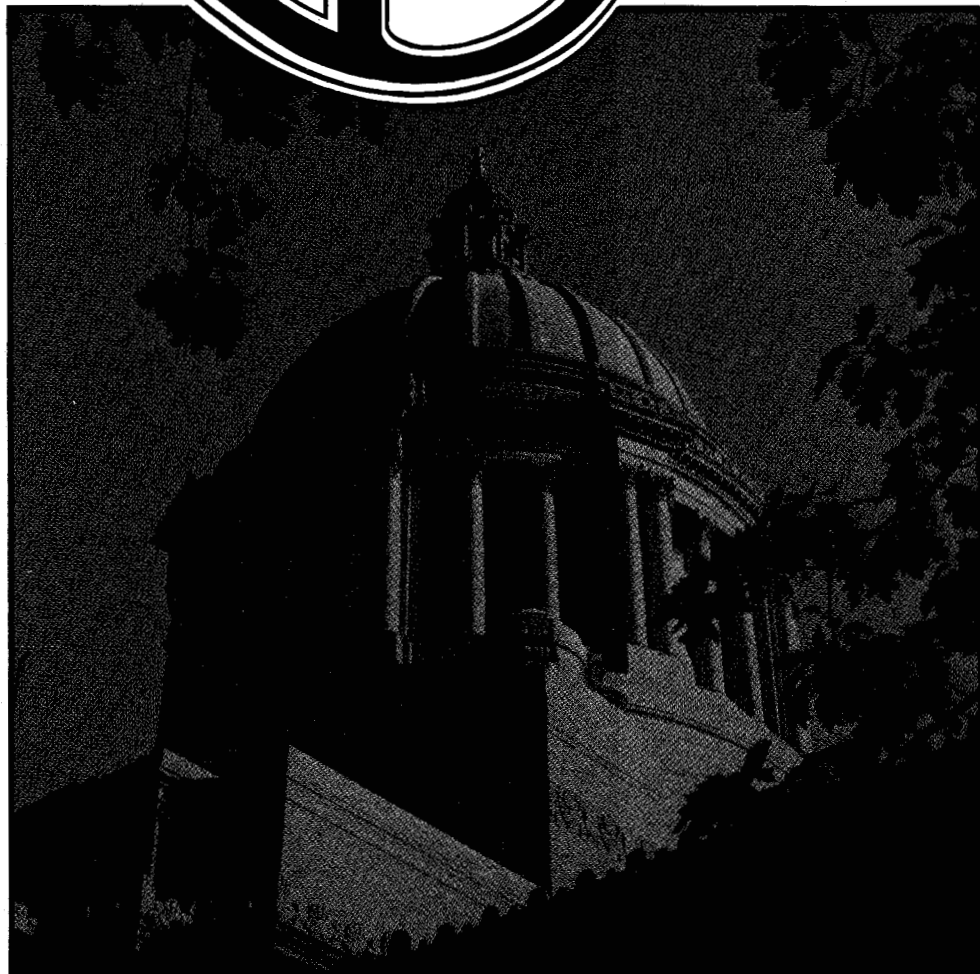


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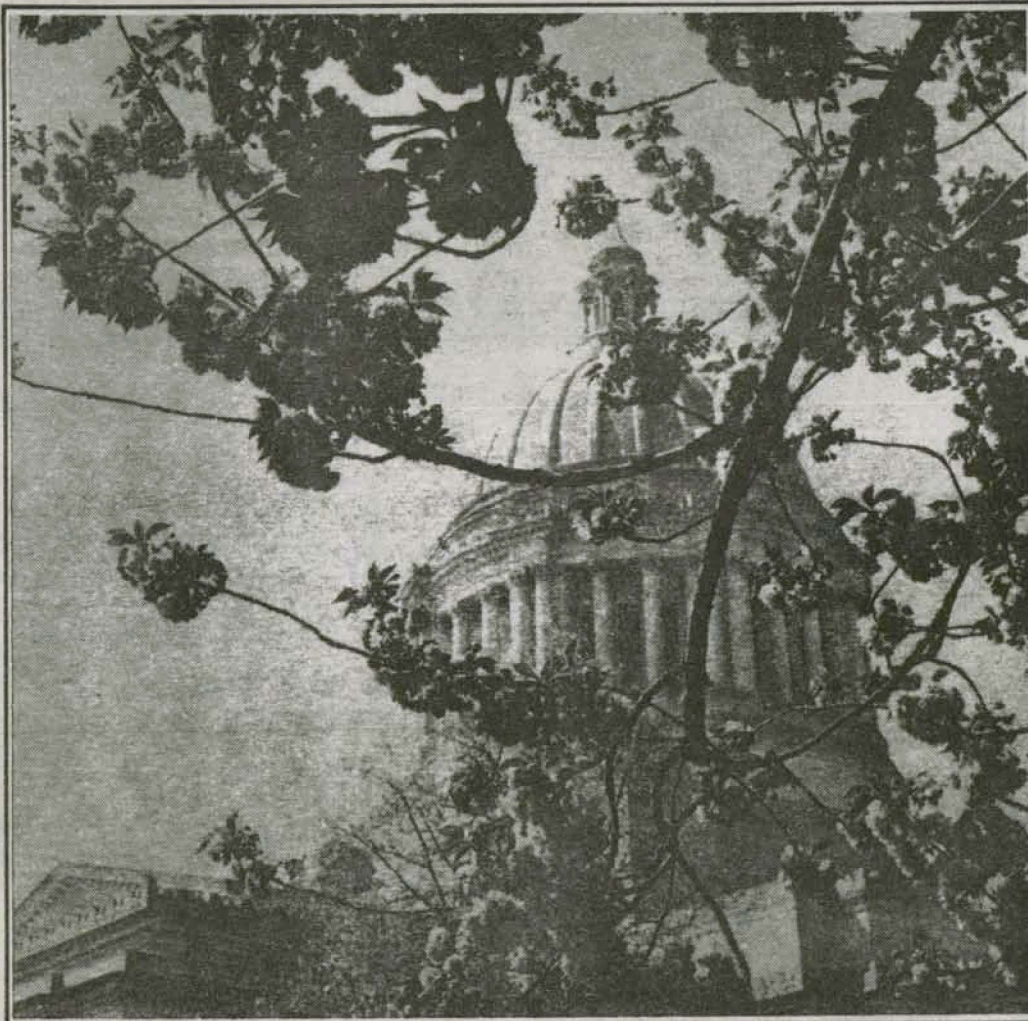
FINAL LEGISLATIVE

REPORT



Forty-Seventh Legislature of Washington State

BUDGET HIGHLIGHTS



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General Fund Revenue and Expenditure Reconciliation -1981-83 Biennium

\$ in millions

Beginning Fund Balance (Balance at End of 1979-81 Biennium)		\$ 5.6
Revenues: 1981-83 Biennium		
March 4, 1981 Revenue Forecast		7,243.9
Revenue Adjustments:		
September Revised Forecast	\$ (601.7)	
November Revised Forecast	(96.9)	
Inheritance Tax Repeal	(42.9)	
November Special Session	542.3	
December Revised Forecast	(144.2)	
February Revised Forecast	<u>(187.6)</u>	
SUBTOTAL		(531.0)
1982 Legislative Actions:		
ESB 4250 - Omnibus Revenue Act	270.8	
HB 784 - Tuition and Fees for Higher Education	21.0	
All Other (Including LEOFF Interest Transfer)	<u>(13.3)</u>	
SUBTOTAL		<u>278.5</u>
TOTAL REVISED REVENUE		\$6,997.0
Expenditures:		
1981-83 Original Appropriations		7,249.0
Adjustments:		
November Special Session	(231.8)	
Technical Adjustments	<u>.6</u>	
SUBTOTAL		(231.2)
1982 Legislative Actions		
SB 4369 (Adjusted for HB 784 and Reappropriations)	(149.3)	
All Other	<u>8.7</u>	
		<u>(140.6)</u>
TOTAL REVISED EXPENDITURES		\$6,877.2
REVISED BALANCE: 1981-83 BIENNIUM		\$ 119.8

Operating Budget Veto Summary

(SSB 4369, C50 L82 E1. See Veto Message)

General Government

Office of Minority and Women's Affairs/Commission on Mexican American Affairs, Commission on Asian American Affairs, Governor's Office of Indian Affairs

The vetoes of Sections 15 and 16 are complementary since the Legislature intended that the Governor's Office of Minority and Women's Affairs serve as a consolidated successor to the three de-funded Minority Commissions. Lack of public input and legislative deliberation coupled with the absence of statutory structure for the new agency were the primary reasons cited for the Governor's action. As a result, the three existing agencies remain funded at the level included in the November, 1981 budget revision.

DSHS - Income Assistance Program

Section 43 (6) would have required the Department of Social and Health Services to transfer to the state general fund any funds saved as a result of actual public assistance caseloads falling below the estimates. The veto of this subsection allows the Department to retain any savings.

DSHS - Services for the Blind and the Commission for the Blind

Services for the blind were transferred in the budget from the Commission for the Blind to the Department of Social and Health Services. The Legislature failed to enact legislation required to implement this transfer. The veto of Sections 49 and 57 serves to negate the transfer of funds, leaving services for the blind under the Commission for the Blind.

1982 Regular and First Special Sessions - Appropriation Legislation Summary

		\$ in thousands				
		General Fund State	General Fund Federal	Total General Fund	All Other	Total All Funds
2SHB 124	Public Employment (Retirement)	\$1,300.0	-	\$1,300.0	-	\$1,300.0
3SHB 179	Child Abuse Neglect Council (Governor)	150.0	-	150.0	-	150.0
HB 183	Centennial Commission (Wa Cent Comm)	25.0	-	25.0	-	25.0
HB 286	Displaced Homemaker Program (CPE)	244.0	-	244.0	-	244.0
HB 375	Automotive Repairs Regulation (Rev/DOL)	14.3	-	14.3	-	14.3
SHB 436	State Auctioneers Comm (DOL)	45.0	-	45.0	-	45.0
HB 454	Workers Comp Vocat Rehab (Several)	-	-	-	1,195.7	1,195.7
HB 768	Corrections Department Prov (DOC)	148.0	-	148.0	-	148.0
HB 784	Tuition & Fee Charges (CPE)	550.0	-	550.0	-	550.0
HB 795	L & I User Fees (L & I)	754.0	-	754.0	-	754.0
HB 796	Apprenticeship Prog Review (L&I)	534.0	-	534.0	-	534.0
HB 822	UCC Article 9 (DOL)	692.0	-	692.0	-	692.0
2SHB 828	Crime Victims Compensation (L & I)	300.0	-	300.0	3,200.0	3,500.0
SHB 837	Incentative Pay, State Employees (DOP)	-	-	-	50.0	50.0
HB 894	Razor Clam Program Funds (Fisheries)	118.0	-	118.0	-	118.0
HB 907	Administrative Hearings Office (Office Adm'n Hearings)	-	-	-	3,166.0	3,166.0
SHB 923	Voluntary Action Center (PCAA)	82.5	-	82.5	-	82.5
HB 1013	Small Business Innovators (Commerce & Ec)	45.0	-	45.0	-	45.0
HB 1017	Camping Clubs (DOL)	21.0	-	21.0	-	21.0
HB 1092	Unfair Cigarette Sales Tax (Revenue)	70.7	-	70.7	-	70.7

1982 Regular and First Special Sessions - Appropriation Legislation Summary

			\$ in thousands				
			General Fund State	General Fund Federal	Total General Fund	All Other	Total All Funds
SHB	1130	Uniform Crime Reports Program (CJTC)	-	-	-	85.0	85.0
HB	1162	Geoduck Management Plan (DNR)	-	-	-	187.0	187.0
SB	3609	Ed Policies, Structures Comm (Temp Comm)	25.0	-	25.0	-	25.0
SB	3737	Winter Recreational Activities (Parks)	-	-	-	30.0	30.0
SSB	3946	Aircraft Fuel Excise Tax (DOT)	-	-	-	773.0	773.0
SSB	4369*	Supplemental Budget (Several)	[149,278.0]	[12,384.0]	[161,662.0]	[32,664.0]	[194,326.0]
SSB	4502	Funds Apportioned by SPI (SPI)	2,200.0	-	2,200.0	-	2,200.0
SB	4510	St. Helens Recovery (DOT)	1,000.0	-	1,000.0	-	1,000.0
SB	4549	Transportation Budget Adjustment (DOT/DOL)	-	-	-	1,645.4	1,645.4
SB	4681	Natural Resources/Approp (DNR)	60.0	40.0	100.0	-	100.0
SSB	4684	Plant Pests/Disease Action (Agriculture)	300.0	-	300.0	-	300.0
SSB	4692	Motorcycle Operator Training (DOL)	-	-	-	50.0	50.0
SB	4919	Employment Security Approp (Employ Sec)	-	-	-	2,800.0	2,800.0
TOTAL OPERATING			<u>\$[140,599.5]</u>	<u>\$[12,344.0]</u>	<u>\$[152,943.5]</u>	<u>\$[19,481.9]</u>	<u>\$[172,425.4]</u>
SHB	808	500 Man Med Security Center (DOC)	-	-	-	13,230.0	13,230.0
SHB	1015	Convention Center Seattle (Corporation)	-	-	-	99,000.0	99,000.0
SHB	1230	Capital Appropriations Mod (Several)	-	-	-	215,946.5	215,946.5
TOTAL CAPITAL			<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>\$328,176.5</u>	<u>\$328,176.5</u>
TOTAL ALL			<u>\$[140,599.5]</u>	<u>\$[12,344.0]</u>	<u>\$[152,943.5]</u>	<u>\$308,694.6</u>	<u>\$155,751.1</u>

*Funds include adjustments for the passage of HB 784 and technical adjustment for DSHS reappropriation.

Washington State 1981-83 Operating Budget - Total Washington State

8 in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
LEGISLATIVE	36.903		310	37.213	39.050
JUDICIAL	33.460		359	33.819	26.038
GENERAL GOVERNMENT	733.981	10.723	848.789	1,593.493	1,424.146
SPECIAL APPROP	198.088	20.507	41.344	259.939	3.793
HUMAN RESOURCES	1,658.921	1,296.956	485.552	3,441.429	2,931.456
NATURAL RESOURCES	115.112	27.820	464.935	607.867	370.875
TRANSPORTATION	23.457	11.039	495.724	530.221	467.300
TOTAL EDUCATION	4,076.262	291.679	742.457	5,110.398	4,368.648
PUBLIC SCHOOLS	3,028.480	257.519	18.199	3,304.198	2,703.416
COMM COLLEGES	374.449	271	38.911	413.631	392.686
HIGHER EDUCATION	641.658		678.364	1,320.022	1,206.733
EDUCATION OTHER	31.675	33.889	6.983	72.547	65.811
TOT WASHINGTON STATE	6,876.184	1,658.723	3,079.472	11,614.379	9,681.304

Washington State 1981-83 Operating Budget - Total Judiciary & Legislative

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
TOTAL LEGISLATIVE	36.903		310	37.213	39.050
HOUSE OF REP	15.944			15.944	17.710
SENATE	13.846			13.846	14.743
LEGIS BUDGET COM	1.390			1.390	956
LEAP COMMITTEE	1.145			1.145	991
STATE ACTUARY	287			287	265
STATUTE LAW COM	4.291		310	4.601	4.201
TOTAL JUDICIARY	33.460		359	33.819	26.038
SUPREME COURT	5.630			5.630	5.609
LAW LIBRARY	1.608			1.608	1.427
COURT OF APPEALS	7.720			7.720	6.610
JUDICIAL QUAL COMM	254			254	
COURT ADMR	18.120		359	18.479	12.147
JUDICIAL COUNCIL	129			129	244
TOTAL LEG & JUD	70.363		669	71.032	65.087

Washington State 1981-83 Operating Budget - General Government

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
OFF OF GOV	3,249			3,249	2,827
LT GOVERNOR	197			197	212
SECRETARY OF STATE	3,740		1,135	4,875	3,949
INDIAN ADVISORY CNCL	105			105	152
ASIAN-AM ADV CNCL	105			105	161
MEXICAN-AM AFFAIRS	105			105	125
MINORITY & WOMEN AFFAIRS					
STATE TREASURER			5,161	5,161	4,266
STATE AUDITOR	1,849	352	5,580	7,781	7,130
ATTORNEY GENERAL	3,956		18,537	22,493	21,137
OFF FINANCIAL MGMT	11,160	6,300	50	17,510	32,052
ST INVESTMENT BOARD			1,075	1,075	
DEPT OF PERSONNEL			9,164	9,164	9,401
DATA PROCESS AUTH	386		418	804	1,072
DEFER COMP COMM	30			30	30
DEPT OF REVENUE	36,147		3,228	39,375	35,629
TAX APPEALS BRD	858			858	768
DEPT OF GEN ADMIN	6,310		22,155	28,465	31,017
INSURANCE COMM	7,043			7,043	6,729
STATE REUS FOR DIST	175,908		311,605	487,513	434,907
FEDERAL REUS FOR DIS		79	34,966	35,045	72,250
BOND RETIRE & INT			330,376	330,376	248,430
PUB DISCLOSURE COMM	870			870	860
STATE CAPITOL COM					20
GAMBLING COMM			4,481	4,481	3,489
PERSONNEL APPEALS BD			617	617	
DEPT RETIREMENT SYS	470,950		9,085	480,035	400,078
ST FINANCE COM					1,069
NUN RESEARCH CNCL	1,197			1,197	880
UNIFORM LEG COMM					20
ST BRD OF ACCTNCY	539			539	517
BOXING COMMISSION	62			62	59
CEMETERY BOARD			56	56	56
HORSE RACING COMM			2,138	2,138	1,883
LIQUOR CONTROL BRD			72,032	72,032	64,928
PHARMACY BOARD	937			937	1,352
UTILITY & TRANS			16,774	16,774	14,864
UOL FIREMEN BOARD			157	157	122
DEPT EMERGENCY SERU	975	2,227		3,202	13,210
MILITARY DEPT	6,140	1,764		7,904	7,180
PUB EMPL REL COMM	1,138			1,138	1,207
WASH CENTENNIAL COMM	25			25	
GENERAL GOVERNMENT	733,981	10,723	348,789	1,593,493	1,424,146

Washington State 1981-83 Operating Budget - Total Special Appropriations

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
SPEC APP TO GOV	2.180			2.180	624
RELATED CLAIMS	1.553		273	1.825	525
SUNDRY CLAIMS	1.668	61	100	1.828	391
SALARY ADJUSTMENTS	110.389	20.446	40.972	171.807	
K-12 SALARY ADJUST	112.299			112.299	
PRODUCTIVITY SAVINGS	-30.000			-30.000	
UOL LEAVE INCENTIVE					
TOT SPECIAL APPROPS	198.088	20.507	41.344	259.939	3.793

Washington State 1981-83 Operating Budget - Dept. of Social & Health Services

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
JUVENILE REHABILITATION	56,346	739		57,085	53,562
MENTAL HEALTH	133,683	20,713	922	155,318	128,860
DEVELOPMENTAL DISABILITY	134,347	61,093		195,440	172,521
NURSING HOMES	167,275	167,327		334,602	275,087
INCOME MAINTENANCE	308,198	319,194		627,392	665,670
COMMUNITY SOCIAL SERVICE	131,151	60,976	105	192,232	185,329
MEDICAL ASSISTANCE	253,219	212,081		465,300	423,693
PUBLIC HEALTH	32,938	50,028	32,742	115,708	103,901
VOCATIONAL REHABILITATION	15,666	27,468		43,134	44,183
ADMIN/SUPPORTING SERVICE	56,017	44,191	75	100,283	94,879
COMMUNITY SERVICES ADMIN	100,661	126,524	48	227,233	219,221
DSHS REAPPROPS	18,627	13,662	250	32,539	33,633
300-MISCELLANEOUS					
DEPT OF SOCIAL & HLTH SV	1,408,128	1,103,996	34,142	2,546,266	2,401,139

Washington State 1981-83 Operating Budget - Total Human Resources

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
DEPT OF CORRECTIONS	211.931		525	212.456	141.468
DEPT SOC & HLTH SER	1,408.128	1,103.996	34.142	2,546.266	2,401.139
VETERANS AFFAIRS	14.285		2.496	16.781	16.212
PLAN & COMM AFFAIRS	4.289	28.152		32.441	20.603
HUMAN RIGHTS COMM	2.413	517		2.930	4.257
IND INS APPEALS BRD	35		4,824	4,859	3,454
CRIM JUST TRNG CM			5,605	5,605	4,395
DEPT L & I	9.272		86,437	95,709	76,423
PRISON TERMS & PAROLES	2.223			2,223	2,117
HOSPITAL COMM	474	128	915	1,517	1,645
DEPT EMPLOY SECURITY	1,997	158,908	121,734	282,639	290,188
COMM FOR BLIND	2,468	5,254	396	8,118	7,329
JAIL COMMISSION	704		225,313	226,017	12,227
SENTENCING COMM	598			598	
ADMIN HRGS OFF	105		3,166	3,271	
TOT HUMAN RESOURCES	1,658,921	1,296,956	485,552	3,441,429	2,981,456

Washington State 1981-83 Operating Budget - Natural Resources Total

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
STATE ENERGY OFFICE	1.005	4.641		5.646	6.360
OCEANOGRAPHIC COMM					380
COL RIV GORGE COMM	66			66	70
DEPT OF ECOLOGY	17.515	14.380	249.944	281.839	97.587
ENERGY FAC SITE EU CNC			3.790	3.790	3.001
PARKS & RECREATION	24.349	185	7.370	31.904	31.181
ARCH/HIST PRESERV	288	205		493	2.919
OUTDR RECREATION COMM			29.350	29.350	13.636
ENVIRON HEARINGS OFFICE	573			573	636
ENVIRONTL POLICY CNCL	42			42	
COMM & EC DEVELP DEPT	8.140	391	1.810	10.341	7.530
DEPT OF FISHERIES	33.750	5.777	1.900	41.427	43.983
DEPT OF GAME			50.606	50.606	41.406
NATURAL RESOURCE DEPT	20.835	1.464	90.530	112.829	93.267
DEPT OF AGRICULTURE	8.521	777	29.635	38.933	28.425
WINTER REC COMM	28			28	
NATURAL RESOURCES TOTAL	115.112	27.820	464.935	607.867	370.875

Washington State 1981-83 Operating Budget - Total Transportation

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
BRD PILOTAGE COMMRS			55	55	47
STATE PATROL	11.701		90.402	102.103	88.772
TRAFFIC SAFETY COMM			8.798	8.798	7.938
DEPT OF LICENSING	10.068		65.478	75.546	62.786
DEPT OF TRANSPORT	1.689	11.039	261.776	274.504	240.824
CNTY ROAD ADMIN BPD			254	254	213
URBAN ARTERIAL BRD			68.961	68.961	66.653
TOLL BRIDGE AUTH					
TOT TRANSPORTATION	23.457	11.039	495.724	530.221	----- 467.300

Washington State 1981-83 Operating Budget - Education Total

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
PUBLIC SCHOOLS	3,028,480	257,519	18,199	3,304,198	2,703,416
COMM COLLEGE TOTAL	374,449	271	38,911	413,631	392,686
HIGHER EDUCATION	641,658		678,364	1,320,022	1,206,733
UNIV OF WASH	284,218		547,566	831,784	746,781
WASH STATE UNIV	172,524		99,390	271,914	258,096
EASTERN WASH UNIV	53,843		8,147	61,990	57,158
CENTRAL WASH UNIV	48,341		8,755	57,096	53,745
THE EVERGREEN ST COLL	24,984		2,285	27,269	23,894
WESTERN WASH UNIV	57,748		12,222	69,970	67,059
EDUCATION OTHER	31,675	33,899	6,983	72,547	65,811
COMPACT FOR EDUC	61			61	50
CNCL POSTSEC EDUC	20,680	3,684	20	24,384	17,332
PUBLIC BROADCASTING	124	8		132	146
COMM FOR UOC EDUC	1,682	27,157		28,839	29,242
HE PERSONNEL BRD	135		1,214	1,349	1,296
STATE LIBRARY	6,426	2,147	5,985	14,558	13,821
STATE ARTS COMM	1,191	893		2,084	2,150
ST HIST SOCIETY	525		36	561	641
E WA ST HIST SOCIETY	440		75	515	623
ST CAPITOL HIST ASSN	387		53	440	510
TEMP COMM ED POL. STR&MGMT	25			25	
EDUCATION TOTAL	4,076,262	291,679	742,457	5,110,398	4,368,648

Washington State 1981-83 Operating Budget - Public Schools

\$ in thousands

	GENERAL FUND STATE	GENERAL FUND FEDERAL	ALL OTHER FUNDS	1981-83 TOTAL ALL FUNDS	1979-81 TOTAL ALL FUNDS
OFFICE OF SPI	11.945	5.981	460	18.386	20.620
GEN APPORTIONMENT	2,587.069		4,000	2,591.069	2,098.059
MISCELLANEOUS	-15.674			-15.674	
TRANSPORTATION	147.300			147.300	153.227
VOC-TECH INSTITUTES	41.323			41.323	37.959
FOOD SERVICES	6.432	69.744		76.176	68.255
HANDICAPPED	119.921	27.200		147.121	168.261
TRAFFIC SAFETY EDUCATION			13.740	13.740	13.004
EDUC SERVICE DIST ISD	3.946			3.946	10.188
SPECIAL PROGRAMS	109.160			109.160	
INST EDUCATION	15.361	5.560		20.921	18.810
ELEM & SECONDARY ED ACT		114.660		114.660	106.806
INDIAN EDUCATION		600		600	1.888
ADULT BASIC EDUCATION		3.235		3.235	2.988
CAREER EDUCATION		505		505	287
ENCUMB FED GRANTS		30.034		30.034	-30.034
CARRY FORWARD CATEGORICAL	706			706	
EDUCATIONAL CLINICS	990			990	
SUPT PUBLIC INSTRUCTION	3,028.480	257.519	18.199	3,304.198	2,703.416

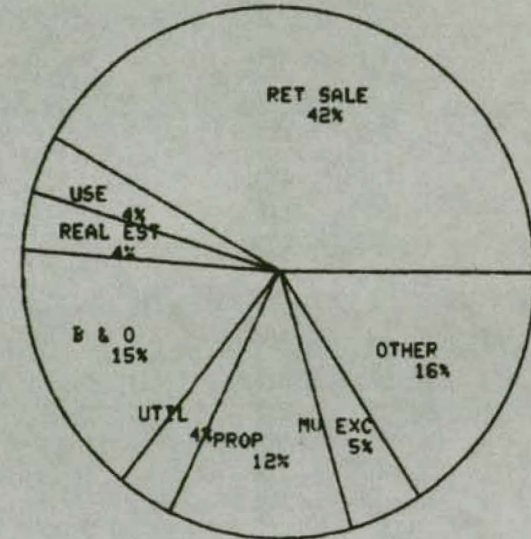
Comparative Information - Operating Budget - General Fund State - 1981-83 Biennium - Revenue Forecast

\$ in millions

ORIGINAL REVENUE 1981-83

RETAIL SALES	3,045	42%
USE TAX	259	4%
REAL ESTATE EXCISE	256	4%
B & O	1,122	15%
PUBLIC UTILITY	256	4%
PROPERTY TAX	845	12%
MOTOR VEHICLE EXCISE	340	5%
ALL OTHER	1,157	16%

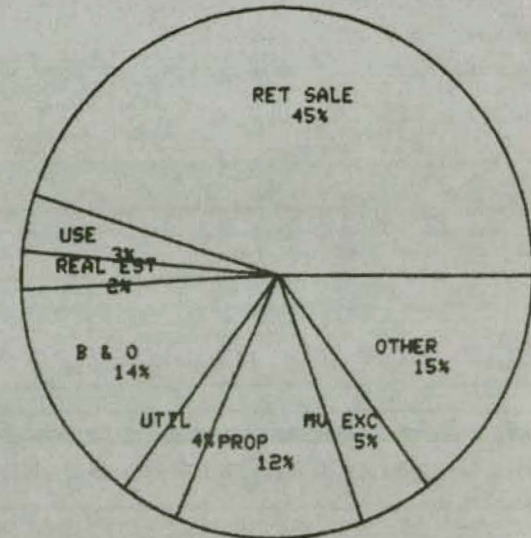
LEGISLATIVE EXPECTATIONS 7,279 100%



REVISED LEG ASSUMPTIONS

RETAIL SALES	3,168	45%
USE TAX	240	3%
REAL ESTATE EXCISE	164	2%
B & O	997	14%
PUBLIC UTILITY	262	4%
PROPERTY TAX	833	12%
MOTOR VEHICLE EXCISE	325	5%
ALL OTHER	1,041	15%

REVISED EXPECTATIONS 7,028 100%



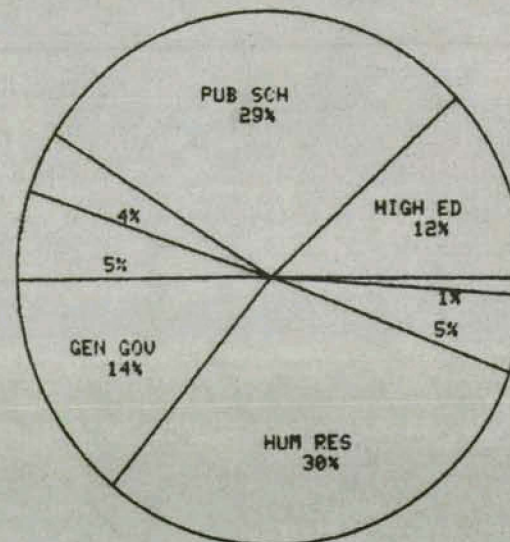
Comparative Information - Operating Budget - Total All Funds Versus General Fund - State

8 in millions

REVISED 1981-83

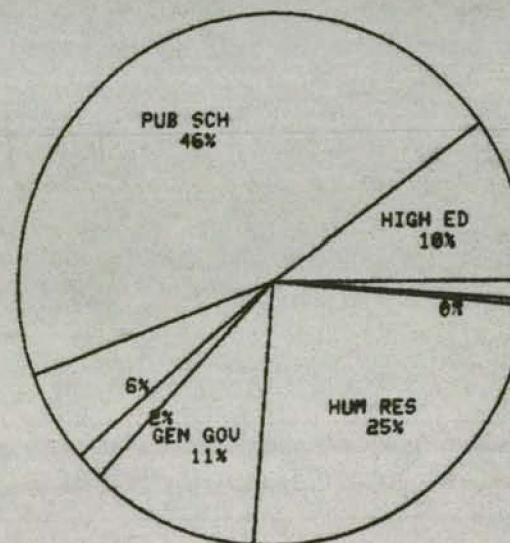
HIGHER EDUCATION	1,363	12%
PUBLIC SCHOOLS	3,418	29%
COMMUNITY COLLEGES	435	4%
NATURAL RESOURCES	620	5%
GENERAL GOVERNMENT	1,607	14%
HUMAN RESOURCES	3,501	30%
TRANSPORTATION	548	5%
ALL OTHER	121	1%

TOTAL ALL FUNDS	11,614	100%
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HIGHER EDUCATION	685	10%
PUBLIC SCHOOLS	3,142	46%
COMMUNITY COLLEGES	396	6%
NATURAL RESOURCES	122	2%
GENERAL GOVERNMENT	739	11%
HUMAN RESOURCES	1,689	25%
TRANSPORTATION	24	%
ALL OTHER	79	1%

GENERAL FUND-STATE	6,876	100%
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FUNCTIONAL AREAS INCLUDE DISTRIBUTED COMPENSATION INCREASES

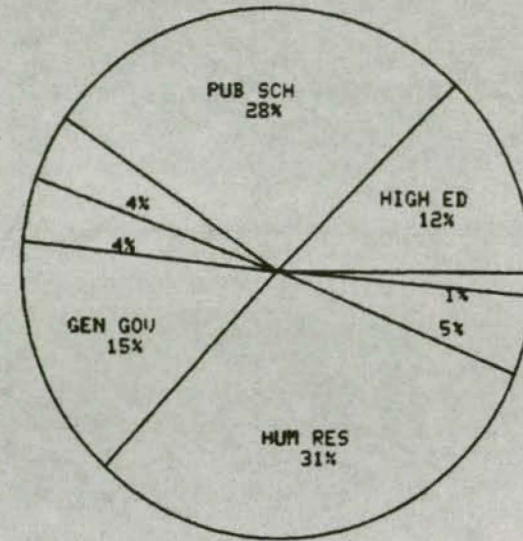
Comparative Information - 1981-83 Operating Budget - 1979-81 Total Versus 1981-83 Revised

\$ in millions

TOTAL ALL FUNDS

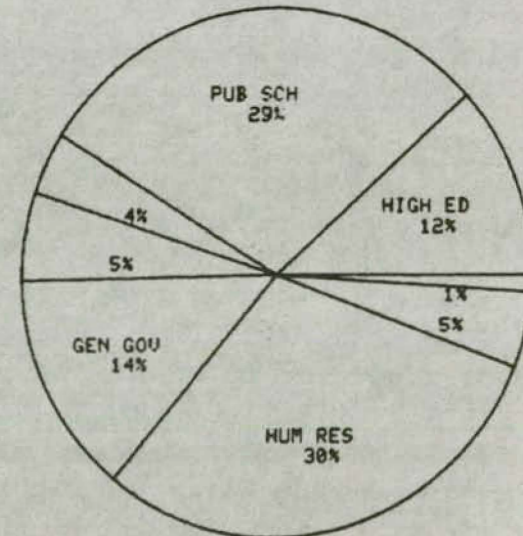
HIGHER EDUCATION	1,207	12%
PUBLIC SCHOOLS	2,703	28%
COMMUNITY COLLEGES	393	4%
NATURAL RESOURCES	371	4%
GENERAL GOVERNMENT	1,424	15%
HUMAN RESOURCES	2,981	31%
TRANSPORTATION	467	5%
ALL OTHER	135	1%

1979-81 TOTAL 9,681 100%



HIGHER EDUCATION	1,363	12%
PUBLIC SCHOOLS	3,418	29%
COMMUNITY COLLEGES	435	4%
NATURAL RESOURCES	620	5%
GENERAL GOVERNMENT	1,607	14%
HUMAN RESOURCES	3,501	30%
TRANSPORTATION	548	5%
ALL OTHER	121	1%

REVISED 1981-83 11,614 100%



FUNCTIONAL AREAS INCLUDE DISTRIBUTED COMPENSATION INCREASES

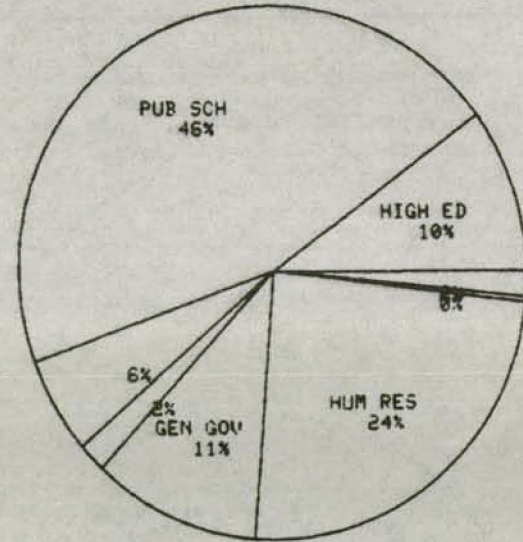
Comparative Information - 1981-83 Operating Budget - Dec. 1981 Revised Versus April 1982 Revised

8 in millions

GENERAL FUND-STATE

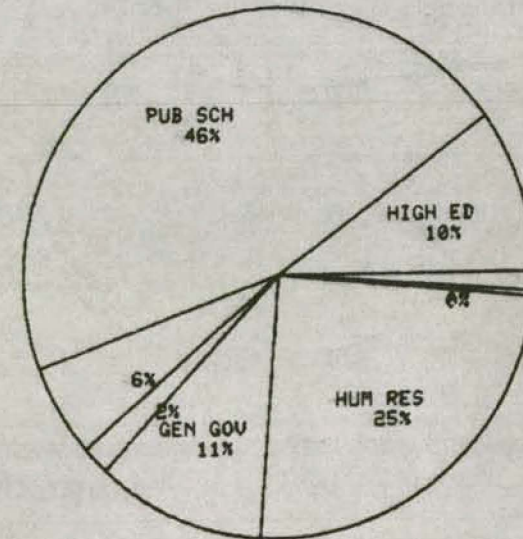
HIGHER EDUCATION	694	10%
PUBLIC SCHOOLS	3,195	46%
COMMUNITY COLLEGES	405	6%
NATURAL RESOURCES	126	2%
GENERAL GOVERNMENT	748	11%
HUMAN RESOURCES	1,715	24%
TRANSPORTATION	24	%
ALL OTHER	110	2%

DEC 81 REVISED 1981-83 7,017 100%



HIGHER EDUCATION	685	10%
PUBLIC SCHOOLS	3,142	46%
COMMUNITY COLLEGES	396	6%
NATURAL RESOURCES	122	2%
GENERAL GOVERNMENT	739	11%
HUMAN RESOURCES	1,689	25%
TRANSPORTATION	24	%
ALL OTHER	79	1%

APR 82 REVISED 1981-83 6,876 100%



FUNCTIONAL AREAS INCLUDE DISTRIBUTED COMPENSATION INCREASES

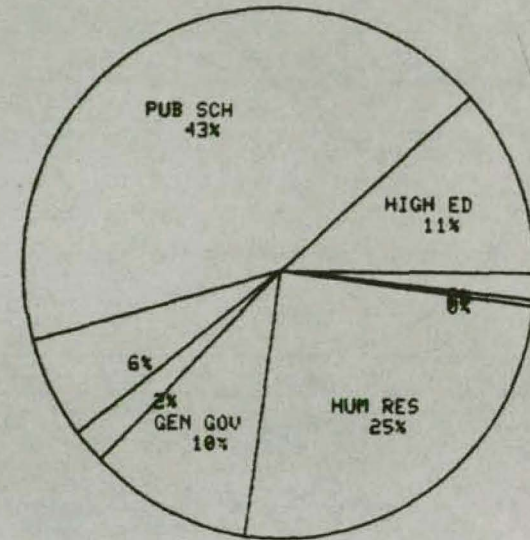
Comparative Information - Operating Budget - 1979-81 Total Versus 1981-83 Revised

8 in millions

GENERAL FUND-STATE

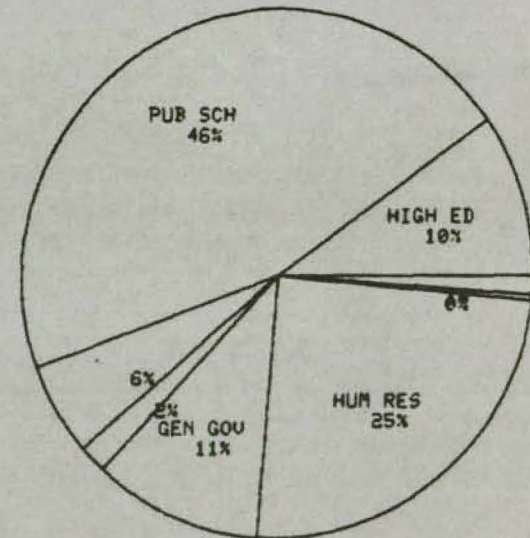
HIGHER EDUCATION	659	11%
PUBLIC SCHOOLS	2,454	43%
COMMUNITY COLLEGES	348	6%
NATURAL RESOURCES	121	2%
GENERAL GOVERNMENT	587	10%
HUMAN RESOURCES	1,449	25%
TRANSPORTATION	21	%
ALL OTHER	93	2%

1979-81 TOTAL 5,732 100%



HIGHER EDUCATION	685	10%
PUBLIC SCHOOLS	3,142	46%
COMMUNITY COLLEGES	396	6%
NATURAL RESOURCES	122	2%
GENERAL GOVERNMENT	739	11%
HUMAN RESOURCES	1,689	25%
TRANSPORTATION	24	%
ALL OTHER	79	1%

REVISED 1981-83 6,876 100%



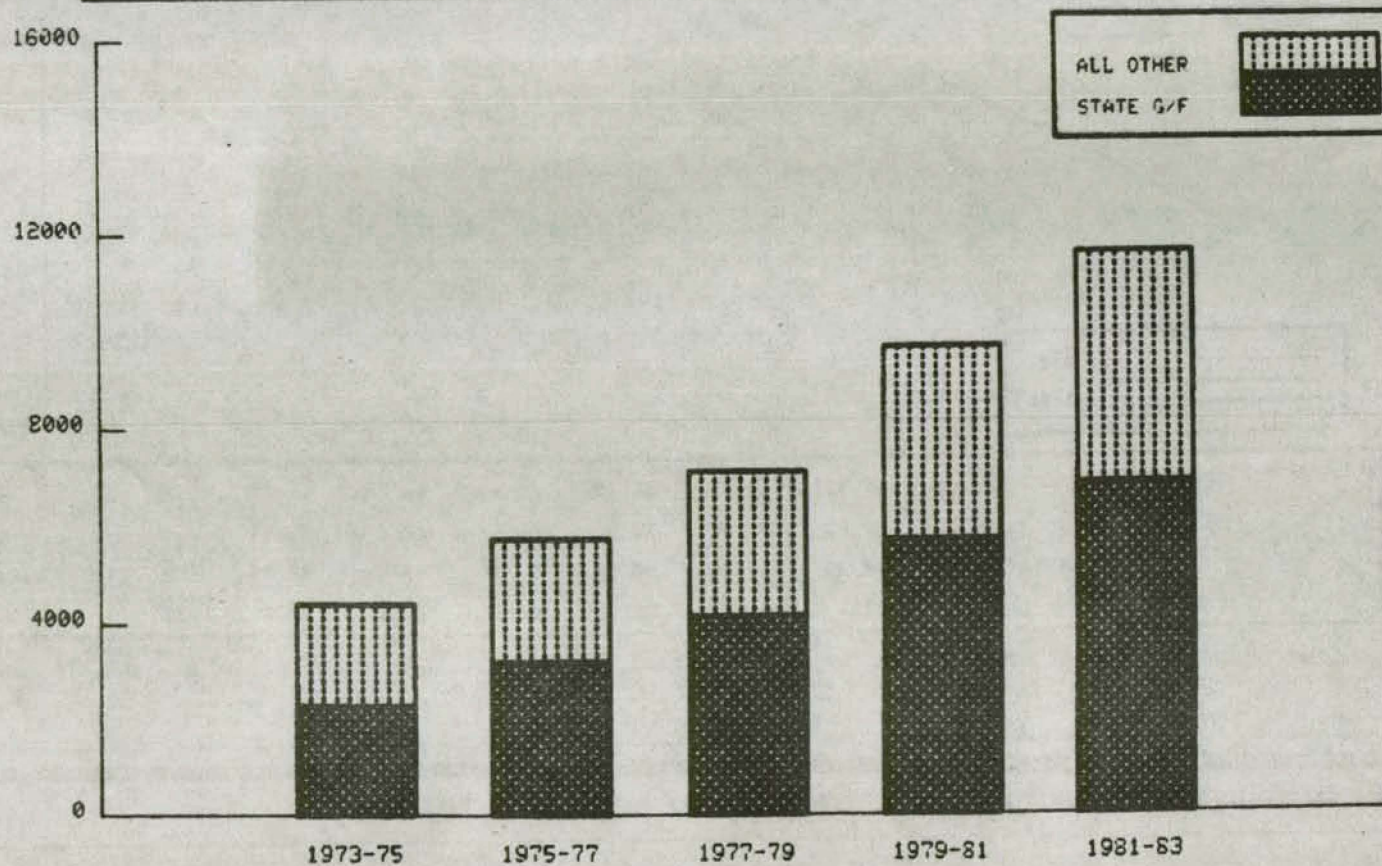
FUNCTIONAL AREAS INCLUDE DISTRIBUTED COMPENSATION INCREASES

Comparative Information - Operating Budget - Total All Funds and General Fund - State

\$ in millions

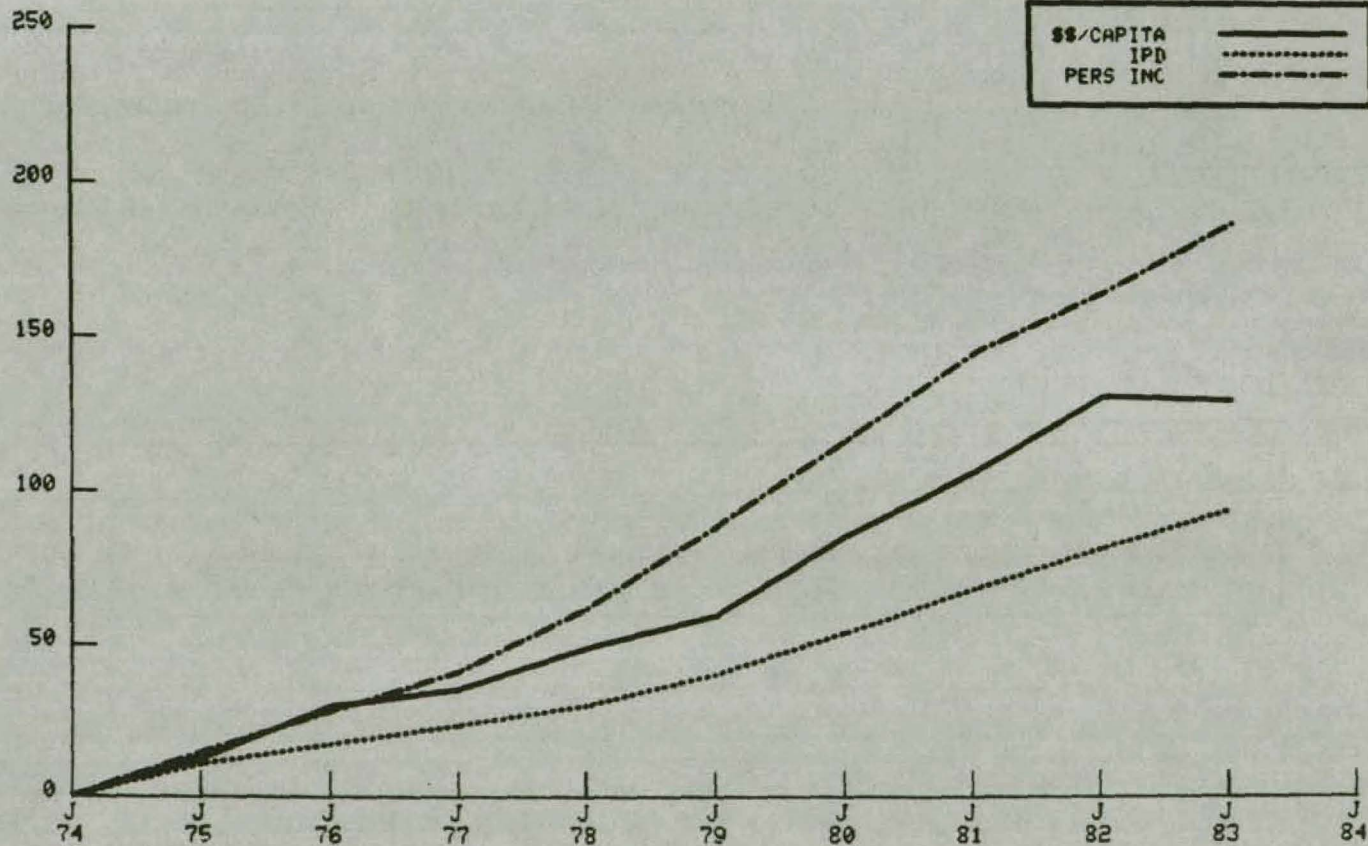
(1981-83 REVISED BUDGET)

	1973-75	1975-77	1977-79	1979-81	1981-83
STATE G/F	2.303	3.219	4.168	5.732	6.876
ALL OTHER	2.136	2.539	2.965	3.949	4.738
TOTAL	4.439	5.758	7.133	9.681	11.614



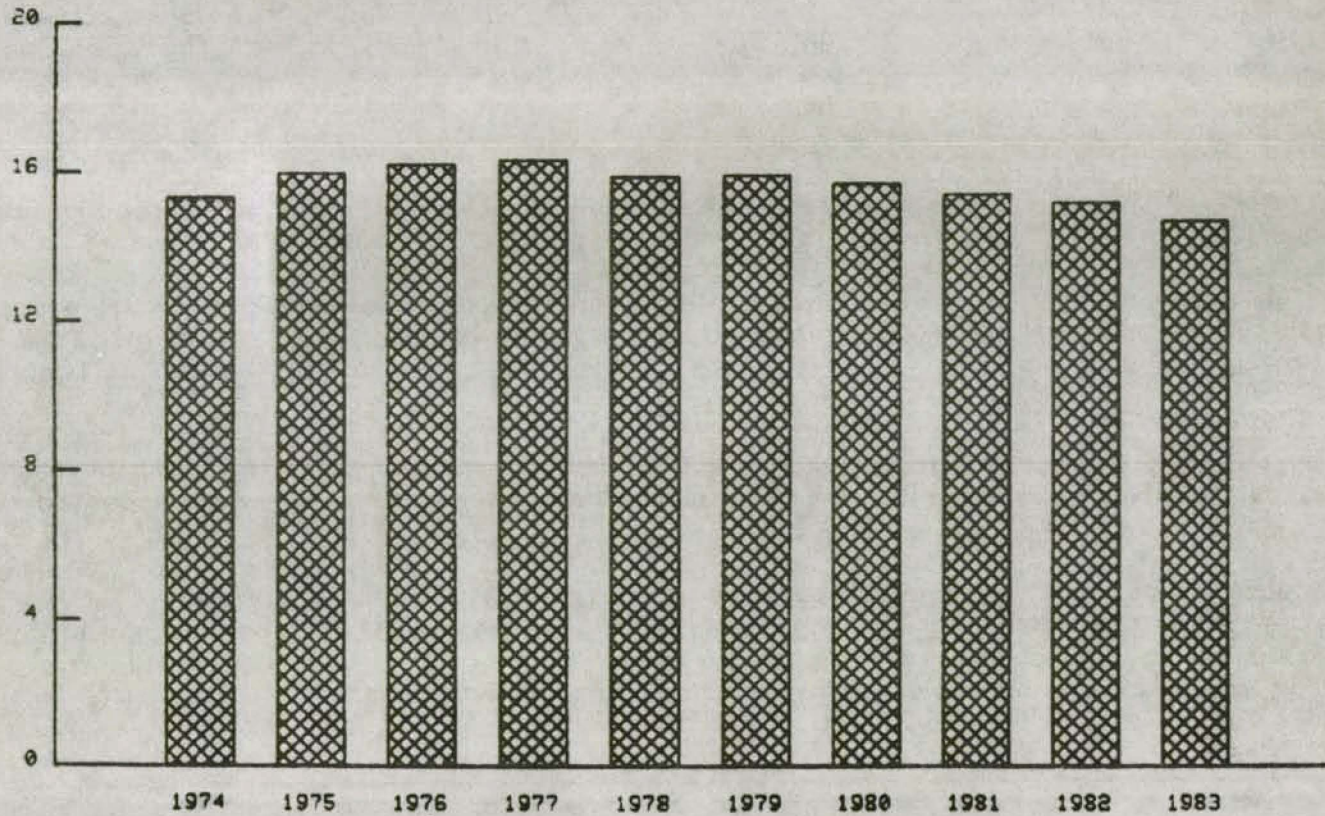
Percent Growth Comparison - \$\$ Per Capita, Implicit Price Deflator, Personal Income

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
\$\$/CAPITA		12.28	29.84	35.36	49.05	59.80	85.64	106.28	130.50	129.13
IPD		10.58	17.27	23.51	30.02	40.42	54.07	68.54	81.56	93.25
PERS INC		14.37	28.15	41.22	61.88	88.63	116.59	144.80	163.91	186.25



State Employees Per 1000 Population

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
FTE/1000 POP	15.3	16.0	16.2	16.3	15.9	15.9	15.7	15.4	15.2	14.7
FTE	53749	56966	58932	60647	60940	63382	64886	65258	64808	63108
POPULATION	3508700	3567900	3634900	3715400	3836200	3979200	4130200	4228600	4265400	4290700



1981-83 Biennial Operating Budget

Overview

The original 1981-83 biennial operating budget for the State of Washington appropriated \$12.1 billion. General Fund-State dollars supported approximately \$6.9 billion of the total appropriation. Another \$1.8 billion in expenditures was supported by federal fund sources for a total General Fund appropriation of \$8.7 billion. Budget reductions adopted by the Legislature during the 1981 Second Extraordinary Session reduced the total budget by \$350 million to \$11.8 billion.

Facing a shortfall of General Fund revenues of approximately \$478 million, the Legislature this session found it necessary to again revise the 1981-83 budget by reducing State General Fund spending by \$152 million and increasing tax revenues by \$326 million.

In making reductions, the Legislature set the following priorities: (1) Continue to provide quality educational programs at all levels; (2) Ensure that the essential needs of the socially and physically disadvantaged are met; and (3) Reduce or eliminate those programs whose operations least affect the needs of the citizens of this state.

The 1981-83 State General Fund budget in nominal dollars is \$1,133 million, or 19.8 percent higher than 1979-81 expenditures. Major components of that increase can be summarized as follows:

	Biennium Increase \$ Amount <u>(Millions)</u>	Biennium Increase <u>Percent</u>
K-12 appropriation of monies previously considered local funds	\$ 253	4.4
Increased retirement systems budget	117	2.0
Increased distribution of state collected revenue to local government	40	0.7
Increased prison system budget	70	1.2
Increased public schools budget	320	5.6
Increased social & health services budget	151	2.6
Compensation increases public school & state employees (average increase less than 4% per year)	227	4.0
Reduced employment levels - replace only one-half of terminating employees	(30)	(0.5)
	<u>\$1,148</u>	<u>20.0</u>

1981-83 Biennial Operating Budget

The balance of state government agencies received essentially the same level of state general fund support (not inflated) in this budget as they did in the 1979-81 biennium. However, a constant level of dollar support does not provide for the same level of service as provided in the past biennium. For example, \$30 million of expenditures included in the 1979-81 total represents the cost of a 6 percent salary increase for state employees granted on October 1, 1980 (FY 1981). Maintenance of that salary increase through the 24 months of the current biennium will cost \$80 million. This same principle applies to increases in grant levels and vendor payments that were provided toward the end of the 1979-81 biennium. Another example concerns the natural resource and general government groups of agencies. Most of these agencies were initially budgeted at a level of 12 percent below the estimated requirement for maintaining 1979-81 service levels. Subsequently, the biennial appropriation was further reduced by 10.1 percent in the November/December 1981 legislative session. The 1982 session reduced these agencies' biennial budget levels by another 3 percent. The cumulative effect of these reductions is more than 25 percent because the 10 percent reduction took effect with only 18 months remaining in the biennium and the 3 percent reduction occurred with only 14 months remaining.

The major increases in programs occurred in prisons due to increasing populations, commerce and economic development for tourist promotion and industrial development, and in student financial aid because of increased tuition and operating fees.

The increase in K-12 funding is to allow maintenance of current service levels, while the DSHS increases reflect increased medical costs and increased populations in program areas such as mental health.

Although the increase of nearly 20 percent in budget capacity appears on the surface to be adequate for meeting inflationary pressures, most operations of state government will be operating at a reduced service level this biennium in comparison to the 1979-81 period.

The General Government budget area includes both the legislative and judicial branches, and a diverse assortment of over 30 agencies within the executive's span of control. For the most part, General Government agencies are being required to reduce their 1981-83 State General Fund expenditures by 3 percent. In specific cases, where warranted, supplemental appropriations have been provided. Conversely, reductions of less than 3 percent have been approved.

Following are revisions of note to the General Government area of the biennial operating budget.

Office of Minority and Women's Affairs - This office is newly established within the governor's office. Its general mission will be to address concerns unique to Asians, Blacks, Indians, Mexican-Americans, other Washington minorities, and Women. Its specific responsibilities and office structure are to be determined by the governor. Implementation is expected in fiscal year 1983 upon termination of funding for the separate Commissions on Asian-American Affairs, Mexican-American Affairs, and the Indian Advisory Council.

Office of Financial Management/State Treasurer's Office - Supplemental funding is earmarked for the completion, implementation, and operation of the Agency Financial Reporting System (AFRS) and its integration with the Treasury Accounting System. It is assumed that AFRS will be operational in 109 agencies by July 1, 1983.

Energy Fair 1983 - Funding for development of a state exhibit is eliminated due to the Fair's cancellation.

Department of Revenue - Appropriations are reduced only for those programs in which cutbacks result in minimal or no loss to state revenue collections.

Legislative Budget Committee - Funding is provided for a study of program and course duplication at all levels of higher education and at all types of institutions. Funding is also provided for a grant to study the structure and management of education systems, from kindergarten through higher education.

Judicial Council - Funding is provided solely for fiscal year 1982. Effective July 1, 1982, the Council's functions are transferred to the Office of the Administrator for the Courts.

General Government Highlights

Compensation - A salary adjustment of 7 percent for all employee groups during the second year of the 1981-83 biennium will be provided five months later than planned for state employees, and six months later than planned for school district employees. Both groups will receive their increases on June 30, 1983. Increased contributions for employee insurance programs will begin as originally planned on July 1, 1982.

Salaries - State employees will receive an increase of 7 percent effective June 30, 1983. School employees will receive an increase of 6.8 percent effective June 30, 1983.

Employee Health Insurance - The current rate, per employee per month is \$121. The rate effective on July 1, 1982, is \$137.

The Department of Social and Health Services appropriation was reduced by \$8.8 million in State General Funds. Every effort was made to minimize financial impacts on programs directly affecting its clients. In addition, several budget increases were granted to aid the elderly and medically indigent.

General - Inflationary increases scheduled in fiscal year 1983 for vendors have been reduced by 50 percent. Funding for six regional offices and eight small vocational rehabilitation offices is discontinued. Responsibility for services for the blind is transferred to the Department. Administrations of the Deaf and Blind Schools are consolidated. Discretionary reductions totaling \$7.0 million are required.

Medical Assistance - The deductible for the Medically Indigent Program is reduced from \$1,500 to \$500 per year.

Community Social Services - \$4.0 million in surplus funding is removed from the chore services program. Funding is provided to place a floor under ability-to-pay for chore services. Additional funding is provided for cost-shared day care for low-income working families.

Department of Corrections - \$3.7 million in unspent program support allotments is removed.

Blind Commission - Funding for the Commission is eliminated and its functions are transferred to the Department of Social and Health Services.

A 3 percent reduction to the State General Fund appropriation budget, totaling \$934,000, was made for all remaining human resources agencies. However, supplemental appropriations were granted for the following agencies: \$107,000 to the Planning and Community Affairs Agency for support of the Section 8 low-income housing program; \$1.998 million to Labor and Industries for the Victims of Crime Program; and \$25,000 to the Board of Prison Terms and Parole for increased workload coverage.

This budget, as a proportion of the total state budget, requires the largest expenditure of General Fund-State dollars. As such, the Legislature has worked toward establishing controls on various cost components while maintaining its commitment to funding basic education. Student enrollment levels of 713,150 for the 1981-82 school year and 705,740 for the 1982-83 school year are assumed.

Total net reductions of State General Fund support amount to \$55.2 million or 1.7 percent; \$16.1 million or 0.5 percent are program adjustments. Salary, enrollment, and technical adjustments comprise the remainder.

Administrative costs of the Office of Superintendent of Public Instruction and Educational Service Districts are reduced by 3 percent and 1 percent respectively.

\$19.1 million of State General Fund support is provided to offset a shortfall in local, state, and federal timber revenues.

State revenues to school districts for general apportionment, salary and compensation increases, pupil transportation, vocational-technical institutes, food services, handicapped, institutional education, and special programs block grants are reduced by 0.5 percent for the 1981-83 biennium.

Support for educational clinics is reduced by 1 percent.

Appropriations to the four-year institutions and the community college system are reduced by approximately one percent for a total of \$10.7 million. \$3.6 million is from General Fund-State sources. Reductions are made across the board to maximize institutional flexibility in implementing the reductions.

\$7,051,000 of the University of Washington Building Account is replaced with State General Funds to offset the shortfall of timber sales revenue. To the extent feasible, new faculty are to be hired in nontenure-track appointments. Expenditure limits are established for administrative programs to discourage the transfer of funds from instruction and student services into administration. Enrollments in community college ungraded courses for which operating fees are waived are discounted by up to 23 percent for 1983-85 budget development purposes. (Adult basic education is excluded from this provision.)

Natural Resources Highlights

The Natural Resources agencies are, in general, required to reduce the 1981-83 State General Fund expenditures by 3 percent. These appropriation reductions total \$3.4 million.

Appropriations for the Department of Commerce and Economic Development were reduced by 1.1 percent. Funding was provided to create the Winter Recreation Commission.

A general budget reduction of transportation agencies has not been imposed. General fund appropriations to the Department of Transportation were reduced by 3.6 percent while the State Patrol and the Department of Licensing were reduced by 3 percent.

Operating Budget Veto Summary

(SSB 4369, C50 L82 E1. See Veto Message)

General Government

Office of Minority and Women's Affairs/Commission on Mexican American Affairs, Commission on Asian American Affairs, Governor's Office of Indian Affairs

The vetoes of Sections 15 and 16 are complementary since the Legislature intended that the Governor's Office of Minority and Women's Affairs serve as a consolidated successor to the three de-funded Minority Commissions. Lack of public input and legislative deliberation coupled with the absence of statutory structure for the new agency were the primary reasons cited for the Governor's action. As a result, the three existing agencies remain funded at the level included in the November, 1981 budget revision.

DSHS - Income Assistance Program

Section 43 (6) would have required the Department of Social and Health Services to transfer to the state general fund any funds saved as a result of actual public assistance caseloads falling below the estimates. The veto of this subsection allows the Department to retain any savings.

DSHS - Services for the Blind and the Commission for the Blind

Services for the blind were transferred in the budget from the Commission for the Blind to the Department of Social and Health Services. The Legislature failed to enact legislation required to implement this transfer. The veto of Sections 49 and 57 serves to negate the transfer of funds, leaving services for the blind under the Commission for the Blind.

Washington State Capital Budget - Summary

The appropriation for the fire service and training center is increased from \$3.9 million to \$6.4 million. \$600,000 are set aside for the construction of a marine fire training structure.

The Department of Ecology's appropriation authority is increased by \$196 million to include funding for Referendum 39 (Waste Disposal Facilities, 1980). The appropriation is based on the Department's prioritization of projects which currently includes a \$150 million grant for the expansion of the METRO-RENTON waste water project and 43 additional projects throughout the state.

Individual universities are appropriated the following funds:

\$837,000 for the Pullman/Washington State University waste water treatment plant improvements and \$568,500 to Central Washington University for minor capital and utilities improvements associated with energy conservation.

The Department of Natural Resources is appropriated the following funds:

\$275,000 to acquire rights of way access for land management, \$108,200 to construct and improve Cedar Creek and Sherman Valley Roads, and \$48,500 to construct and improve campsites, roads, trails and other recreation projects.

The Department of General Administration is appropriated the following funds:

\$332,000 to remodel the third and fourth floors of the Insurance Building for the Office of Financial Management and for relocation of Secretary of State functions, \$140,000 to convert the storage center in the basement of the Public Lands Building for use by Senate Support Services, \$1,000,000 to design and begin remodeling of the House Office Building, \$1.4 million to alter portions of the state modular office building at the Air Industrial Park for use by the State Printer, \$450,000 for design of alterations to the General Administration Building for use as office space and \$2,163,000 for Phase III of the Capital Lake rehabilitation project.

The Department of Social and Health Services (DSHS) is appropriated \$10 million from the state and local improvements revolving account for water supply facilities (Referendum 38). Fourteen municipal water supply projects statewide are currently on the approved list. The Department is authorized to proceed with 19 projects approved for Phase III of Referendum 37 (Handicapped Facilities).

The Department of Fisheries is encouraged to undertake enhancement projects which create employment opportunities, improve the streams and rivers of the state which are important to the state's natural stock of salmon, and develop and implement mini-modular mobile hatchery complexes. The Department may use up to \$5 million from the salmon enhancement construction account for this purpose. In addition, eight salmon rearing net pen complexes shall be located at McNeil Island.

The Washington State Parks and Recreation Commission is authorized to replace lost federal funds with funds from the outdoor recreation account within appropriated amounts.

Washington State Capital Budget - Summary

The following priorities are established for issuance of bonds up to the statutory debt limitations:

Priority A - Existing contractual obligations.

Priority B - Remaining bond authority for:

- (1) Social and health services and corrections--1981
- (2) Jail improvement and construction--1979 and 1981
- (3) King County convention center, if enacted

Priority C - Remaining bond authority for:

- (1) Handicapped persons--training and rehabilitation facilities--1979
- (2) Community colleges--1981
- (3) Higher education facilities for the University of Washington--1981
- (4) Higher education facilities generally--1981
- (5) Fisheries facilities--1979 and 1981
- (6) Salmon enhancement facilities--1977
- (7) General administration, military and court of appeals facilities--1981
- (8) Outdoor recreation facilities--1981

Priority D - Remaining bond authority for:

- (1) Waste water facilities--1972, 1979 and 1980
- (2) Hospital and related facilities for the University of Washington--1981
- (3) Performing arts facilities, Olympia and Tacoma--1979
- (4) State fire training center--1979
- (5) Indian cultural facility--1975-76
- (6) Pacific Northwest festival facilities--1979

Priority E - Waste facilities 1980 and 1982.

Washington State Capital Budget - Summary by Agency

\$ in thousands

AGENCY NAME	REVISED* RE-APPROPRIATION 1981-83	ORIGINAL NEW APPROPRIATION 1981-83	REVISED NEW APPROPRIATION 1981-83
Court of Appeals	.0	1,041.0	1,041.0
General Administration	5,406.0	23,952.0	29,466.3
Liquor Control Board	.0	.0	.0
Washington State Patrol	125.0	1,226.5	1,226.5
Criminal Justice Training Comm.	.0	.0	.0
Dept. of Labor and Industries	.0	.0	.0
Military Department	100.0	1,277.0	1,277.0
DSHS - Headquarters	26,938.0	4,555.9	14,555.9
DSHS - Juvenile Rehab.	1,940.0	2,913.1	2,913.1
DSHS - Mental Health	25,928.0	4,605.0	4,605.0
DSHS - Develop. Disabil.	15,448.0	34,598.5	34,598.5
Department of Corrections	11,695.0	56,052.8	56,052.8
Veterans Affairs	869.0	2,341.1	2,341.1
State Board of Education	133,800.0	184,700.0	184,700.0
State Board for Comm. Coll. Ed.	13,908.0	16,945.7	16,945.7
Commission for Voc. Education	4,159.0	.0	2,500.0
University of Washington	14,538.0	144,290.0	144,290.0
Washington State University	12,070.8	23,646.0	24,483.0
Eastern Washington University	4,882.0	7,730.0	7,730.0
Central Washington University	4,047.3	4,559.0	5,127.9
The Evergreen State College	95.0	1,913.0	1,913.0
Western Washington University	4,358.0	3,864.0	3,864.0
Eastern Washington St. Hist. Soc.	.0	.0	.0
Department of Transportation	.0	1,204,495.9	1,204,495.9
Department of Ecology	1,493.7	3,157.6	199,157.6
Parks and Recreation	6,674.9	7,504.0	7,504.0
Commerce and Economic Develop.	9,000.0	.0	.0
Department of Fisheries	22,624.6*	10,971.3	10,971.3
Department of Game	3,158.0	7,567.7	7,567.7
Department of Natural Resources	9,269.5*	15,531.4	15,914.6
Employment Security	.0	545.0	545.0
TOTAL ALL AGENCIES	332,527.8	1,769,983.5	1,985,786.9