valuations conducted by the Office of the State Actuary determined that the contribution rates necessary to meet the state's pension funding goals are lower than the pension rates currently in effect, due primarily to higher-than-expected returns on pension fund investments. To reflect the actuarial valuations, the budget lowers the state and employer contribution rates for PERS, TRS, SERS, and LEOFF. The savings for state agencies, higher education institutions and for the state contribution to LEOFF Plan 2 are \$14.8 million General Fund-State and \$13.6 million in other funds. (Savings for school districts are \$65.8 million General Fund-State.)

Employee Health Benefits

Additional funding is provided to increase the employer funding rate for state employee health benefits. State agencies receive \$2.7 million General Fund-State and \$2.9 million in other funds to pay the increased rate. (Increased funding for this purpose for higher education is included in each institution's budget. Higher education receives a total of \$2.3 million General Fund-State for increased employee health benefit costs.) The Health Care Authority (HCA) is projecting a deficit in the Public Employees' and Retirees' Insurance Account of over \$16 million at the end of the biennium, with no money in the premium stabilization reserves. The projected shortfall results from new estimates for managed care premium trends for calendar year 2001 and higher-than-expected claims in the self-insured Uniform Medical Plan (UMP). The funding addresses the projected increase in managed care premiums, repays reserves used to pay claims in the 1998 settlement of a retirees' lawsuit, and partially addresses the shortfall caused by the increase in UMP claims. The Public Employees' Benefits Board will address the remaining shortfall through increased co-pays, increased employee premiums, or similar adjustments. If the shortfall is addressed solely through employee premium contributions, the HCA estimates the average employee premium could increase from the current \$14.00 per month to at least \$26.50 per month.

The additional funding also includes amounts for enhanced prescription contraceptive benefit and increased assessments for the Washington State High-Risk Insurance Pool that will result from Chapter 79, Laws of 2000 (E2SSB 6067).

The total monthly state agency employer funding rate for insurance benefits in fiscal year 2001 is increased from \$427.46 to \$436.16 per employee.

Registered Nurse Salary Step Increase

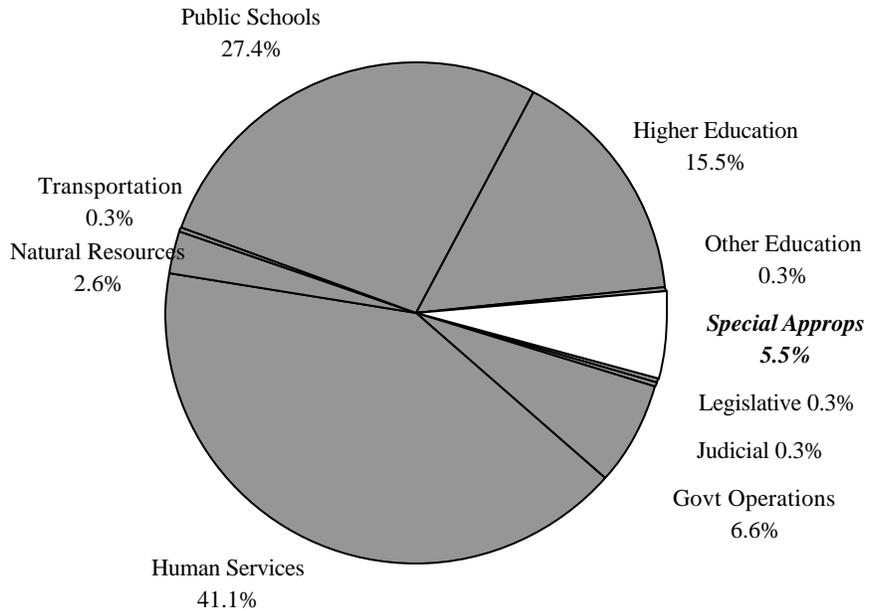
Funding is provided to add one or more steps to the special salary pay range for certain registered nurse job classes that are used in the state mental hospitals and in correctional facilities. The classes include registered nurse 1-3, community nurse specialist, clinical nurse specialist, and nurse practitioner. The additional steps are contingent upon Washington Personnel Resources Board review and upon agreement that the increases will improve recruitment and retention at Western State Hospital and the McNeil Island correctional facility. Appropriations of \$800,000 General Fund-State and \$400,000 General Fund-Federal are made for this purpose.

1999-01 Washington State Operating Budget

Total Budgeted Funds

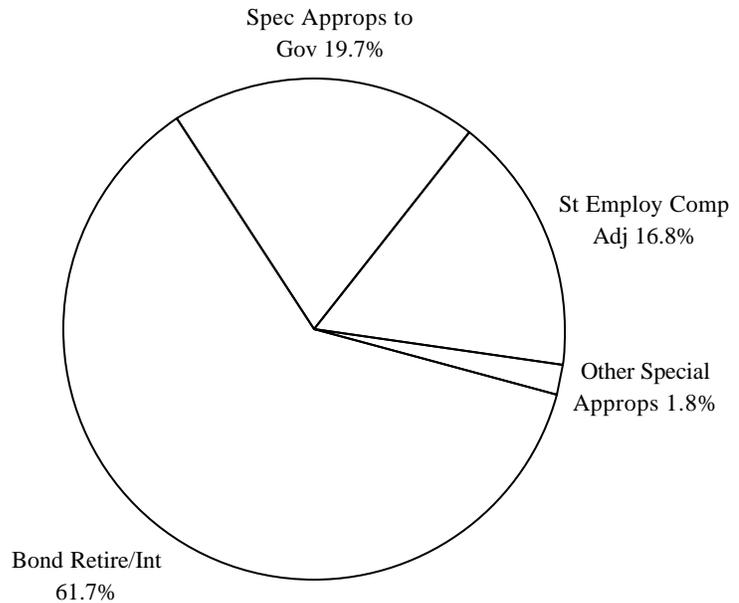
(Dollars in Thousands)

Legislative	124,815
Judicial	123,118
Governmental Operations	2,518,891
Human Services	15,566,757
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<i>Special Appropriations</i>	<i>2,100,858</i>
Statewide Total	37,917,643



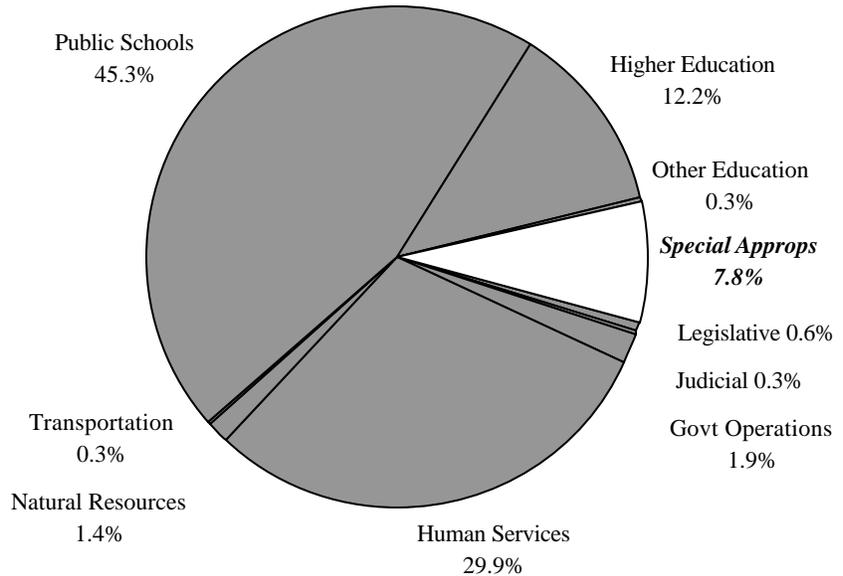
Washington State

Bond Retirement/Interest	1,295,863
Special Approps to Governor	413,305
State Employee Comp Adj	353,171
Other Special Approps	38,519
<i>Special Appropriations</i>	<i>2,100,858</i>



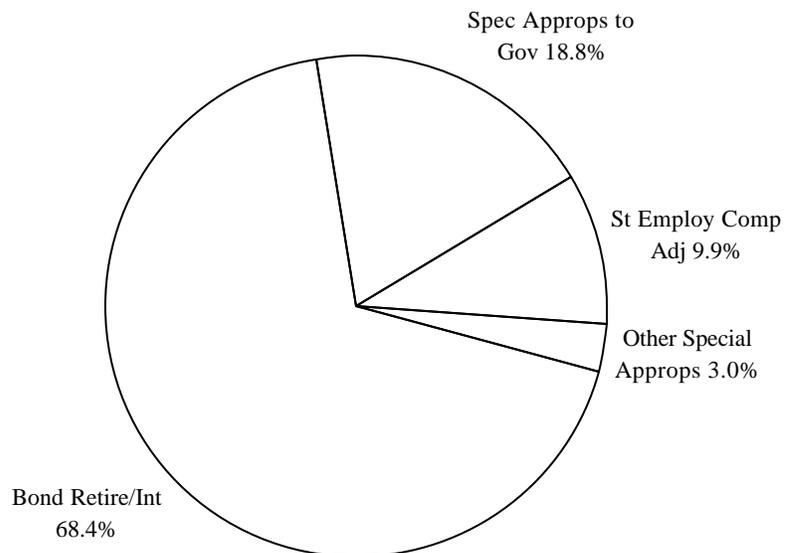
1999-01 Washington State Operating Budget
General Fund-State
(Dollars in Thousands)

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Human Services	6,235,457
Natural Resources	299,174
Transportation	52,823
Public Schools	9,442,945
Higher Education	2,547,801
Other Education	54,521
<i>Special Appropriations</i>	<i>1,634,494</i>
Statewide Total	20,850,186



Washington State

Bond Retirement/Interest	1,118,176
Special Approps to Governor	307,014
State Employee Comp Adj	161,024
Other Special Approps	48,280
<i>Special Appropriations</i>	<i>1,634,494</i>



Bond Retirement & Interest

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	1,108,747	160,092	1,268,839
Total Maintenance Changes	0	0	0
Policy Changes			
1. Update Projected Debt Serv Payments	9,429	17,595	27,024
2. Debt Service Adjustment	0	0	0
Total Policy Changes	9,429	17,595	27,024
1999-01 Revised Appropriations	1,118,176	177,687	1,295,863
Fiscal Year 2000 Total	659,037	88,514	747,551
Fiscal Year 2001 Total	459,139	89,173	548,312

Comments:

1. **Update Projected Debt Serv Payments** - Funding is provided to address increased debt service payments due to interest rate changes. (General Fund-State, Other Funds)
2. **Debt Service Adjustment** - Debt service payments are shifted from FY 2001 to FY 2000 to accommodate the statewide expenditure limit established by Initiative 601.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest budget is shown in the Transportation Budget Section of this document.

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	27,165	47,238	74,403
Total Maintenance Changes	0	0	0
Policy Changes			
1. Shoreline Block Grants	0	5,000	5,000
2. Extraordinary Criminal Justice Cost	0	-140	-140
3. FDA Excess Funds Distribution	0	10,000	10,000
4. K-20 Network	-1,800	0	-1,800
5. Electronic Commerce	0	10,000	10,000
6. Multimodal Account Funding	50,000	0	50,000
7. RTA Rail Maintenance Facility	12,700	0	12,700
8. Sound Transit Assistance	15,000	0	15,000
9. Ferry Assistance	20,000	0	20,000
10. Lawsuits/Judicial Rulings	3,488	888	4,376
11. Agricultural Trust Management	0	121	121
12. Year 2000 Pool Reduction	-1,534	0	-1,534
13. Local Government Assistance	101,922	33,184	135,106
14. Transit Assistance	80,000	0	80,000
15. Midwifery Program Shortfall	73	0	73
Total Policy Changes	279,849	59,053	338,902
1999-01 Revised Appropriations	307,014	106,291	413,305
Fiscal Year 2000 Total	118,871	41,479	160,350
Fiscal Year 2001 Total	188,143	64,812	252,955

Comments:

- | | |
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| <p>1. Shoreline Block Grants - Funding is provided for block grants to cities and counties for the acquisition of less than fee simple interests in shoreline parcels. Of the total, \$1.5 million is provided for a pilot program in Skagit County to implement an agricultural riparian buffer plan. (Salmon Recovery Account)</p> <p>2. Extraordinary Criminal Justice Cost - Funding authority is reduced by \$690,000 to reflect unrealized reimbursement costs for the adjudication of an aggravated murder case in Okanogan County. In addition, FY 2001 funding of \$550,000 is provided for assistance to Franklin County, Cowlitz County, and Thurston County for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases, based on the recommendations of the Office of Public Defense developed pursuant to Chapter 303, Laws of 1999 (HB 1599). The additional funding lapses on January 1, 2001. (Public Safety and Education Account-State)</p> <p>3. FDA Excess Funds Distribution - One-time authority is provided to the Department of Natural Resources to distribute excess funds from the Forest Development Account (FDA). Funds credited back to the state shall be placed in the Salmon Recovery Account. (Forest Development Account-State)</p> <p>4. K-20 Network - Funding for the K-20 Technology Network is adjusted to reflect the lower cost of recently-negotiated contracts.</p> <p>5. Electronic Commerce - Funding is provided for the implementation of the Digital Government Initiative. The</p> | <p>Initiative supports the development of additional on-line services through a common state infrastructure system. A portion of the funding will be used specifically to develop applications to allow businesses to file master business licenses over the Internet. Funding is provided in a pooled manner to facilitate consideration of multiple small individual project requests. (Master License Account, Electronic Commerce Revolving Account, Data Processing Revolving Account)</p> <p>6. Multimodal Account Funding - Based on current revenue projections, the Transportation Fund will not have the revenues necessary to make the last two Motor Vehicle Excise Tax (MVET) distributions to public transportation systems in January and April 2000. Funding is provided to the Transportation Fund from the General Fund to partially offset this liability. The balance will come from various other transportation funds.</p> <p>7. RTA Rail Maintenance Facility - Funding is provided from the general fund to the Multimodal Transportation Account for the Sound Transit (Regional Transit Authority [RTA]) rail maintenance facility in FY 2001.</p> <p>8. Sound Transit Assistance - Financial assistance is provided to Sound Transit regional transit authority to support the development of a light rail extension to Northgate in Seattle.</p> <p>9. Ferry Assistance - Ongoing support is provided to the Puget Sound Ferry Operations Account.</p> |
|--|--|

Special Appropriations to the Governor

10. **Lawsuits/Judicial Rulings** - Funding is provided for the following one-time legal costs and settlements: \$24,000 is provided to the Citizens' Commission on Salaries for Elected Officials for legal costs related to a lawsuit; \$200,000 is provided to the Military Department for legal defense costs related to claims of property damage caused by the release of flood waters from dams during the 1996 storm events (funding for the payment of any judgments or settlements is deferred); and \$4,152,000 is provided to the Office of Financial Management for the settlement of a 1991 lawsuit. (General Fund-State, Salary and Insurance Increase Revolving Account, Disaster Response Account)
11. **Agricultural Trust Management** - Chapter 279, Laws of 1999 (SSB 6090), created the Agricultural College Trust Management Account in the state treasury. Funds previously deposited to the Resource Management Cost Account from the proceeds of the sale of resources from agricultural college trust lands were moved into the new account. Additional funds credited to the sale of resources from agricultural college trust lands are made to the Agricultural College Trust Lands Management Account. (Resource Management Cost Account-State)
12. **Year 2000 Pool Reduction** - The Year 2000 pool was created to target funds for agencies to mitigate problems and issues arising from the Year 2000 date change. Appropriation authority is reduced to reflect actual allocations made from the Year 2000 pool and projected unspent moneys.
13. **Local Government Assistance** - Funding is provided to assist local jurisdictions in addressing the financial impacts of Initiative 695, which repealed the Motor Vehicle Excise Tax. Amounts of \$21.7 million for FY 2000 and \$44.6 million for FY 2001 are provided to cities. For counties, \$11.9 million and \$23.7 million are provided in FY 2000 and FY 2001, respectively. For county health departments and public health districts, \$11.1 million for FY 2000 and \$22.1 million for FY 2001 of the Health Services Account are provided for public health purposes. (General Fund-State, Health Services Account)
14. **Transit Assistance** - A one-time amount of \$80 million is distributed to public transportation systems to assist in the continuation of services.
15. **Midwifery Program Shortfall** - A General Fund-State appropriation is provided for deposit to the Health Professions Account to cover a revenue shortfall in the midwifery certification program in the Department of Health.

Sundry Claims

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Total Maintenance Changes	0	0	0
Policy Changes			
1. Self-Defense Claims	<u>215</u>	<u>0</u>	<u>215</u>
Total Policy Changes	215	0	215
<hr/>			
1999-01 Revised Appropriations	215	0	215
Fiscal Year 2000 Total	215	0	215
Fiscal Year 2001 Total	0	0	0

Comments:

1. **Self-Defense Claims** - On the recommendation of the Division 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 appropriation reflects the February 11, March 9, and April 25, 2000, updated transmittals from the Division of Risk Management.

Other Appropriations

(Dollars in Thousands)

	GF-S	Other	Total
Total Maintenance Changes	0	0	0
Policy Changes			
1. Efficiency Savings	-3,647	-9,761	-13,408
Total Policy Changes	-3,647	-9,761	-13,408
<hr/>			
1999-01 Revised Appropriations	-3,647	-9,761	-13,408
Fiscal Year 2000 Total	-1,094	-1,952	-3,046
Fiscal Year 2001 Total	-2,553	-7,809	-10,362

Comments:

1. **Efficiency Savings** - The Office of Financial Management is directed to reduce state agency appropriations according to the LEAP Committee document entitled "1999-2001 Efficiency Reductions." Excluded from the reductions are the Parks and Recreation Commission and the Department of Corrections. (General Fund-State, Efficiency Savings Account)

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	160,547	189,910	350,457
Total Maintenance Changes	71	255	326
Policy Changes			
1. 1998 Pension Valuation Savings	-13,033	-13,564	-26,597
2. Plan 2 Pension System Enhancements	9,302	11,582	20,884
3. PERS 3 Implementation Costs	598	622	1,220
4. Enhanced Prescription Benefit	6	7	13
5. Additional Step for RNs	800	400	1,200
6. HB Trend & UMP Claims	2,661	2,857	5,518
7. Insurance Market Reform	72	78	150
Total Policy Changes	406	1,982	2,388
<hr/>			
1999-01 Revised Appropriations	161,024	192,147	353,171
Fiscal Year 2000 Total	52,589	64,937	117,526
Fiscal Year 2001 Total	108,435	127,210	235,645

Comments:

1. **1998 Pension Valuation Savings** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuation studies for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on investments in the pension funds. Starting May 1, 2000, the current Public Employees' Retirement System (PERS) employer rate will be reduced from 4.41 percent of salary to 3.58 percent and the Teachers' Retirement System (TRS) employer rate will be reduced from 8.49 percent to 6.03 percent. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Other Funds)
4. **Enhanced Prescription Benefit** - Funding is provided to increase the FY 2001 employer funding rate for health benefits by \$0.02 for expanded coverage of prescription contraceptives in health plans offered by the Public Employees' Benefits Board (PEBB) beginning January 1, 2001. (General Fund-State, General Fund-Federal, Salary and Insurance Increase Revolving Account)
2. **Plan 2 Pension System Enhancements** - Funding is provided for the increased pension systems costs resulting from the changes to Plan 2 and Plan 3 early retirement reduction factors as provided in Chapter 247, Laws of 2000 (ESSB 6530). Members who have attained the age of 55 and have completed 30 service credit years can elect an early retirement with a benefit that is reduced a flat 3 percent per year for each year the individual is under age 65. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Other Funds)
5. **Additional Step for RNs** - Funding is provided for an additional step or steps for specific registered nurse (RN) job classes used in state mental hospitals, developmental disabilities facilities, correctional facilities, and other similar state institutional settings. Funding is contingent upon Washington Personnel Resources Board review and approval that the additional step or steps will improve recruitment and retention of nurses at Western State Hospital and McNeil Island Correctional Facility. The annual General Fund-State cost of the added step or steps cannot exceed \$800,000. (General Fund-State, General Fund-Federal)
3. **PERS 3 Implementation Costs** - The creation of an optional PERS Plan 3 in Chapter 247, Laws of 2000 (ESSB 6530), will require more than \$10 million in implementation costs by the Department of Retirement Systems (DRS) during the 2001-03 biennium. These are funded from the DRS administrative expense fund, which is charged against all salaries reported for members of the various state retirement systems. The DRS expense fund rate will be increased by 0.04 percent of pay in May 2000 to provide funding for PERS Plan 3 implementation costs. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Other Funds)

State Employee Compensation Adjustments

6. **HB Trend & UMP Claims** - Funding is provided to increase the employer funding rate for employee health benefits by \$8.45 per employee per month beginning July 1, 2000. Of the rate increase, \$4.81 is to accelerate the repayment of reserves used to pay claims in the settlement in *Retired State Employees v. State of Washington*; the rate increase will result in the reserves being paid back by June 30, 2001. Of the rate increase, \$1.82 is for an expected increase in managed care plan premium trends for calendar year (CY) 2001. And finally, \$1.82 of the rate increase is to partially address increased claims costs in the state's self-insured Uniform Medical Plan (UMP). Prior to receiving this additional funding, the Health Care Authority (HCA) was projecting a \$16 million fund deficit by the end of the 1999-2001 biennium, with a zero balance in the UMP premium stabilization reserve. The additional funding will partially address the projected shortfall. HCA and PEBB will consider increases in co-pays and employee premiums to address the remaining shortfall. If the premium trends for CY 2001 are 12 percent, as currently projected by HCA, and if no other changes are made, the average monthly employee premium is projected to be \$26.50 or more beginning January 1, 2001. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Account)
7. **Insurance Market Reform** - Chapter 79, Laws of 2000 (E2SSB 6067), will result in higher assessments on health carriers to subsidize care provided through the Washington State Health Insurance Pool (WSHIP). Funding is provided for the increased assessments on employee health plans provided through PEBB. Funding is also provided for the state's self-insured UMP to pay the assessments; prior to the enactment of Chapter 79, Laws of 2000, UMP did not pay an assessment for the WSHIP. The employer funding rate for health benefits is increased by \$0.23 per employee per month beginning July 1, 2000, to pay for increased assessments beginning January 1, 2001. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Account)

Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Original Appropriations	49,870	0	49,870
Total Maintenance Changes	0	0	0
Policy Changes			
1. 1998 Valuation Pension Savings	-1,722	0	-1,722
2. LEOFF 2 Benefit Improvements	3,564	0	3,564
Total Policy Changes	1,842	0	1,842
<hr/>			
1999-01 Revised Appropriations	51,712	0	51,712
Fiscal Year 2000 Total	23,832	0	23,832
Fiscal Year 2001 Total	27,880	0	27,880

Comments:

1. **1998 Valuation Pension Savings** - In August 1999, the Office of the State Actuary released the results of the 1998 actuarial valuation studies for the state pension systems. The valuation studies found that the employer contribution rates necessary to fund current pension benefits were less than the current rates, due primarily to higher-than-expected returns on the investments in the pension funds. Funding is adjusted to reflect the decrease in the state contribution rate for the Law Enforcement Officers' and Fire Fighters' (LEOFF) retirement system. Starting May 1, 2000, the LEOFF state rate will be reduced from the current 2.35 percent of salary to 2.16 percent.

2. **LEOFF 2 Benefit Improvements** - Funding is provided to increase the state contribution for the LEOFF retirement system Plan 2 for the increased pension system costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). The LEOFF 2 retirement age is reduced from 55 to 53 and the early retirement reduction factor for those with 20 years of service who are at least age 50 is reduced to 3 percent for each year the member is less than 53 years old. Beginning September 1, 2000, the state contribution for LEOFF 2 will be 2.71 percent.

2000 Supplemental Transportation Budget

Operating and Capital

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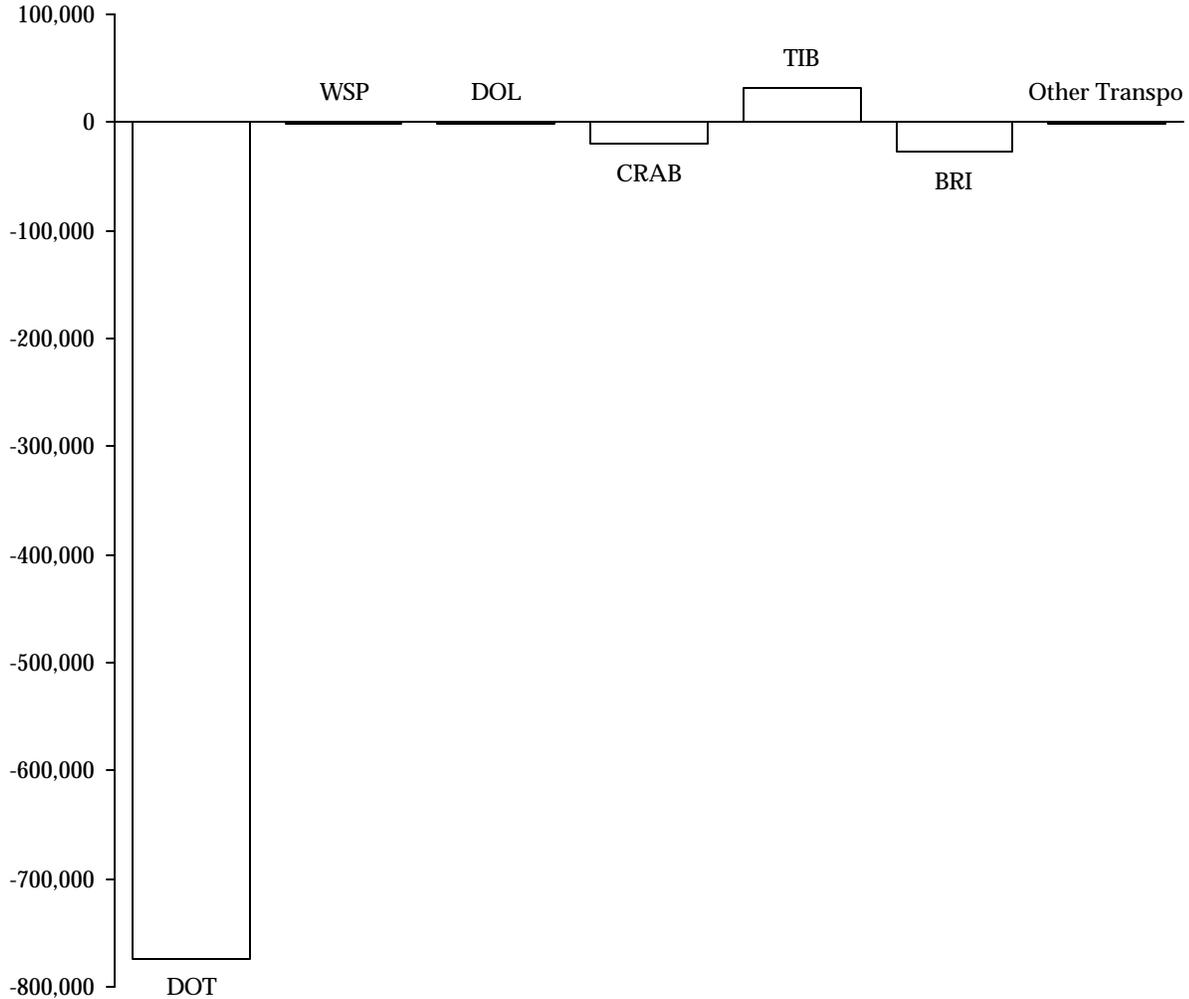
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2000 Transportation Supplemental Budget

Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY AGENCY Operating and Capital



<u>Major Transportation Agencies</u>	<u>2000 Supp</u>	<u>% Chg From Orig</u>
Department of Transportation	-775,001	-23.6%
Washington State Patrol	-1,618	-0.7%
Department of Licensing	-1,492	-0.9%
County Road Administration Board	-19,897	-17.9%
Transportation Improvement Board	32,338	13.6%
Other Transportation	-961	-3.5%
Total Appropriation	-766,631	-18.9%
Bond Retirement & Interest	-26,663	-9.5%
Total Budget	-793,294	-18.3%

1999-01 Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

Total Appropriated Funds

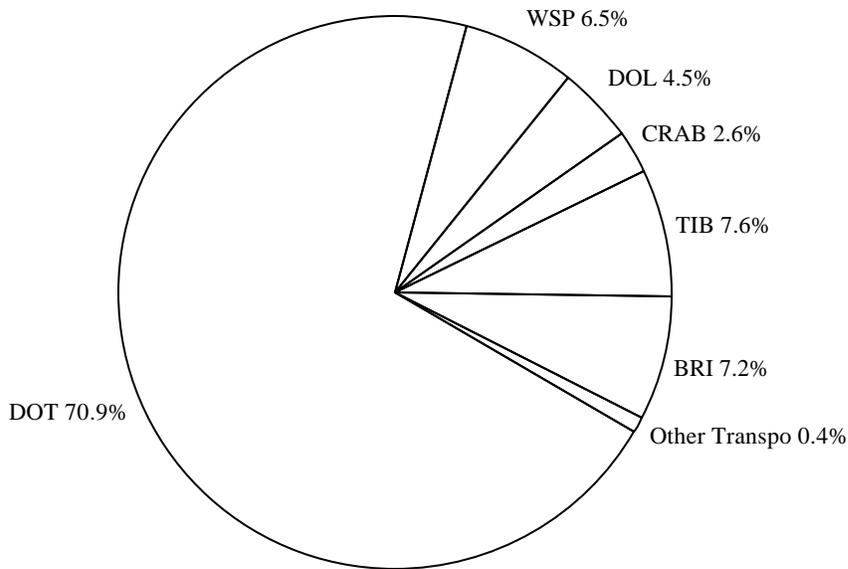
(Dollars in Thousands)

	Original 1999-01 Appropriations	2000 Supplemental Budget	Revised 1999-01 Appropriations
Department of Transportation	3,282,519	-775,001	2,507,518
Program D - Highway Management & Facilities	71,055	-10,188	60,867
Program F - Aviation	4,416	790	5,206
Program I1 - Improvements - Mobility	767,567	-289,650	477,917
Program I2 - Improvements - Safety	169,686	-30,291	139,395
Program I3 - Improvements - Economic Initiatives	257,208	-129,677	127,531
Program I4 - Improvements - Environmental Retrofit	35,416	-8,747	26,669
Program I7 - SR 16 Tacoma Narrows Bridge Project	0	50,000	50,000
Program K - Economic Partnerships	11,374	-5,527	5,847
Program M - Highway Maintenance and Operations	255,730	-11,900	243,830
Program P1 - Preservation - Roadway	323,102	-47,002	276,100
Program P2 - Preservation - Structures	163,382	-16,297	147,085
Program P3 - Preservation - Other Facilities	120,032	-11,323	108,709
Program Q - Traffic Operations	39,090	-3,292	35,798
Program S - Transportation Management and Support	110,804	-15,758	95,046
Program T - Transpo Planning, Data & Research	30,480	-1,650	28,830
Program U - Charges from Other Agencies	27,881	-772	27,109
Program V - Public Transportation	25,391	-5,942	19,449
Program W - Washington State Ferries - Capital	285,220	-123,004	162,216
Program X - Washington State Ferries - Operating	303,014	-12,005	291,009
Program Y - Rail	126,094	-56,250	69,844
Program Z - Trans Aid Operating/Capital	155,577	-46,516	109,061
Washington State Patrol	231,050	-1,618	229,432
Field Operations Bureau	160,860	-224	160,636
Support Services Bureau	67,862	-1,394	66,468
Capital	2,328	0	2,328
Department of Licensing	159,456	-1,492	157,964
Management and Support Services	11,317	63	11,380
Information Systems	9,524	-292	9,232
Vehicle Services	59,190	-2,019	57,171
Driver Services	79,425	756	80,181
Senate	2,586	-150	2,436
Legislative Transportation Committee	4,283	-650	3,633
Legislative Evaluation & Accountability Program Committee	900	-13	887
Board of Pilotage Commissioners	290	-37	253
Utilities and Transportation Commission	111	111	222
Washington Traffic Safety Commission	11,494	0	11,494
County Road Administration Board	111,044	-19,897	91,147
Transportation Improvement Board	237,418	32,338	269,756
Marine Employees' Commission	356	-34	322
Transportation Commission	807	-40	767
Freight Mobility Strategic Investment Board	600	-60	540
State Parks and Recreation Commission	3,621	-72	3,549
Department of Agriculture	327	-16	311
Blue Ribbon Commission on Transportation	1,800	0	1,800
Total Appropriation	4,048,662	-766,631	3,282,031
Bond Retirement & Interest	281,439	-26,663	254,776
Total Budget	4,330,101	-793,294	3,536,807

**1999-01 Washington State Transportation Budget
Chapter 3, Laws of 2000, 2nd sp.s., Partial Veto (E2SSB 6499)
Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY AGENCY
1999-01 Revised Budget
Operating and Capital**



Major Transportation Agencies	1999-01 Original	2000 Supp	1999-01 Revised
Department of Transportation	3,282,519	-775,001	2,507,518
Washington State Patrol	231,050	-1,618	229,432
Department of Licensing	159,456	-1,492	157,964
County Road Administration Board	111,044	-19,897	91,147
Transportation Improvement Board	237,418	32,338	269,756
Other Transportation	27,175	-961	26,214
Total Appropriation	4,048,662	-766,631	3,282,031
Bond Retirement & Interest	281,439	-26,663	254,776
Total	4,330,101	-793,294	3,536,807

2000 Supplemental Transportation Budget Highlights

Transportation Budget Comparisons

(Dollars in Millions)

<u>1997-99 Transportation Funding</u>	
1997-99 Funding	2,896
1998 Supplemental Budget	181
1999 Supplemental Budget	-73
Total 1997-99 Funding	3,004
<u>1999-01 Transportation Funding</u>	
1999-01 Funding	4,049
2000 Supplemental Budget	-767
Revised 1999-01 Funding	3,282

Note: Bond Retirement & Interest amounts are not included.

Budget Revenues

The budget maximizes one-time and ongoing revenue sources from the general fund, rental car tax, and the increase in motor vehicle license fees to provide ongoing funding for the safe operation, maintenance, and preservation of our transportation systems.

One-Time General Fund Support

- To address the transit liability, the general fund appropriates a one-time \$50 million to the Multimodal Transportation Account. An additional one-time \$107.7 million is provided in the omnibus budget and expended as follows:
 - \$80 million for transit districts in the 1999-01 biennium.
 - \$12.7 million for the King Street Rail Maintenance Facility.
 - \$15.0 million for Sound Transit.

Ongoing General Fund Support

- Annual general fund transfer of \$35 million in interest from the Emergency Reserve Account will be deposited into the Multimodal Transportation Account to fund transportation activities. This revenue can leverage up to \$440 million in Bonds. It is the intent of the Legislature to revert this money back to the Emergency Reserve Account in the event a long-term revenue source for transportation is approved.
- Annual general fund transfer of \$20 million for ferry operations.

General Fund Support for Transportation Systems						
(Dollars in Millions)						
	2001	2002	2003	2004	2005	5 Year Total
Transportation Projects	35.0	35.0	35.0	35.0	35.0	175.0
Ferry Operating Transfer	20.0	20.0	20.0	20.0	20.0	100.0
Transit Liability	50.0					50.0
Rail Transfer	12.7					12.7
Transit Distributions	80.0					80.0
Sound Transit	15.0					15.0
Totals	212.7	55.0	55.0	55.0	55.0	432.7

Transportation Budget Revenues

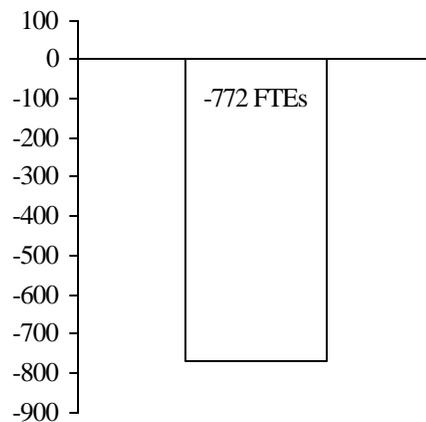
- \$33 million in sales tax on rental cars is assumed in the transportation budget.
- \$27 million in additional revenue from the Initiative 695 increase in license fees is redirected from the State Patrol Highway Account to state transportation programs.

Initiative 695 Necessitated Expenditure Reductions

All agencies have shared in the necessary budget reductions. Reductions total to \$22 million in efficiencies realized in the 1999-01 transportation budget. The reductions allow the Legislature, working on a bipartisan basis, and the Blue Ribbon Commission on Transportation to offer longer-term solutions.

- Agency reductions in the 1999-01 biennium:
 - Administrative budgets are reduced on an ongoing basis.
 - Vacancy rates are reduced through the elimination of open positions.
 - Reinvestment of under-runs (current savings achieved in each transportation agency).
- Elimination of city, county, and County Road Administration Board Referendum 49 monies.

FTEs Reduced in the Transportation Budget



Expenditure Highlights

Local Government

- \$114 million (\$50 million in general fund funding and \$64 million in transportation funding) is provided to fully fund the existing state transit liability.
- \$80 million is provided in 1999-01 transit districts to help reduce the impact of Initiative 695 on Motor Vehicle Excise Tax (MVET) dependent transit agencies.
- \$5 million is provided to restore the Small City Pavement Management Program.
- \$5 million is provided for school safety projects.
- \$5 million is provided for freight rail grants that maintain short line rail service throughout the state.
- \$60 million in Transportation Improvement Board Bonds is provided for local partnership and freight mobility projects. (\$30 million for local transportation projects and \$30 million for Freight Mobility Strategic Investment Board [FMSIB] projects.)
- \$25 million is provided for city and county corridor congestion relief programs.

- \$790 thousand is provided for airport preservation grants and matching federal grant funds for an economic study of aviation in Washington State.
- \$240 thousand is provided for a county freight and goods system project.
- \$111 thousand is provided for a competitive grade crossing protection grant program.

Protecting Our Investments

- \$244 million is provided to fund highway maintenance at 1997-99 program levels. This funding keeps rest areas open and maintains highway lighting.
- \$532 million is provided to fund highway preservation activities at 95 percent of 1997-99 program levels.
- \$453 million is provided to maintain ferry service throughout Puget Sound.
- \$823 million is invested in highway improvement construction projects for the remainder of this biennium.
- \$12.7 million is provided in the omnibus budget to construct the King Street Maintenance Facility and to maintain continued partnerships with Amtrak and Sound Transit.
- \$500 thousand is provided for Senator George Sellar refrigerated train cars to ship Washington State produce on the Seattle to Chicago *Empire Builder* train.
- \$750 thousand is provided for the Agency Council on Coordinated Transportation.

Safety

- 19 Washington State Commissioned Officers are cut from the Washington State Patrol's (WSP) License Fraud Unit. The officers will be retained as investigators working on auto theft, fuel tax evasion, and vehicle identification number referrals in existing funded, vacant positions.
- \$200 thousand is provided for a WSP vehicle video camera pilot project.
- \$2.2 million is provided for base station upgrades and portable radios for WSP troopers.
- \$31 million in highway safety funding is restored to complete projects that were previously eliminated due to Initiative 695.
- \$1.5 million is restored to keep open and maintain all highway safety rest areas.
- \$600 thousand is restored in order to implement the Safety Service Roving Patrol Pilot Project.
- \$550 thousand in airport grant funding is provided for local communities to alleviate a backlog in safety preservation projects.

Agency Summary

Department of Transportation: \$2.51 Billion

(Original 1999-01 Budget = \$3.28 billion; a reduction of \$775 million)

State Highways: \$1.6 Billion

(Original 1999-01 Budget = \$2.1 billion; a reduction of \$500 million)

- \$823 million is provided for state highway improvements:
 - High Occupancy Vehicles (HOVs): \$118 million for design, right-of-way, and construction of HOV projects, including \$46 million in restored funding.
 - Congestion Relief: \$349 million is provided for highway capacity improvements, including major projects such as Sunset Interchange on I-90 and Sprague Avenue to Argonne Road on I-90 in Spokane.
 - Safety: \$139 million to improve the safety of state highways, including SR 9 to Paradise Road on SR 522 (Killer Highway); \$31 million in restored funding to continue such projects as SR 17 (Killer Corner), SR 12, and SR 395 that were originally cut due to Initiative 695.
 - Economic Development/Freight Mobility: \$128 million in state funding for economic initiatives, including \$27 million in restored funding to continue projects on SR 397, SR 20, SR 5, and SR 31.
 - Environmental: \$27 million for environmental projects, including \$16 million in partially restored funding for Endangered Species Act project certification, fish passage barrier removal, and storm-water run-off projects. \$1 million in additional funding is provided for the Advanced Environmental Mitigation Revolving Account.
 - Tacoma Narrows Bridge: \$50 million is provided for the Tacoma Narrows Bridge, including \$39 million in restored state funding.
- \$532 million is provided for highway preservation to repave roadways, repair and rebuild bridges, repair unstable slopes, etc.
- \$244 million is provided for the maintenance of state highways, including keeping open all safety rest areas, snow and ice removal, patching roadways, pavement striping, maintaining traffic signals, and retaining current levels of highway illumination, etc.

Washington State Ferries – Operating: \$291 million

(Original 1999-01 Budget = \$303 million; a reduction of \$12 million)

- \$10.3 million is provided to partially restore weekend, night, and shoulder auto ferry service and weekday passenger-only ferry service through June 2001.
- No immediate fare increases are required.

Washington State Ferries – Capital: \$162 million

(Original 1999-01 Budget = \$285 million; a reduction of \$123 million)

- The capital program is re-aligned to ensure it supports the Ferry Operating Budget.

Rail – Operating: \$33.0 million

(Original 1999-01 Budget = \$33.1 million; a reduction of \$50 thousand)

- Existing rail passenger services are maintained including a second roundtrip between Seattle and the Canadian Border.

Rail – Capital: \$36.8 million

(Original 1999-01 Budget = \$93.0 million; a reduction of \$56.2 million)

- \$5 million is provided for light-density freight rail line loans and grants.
- \$500 thousand is provided for George Sellar refrigerated train cars to ship Washington State produce on the Seattle to Chicago *Empire Builder* train.
- \$12.7 million in one-time funding is restored for the King Street Maintenance Facility (provided in the omnibus budget).

Highway Management and Facilities/Plant Construction & Supervision: \$60.9 million

(Original 1999-01 Budget = \$71.1 million; a reduction of \$10.2 million)

- \$2 million is provided for additional maintenance due to delayed completion of capital projects.
- \$10 million is made available by delaying the construction of planned capital facility projects.
- \$1.3 million in savings is realized through a variety of administrative cost reductions.

Aviation: \$5.2 million

(Original 1999-01 Budget = \$4.4 million; an increase of \$790 thousand)

- \$550 thousand in increased grant funding is provided to help reduce backlogged airport safety preservation activities.
- \$240 thousand is provided for the state match of a federal grant for an economic study of aviation in Washington.

Traffic Operations: \$35.8 million

(Original 1999-01 Budget = \$39.1 million; a decrease of \$3.3 million)

- \$3.9 million is made available by the elimination of one-time funding for low-cost traffic operation enhancements.
- \$600 thousand is restored in order to implement the Safety Service Patrol Pilot Project.

Transportation Management: \$95.0 million

(Original 1999-01 Budget = \$110.8 million; a decrease of \$15.8 million)

- \$14.7 million reduction in computer equipment and systems development.
- \$1.8 million reduction in management, administration, and support.

Transportation Planning, Data, and Research: \$28.8 million

(Original 1999-01 Budget = \$30.5 million; a decrease of \$1.7 million)

- \$2 million is made available by postponing projects and through administrative cost reductions.
- \$350 thousand within the existing program is dedicated for developing an analytic method for investment choices in rail, highways, freight rail, transit, etc.

Public Transportation: \$19.4 million

(Original 1999-01 Budget = \$25.4 million; a decrease of \$5.9 million)

- \$6.1 million is provided for the Commute Trip Reduction Program.
- \$3.5 million is provided for rural mobility projects.
- \$750 thousand is provided for the Agency Council on Coordinated Transportation.

Trans Aid: \$109.1 million

(Original 1999-01 Budget = \$155.6 million; a decrease of \$46.5 million)

- \$40.7 million is provided for local freight mobility projects.
- \$25 million is provided for city and county corridor congestion relief programs that complement the state corridor congestion relief program.
- \$10 million is provided as a state match with Oregon for the Columbia River Dredging Project.
- \$5 million is provided for a small city pavement program.
- \$5 million is provided for enhanced safety for schools, which includes signals and channelization.

Washington State Patrol (WSP): \$229.4 million

(Original 1999-01 Budget = \$231.1 million; a reduction of \$1.6 million)

Field Operations: \$160.6 million

(Original 1999-01 Budget = \$160.9 million; a reduction of \$224 thousand)

- \$2.2 million is provided for trooper portable radios and base station upgrades.
- \$200 thousand is provided for a vehicle video camera pilot project.
- \$124 thousand is provided to increase officer pay for special certifications.
- \$2.1 million is cut to eliminate WSP's license fraud activities.
- \$826 thousand is cut to adjust for vacancies maintained through November 1999.
- \$322 thousand is cut to remove second year inflation.

Support Services Bureau: \$66.5 million

(Original 1999-01 Budget = \$67.9 million; a reduction of \$1.4 million)

- \$823 thousand is cut as a result of an ongoing agency-wide administrative reduction.

Capital: \$2.3 million

- Funding is retained for minor works, re-paving of the drive course, and the Naselle detachment office.

Department of Licensing: \$158.0 million

(Original 1999-01 Budget = \$159.5 million; a reduction of \$1.5 million)

Management and Support Services: \$11.4 million

(Original 1999-01 Budget = \$11.3 million; an increase of \$63 thousand)

- \$109 thousand is cut to adjust for an historical vacancy rate.
- \$140 thousand is cut as a result of an administrative reduction.
- \$93 thousand is cut as a result of operating efficiencies.
- \$340 thousand is added to appropriately account for support services.

Information Systems Division: \$9.2 million

(Original 1999-01 Budget = \$9.5 million; a reduction of \$292 thousand)

- \$188 thousand is cut to adjust for an historical vacancy rate.
- \$117 thousand is cut as a result of an administrative reduction.

Vehicle Services Division: \$57.2 million

(Original 1999-01 Budget = \$59.2 million; a reduction of \$2.0 million)

- \$1.7 million is cut for process savings, which include: bi-monthly vehicle renewal notices; elimination of front license tabs; weekly title mailings; postcard-sized renewal notices; and license plate savings.
- \$321 thousand is cut to adjust for an historical vacancy rate.
- \$150 thousand of one-time funding is provided for transportation's share of an electronic commerce revenue system.

Drivers' Services Division: \$80.2 million

(Original 1999-01 Budget = \$79.4 million; an increase of \$756 thousand)

- \$682 thousand is provided for a driver history initiative project that will link the Department of Licensing to the Seattle Municipal Court to improve the exchange of information.
- \$125 thousand is provided to establish an intermediate driver's license.
- \$250 thousand is provided to enhance motorcycle training.
- \$261 thousand is reduced for various process savings.

Other Agencies

Legislative Evaluation and Accountability Program Committee: \$887,000

(Original 1999-01 Budget = \$900 thousand; a reduction of \$13 thousand)

- \$13 thousand is cut as a result of an administrative reduction.

Utilities and Transportation Commission: \$222,000

(Original 1999-01 Budget = \$111 thousand; an addition of \$111 thousand)

- \$111 thousand is provided for a 1 percent state match on a federal grade crossing competitive grant program.

Transportation Improvement Board (TIB): \$269.8 million

(Original 1999-01 Budget = \$237.4 million; an increase of \$32.3 million)

- \$30 million in newly authorized TIB bonds is provided for local Freight Mobility Strategic Investment Board (FMSIB) freight mobility projects. The bonds were authorized in Chapter 6, Laws of 2000 (EHB 2788).
- \$30 million in existing TIB bonds is provided for local partnership and partial funding of FMSIB projects.
- \$150 thousand is cut as a result of an administrative reduction.
- \$17 million reduction in grants for public transportation capital projects.
- \$5 million in the Urban Arterial Trust Account fund balance is transferred to the Department of Transportation's Small City Program.

Freight Mobility Strategic Investment Board: \$540 thousand

(Original 1999-01 Budget = \$600 thousand; a decrease of \$60 thousand)

- \$60 thousand in under-expended appropriation is cut from the FMSIB administrative budget.
- 14 FMSIB project requests are funded through a combination of state funds, TIB bonding authority, and by the Puget Sound Regional Council.

County Road Administration Board: \$91.1 million

(Original 1999-01 Budget = \$111.0 million; a reduction of \$19.9 million)

- \$8 million in Referendum 49 bonds are cut as a result of Initiative 695.
- \$11.8 million is cut from the Rural Arterial Trust Account to meet a projected revenue shortfall.
- \$240 thousand is added for a freights and goods road system update.
- \$290 thousand is cut as a result of an administrative reduction.

Blue Ribbon Commission on Transportation: \$1.8 million

- Funding is provided for the Commission to continue fulfilling its mission of determining long-term solutions and strategies for transportation policies and funding.

Senate (for the Senate Transportation Committee): \$2.4 million

(Original 1999-01 Budget = \$2.6 million; a reduction of \$150 thousand)

- \$150 thousand is reduced to adjust agency vacancy rates.

Legislative Transportation Committee (LTC): \$3.6 million

(Original 1999-01 Budget = \$4.3 million; a reduction of \$650 thousand)

- \$500 thousand in under-expended appropriation is cut from LTC's administrative budget.
- \$150 thousand in expenditure savings is cut.

Department of Agriculture: \$311 thousand

(Original 1999-01 Budget = \$327 thousand; a decrease of \$16 thousand)

- \$16 thousand is cut as a result of an administrative reduction.

Board of Pilotage Commissioners: \$253 thousand

(Original 1999-01 Budget = \$290 thousand; a reduction of \$37 thousand)

- \$37 thousand in under-expended appropriation is cut from the Board of Pilotage Commissioner's administrative budget.

State Parks and Recreation Commission – Operating and Capital: \$3.5 million

(Original 1999-01 Budget = \$ 3.6 million; a reduction of \$72 thousand)

- \$2.7 million in capital projects stays intact in the supplemental transportation budget.
- \$27 thousand in under-expended appropriation is cut from the State Parks and Recreation Commission's operating administrative budget.
- \$45 thousand in operating appropriation is cut as a result of an administrative reduction.

Marine Employees' Commission: \$322 thousand

(Original 1999-01 Budget = \$356 thousand; a reduction of \$34 thousand)

- \$17 thousand in under-expended appropriation is cut from the Marine Employees' Commission's operating administrative budget.
- \$17 thousand is cut as a result of an administrative reduction.

Transportation Commission: \$767 thousand

(Original 1999-01 Budget = \$807 thousand; a reduction of \$40 thousand)

- \$40 thousand is cut as a result of an administrative reduction.

1999-01 Washington State Transportation Budget
Including 2000 Supplemental Budget
Fund Balances for Selected Funds

(Dollars in Thousands)

	<u>Beginning Balance ⁽¹⁾</u>	<u>Revenue ⁽²⁾</u>	<u>Expenditures ⁽³⁾</u>	<u>Ending Balance</u>
Motor Vehicle Fund	109,173	1,823,133	1,928,039	4,267
State Patrol Highway Account	5,772	235,809	239,633	1,948
Ferry Operating Accounts (4) *	119,436	214,210	309,811	23,835
Puget Sound Capital Construction Account	1,713	164,473	163,476	2,710
Transportation Improvement Account	15,345	133,611	148,949	7
Transportation Accounts (5) *	49,457	106,699	152,369	3,787
Highway Safety Fund	13,552	95,454	104,859	4,147
Urban Arterial Trust Account	23,766	93,642	109,433	7,975
Special Category C Account	12,705	43,152	55,311	546
Rural Arterial Trust Account	24,666	36,265	60,568	363
County Arterial Preservation Account	660	28,253	28,542	371
High Capacity Transportation Account *	4,737	7,785	12,522	0
Motorcycle Safety Education Account	1,060	2,176	2,377	859
Public Transportation Systems Account *	3,300	1,232	4,532	0

(1) The beginning fund balance reflects the June 30, 1999 final audited balance.

(2) Revenues reflect the February 2000 forecast.

(3) Expenditure numbers reflect the 1999-01 transportation budget which includes the 2000 supplemental transportation budget.

(4) Ferry Operating Accounts include the Puget Sound Ferry Operations Account and the Marine Operating Account.

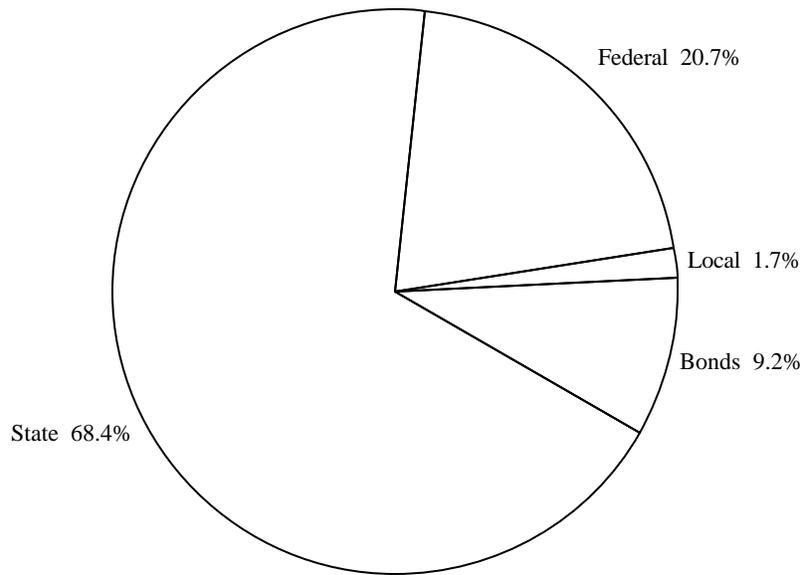
(5) Transportation Accounts include the Transportation Account and the Multimodal Transportation Account.

* Due to Initiative 695 the Transportation Account, the Marine Operating Account, the High Capacity Transportation Account, and the Public Transportation Systems Account are going away.

**1999-01 Washington State Transportation Budget
Chapter 3, Laws of 2000, 2nd sp.s., Partial Veto (E2SSB 6499)
Total Appropriated Funds**

(Dollars in Thousands)

**COMPONENTS BY FUND TYPE
1999-01 Revised Budget
Operating and Capital**



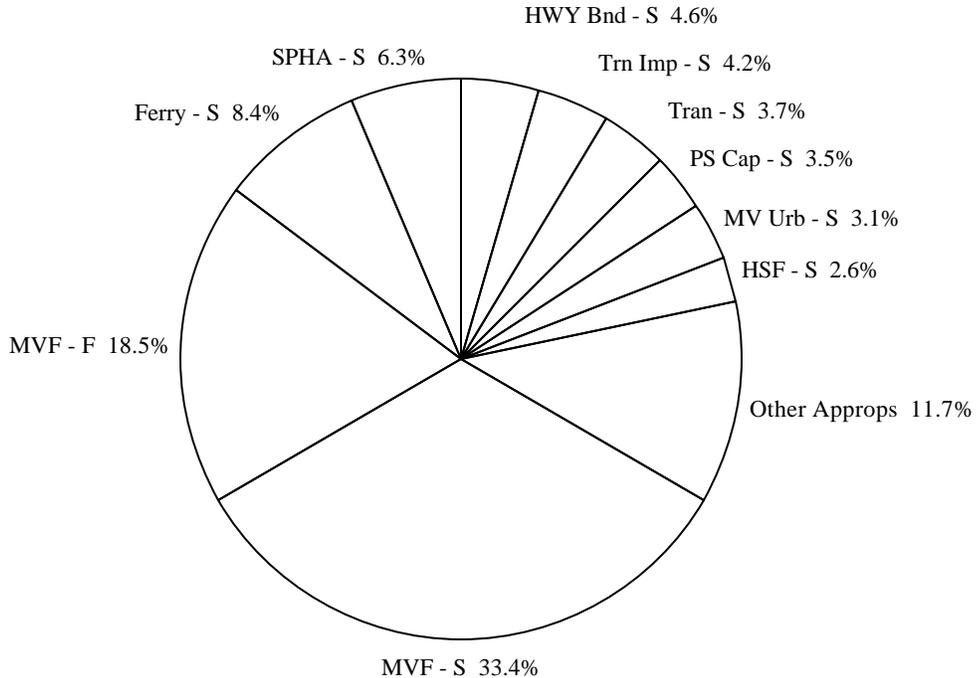
Fund Type	1999-01 Original	2000 Supp	1999-01 Revised
State	2,834,652	-414,049	2,420,603
Federal	668,163	63,759	731,922
Local	54,893	5,625	60,518
* Bonds	772,393	-448,629	323,764
Total	4,330,101	-793,294	3,536,807

* 1999-01 Revised Budget includes bonds of: \$196.3 million Motor Vehicle Account; \$60.0 million Transportation Improvement Account; \$40.5 million Special Category C Account; and \$27.0 million Puget Sound Capital Construction Account.

**1999-01 Washington State Transportation Budget
Chapter 3, Laws of 2000, 2nd sp.s., Partial Veto (E2SSB 6499)
Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE
1999-01 Revised Budget
Operating and Capital**



<u>Major Fund Source</u>	<u>1999-01 Original</u>	<u>2000 Supp</u>	<u>1999-01 Revised</u>
* Motor Vehicle Account - State (MVF - S)	1,776,105	-593,663	1,182,442
Motor Vehicle Account - Federal (MVF - F)	547,640	106,401	654,041
** Ferry Operating Accounts - State (Ferry - S)	314,295	-17,286	297,009
State Patrol Highway Account - State (SPHA - S)	224,102	-1,618	222,484
Highway Bond Retirement Account - State (HWY Bnd - S)	184,810	-23,500	161,310
* Transportation Improvement Account - State (Trn Imp - S)	99,414	50,135	149,549
*** Transportation Accounts - State (Tran - S)	331,662	-199,802	131,860
**** Puget Sound Capital Construction - State (PS Cap - S)	144,905	-22,050	122,855
Urban Arterial Trust Account - State (MV Urb - S)	104,508	4,925	109,433
Highway Safety Account - State (HSF - S)	91,220	1,230	92,450
Other Appropriated Funds	511,440	-98,066	413,374
Total	4,330,101	-793,294	3,536,807

* Includes Bond amounts.

** Ferry Operating Accounts include the Puget Sound Ferry Operations Account and the Marine Operating Account.

*** Transportation Accounts include the Transportation Account and the Multimodal Transportation Account.

**** Puget Sound Capital Construction Account supports ferry-related construction and renovation (includes bonds).

1999-01 Transportation Budget – Pre Initiative 695

Transportation Budget Comparisons	
(Dollars in Millions)	
<u>1997-99 Transportation Funding</u>	
1997-99 Funding	2,896
1998 Supplemental Budget	181
1999 Supplemental Budget	-73
Total 1997-99 Funding	3,004
<u>1999-01 Transportation Funding</u>	
1999-01 Funding	4,049

Note: Bond Retirement & Interest amounts are not included.

In 1998, Washington voters passed Referendum 49 (R-49), which authorized the sale of \$1.9 billion in bonds and dedicated nearly half of the Motor Vehicle Excise Tax (MVET) to state transportation programs. In total, 76 percent of MVET revenues were dedicated to a combination of state and local transportation programs and transit systems.

The 1999-01 transportation budget assumed the sale of up to \$686 million in R-49 bonds. R-49 bond dollars and dedicated MVET revenues added over \$1 billion to the state transportation budget:

- \$686 million in R-49 funding was provided for highway construction and ferry capital systems.
- \$196 million in new transportation revenues for local government to fund congestion relief, preservation, pavement management, and environmental retrofit projects.
- \$69 million was provided for freight and goods transportation improvements, a small cities pavement program, freight rail, and other rural economic development projects.

Initiative 695 (I-695)

The elimination of the MVET resulted in a permanent loss of a revenue source used for ferries, rail, transit, highways, and for backing \$1.9 billion in voter-approved R-49 bonds.

I-695 eliminated \$1.2 billion of the revenue available for the \$4 billion 1999-01 state transportation budget. Total 18-month losses include \$560 million in uncollected MVET revenues and \$686 million in lost R-49 bond proceeds.

- \$1.2 billion in MVET revenues and R-49 bonds represented:
 - 30 percent of the \$4 billion state transportation budget.
 - 37 percent of the \$3.2 billion Department of Transportation budget.

Cities, counties, and local transit programs also experienced the impacts of I-695. Local governments used 23 percent of all MVET revenue to fund health, police, fire, criminal justice, sales tax equalization, and other programs. Another 29 percent of the MVET helped support local transit services.

The increase of the vehicle license registration and renewal fees to \$30 will produce \$35 million in additional revenue in the 1999-01 biennium and an estimated \$46 million in the 2001-03 biennium.

I-695 eliminated registration collections on certain classes of trailers. This reduced license, permits, and fee distributions to the State Patrol Highway Account by \$8 million in the 1999-01 biennium and \$8.5 million in the 2001-03 biennium.

The Transportation Dilemma: Flexible Funding Needs

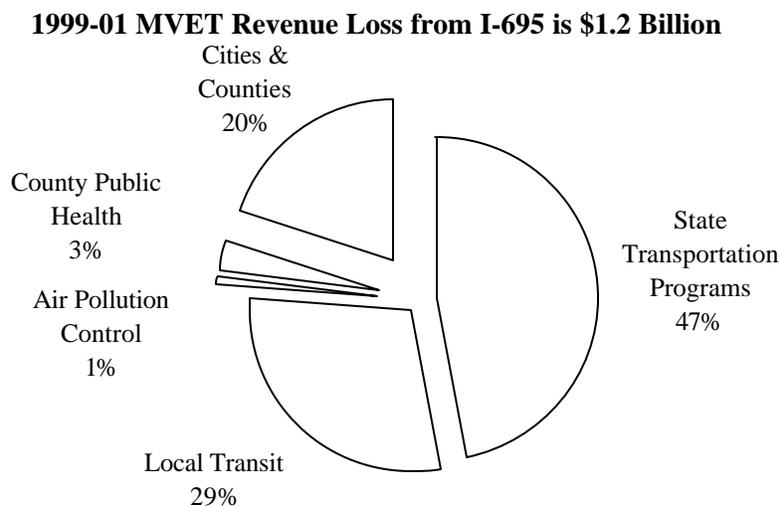
The elimination of MVET revenue left state transportation programs to be funded with two types of revenue: gas tax and license, permits, and fees. The 18th Amendment to the state Constitution dedicates nearly all of these revenues to highway purposes.

Highway purposes include operating, engineering, and other expenses associated with the administration of public highways, county roads, city streets, and marine highways (the Washington State ferries).

Highway purposes do not include rail or transit programs.

I-695's Effect on State and Local Transportation Programs

State transportation and local transit districts lost \$933 million (approximately \$599 million in state transportation and \$334 million in local transit revenues) as a result of the passage of I-695. In total, local governments, transit agencies, and state transportation programs lost a combined total of \$1.2 billion in MVET revenues.



Capital Improvements – The final legislative budget reduces the Washington State Department of Transportation (WSDOT) highway construction program from \$1.8 billion to \$1.35 billion.

Local Transit Agencies - The MVET represented an average of 25 percent of all transit revenue. Transit agencies will continue to collect 75 percent in fare box, sales tax, and federal revenues. For small transit agencies, MVET represented over 50 percent of total revenues.

State Ferry System - The ferry system has lost \$52 million or 16 percent of the 1999-01 operating budget. There is also a \$201 million shortfall or 75 percent of the 1999-01 capital budget. The Legislature added \$20 million in general fund money to ferry operations to offset some of this loss. The rest of the loss requires reductions in passenger-only ferry service and reductions in service on many auto ferry routes. Without additional funding, significant fare increases would be needed to reinstate these service reductions.

Rail - Passenger rail was budgeted for \$108.8 million in the 1999-01 biennium. The final Legislative budget reduced the program to \$69.8 million but avoided cuts in the service. Much of the reduction is in the capital program. Most of the projects that were eliminated would have reduced the time of travel between Seattle and Portland.

1999-01 Washington State Transportation Budget
Including 2000 Supplemental Budget
Fund Summary
TOTAL OPERATING AND CAPITAL BUDGET
(Dollars in Thousands)

	MVF State *	Ferry Op Accts State **	WSP Hwy Acct State	Transpo Accts State ***	PS Cap Constr State *	Hwy Sfty Account State	Other Approp	Total Approp
Department of Transportation	1,104,016	296,687	221	119,883	122,524	0	864,187	2,507,518
Pgm D - Hwy Mgmt/Facilities	60,467	0	0	0	0	0	400	60,867
Pgm F - Aviation	0	0	0	0	0	0	5,206	5,206
Pgm I1 - Improvements - Mobility	287,655	0	0	0	0	0	190,262	477,917
Pgm I2 - Improvements - Safety	65,099	0	0	0	0	0	74,296	139,395
Pgm I3 - Improvements - Econ Init	30,842	0	0	4,880	0	0	91,809	127,531
Pgm I4 - Improvements - Env Retro	26,169	0	0	0	0	0	500	26,669
Pgm I7 - Tacoma Narrows Br	50,000	0	0	0	0	0	0	50,000
Pgm K - Economic Partnerships	5,847	0	0	0	0	0	0	5,847
Pgm M - Highway Maintenance	239,927	0	0	0	0	0	3,903	243,830
Pgm P1 - Preservation - Roadway	17,887	0	0	38,000	0	0	220,213	276,100
Pgm P2 - Preservation - Structures	25,381	0	0	0	0	0	121,704	147,085
Pgm P3 - Preservation - Other Facil	60,301	0	0	121	0	0	48,287	108,709
Pgm Q - Traffic Operations	33,793	0	221	0	0	0	1,784	35,798
Pgm S - Transportation Management	84,062	6,353	0	1,517	2,989	0	125	95,046
Pgm T - Transpo Plan, Data & Resch	10,459	0	0	1,371	0	0	17,000	28,830
Pgm U - Charges from Other Agys	22,692	4,417	0	0	0	0	0	27,109
Pgm V - Public Transportation	0	0	0	9,235	0	0	10,214	19,449
Pgm W - WA State Ferries-Cap	0	0	0	0	119,535	0	42,681	162,216
Pgm X - WA State Ferries-Op	0	285,917	0	5,092	0	0	0	291,009
Pgm Y - Rail	0	0	0	48,965	0	0	20,879	69,844
Pgm Z - Trans Aid Operating/Capital	83,435	0	0	10,702	0	0	14,924	109,061
Washington State Patrol	0	0	222,263	0	0	0	7,169	229,432
Field Operations Bureau	0	0	154,314	0	0	0	6,322	160,636
Support Services Bureau	0	0	65,621	0	0	0	847	66,468
Capital	0	0	2,328	0	0	0	0	2,328
Department of Licensing	60,439	0	0	0	0	90,998	6,527	157,964
Management & Support Services	3,998	0	0	0	0	7,074	308	11,380
Information Systems	2,909	0	0	0	0	5,953	370	9,232
Vehicle Services	53,532	0	0	0	0	0	3,639	57,171
Driver Services	0	0	0	0	0	77,971	2,210	80,181
Senate	2,436	0	0	0	0	0	0	2,436
Legislative Transportation Comm	3,633	0	0	0	0	0	0	3,633
LEAP Committee	887	0	0	0	0	0	0	887
Board of Pilotage Commissioners	0	0	0	0	0	0	253	253
Utilities and Transportation Comm	0	0	0	0	0	0	222	222
WA Traffic Safety Commission	0	0	0	0	0	1,452	10,042	11,494
County Road Administration Board	1,661	0	0	0	0	0	89,486	91,147
Transportation Improvement Board	0	0	0	11,977	0	0	257,779	269,756
Marine Employees' Commission	0	322	0	0	0	0	0	322
Transportation Commission	767	0	0	0	0	0	0	767
Freight Mobility Strategic Invest	540	0	0	0	0	0	0	540
State Parks and Recreation Comm	3,549	0	0	0	0	0	0	3,549
Department of Agriculture	311	0	0	0	0	0	0	311
Blue Ribbon Commission on Transpo	1,800	0	0	0	0	0	0	1,800
Total Appropriation	1,180,039	297,009	222,484	131,860	122,524	92,450	1,235,665	3,282,031
Bond Retirement and Interest	2,403	0	0	0	331	0	252,042	254,776
Total	1,182,442	297,009	222,484	131,860	122,855	92,450	1,487,707	3,536,807

* Includes Bond amounts.

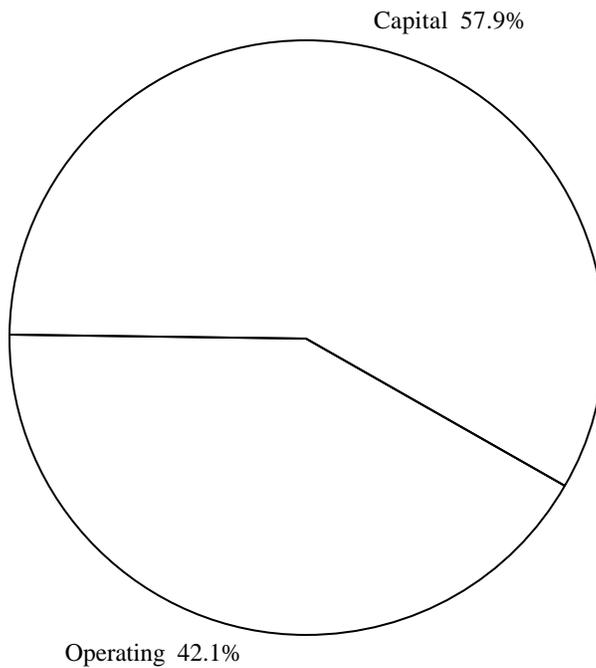
** Ferry Op Accts include the Puget Sound Ferry Operations Account and the Marine Operating Account.

*** Transpo Accts include the Transportation Account and the Multimodal Transportation Account.

**1999-01 Washington State Transportation Budget
Chapter 3, Laws of 2000, 2nd sp.s., Partial Veto (E2SSB 6499)
Total Appropriated Funds**

(Dollars in Thousands)

**OPERATING AND CAPITAL COMPONENTS
1999-01 Revised Budget**



	1999-01 Original	2000 Supp	1999-01 Revised
Operating	1,569,187	-81,225	1,487,962
Capital	2,760,914	-712,069	2,048,845
Total	4,330,101	-793,294	3,536,807

2000 Supplemental Capital Budget

Omnibus Capital Only

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2000 Supplemental Capital Budget Highlights

The 2000 Supplemental Omnibus Capital Budget was included in the same bill as the 2000 Supplemental Omnibus Operating Budget, Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487). The supplemental capital budget was constrained by concerns over the statutory 7 percent debt limit. The 1999-01 Capital Budget reserved a small amount (\$15 million) of bond authority in anticipation of emergent supplemental needs, but rising interest rates increased the cost of debt on planned bond sales to the extent the reserved bond authority was no longer available. Where bonded appropriations were made in the supplemental capital budget, there is a corresponding reduction in previously authorized projects. The overall adjustments in the supplemental budget reduced the bonded portion of the biennial budget by \$150,000 and increased the non-bonded portion by \$115.6 million. The non-bonded appropriations are financed by federal funds, trust timber revenues, and state operating funds.

K-12 Construction – \$56.8 Million Various Sources

The supplemental capital budget provides \$56.8 million to address the updated estimate of K-12 construction demands in the current biennium. Revenue for the appropriation is derived from the updated Department of Natural Resources revenue forecast and other revised revenue forecasts from the State Treasurer and the State Investment Board.

Legislation changes the calculation of the 5 percent emergency reserve requirement from a biennial amount to an annual amount. This change will produce an estimated \$138 million for the Education Construction Fund in the 1999-01 biennium. These monies may be used for K-12 or higher education construction. A total of \$35 million is appropriated from the Education Construction Fund to the Common School Construction Account.

New Special Commitment Center Facility – \$14 Million Violence Reduction and Drug Enforcement Account

Funding is provided to begin construction of a new Special Commitment Center facility on McNeil Island. The facility will provide custody and treatment for persons who have been committed under the state's sexually violent predator statute. The facility will be designed to achieve the custody and treatment conditions required by a federal court injunction governing implementation of the state civil commitment statute. Funding is also provided to begin site selection for the community pre-release facilities envisioned under the injunction.

Local Criminal Justice Facilities – \$612,000 General Fund-Federal

The state's award from the federal Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) grant is higher than anticipated in the original budget. For this reason, the budget provides \$612,000 in additional funding to construct, expand, and improve local jails and other correctional facilities. This brings the total VOI/TIS amount provided to local governments during the 1999-01 biennium to \$4.1 million.

Small Timber Landowners – \$2.5 Million State Building Construction Account

Funding is provided to purchase riparian easements from small timber landowners to mitigate the economic impact of revised forest practice rules. The use of bond proceeds for this item is offset by a delay in the use of bonded appropriations for the Conservation Reserve Enhancement Program.

Dairy Nutrient Management Grants – \$2.5 Million State Building Construction Account

The 1998 Dairy Nutrient Management Act required all dairy operators to implement certified nutrient management plans by December 2003. Additional funds are provided to the Conservation Commission for grants to dairy operators to implement dairy nutrient management plans. The use of bond proceeds for this item is offset by a delay in the use of bonded appropriations for the Conservation Reserve Enhancement Program.

Legislative Building Renovations – \$3 Million Capitol Building Construction Account

Funding is provided to continue design and planning for the renovation of the State Capitol Building.

Seattle Crime Lab/State Toxicology Laboratory Consolidation – \$2.5 Million Death Investigations Account

The budget provides \$2.5 million to integrate the State Crime Lab and State Toxicology Lab into a consolidated facility and to make needed tenant improvements at the same time. The original 1999-01 budget provided \$10 million for the State Patrol's Seattle Crime Laboratory to be constructed within a City of Seattle owned building. The State Toxicology Laboratory, which merged with the State Patrol Crime Laboratory in July of 1999, currently occupies space in the same building.

Washington Wildlife and Recreation Program (WWRP)

The 1999-01 Biennial Capital Budget included \$48 million in state bonds for WWRP projects, and approved a list of first-year projects. The 2000 Capital Budget provides approval of the second-year list of local park projects which total \$2.2 million.

Holly Park Education Center – \$500,000 State Bond Funds

Funds are provided as a grant to South Seattle Community College for education space in the Holly Park housing development. Funds must be matched by an equal amount from other sources.

Community Services Facility Program – \$953,000 General Fund-State

Funds are deposited into the State Building Construction Account for facility grants to community service organizations. In making the grants, the Department of Community, Trade, and Economic Development will adhere to the advisory board recommendations and prioritization. These funds are in addition to the currently authorized program of \$4 million. An additional five projects that serve children and families will receive this new support, including: Hopelink in Bellevue, \$150,000; the Metropolitan Development Council in Tacoma, \$300,000; Children Northwest in Vancouver, \$300,000; Community Action Council in Lewis, Mason, and Thurston Counties, \$75,000; and Friends of Youth in Duvall, \$128,000.

Clark County Skills Center – \$350,000 General Fund-State

A matching grant is provided to the Clark County Skills Center to secure private donations for a new facility.

University of Washington Classroom Renovation – \$16 Million University of Washington Building Account

Funding is provided for classroom renovations and routine minor building remodeling projects on the University of Washington campus.

Cheney Hall Renovation – \$300,000 Eastern Washington University Capital Projects Account-State

Funding is provided so Eastern Washington University may begin the design development process to renovate Cheney Hall in order to expand its present capacity to deliver high technology educational programs.

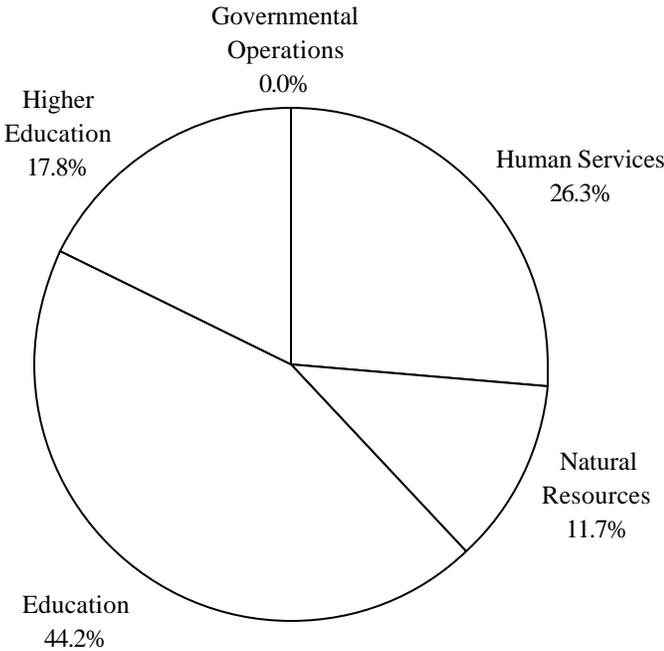
Capital Budget Appropriations

	Total Funds	Debt Limit Bonds
1999-01 Biennial Capital Budget ⁽¹⁾		
Total Appropriations	2,297,468,891	987,283,426
2000 Supplemental Capital Budget ⁽²⁾		
New Appropriations	142,499,258	7,650,000
Appropriation Reductions	-31,312,000	-6,800,000
Reappropriation Reductions	-1,000,000	-1,000,000
Total Supplemental Capital Budget	110,187,258	-150,000
Capital Projects in 2000 Supplemental Operating Budget ⁽²⁾	7,089,000	0
Total Revised 1999-01 Capital Budget	2,414,745,149	987,133,426

(1) Chapter 379, Laws of 1999, Partial Veto (SHB 1165)

(2) Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487)

**2000 Washington State Supplemental Capital Budget
By Functional Area**



Total New Appropriations	
Governmental Operator	37,000
Human Services	30,797,921
Natural Resources	13,741,337
Education	51,800,000
Higher Education	20,900,000
Statewide Total	117,276,258 *

* Includes \$7.1 million for projects funded in the 2000 Supplemental Operating Budget.

2000 Washington State Supplemental Capital Budget
New Appropriations Project List
Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487)

	Governor		Legislature	
	State Bonds	Total	State Bonds	Total
GOVERNMENTAL OPERATIONS				
Dept of Community, Trade, & Economic Development				
Community Economic Revitalization	0	-6,359,000	0	-6,359,000
County Public Facility Construction	0	-1,381,000	0	-1,381,000
Holly Park Education Center	0	0	500,000	500,000
Clark County Skills Center	0	0	350,000	350,000
Community Services Facilities Program *	0	0	0	953,000
Total	0	-7,740,000	850,000	-5,937,000
Department of General Administration				
Legislative Building Renovation	0	0	0	3,000,000
Washington State Patrol				
Seattle Crime Laboratory	0	2,500,000	0	2,500,000
Military Department				
Yakima Armory & Readiness Center *	0	0	0	474,000
Total Governmental Operations	0	-5,240,000	850,000	37,000
HUMAN SERVICES				
Department of Social and Health Services				
Special Commitment Center: Phase I *	14,000,000	14,000,000	0	14,000,000
ESH: Legal Offender Unit Reappropriation	0	0	-1,000,000	-1,000,000
Total	14,000,000	14,000,000	-1,000,000	13,000,000
Department of Health				
Drinking Water Assistance Program	0	16,985,921	0	16,985,921
Office Building Planning	400,000	400,000	0	0
Total	400,000	17,385,921	0	16,985,921
Department of Corrections				
Local Government Criminal Justice Facilities	0	0	0	612,000
Total Human Services	14,400,000	31,385,921	-1,000,000	30,597,921

* Indicates projects that are linked to the supplemental operating budget. See capital budget project descriptions for detail.

2000 Washington State Supplemental Capital Budget
New Appropriations Project List
Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487)

	Governor		Legislature	
	State Bonds	Total	State Bonds	Total
NATURAL RESOURCES				
Department of Ecology				
Drought Preparedness Fund	0	0	0	-675,000
Everett Smelter Clean up *	0	3,000,000	0	0
Centennial Clean Water Fund-City of Pateros	0	0	0	450,000
Water Pollution Control Revolving Fund	0	21,796,337	0	21,796,337
Total	0	24,796,337	0	21,571,337
Interagency Committee for Outdoor Recreation				
Washington Wildlife & Recreation Program	0	0	0	773,000
State Conservation Commission				
Dairy Waste Management Grants Program	0	0	2,500,000	2,500,000
Conservation Reserve Enhancement Program	-2,500,000	-2,500,000	-5,000,000	-5,000,000
Total	-2,500,000	-2,500,000	-2,500,000	-2,500,000
Department of Fish and Wildlife				
Emergency Repairs - Silver Lake Dam	0	0	0	205,000
Warm Water Game Fish Access Facilities	0	-300,000	0	-300,000
Total	0	-300,000	0	-95,000
Department of Natural Resources				
Aquatic Lands Enhancement Grants *	0	-915,000	0	-797,000
Small Timber Landowner Program	2,500,000	-7,500,000	2,500,000	-7,500,000
Total	2,500,000	-8,415,000	2,500,000	-8,297,000
Total Natural Resources	0	13,581,337	0	11,452,337
OTHER EDUCATION				
State Board of Education				
Public School Building Construction *	0	38,568,000	0	56,800,000
Quality and Value Systems Improvements	0	0	0	-5,000,000
Total	0	38,568,000	0	51,800,000
State School for the Deaf				
Northrup Elementary School, HVAC Upgrade	0	0	-900,000	-900,000
Epperson Middle School, HVAC Upgrade	0	0	-900,000	-900,000
Clark Hall/Lloyd: Upgrade	0	0	900,000	900,000
Clark Hall/Lloyd: Seismic Stabilization	0	0	900,000	900,000
Total	0	0	0	0
Total Other Education	0	38,568,000	0	51,800,000

* Indicates projects that are linked to the supplemental operating budget. See capital budget project descriptions for detail.

2000 Washington State Supplemental Capital Budget
New Appropriations Project List
Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487)

	Governor		Legislature	
	State Bonds	Total	State Bonds	Total
HIGHER EDUCATION				
University of Washington				
Seattle - Campus Wide Minor Works	0	9,000,000	0	0
Classroom Improvements and Minor Works	0	0	0	16,000,000
Total	0	9,000,000	0	16,000,000
Washington State University				
Power System Upgrade *	0	3,600,000	0	0
Eastern Washington University				
Cheney Hall: Renovation	0	0	0	300,000
Community & Technical College System				
Columbia Basin Community College - Roofs *	0	1,000,000	0	0
Total Higher Education	0	13,600,000	0	16,300,000
Statewide Total	14,400,000	91,895,258	-150,000	110,187,258
CAPITAL PROJECTS IN SUPPLEMENTAL OPERATING BUDGET				
Department of Fish and Wildlife				
Fish Screens for Methow River Area	0	0	0	789,000
Department of Ecology				
Everett Smelter Hazardous Waste Clean up	0	0	0	1,500,000
Veterans Affairs				
Predesign-Skilled Nursing Facilities Replacement	0	0	0	200,000
Washington State University				
Power System Upgrade	0	0	0	3,600,000
Community & Technical College System				
Columbia Basin Community College - Roof Repair	0	0	0	1,000,000
Total in Supplemental Operating Budget	0	0	0	7,089,000
Revised Statewide Total	14,400,000	91,895,258	-150,000	117,276,258

* Indicates projects that are linked to the supplemental operating budget. See capital budget project descriptions for detail.

**2000 Washington State Supplemental Capital Budget
Alternative Financing Projects**

University of Washington	
UW - Food Service Areas	12,000,000
UW - Ethernet to Student Residence Halls	5,700,000
Total	<u>17,700,000</u>
 Community & Technical College System	
Columbia Basin Community College - Student Service Building Increase	500,000
Edmonds Community College - Music Building Increase	450,000
Whatcom Community College - Student Center/Classroom Increase	500,000
Olympic Community College - Parking	900,000
Bates Technical College - KSTW Building	4,300,000
Renton Technical College - Apprenticeship Land	1,000,000
Total	<u>7,650,000</u>
 Statewide Total	
	<u>25,350,000</u>

2000 Washington State Supplemental Capital Budget
Washington Wildlife and Recreation Program
Fiscal Year 2000 Capital Projects - LEAP Capital Document No. 2000-W4
1999-01 Biennium
Developed February 28, 2000

Proj Rank	IAC #	Project Name	Project Sponsor	Request	Estimated WWRP Grant
Local Parks Projects					
1	99-1090A	Wards Lake Phase II Acquisition	Lakewood, City of	362,275	362,275
2	99-1136A	Kiwanis Park Acquisition	Yakima Parks & Recreation	120,000	120,000
3	99-1013A	Bradley Lake Acquisition	Puyallup Parks & Recreation	500,000	500,000
4	99-1147A	Wapato Park Property Acquisition	Tacoma MPD	182,600	182,600
5	99-1100A	Bombing Range Sports Complex Expansion	West Richland, City of	52,359	52,359
6	99-1025A	Chestnut Ridge Park Acquisition	Kent Parks & Recreation Dept	187,464	187,464
7	99-1034A	Preston Community Park Acquisition	King County Parks & Recreation	500,000	500,000
8	99-1201A	Thurston County/City of Lacey Complex	Thurston County Parks & Rec	500,000	282,802
9	99-1113A	Valley Floor Community Park Acquisition	Kent Parks & Recreation Dept	333,992	Alternate
10	99-1052A	Tollgate Park	King County Parks & Recreation	500,000	Alternate
11	99-1161A	Clark Lake Park Expansion	Kent Parks & Recreation Dept	500,000	Alternate
12	99-1152A	Big Rock Community Park	Snohomish County Parks & Rec	500,000	Alternate
				4,238,690	2,187,500

**2000 Washington State Supplemental Capital Budget
Trust Land Transfer Program**

LEAP Capital Document No. 2000-T1

Developed February 29, 2000

Parcel Name	Receiving Agency
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Category A: Required Transfers

Willapa Divide	Dept of Natural Resources - NAP
South Nemah	Dept of Natural Resources - NRCA
Ellsworth Creek	Dept of Natural Resources - NRCA
Mt Si NRCA	Dept of Natural Resources - NRCA
W Tiger Mountain Phase 3	Dept of Natural Resources - NRCA
Hendrickson Canyon	Dept of Natural Resources - NRCA

Category B: Transfer With Local Match
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Illahee Forest	Kitsap County
Banner Forest	Kitsap County

Category C: May Transfer or Lease as Funds Permit
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Boxley Creek	King County
Cottonwood Island	Dept of Fish and Wildlife
Elger Bay (Partial)	Island County
Elk River (Ocosta Parcel C)	DNR - NRCA
Goss Lake	Island County
Lummi Island	Dept of Fish and Wildlife
Mt Peak	King County
Nisqually Interpretive Site	Pierce County
Rhododendron Park	Island County
Scatter Creek	Dept of Fish and Wildlife

2000 Washington State Supplemental Capital Budget
Requested 1999-01 Aquatic Lands Enhancement Account Grant Funding
LEAP Capital Document No. 2000-A1
Developed February 15, 2000

	Title	Sponsor	ALEA Grant	Running Total
1	Blakely Harbor Acq & Access (H/PA)	Bainbridge Island Park District	796,756	796,756
2	Burke Bay Overlook & Access (PA)	Port of Brownsville	75,000	871,756
3	Chehalis River Surge Plain Path (PA)	DNR - Central Region	106,944	978,700
4	Duncan Creek Fish Passage (H)	WDFW - SW Region	60,636	1,039,336
5	Eagle Island Acq & Restoration (H)	WDFW - SW Region	576,380	1,615,716
6	East Fork Lewis River Greenway (H)	Clark County Public Works	670,336	2,286,052
7	Jimmycomelately Cr Estuary Rehab (H)	Jamestown S'Klallam Tribe	349,877	2,635,929
8	Lower Nookachamps (H)	Skagit County	51,000	2,686,929
9	Methow Valley Community Trail (PA)	Okanogan County	8,280	2,695,209
10	Osprey Park Trail (phase 2) (PA)	City of Sultan	46,927	2,742,136
11	Port Orchard Waterfront Access (PA)	Port of Bremerton	252,284	2,994,420
12	Quileute Marina Shoreline (PA)	Quileute Indian Tribe	74,918	3,069,338
13	Quillayute River Park (PA)	Clallam County Parks	170,581	3,239,919
14	Skagit River Habitat Acquisition (H)	Skagit County	607,500	3,847,419
15	Sprague Lake Acq & Development (H)	WDFW - Ephrata Region	365,000	4,212,419
16	Valley Creek Estuary Park & Trail (PA)	City of Port Angeles	75,000	4,287,419
17	Wetland 79 Restoration (H)	King County DNR	352,876	4,640,295
18	Woodard Bay Rehab/Interp (H/PA)	DNR - Central Region	112,371	4,752,666

H = Habitat

PA = Public Access

2000 Supplemental Capital Budget Project Descriptions

Department of Community, Trade, & Economic Development

Community Economic Revitalization

Ch 1, L 00, E2, PV, Sec 1002

Description: For loans to assist local governments in constructing infrastructure to create or retain jobs through private, industrial, and commercial development.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Public Works Assistance Account - State	1,539,515	0
Public Facility Const Loan Revolv Account - State	9,500,000	13,000,000
Supplemental Change		
Public Facility Const Loan Revolv Account - State	0	-6,359,000
Total	11,039,515	6,641,000

Comments: Funds are reduced due to the discontinued transfer of General Fund-State dollars to the Public Facility Construction Loan Revolving Account as a result of Initiative 695.

Department of Community, Trade, & Economic Development

County Public Facility Construction

Ch 1, L 00, E2, PV, Sec 1003

Description: For financial assistance to distressed counties that have experienced extraordinary costs due to the location of a major new business facility or the substantial expansion of an existing business facility in the county.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	0	3,500,000
Distressed County Facilities Construction Loan Acc - State	0	4,000,000
Supplemental Change		
Distressed County Facilities Construction Loan Acc - State	0	-1,381,000
Total	0	6,119,000

Comments: Funds are reduced due to the discontinued transfer of General Fund-State dollars to the Distressed County Facilities Construction Loan Account as a result of Initiative 695.

Department of Community, Trade, & Economic Development

Holly Park Education Center

Ch 1, L 00, E2, PV, Sec 1005

Description: Funds are provided as a grant to South Seattle Community College for education space in the Holly Park housing development.

	Reappropriation	Appropriation
Supplemental Change		
State Building Construction Account - State	0	500,000

Comments: Funds must be matched by an equal amount from other sources.

Department of Community, Trade, & Economic Development

Clark County Skills Center

Ch 1, L 00, E2, PV, Sec 1006

Description: Funds are provided for a matching grant for the construction of a new \$1.6 million technology center on the skill center campus.

	Reappropriation	Appropriation
Supplemental Change		
State Building Construction Account - State	0	350,000

Comments: Funds must be matched by at least \$1,300,000 from other sources.

2000 Supplemental Capital Budget Project Descriptions

Department of Community, Trade, & Economic Development

Community Services Facilities Program

Ch 1, L 00, E2, PV, Sec 1007

Description: For grants to community service agencies to assist in acquiring, developing, or rehabilitating buildings for the purpose of providing community-based family services.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	1,416,470	4,000,000
Supplemental Change		
State Building Construction Account - State	0	953,000
Total	1,416,470	4,953,000

Comments: 1) Supplemental funding is provided through a General Fund-State appropriation in the Omnibus Appropriations Act to the State Building Construction Account. For additional information, see Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 116(38) [EHB 2487].

2) An additional five projects that service children and families will receive this new support, including: Hopelink in Bellevue, \$150,000; Community Action Council of Lewis, Mason, and Thurston Counties, \$75,000; Metropolitan Development Council in Tacoma, \$300,000; Children Northwest in Vancouver, \$300,000; and Friends of Youth in Duvall, \$128,000.

Department of General Administration

Legislative Building Renovation

Ch 1, L 00, E2, PV, Sec 1008

Description: For design and studies related to the renovation of the state Legislative Building.

	Reappropriation	Appropriation
Supplemental Change		
Capitol Building Construction Account - State	0	3,000,000

Comments: 1) Provides \$2 million for design of the interior renovation and exterior preservation of the state Legislative Building consistent with the recommendations of the Commission on Legislative Building Preservation and Renovation. Also included in this appropriation is funding for planning and development of relocation space related to the project, as well as access and site improvements to the south portico area.

2) Provides \$1 million for a private financing feasibility study, an investigation of exterior sandstone attachment, and a space use programming study.

3) The State Capitol Committee and four members of the Legislature will develop criteria and guidelines for the space use programming study. The Department of General Administration must submit a report to the Legislature by November 30, 2000 detailing the recommendations of the space use programming study. Recommendations from the study will be the basis for the planning and development of relocation space for the capitol historic district.

4) Up to \$10,000 or an amount based on an appraised value may be expended to acquire a photo and document collection of historic significance that depicts legislative activities and facilities.

Military Department

Yakima National Guard Armory & Readiness Ctr Design & Const

Ch 1, L 00, E2, PV, Sec 1009

Description: For design and construction of an emergency services readiness center in Yakima.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
General Fund - Federal	8,275,000	0
State Building Construction Account - State	2,725,000	0
Supplemental Change		
General Fund - Federal	0	474,000
Total	11,000,000	474,000

2000 Supplemental Capital Budget Project Descriptions

- Comments: 1) In the original 1999-01 capital budget (Chapter 379, Laws of 1999, Partial Veto, Section 947), \$3 million General Fund-State was appropriated to the Military Department for the design and/or construction of new National Guard facilities in Bremerton, Spokane and Yakima in FY 2000. The Military Department spent \$2 million of the appropriation on the design of facilities in Bremerton and Spokane, but they were unable to expend the remaining \$1 million on the Yakima facility in FY 2000. For this reason, \$1 million of the appropriation is moved to FY 2001 in the operating budget (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 127 [EHB 2487]).
- 2) The amount of \$474,000 in federal appropriation authority is provided to reflect an unanticipated federal reimbursement for the design of the Yakima facility.

Department of Social and Health Services

Special Commitment Center: Phase I

Ch 1, L 00, E2, PV, Sec 1013

Description: Funding is provided to begin construction of a new Special Commitment Center facility on McNeil Island.

	Reappropriation	Appropriation
Supplemental Change		
State Building Construction Account - State	0	14,000,000

- Comments: 1) A total of \$14 million from the Violence Reduction and Drug Enforcement Account-State is deposited into the State Building Construction Account in the operating budget (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 205(3b) [EHB 2487]) for the first phase of the project which includes design, sitework, and construction associated with the first 50-bed housing unit. The assumed completion date is March 2002. The Department of Social and Health Services (DSHS) must notify the Office of Financial Management and the legislative fiscal committees if there are changes to the scheduled occupancy date.
- 2) While the appropriation is made to DSHS, the Department of Corrections will manage the project.
- 3) Within the funds appropriated, DSHS will evaluate options and site locations for less restrictive alternative placements and provide a report detailing the results of their evaluation to the Legislature by November 15, 2000.

Department of Health

Drinking Water Assistance Program

Ch 1, L 00, E2, PV, Sec 1014

Description: Provides loans to local governments and public water systems for projects and activities to protect and improve the state's drinking water facilities and resources.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Drinking Water Assistance Account - Federal	16,133,576	0
Supplemental Change		
Drinking Water Assistance Account - Federal	0	16,985,921
Total	16,133,576	16,985,921

Comments: The amount of federal money for this project was unknown during the 1999 legislative session.

Department of Corrections

Local Government Criminal Justice Facilities

Ch 1, L 00, E2, PV, Sec 1015

Description: Grants to local governments for jails and other correctional facilities.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
General Fund - Federal	639,196	2,894,165
Supplemental Change		
General Fund - Federal	0	612,000
Total	639,196	3,506,165

2000 Supplemental Capital Budget Project Descriptions

Comments: This appropriation is in addition to the currently authorized grant funding level of \$3.5 million provided in the original 1999-01 capital budget (Chapter 379, Laws of 1999, Partial Veto, Section 293). The appropriation from the federal Violent Offender Incarceration and Truth-in-Sentencing grant program is provided for the purpose of constructing, developing, expanding, modifying, or improving local jails and other correctional facilities to increase bed capacity. The Department was awarded \$4,083,217 more than was anticipated in the 1999-01 capital budget. The balance of the federal money is not appropriated and is held until the 2001-03 capital budget cycle.

Department of Ecology

Referendum 38 Water Supply Facilities

Ch 1, L 00, E2, PV, Sec 1017

Description: Provides planning, acquisition, construction, and improvement of water supply facilities statewide.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Drought Preparedness - State	0	6,800,000
St/Loc Impr Rev Acct Water Sup Fac - State	6,004,436	4,100,000
Supplemental Change		
State Drought Preparedness - State	0	-675,000
Total	6,004,436	10,225,000

Comments: The 2000 supplemental budget transfers funds to the operating budget (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 301(24) and (26) [EHB 2487]) for water storage studies.

Department of Ecology

Centennial Clean Water Fund

Ch 1, L 00, E2, PV, Sec 1019

Description: Distributes funds to public authorities for the control, storage, treatment, and disposal of wastewater that causes water quality degradation due to pollutants.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Public Works Assistance Account - State	0	10,000,000
Water Quality Account - State	32,336,890	52,000,000
Supplemental Change		
Public Works Assistance Account - State	0	450,000
Total	32,336,890	62,450,000

Comments: The Public Works Assistance Account appropriation is increased to provide funding for a wastewater treatment plant in the city of Pateros.

Department of Ecology

Water Pollution Control Revolving Fund

Ch 1, L 00, E2, PV, Sec 1020

Description: Provides loans to local governments for water quality improvements.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Water Pollution Control Revolving Account - State	55,640,931	32,375,833
Water Pollution Control Revolving Account - Federal	34,914,688	46,830,366
Supplemental Change		
Water Pollution Control Revolving Account - State	-26,830,452	20,479,148
Water Pollution Control Revolving Account - Federal	3,789,504	1,317,189
Total	67,514,671	101,002,536

Comments: Changes the reappropriation and appropriation amounts to correspond to corrections to the Department's accounting records.

2000 Supplemental Capital Budget Project Descriptions

Interagency Committee for Outdoor Recreation

Washington Wildlife & Recreation Program

Ch 1, L 00, E2, PV, Sec 1021

Description: The Washington Wildlife and Recreation Program (WWRP) was established to acquire lands for wildlife conservation and outdoor recreation purposes and to develop public recreational land and facilities.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	6,475,416	0
Outdoor Recreation Account - State	23,733,311	23,000,000
Habitat Conservation Account - State	25,872,718	25,000,000
Supplemental Change		
Outdoor Recreation Account - Federal	0	773,000
Total	56,081,445	48,773,000

- Comments: 1) Additional appropriation authority is provided in the 2000 Supplemental budget from the federal land and water conservation fund for alternate projects on the WWRP project lists.
- 2) Chapter 1, Laws of 2000, 2nd sp.s., Section 1021 approves the list of local projects for fiscal year 2001. LEAP document No. 2000 W-4 includes the list of projects.
- 3) The Interagency Committee for Outdoor Recreation is directed to develop a policy on time limits for the completion of projects and the reallocation of money to alternate projects.

State Conservation Commission

Conservation Reserve Enhancement Program

Ch 1, L 00, E2, PV, Sec 1022

Description: The Conservation Reserve Enhancement Program (CREP) is a partnership with the federal U.S. Department of Agriculture to offer payment to private landowners for part of the cost of protecting lands adjacent to salmon-critical streams for up to 15 years. The state funds 37.5 percent of the cost of restoring riparian habitat on lands enrolled in the CREP.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	5,000,000	5,000,000
Supplemental Change		
State Building Construction Account - State	0	-5,000,000
Total	5,000,000	0

Comments: Development of the CREP has taken longer than anticipated. New appropriations are transferred to the Conservation Commission for grants to assist dairy operators in implementing dairy nutrient management systems, and to the Department of Natural Resources to purchase small timber landowner riparian easements.

State Conservation Commission

Dairy Waste Management Grants Program

Ch 1, L 00, E2, PV, Sec 1023

Description: Provides additional grant funding to dairy operators to implement dairy nutrient management systems.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Water Quality Account - State	529,132	3,000,000
Supplemental Change		
State Building Construction Account - State	0	2,500,000
Total	529,132	5,500,000

2000 Supplemental Capital Budget Project Descriptions

Department of Fish and Wildlife

Emergency Repairs

Ch 1, L 00, E2, PV, Sec 1024

Description: Provides for emergency work typically resulting from fire, flood, wind, snow damage, or general public vandalism and misuse.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	135,000	700,000
Supplemental Change		
Aquatic Lands Enhancement Account - State	0	205,000
Total	135,000	905,000

Comments: Additional funds are provided for repair of the weir at Silver Lake Dam in Cowlitz County.

Department of Fish and Wildlife

Warm Water Game Fish Access Facilities

Ch 1, L 00, E2, PV, Sec 1025

Description: Provides funds to improve access, piers, parking, restrooms, and other usage-related projects at fishing areas.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Warm Water Game Fish Account - State	210,000	600,000
Supplemental Change		
Warm Water Game Fish Account - State	0	-300,000
Total	210,000	300,000

Comments: Capital expenditures are reduced to reflect current program plans. A portion of the funding is transferred to the operating budget for ongoing operational needs.

Department of Natural Resources

Small Timber Landowner Program

Ch 1, L 00, E2, PV, Sec 1026

Description: Funds the acquisition of easements on forest land from small land owners.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
General Fund - Federal	0	10,000,000
Supplemental Change		
General Fund - Federal	0	-10,000,000
State Building Construction Account - State	0	2,500,000
Total	0	2,500,000

Comments: Federal funding for this purpose was not included in the 2000 federal budget. The State Building Construction Account is provided to continue the program. The money is transferred from the Conservation Reserve Enhancement Program in the Conservation Commission.

Department of Natural Resources

Administrative Site Preservation

Ch 1, L 00, E2, PV, Sec 1027

Description: Fund allocation is updated to include appropriation from the Agricultural College Trust created in the 1999 legislative session.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Forest Development Account - State	0	203,580
Resource Management Cost Account - State	0	565,500
State Building Construction Account - State	0	361,920
Supplemental Change		
Resource Management Cost Account - State	0	-51,400

2000 Supplemental Capital Budget Project Descriptions

Agricultural College Trust Management Account - State	0	51,400
Total	0	1,131,000

Department of Natural Resources

Right-of-Way Acquisition

Ch 1, L 00, E2, PV, Sec 1029

Description: Fund allocation is updated to include appropriation from the Agricultural College Trust created in the 1999 legislative session.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Forest Development Account - State	0	387,000
Resource Management Cost Account - State	0	650,000
Supplemental Change		
Resource Management Cost Account - State	0	-6,000
Agricultural College Trust Management Account - State	0	6,000
Total	0	1,037,000

Department of Natural Resources

Minor Works Program

Ch 1, L 00, E2, PV, Sec 1030

Description: Fund allocation is updated to include appropriation from the Agricultural College Trust created in the 1999 legislative session.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Forest Development Account - State	0	136,600
Resource Management Cost Account - State	0	379,500
State Building Construction Account - State	0	242,900
Supplemental Change		
Resource Management Cost Account - State	0	-35,000
Agricultural College Trust Management Account - State	0	35,000
Total	0	759,000

Department of Natural Resources

Aquatic Lands Enhancement Grants

Ch 1, L 00, E2, PV, Sec 1031

Description: Provides grants to local governments to restore and protect aquatic habitat and to provide non-motorized public access to water.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Aquatic Lands Enhancement Account - State	2,340,000	5,550,000
Supplemental Change		
Aquatic Lands Enhancement Account - State	0	-797,000
Total	2,340,000	4,753,000

Comments: 1) Revenue to the Aquatic Lands Enhancement Account (ALEA) is projected to decline. This reduction eliminates funding for the Deepwater Slough and Castle Rock Riverfront Trail projects. However, as a result of the veto of the \$300,000 reductions in ALEA funded activities in the operating budget, the Department may further reduce the number of projects to restore the administrative costs of the Department.

2) See LEAP Capital Document No. 2000-A1. The two projects identified above are removed from the list of approved projects.

2000 Supplemental Capital Budget Project Descriptions

Washington State Patrol

Seattle Crime Laboratory

Ch 1, L 00, E2, PV, Sec 1032

Description: Provides for remodeling to accommodate the Toxicology Laboratory Program within the Seattle Crime Lab project.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
County Criminal Justice Assistance Account - State	0	650,000
Municipal Criminal Justice Assistance Account - State	0	250,000
State Building Construction Account - State	900,000	9,100,000
Supplemental Change		
Death Investigations Account - State	0	2,500,000
Total	900,000	12,500,000

Comments: In the original 1999-01 capital budget (Chapter 379, Laws of 1999, Partial Veto, Section 502), \$10 million was provided for the construction of the Washington State Patrol's Seattle Crime Laboratory. The \$2.5 million in supplemental funding will allow the State Toxicology Lab, which is currently located in the same building, to be remodeled and integrated into the construction project.

State Board of Education

Common School Construction - Quality and Value Improvements

Ch 1, L 00, E2, PV, Sec 1033

Description: Provides funds to improve the quality and value of K-12 school construction projects by incorporating value engineering, constructability reviews, building commissioning, construction management, and State Fire Marshal plan reviews to implement Chapter 313, Laws of 1999 (HB 1831).

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Common School Construction Account - State	0	10,000,000
Supplemental Change		
Common School Construction Account - State	0	-5,000,000
Total	0	5,000,000

Comments: A total of \$5 million is transferred to K-12 construction due to a delay in the State Board adopting rules for implementing the program. Once rules are adopted, these costs will be part of the state share of school construction at the state matching rate.

State Board of Education

Public School Building Construction

Ch 1, L 00, E2, PV, Sec 1034

Description: Funds are provided to address the updated estimates of K-12 construction demands in the current biennium.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	1,993,556	0
Common School Construction Account - State	112,424,633	315,081,000
Supplemental Change		
Common School Construction Account - State	0	56,800,000
Total	114,418,189	371,881,000

2000 Supplemental Capital Budget

Project Descriptions

- Comments: 1) The \$56.8 million supplemental appropriation reflects updated information provided by the Office of the Superintendent of Public Instruction for the amount of eligible projects for the July 1, 2000 release.
- 2) The sources supporting the \$56.8 million appropriation include: \$33.2 million of additional Department of Natural Resources trust revenues in the November 1999 forecast; \$13.3 million in unanticipated trust land transfer revenues from the Loomis forest sale (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 802); (\$4.2) million less from the 1999 trust land transfer estimate due to changing the timber to land ratio from 90/10 to 85/15 (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 1028); and \$6.6 million in additional Education Savings Account funds (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 519). In addition, \$5.0 million of the original appropriation for value engineering is available for construction because the State Board was slow in developing rules for the program. This totals \$53.8 million of additional revenues, the remaining funds are from the fund balance of the Common School Construction Account.
- 3) The estimated shortfall in common school matching funds for the 2001-03 biennium is \$160 million. The supplemental operating budget (Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto, Section 519) contains a \$35.0 million appropriation from the Education Construction Account to the Common School Construction Account to reduce the 2001-03 shortfall. A total of \$138 million is expected to be deposited into the Education Construction Account as a result of Chapter 2, Laws of 2000, 2nd sp.s. (EHB 3169), which changed the Initiative 601 Emergency Reserve from 5 percent of biennial to 5 percent of annual general fund revenues.

University of Washington

Classroom Improvements and Minor Works

Ch 1, L 00, E2, PV, Sec 1036

Description: Provides for improvements to general assignment classrooms and various minor works projects throughout the main campus.

	Reappropriation	Appropriation
Supplemental Change		
UW Building Account - State	0	16,000,000

Comments: The supplemental appropriation reflects the planned use of Metro Tract revenues in the current period. Beginning with the 1999-01 biennium, these funds are now deposited in the University of Washington building account and require appropriation. These funds were not included in the 1999-01 budget because Chapter 346, Laws of 1999 (ESHB 1991) was enacted after the budget was developed.

State School for the Deaf

Clark Hall/Lloyd: Upgrade

Ch 1, L 00, E2, PV, Sec 1037

Description: For upgrades to Clark Hall and Lloyd Auditorium.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	0	500,000
Supplemental Change		
State Building Construction Account - State	0	900,000
Total	0	1,400,000

Comments: A total of \$900,000 is transferred to this project from the Northrup Elementary School heating, ventilation, and air conditioning upgrade.

State School for the Deaf

Clark Hall/Lloyd: Seismic Stabilization

Ch 1, L 00, E2, PV, Sec 1038

Description: For replacement and anchoring of brick veneer on Clark Hall and Lloyd Auditorium for seismic stabilization.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	0	500,000
Supplemental Change		
State Building Construction Account - State	0	900,000
Total	0	1,400,000

2000 Supplemental Capital Budget Project Descriptions

Comments: A total of \$900,000 is transferred to this project from the Epperson Middle School heating, ventilation, and air conditioning upgrade.

Washington State University

WSU Spokane - Health Sciences Building

Ch 1, L 00, E2, PV, Sec 1042

Description: Corrects fund source.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
Higher Education Construction Account - State	0	36,300,000
State Building Construction Account - State	1,871,010	0
Supplemental Change		
Higher Education Construction Account - State	0	-36,300,000
State Higher Education Construction Account - State	0	36,300,000
Total	1,871,010	36,300,000

Eastern Washington University

Cheney Hall: Renovation

Ch 1, L 00, E2, PV, Sec 1043

Description: Provides for predesign of a project to renovate Cheney Hall for technology programs.

	Reappropriation	Appropriation
Supplemental Change		
EWU Capital Projects Account - State	0	300,000

State School for the Deaf

Northrup Elementary School, HVAC Upgrade

Ch 1, L 00, E2, PV, Sec 1046

Description: For upgrades to the heating, ventilation, and air conditioning system to add air conditioning to the building.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	0	900,000
Supplemental Change		
State Building Construction Account - State	0	-900,000
Total	0	0

Comments: Funds are transferred to higher priority facility upgrades at Clark Hall and Lloyd Auditorium.

State School for the Deaf

Epperson Middle School, HVAC Upgrade

Ch 1, L 00, E2, PV, Sec 1046

Description: For upgrades to the heating, ventilation, and air conditioning system to add air conditioning to the building.

	Reappropriation	Appropriation
1999-01 Original Appropriation		
State Building Construction Account - State	0	900,000
Supplemental Change		
State Building Construction Account - State	0	-900,000
Total	0	0

Comments: Funds are moved to higher priority facility upgrades at Clark Hall and Lloyd Auditorium.