

Washington State Legislative Budget Notes

1997 Table of Contents

(1997-99 Biennium and 1997 Supplemental)

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1997-99 Operating Budget Overview

Fiscal actions in the 1997 legislative session were shaped by sharply increasing revenues and the limited expenditure growth allowed by Initiative 601.

In March 1997, the Economic and Revenue Forecast Council projected \$19.4 billion in General Fund-State revenues for the 1997-99 biennium. When combined with the \$414.0 million fund balance, the general fund had projected resources of \$19.9 billion.

Under Initiative 601, spending from the state general fund for the 1997-99 biennium was limited to \$19.2 billion. The 1997-99 biennial omnibus operating budget enacted by Chapter 149 and 454, Laws of 1997 (SSB 6062 and ESHB 2259) appropriated \$19.1 billion from the state general fund. In addition, other bills appropriated \$8 million resulting in a total appropriation level of \$151 million below the spending limit.²

The total funds appropriated for 1997-99 is \$33.8 billion. When funds from the transportation budget are included, the total 1997-99 operating budget is \$35.4 billion.

The total funds operating budget represents an increase of 9.8 percent over estimated 1995-97 biennial expenditures for all funds. The state general fund portion of the operating budget represents a 7.7 percent increase over estimated 1995-97 biennial general fund-state expenditures.

Most of the increase in the general fund appropriation was provided for education. Funding for the new K-12 enrollments and other costs associated with the public school system, approximately \$512.5 million, comprise 37.5 percent of the state general fund budget increase from 1995-97. Higher education received an additional \$232.8 million or 17 percent of the general fund-state increase. Other significant General Fund-State increases were in the Department of Social and Health Services (\$399.4 million, 29.2 percent of the General Fund-State increase). A 3 percent cost of living increase (\$347.5 million of the general fund) was provided for state and higher education employees as well as selected contracted vendors.

With available resources significantly greater than allowable spending, the Legislature and Governor chose to reduce revenues. After the Governor's vetoes, there was a total of \$371 million of revenue reductions and \$11.5 million in increased budget driven revenue, leaving \$19.5 billion in resources. The total appropriation level for 1997-99 is just under \$19.1 billion, leaving almost \$416 million in reserve.

1 The biennial spending limit is the combination of annual limits for fiscal years 1998 and 1999 of \$9.38 billion and \$9.85 billion, respectively.

2 The biennial appropriation is the combination of \$9.38 billion for fiscal year 1998 and \$9.70 billion for fiscal year 1999.

Fiscal Issues of Statewide Significance

Welfare Reform

Chapter 58, Laws of 1997, Partial Veto (EHB 3901)

In August 1996, Congress fundamentally changed how welfare programs are operated and funded in the United States through passage of Public Law 104-193 -- The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In brief, the new law:

- Eliminates Aid to Families with Dependent Children (AFDC) and replaces it with a temporary, work-based program called Temporary Assistance to Needy Families (TANF).
- Institutes lifetime limits on receipt of public assistance and an expectation that those receiving welfare will work toward obtaining paid employment while receiving assistance.
- Creates a new method of funding public assistance programs. Washington's TANF program is funded through a block grant -- \$404 million in funding every year, regardless of how many families are on assistance.
- Allows flexibility in the level of state funding for welfare. Washington can choose how much state funding is provided for welfare, as long as state funding is at least \$290 million per year.
- Permits states to rethink their welfare programs without federal barriers.
- The federal legislation also terminates eligibility for most legal immigrants from public assistance programs, including food stamps, Supplemental Security Income (SSI), TANF, and Medicaid (low-income medical care). States may choose to provide assistance under TANF and Medicaid for legal immigrants who already reside in the state. States may pay for all public assistance for legal immigrants not yet residing in the state and for all legal immigrants under food stamps and SSI.

Under the state Welfare Reform bill (Chapter 58, Laws of 1997, Partial Veto -- EHB 3901), the Department of Social and Health Services (DSHS) is required to base program activities on specific outcome measures which indicate the effectiveness of each activity. The Department is responsible for achieving welfare caseload reduction in implementing the WorkFirst program and may use any of several methods for achieving goals. Consistent with this administrative flexibility granted to the Department by the state legislation, the state budget appropriates funding in broad categories to implement the new program.

- For the WorkFirst program, \$55.9 million in state and federal funds are provided to support TANF recipients' efforts to become self-sufficient. A portion of this funding is for orientation to the new work program, employability assessments, case management services, work search, job retention, job preparation services, and treatment for those who are assessed as having a chemical dependency problem. This level of funding also reflects substantial caseload savings that are expected to be achieved as clients re-enter the workforce more quickly or are diverted from welfare altogether.
- Recognizing the importance of child care as a support for persons leaving welfare, the child care budget receives an increase of \$82.4 million for the next biennium. This increase includes funding for the transition to a new integrated employment child care and a vendor rate increase.

Chapter 57, Laws of 1997 (ESB 6098) provides benefits for legal immigrants residing in Washington State. Eligible legal immigrants residing in the state before passage of the bill may receive public assistance benefits equivalent to

U.S. citizens. Legal immigrants arriving in the state after passage of the bill must wait one year before becoming eligible to apply for TANF medical benefits. They are then subject to deeming of their sponsor's income. Disabled legal immigrants may apply for General Assistance - Unemployable benefits at any time.

- For legal immigrants who will lose their federal Supplemental Security Income and Food Stamp benefits, the state budget provides \$62.9 million for General Assistance-Unemployable cash grants and \$57.3 million for a state funded food assistance program. In addition, the budget invests \$1.8 million to assist DSHS clients to become U.S. citizens and thus re-access their federal benefits. These efforts are expected to save \$19.3 million.

Changes in Health Services Account Program Expenditures and Revenues

Overview

One of the key challenges facing policy makers in 1997 was how to maintain programs funded from the Health Services Account within the available revenues. If no changes were made, the cost of the low-income medical care, public health, and health policy programs funded from the Health Services Account were projected to increase from \$549 million in the 1995-97 biennium to \$749 million in the 1997-99 biennium. Three factors account for almost all of this increase:

1. Growth in subsidized Basic Health Plan (BHP) enrollments from 46,000 people at the beginning of the 1995-97 biennium to 130,000 at the end. This added approximately \$100 million to 1997-99 Health Services Account carryforward costs.
2. Growth in Medicaid enrollment by children whose families are not on welfare, but who have incomes below 200 percent of the federal poverty level. Almost a quarter of a million such children are expected to be covered by Medicaid in 1997-99, compared to 127,000 at the beginning of the 1995-97 biennium. This added approximately \$55 million to the 1997-99 Health Services Account costs.
3. Higher BHP and Medicaid costs per covered person as a result of medical inflation, which is expected to add approximately \$40 million to 1997-99 costs.

In contrast to these expenditure increases, the revenues and fund balances available in the account were projected to total only \$584 million in 1997-99, resulting in a \$165 million Health Services Account deficit if no changes were made.

The 1997-99 budget manages this shortfall by:

- Shifting \$97.5 million of programs previously funded from the Health Services Account to the state general fund.
- Reducing or eliminating \$23 million of programs and services. These include eliminating the Health Care Policy Board and transferring some duties to the Department of Health (\$4.4 million); reducing training and data systems support for public health officials (\$2.6 million); eliminating BHP marketing, outreach, and insurance broker commissions (\$2.5 million); and eliminating state funding for health care data standards development (\$1.6 million).
- Making \$44.5 million of changes in the BHP subsidy structure, co-payment schedule, and benefits package.

In addition to the expenditure changes described above, the budget also anticipates that Health Services Account revenues will increase as a result of clarification of the point in the retail process at which the tobacco products tax is

to be levied (\$2.9 million); increased Liquor Control Board enforcement of existing cigarette tax requirements (\$7.8 million); and delaying the conversion from Generally Accepted Accounting Principles (GAAP) to cash accounting for the Health Services Account fund balance. As shown below, these revenue changes will permit an increase in subsidized BHP enrollments.

Changes in the Basic Health Plan

Total state funding for the BHP will increase by \$100 million, from \$239 million in 1995-97 to \$339 million in 1997-99. Total enrollment in the subsidized BHP will increase by 11,500, to an average of 142,000 people per month.

To help cover the cost of the increased enrollments and medical inflation, the following changes are anticipated in the BHP design:

- The state subsidy will be pegged to the cost of the lowest rather than the highest-priced bidder.
- The minimum premium will be raised from \$10 to \$12 for people between 66-100 percent of the poverty level, and to \$15 for people between 100-125 percent of the poverty level.
- Co-payments will be increased from \$8 to \$10 for office visits; from \$50 to \$100 for hospital admissions; from \$25 to \$50 for emergency room visits; and from \$8 to \$25 for outpatient surgeries and procedures.
- Organizations which are paid to deliver BHP services will be required to pay \$30 of the monthly premium for individuals whose BHP enrollment they wish to sponsor. The state will continue to subsidize the remaining 50-60 percent of enrollment costs.
- The share of the monthly premium paid by the state will be reduced by an average of about 15 percent for persons between 125-200 percent of the poverty level.

Coverage for Children from Low Income Families

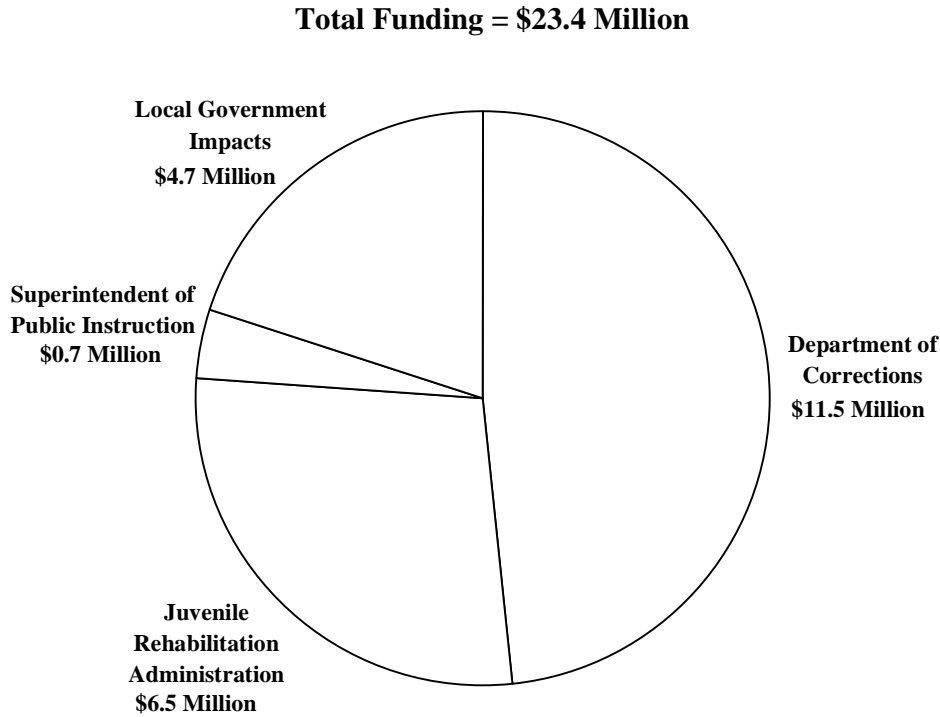
The 1997-99 budget does not make any changes in the "BHP-Plus" coverage for children from low-income families. Children whose family income is below 200 percent of the federal poverty level will continue to be covered by Medicaid, at no cost to their families. Over 250,000 children are expected to be receiving this coverage by the end of the 1997-99 biennium. The total state and federal cost of this coverage is budgeted to increase from about \$170 million in 1995-97 to about \$240 million in 1997-99.

Juvenile Justice Reform

Chapter 338, Laws of 1997 (E3SHB 3900) addresses a wide number of juvenile offender issues. Major provisions of the measure include:

- Automatically transferring 16- and 17-year-olds charged with certain crimes and certain criminal histories to the adult system
- Revising and simplifying the current juvenile sentencing method
- Imposing certain housing and education requirements for offenders under the age of 18 tried as adults
- Increasing firearm disposition enhancements
- Establishing an intensive parole and aftercare program for high-risk offenders
- Providing for a chemical dependency disposition alternative
- Increasing judicial discretion with respect to juvenile offenders
- Requiring increased parental involvement and accountability of juvenile offenders

A total of \$23.4 million (\$14.7 million General Fund-State, \$8.7 million Violence Reduction and Drug Enforcement Account) is appropriated to carryout the provisions of the measure. The appropriations provide funding for both state and local government impacts and are summarized on the chart below. For additional information, please see pages 113 and 146.



Stadium and Exhibition Center Financing Plan (SHB 2192)

Chapter 220, Laws of 1997 (ESHB 2192) was enacted by the 1997 Legislature and will be submitted to the voters of the state as Referendum No. 48 on June 17, 1997. It created a new Public Stadium Authority (PSA) for the construction of a multi-use stadium and exhibition facility. The PSA may accept the Kingdome property (but not the outstanding debt), select the site, construct a stadium and exhibition center, and enter into a long-term development and lease agreement with a professional football team.

The construction of the new \$425 million football stadium and exhibition center is financed by a combination of state, local, and private sources including a state sales tax credit, new lottery games, an extension of the hotel motel tax from the year 2015 to 2020, a deferral of sales taxes on construction, and admissions and parking taxes at the facility.

In addition, the team is required to contribute \$100 million. The state is authorized to issue general obligation bonds for the construction of the new stadium and exhibition center. The total public share of the stadium and exhibition center is limited to \$300 million. Any revenues from the state and local tax sources that are in excess of the bond payments are used for youth athletic facility grants.

In order to refinance the current Kingdome debt, King County’s share of the current 2 percent hotel-motel tax is extended from the year 2012 to 2015. In addition, 75 percent of the current county-imposed 1 percent car rental tax must be used for Kingdome repairs and debt.

Project Costs	\$ in Millions
Stadium	\$325
Exhibition Center	45
Parking Structure	27
Site Preparation	27
Sub Total	\$425
Minus Private Contribution	-\$100
Minus Sales Tax Deferral	-27
Minus Interest Income	-14
Plus Contingency Amount	10
Total Cost	\$294
Revenue Sources for Bond Repayment	
0.016 Percent Sales Tax Credit	\$101
New Lottery Games	127
Hotel/Motel Extension (2015-2020)	40
10 Percent Admissions Tax	52
10 Percent Parking Tax	4
Total Revenues	\$324

1997-99 Estimated Revenues and Expenditures

General Fund-State

Dollars in Millions

RESOURCES	
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Unrestricted Beginning Balance	414.3
March Revenue Forecast	19,446.0
Property Tax (SB 5835*, EHB 1417)	-221.0
B&O Tax Rollback (HB 1821)	-94.3
Other Revenue and Tax Bills	-56.1
Total Reductions	<u>-371.4</u>
Budget Driven Revenue/Other	11.5
Total Resources	19,500.4

EXPENDITURES	
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1997-99 Appropriation Acts	19,076.9
Other Appropriations (Ch 425, L 97 and Ch 306, L 97)	<u>7.7</u>
Total Expenditures	19,084.6

I-601 Spending Limit	19,235.4
Capacity Under Limit	150.8

BALANCE	
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Unrestricted Ending Balance	415.8
Emergency Reserve Fund	<u>0.0</u>
Estimated Ending Balance	415.8

* This bill has been put to the voters as Referendum 47 for their action at the November 1997 general election.

Note: Several of the Governor's vetoes raise legal questions as to whether particular appropriations remain in law.

A successful legal challenge could decrease the appropriation level.

**1997-99 Washington State Operating Budget
Appropriations Contained Within Other Legislation**

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Other	Total
SSB 5327 - Habitat Incentives Program	C 425 L 97	Department of Fish & Wildlife	24	0	24
SSB 5327 - Habitat Incentives Program	C 425 L 97	Department of Natural Resources	24	0	24
Total Other 1997-99 Operating Legislation			48	0	48

Revenues

In March 1997, the official Economic and Revenue Forecast Council projected \$19.4 billion in general fund-state revenues for the 1997-99 biennium. When combining with the \$414 million fund balance, the general fund had projected resources of \$19.8 billion.

The 1997 Legislature passed a total of \$371 million in tax reductions primarily in three bills. Two major property tax reductions; Chapter 3, Laws of 1997 (SB 5835) which will be on the November 1997 ballot as Referendum 47) and Chapter 2, Laws of 1997 (EHB 1417) and a rollback of the Business and Occupation (B&O) tax on services in EHB 1821. These three bills total \$315 million in revenue reductions. All other tax and revenue bills net to a total of \$56 million in reductions.

Among the most significant of the other revenue bills is a reduction for businesses in rural distressed areas, a decrease in the beer tax, tax incentives for warehouse businesses, an exempting for intangible personal property and the reinstatement of the insurance premiums tax credit for guaranty association assessments.

Budget driven revenues totaling \$11.5 million, include \$7.1 million for new lottery games as well as changes to the liquor tax distributions and the Treasurer's service account.

1997-99 Revenue Legislation

General Fund - State

Dollars in Thousands

REVENUE LEGISLATION		
SB 5835	Permanent Property Tax Reduction	-194,569
EHB 1417	State Property Tax Reduction	-26,430
Sub-Total Property Tax		-220,999
EHB 1821	Business & Occupation (B&O) Tax	-94,320
2SSB 5740	Assisting Distressed Rural Counties	-12,001
SSB 5845	Offsetting an Increase in the Beer Tax	-9,541
E2SSB 5074	Tax Incentives for Warehouse & Grain Operations	-6,851
ESHB 2192	Financing a New Football Stadium	-6,782
3SHB 3900	Revising the Juvenile Code	-6,303
SHB 1257	Coal-Fired Thermal Electric Generating Facilities	-5,001
SSB 5334	Insurance Premiums Tax Credit	-4,777
HB 1420	Local Public Health Financing	-1,686
HB 1261	Small Business B&O Credit	-836
HB 1959	Auto Auction B&O Exemption	-825
SHB 1592	Tax Exemptions for Small Water Districts	-776
E2SSB 5286	Intangible Property Exemption	-589
HB 1267	Tax Exemption for Vessel Manufacturers and Dealers	-531
SSB 5175	Hay and Alfalfa	-404 *
SSB 5359	Aircraft Parts Sales Tax Exemption	-386
SB 5402	Nonprofit Camps and Conferences	-297
SB 5193	Farmworker Housing	-288
SHB 1813	Motion Picture and Video Production Equipment and Services	-208 *
SB 5195	Taxation of Membership Sales in Discount Programs	-198
E2SSB 5710	Juvenile Care and Treatment	-192
SHB 1342	Interest and Penalty Administration - Department of Revenue	-162
SB 5353	Tax Exemption for Motor Vehicles	-150
SSB 5230	Current Use Taxation	-51
SSB 5173	Improving the Liquor License Schematic	-43
SSB 5868	Aluminum Master Alloys Tax	-38
SHB 1358	Farm Wildlife Habitat Tax	-27
SSB 5121	Estate Tax Returns	-16
SHB 1770	Dungeness Crab/Coastal Fishery Fees	-15
2SSB 5127	Trauma Care Services	29
SSB 5664	Liquor Credit Card Purchases	126
SB 5997	Inspection of Cosmetology Schools, Salons, and Shops	253
ESHB 2272	Increased Cigarette Tax Enforcement	2,461 *
Sub-Total All Other Revenue Legislation		-56,104
Total All Revenue Legislation		-371,423
BUDGET DRIVEN REVENUE		
New On-Line Lottery Games		7,100
Excess Liquor Tax Distribution		840
Treasurer's Service Account		3,600
Total Budget Driven Revenue		11,540

* See Summary of Vetoes on Page 16.

REVENUE LEGISLATION

Major Tax Reduction Legislation

Permanent Property Tax Reduction -- \$194.6 Million General Fund - State Revenue Decrease

Chapter 3, Laws of 1997 (SB 5835) permanently reduces the state property tax by 4.7 percent beginning in 1998, reduces the 106 percent limit on state property tax growth to the lesser of 106 percent or inflation, and provides a limit on sudden growth in property values for taxes collected in 1999. In addition, the 106 percent limit is reduced for all local districts with populations over 10,000. These districts may levy up to the 106 percent limit with a majority plus one vote of the governing body. In local districts with only three board members, the approval of two of three members is necessary to levy up to the 106 percent limit. This bill has been put to the voters as Referendum 47 for their action at the November 1997 general election.

State Property Tax Reduction -- \$26.4 Million General Fund - State Revenue Decrease

Chapter 2, Laws of 1997 (EHB 1417) reduces the state property tax collected in 1997 by 4.7 percent. It reduces 1995-97 revenues by \$32.3 million, and 1997-99 revenues by \$26.4 million.

Business and Occupation (B&O) Tax -- \$94.3 Million General Fund - State Revenue Decrease

The B&O tax rate is reduced to 1.5 percent on all service activities in Chapter 7, Laws of 1997 (EHB 1821). Currently the base rate for selected business services is 2.0 percent, financial services is 1.6, percent and "other services" is 1.75 percent. These reductions take effect July 1, 1998.

Other Tax Legislation

Assisting Distressed Rural Counties -- \$12.0 Million General Fund - State Revenue Decrease

Chapter 366, Laws of 1997, Partial veto (2SSB 5740) allows distressed rural counties to levy a local sales tax for infrastructure purposes which is credited against the state sales tax. The bill also expands and extends the current distressed B&O tax credit program: (a) the individual company cap of \$300,000 is removed; (b) the program's termination date of July 1, 1998, is removed; and (c) \$4,000 in tax benefits per new employee is granted (rather than \$2,000) if they receive annual wages and benefits of \$40,000 or more per year. In addition, rural enterprises zones are authorized and the Department of Community, Trade, and Economic Development (DCTED) is directed to provide a series of economic development and business assistance services in distressed counties.

Offsetting an Increase in the Beer Tax -- \$9.5 Million General Fund - State Revenue Decrease

The general fund portion of the beer tax is reduced beginning July 1, 1997, under Chapter 451, Laws of 1997 (SSB 5845). Distributions to cities, counties, the Violence Reduction and Drug Enforcement (VRDE) Account, and the Health Services Account are unchanged by this bill.

Tax Incentives for Warehouse & Grain Operations -- \$6.9 Million General Fund - State Revenue Decrease

Chapter 450, Laws of 1997 (E2SSB 5074) offers tax exemptions for large warehouse operations and grain elevator operators. Warehouses over 200,000 square feet are exempt on 50 percent of machinery and equipment purchases and 100 percent of construction costs. Grain elevators with capacities between one million and two million bushels receive 50 percent exemption of both machinery and equipment and construction. Grain elevators larger than two million bushels receive a 50 percent exemption on machinery and equipment and 100 percent on construction. The tax incentives listed are provided in the form of remittances. Applicable taxes are fully paid and then reimbursements are made by the Department of Revenue for the state portion of the sales tax.

Financing a New Football Stadium -- \$6.8 Million General Fund - State Revenue Decrease

A new Public Stadium Authority is created and a financing package is provided for the construction of a multi-use stadium and exhibition facility in Chapter 220, Laws of 1997 (ESHB 2192). The State will sell general obligation bonds to be repaid from state, local, and private revenue sources. These sources consist of a 0.016 percent sales tax credit in King County, new lottery games, an admissions tax and a parking tax at the new facility, an extension of the local hotel motel tax, and \$110 million in private contributions. In addition, the bill includes a sales tax deferral on the construction costs and a leasehold excise tax exemption for the public areas of the stadium. An amount of \$10 million of the private contribution and all excess revenues are for youth athletic facility grants. This bill has been put to the voters as Referendum 47 for their action at the June 1997 special election.

Revising the Juvenile Code -- \$6.3 Million General Fund - State Revenue Decrease

The omnibus juvenile justice bill, Chapter 338, Laws of 1997 (E3SHB 3900), includes a change to the distribution of the Motor Vehicle Excise Tax (MVET). A new distribution of revenue that was deposited into the general fund is now deposited in the Violence Reduction and Drug Enforcement Account.

Coal-Fired Thermal Electric Generating Facilities (Centralia Steam Plant) --\$5.0 Million General Fund - State Revenue Decrease

Chapter 368, Laws of 1997 (SHB 1257) assists thermal electric generating facilities in reducing air pollution by allowing a series of tax exemptions. A new sales tax exemption is created for purchases of new air pollution control equipment. Beginning January 1, 1999, the purchase of coal is exempt from sales tax. Until the thermal electric generating facilities have reduced their emissions below 10,000 tons of sulfur dioxide per year, the owners of the facilities will pay the sales tax into the Sulfur Dioxide Abatement Account. When the emissions have been reduced, the owners will receive the funds from this account. The air pollution control equipment is also exempt from state and local property tax.

Insurance Premiums Tax Credit -- \$4.8 Million General Fund - State Revenue Decrease

Chapter 300, Laws of 1997 (SSB 5334) provides a tax credit for insurance companies that pay assessments to guaranty associations. Insurance guaranty associations assess member insurance companies after insolvency occurs to raise funds to protect policyholders adversely affected by the insolvency. This bill allows a credit against the insurance premiums tax for the amount of these assessments.

Local Public Health Financing -- \$1.7 Million General Fund - State Revenue Decrease

Chapter 333, Laws of 1997 (HB 1420) includes newly incorporated city populations in the calculation of city contributions to counties for public health purposes. The unexpended balance in the county Sales and Use Tax Equalization Account that previously was deposited in the general fund is used to cover these additional costs.

Small Business B&O Credit - \$836,000 General Fund-State Decrease

Chapter 238, Laws of 1997 (HB 1261), directs the Department of Revenue to produce a tax credit table for use by taxpayers in taking the small business B&O tax credit. To simplify reporting, the table will cross reference tax liabilities with tax credits.

Auto Auction B&O Exemption -- \$825,000 General Fund - State Revenue Decrease

A B&O tax exemption for amounts received by motor vehicle manufacturers and their financing subsidiaries from the sale of motor vehicles at wholesale auctions to dealers licensed in this or another state is provided in Chapter 4, Laws of 1997 (HB 1959).

Tax Exemptions for Small Water Districts -- \$776,000 General Fund - State Revenue Decrease

Small water distribution businesses are exempt from public utility and B&O taxes through July 1, 2003, under Chapter 407, Laws of 1997 (SHB 1592). The water district or satellite system management agency must spend at least 90 percent of the tax exemption to maintain and upgrade their systems.

Intangible Property Exemption -- \$589,000 General Fund - State Revenue Decrease

Chapter 181, Laws of 1997 (ESSB 5286) exempts intangible personal property from property taxation. Intangible property includes items such as trademarks, trade names, brand names, patents, copyrights, trade secrets, franchise agreements, licenses, and permits. The exemption is effective for valuation of property in 1998 for taxes due in 1999. In addition to the general fund loss, shifts of property taxes to homeowners and to businesses without intangible assets will total \$5.1 million during calendar year 1999. Losses in calendar year 2000 will be \$1.1 million while shifts will total \$5.5 million. Local taxing districts will experience a loss of \$2.5 million with shifts totaling \$13.7 million.

Tax Exemption for Vessel Manufacturers and Dealers -- \$531,000 General Fund - State Revenue Decrease

Manufacturers and dealers are exempt from use tax if a vessel or vessel trailer is used for demonstration, sales promotion, or certain other purposes under Chapter 293, Laws of 1997 (HB 1267).

Aircraft Parts Sales Tax Exemption -- \$386,000 General Fund - State Revenue Decrease

Chapter 302, Laws of 1997 (SSB 5359) clarifies an existing sales and use tax exemption for materials used in the design and development of aircraft parts and equipment for small aircraft businesses.

Nonprofit Camps and Conferences -- \$297,000 General Fund - State Revenue Decrease

Chapter 388, Laws of 1997 (SB 5402) creates B&O and sales tax exemptions for lodging, food and meals, and certain products provided or sold at a nonprofit camp or conference center, if the nonprofit camp or conference center is exempt from property taxes.

Farmworker Housing -- \$288,000 General Fund - State Revenue Decrease

Under Chapter 438, Laws of 1997 (SB 5193), the exemption from the sales and use tax is extended to agricultural employee housing provided by housing authorities, government agencies, and nonprofit organizations.

Motion Picture and Video Production Equipment and Services - \$208,000 General Fund - State Revenue Decrease

The sales and use tax exemption on production equipment rented to motion picture or video production businesses is expanded to include other vehicles used solely for production activities in Chapter 61, Laws of 1997, Partial Veto (HB 1813).

Taxation of Membership Sales in Discount Programs - \$198,000 General Fund - State Revenue Decrease

In Chapter 408, Laws of 1997, (SB 5195), a B&O exemption is provided for sales of memberships when the membership materials are delivered out of state.

Interest and Penalty Administration - Department of Revenue -- \$162,000 General Fund - State Revenue Decrease

Chapter 157, Laws of 1997, Partial Veto (SHB 1342) makes the computation of interest on excise tax liabilities and refunds more uniform. The bill also makes the interest rate used for computing tax refunds equal to the rate used for tax liabilities.

Tax Exemption for Motor Vehicles -- \$150,000 General Fund - State Revenue Decrease

Chapter 301, Laws of 1997 (SB 5353) expands the use tax exemption for vehicles owned by new residents to include vehicles such as motorcycles and mopeds.

Improving the Liquor License Schematic -- \$43,000 General Fund - State Decrease

The current structure for liquor licenses is streamlined in Chapter 321, Laws of 1997, Partial Veto (SSB 5173). The net effect of the changes in liquor license fees will result in a decrease in general fund revenues.

Exemption for Prepayments for Health Care Services Provided Under Medicare -- No General Fund - State Revenue Impact

Chapter 154, Laws of 1997 (SHB 1219) makes the exemption for Medicare prepayments under the health care premiums and prepayments tax permanent. (\$15.5 million Health Services Account reduction)

Increased Cigarette Tax Enforcement -- \$2.5 Million General Fund - State Revenue Increase

Chapter 420, Laws of 1997, Partial Veto (ESHB 2272) transfers the enforcement of cigarette taxes from the Department of Revenue to the Liquor Control Board. In addition, the Health Services Account and the Violence Reduction and Drug Enforcement Account will receive increased revenues.

Budget Driven Revenue and Other Revenue Legislation

New On-line Lottery Games -- \$7.1 Million General Fund - State Revenue Increase

The Lottery Commission will introduce a new on-line games in fiscal year 1998. The increased lottery activity will generate an additional \$7 million in general fund revenues.

Excess Liquor Tax Distribution to the General Fund -- \$840,000 General Fund - State Revenue Increase

This increase reflects the net reduction in the amount provided for expenditures for the Liquor Control Board and therefore increases the amount returned to the general fund.

Inspection of Cosmetology Schools, Salons, and Shops -- \$253,000 General Fund - State Revenue Increase

The Department of Licensing will inspect schools of cosmetology and barbering at least once a year and inspect salons and shops at least once every two years. The increased inspections will result in new businesses being licensed and create new revenue.

Other Appropriation and Transfer Legislation

Appropriation to Transportation Fund -- \$50 Million General Fund - State

The transportation budget (Chapter 457, Laws of 1997, Partial Veto -- ESSB 6061) contains a \$50 million general fund appropriation to the Transportation Fund in fiscal year 1997.

Habitat Incentives Program -- \$48,500 General Fund - State

Chapter 425, Laws of 1997 (SSB 5327) legislation includes a \$48,500 General Fund-State appropriation to establish a habitat incentive program to be administered by the Department of Fish and Wildlife. The Department of Fish and Wildlife is to work jointly with the Department of Natural Resources in developing the program. The appropriation is split equally between the two agencies.

Summary of Vetoes

The Governor vetoed or partially vetoed 15 bills from the 1997 legislative session that had a revenue impact for the 1997-99 biennium (not including the vetoes of the original property tax and B&O tax bills.) The Governor totally vetoed 7 revenue bills and also partially vetoed another 8 revenue bills, but only 4 of the partial vetoes had

any revenue impact for the 1997-99 biennium. In addition, the Governor also vetoed a transfer of revenue from the general fund to the Transportation Fund. The following is a summary of each of the vetoes having a revenue impact.

Ferry Fuel (Full Veto)

ESHB 1011 provided a sales tax exemption for fuel purchased to operate ferries by the state or a county. As enacted by the Legislature, ESHB 1011 decreased general fund revenues for the 1997-99 biennium by \$1.5 million.

Reimbursing Sellers (Full Veto)

ESHB 1327 allowed retailers to retain a portion of the sales tax collected as reimbursement for the administrative costs of collecting the state retail sales tax. As enacted by the Legislature, ESHB 1327 decreased general fund revenues for the 1997-99 biennium by \$29.7 million.

B&O Exemption Agricultural Commissions (Full Veto)

SHB 1791 exempted from the business and occupation tax, business activity conducted for an statutorily created agricultural commodity commission if the activity is approved by a referendum conducted by the commission. As enacted by the Legislature, SHB 1791 decreased general fund revenues for the 1997-99 biennium by \$52,000.

Motion Picture and Video Production Equipment and Services (Partial Veto)

Chapter 61, Laws of 1997, Partial Veto (SHB 1813) expanded the sales and use tax exemption on production equipment rented to motion picture or video production businesses to include other vehicles used solely for production activities. As enacted by the Legislature, SHB 1813 decreased general fund revenues for the 1997-99 biennium by \$227,000. The effect of the Governor's veto is a decrease in general fund revenues for the 1997-99 biennium of \$208,000, a difference of \$19,000.

Increase Cigarette Tax Enforcement (Partial Veto)

Chapter 420, Laws of 1997, Partial Veto (ESHB 2272) transferred primary enforcement responsibility for cigarette and tobacco tax laws from the Department of Revenue to the Liquor Control Board. The Governor vetoed both the schedule of required collection amounts and the authority to negotiate compacts with Indian tribes. As enacted by the Legislature, ESHB 2272 increased general fund revenues for the 1997-99 biennium by \$2.5 million.

Tax Exemption for Weather Damage (Full Veto)

SSB 5157 established a sales and use tax exemption for labor, services, and materials used in repairing buildings and replacement of private automobiles damaged by natural disasters occurring between November 1, 1995, and June 30, 1997. As enacted by the Legislature, SSB 5157 decreased general fund revenues for the 1997-99 biennium by \$2.3 million.

Hay and Alfalfa (Partial Veto)

Chapter 384, Laws of 1997, Partial Veto (SSB 5175) provided that cubing of hay or alfalfa is a processing activity not a manufacturing activity for tax purposes, wherever it is performed. The effect of this change is to exempt the activity if done away from the farm and sold to an out-of-state customer. SSB 5175 also lowered the business and occupations tax rate to 0.11 percent on wholesale sales of cubed hay and alfalfa and conditioned seed. The Governor vetoed the section containing the B&O tax rate reductions. As enacted by the Legislature, SSB 5175 decreased general Fund revenues for the 1997-99 biennium by \$881,300. The effect of the Governor's veto is a decrease in general fund revenues for the 1997-99 biennium of \$403,600, a difference of \$477,700.

Coin-Operated Car Wash (Full Veto)

SB 5559 provided a sales and use tax exemption for coin-operated self-service motor vehicle wash and wax facilities. As enacted by the Legislature, SB 5559 decreased general fund revenues for the 1997-99 biennium by \$1.1 million.

Property Management (Full Veto)

SB 5688 exempted from the business and occupation tax, payments received by property management companies for the payment of wages to on-site personnel. As enacted by the Legislature, SB 5688 decreased general fund revenues for the 1997-99 biennium by \$1.3 million.

Bare Boat Charters (Full Veto)

SSB 5721 created a new retail sales and use tax exemption for the purchase of vessels placed in "bare-boat" charter service. As enacted by the Legislature, SSB 5721 decreased general fund revenues for the 1997-99 biennium by \$793,000.

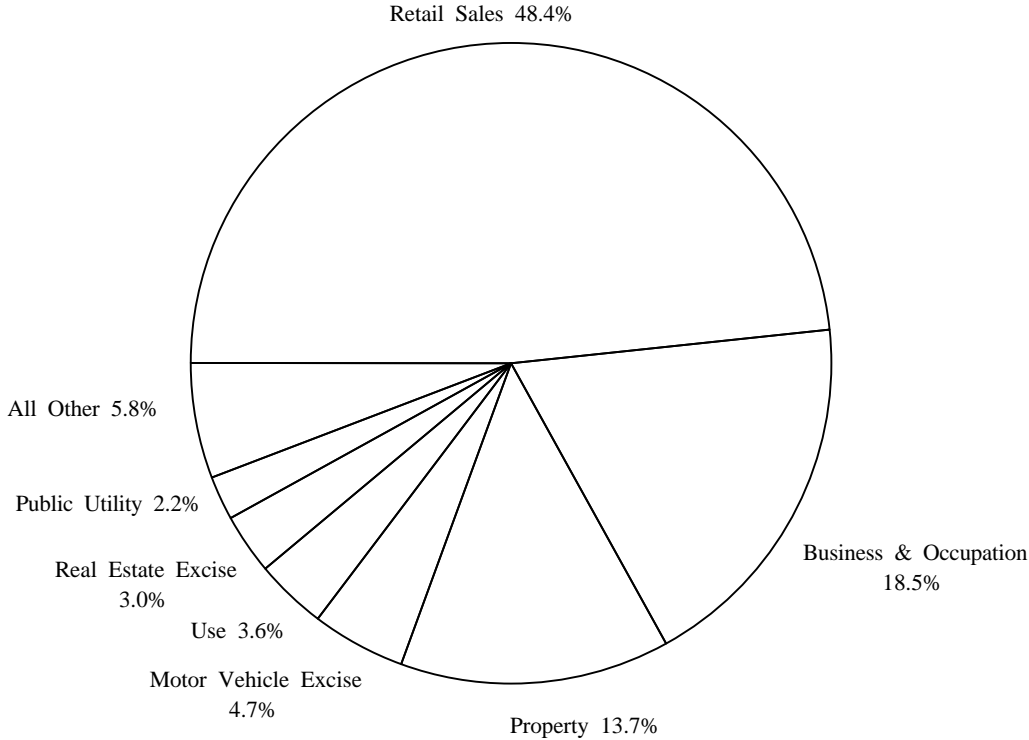
Repeal Syrup Tax (Partial Veto)

Chapter 306, Laws of 1997, Partial Veto (SSB 5737) reduced the carbonated beverage syrup tax from one dollar per gallon to fifty cents per gallon, reducing revenues to the Violence Reduction and Drug Enforcement (VRDE) account by \$7.7 million in the 1997-99 biennium and appropriated \$7.7 million from the general fund to the VRDE account. The Governor vetoed the reduction in the syrup tax rate and retained the appropriation.

Transfer to Transportation Fund (Full Veto)

The transportation budget (Chapter 457, Laws of 1997, Partial Veto -- ESSB 6061) contained a \$50 million general fund transfer to the Transportation Fund in fiscal year 1999. This transfer reduced the 601 spending limit in fiscal year 1999 by \$50 million. The Governor vetoed this transfer.

Washington State Revenue Forecast -- March 1997
1997-99 General Fund - State Revenues by Source
(Dollars in Millions)



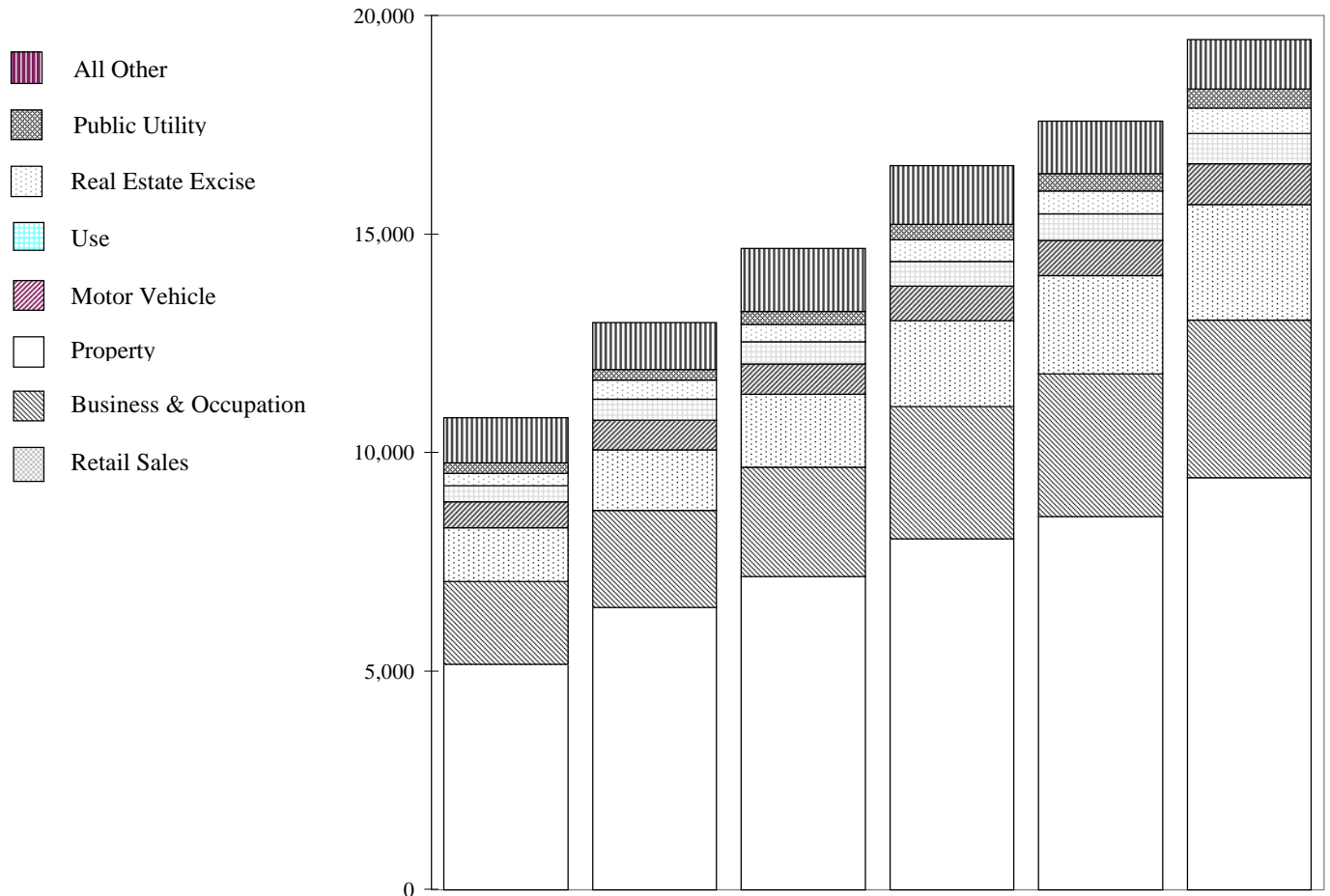
Sources of Revenue	
Retail Sales	9,418.1
Business & Occupation	3,603.8
Property	2,656.0
Motor Vehicle Excise	923.4
Use	702.1
Real Estate Excise	578.1
Public Utility	435.4
All Other	1,129.1
Total *	19,446.0

* Reflects the March 1997 forecast updated for the 1997 Legislative Session and Governor vetoes.

Washington State

General Fund - State Revenues By Source

(Dollars in Millions)



	1987-89	1989-91	1991-93	1993-95	1995-97 *	1997-99 *
Retail Sales	5,152.8	6,446.3	7,163.0	8,020.5	8,524.7	9,418.1
Business & Occupation	1,894.3	2,217.7	2,503.5	3,031.5	3,278.5	3,603.8
Property	1,233.7	1,399.4	1,661.8	1,960.4	2,244.2	2,656.0
Motor Vehicle Excise	586.2	665.9	687.9	793.5	799.3	923.4
Use	372.6	481.9	515.1	569.4	617.0	702.1
Real Estate Excise	280.9	436.8	399.0	493.0	523.8	578.1
Public Utility	244.9	244.0	292.9	345.2	392.1	435.4
All Other	1,029.7	1,080.1	1,441.6	1,351.1	1,205.3	1,129.1
Total	10,795.1	12,972.1	14,664.8	16,564.6	17,584.9	19,446.0

* Reflects the March 1997 forecast updated for the 1997 Legislative Session and Governor vetoes.

Washington State General Fund - State Revenues By Source

Dollars in Millions

	<u>1987-89</u>	<u>1989-91</u>	<u>1991-93</u>	<u>1993-95</u>	<u>1995-97 *</u>	<u>1997-99 *</u>
Retail Sales	5,152.8	6,446.3	7,163.0	8,020.5	8,524.7	9,418.1
Business & Occupation	1,894.3	2,217.7	2,503.5	3,031.5	3,278.5	3,603.8
Property	1,233.7	1,399.4	1,661.8	1,960.4	2,244.2	2,656.0
Motor Vehicle Excise	586.2	665.9	687.9	793.5	799.3	923.4
Use	372.6	481.9	515.1	569.4	617.0	702.1
Real Estate Excise	280.9	436.8	399.0	493.0	523.8	578.1
Public Utility	244.9	244.0	292.9	345.2	392.1	435.4
All Other	<u>1,029.7</u>	<u>1,080.1</u>	<u>1,441.6</u>	<u>1,351.1</u>	<u>1,205.3</u>	<u>1,129.1</u>
Total	10,795.1	12,972.1	14,664.8	16,564.6	17,584.9	19,446.0

Percent of Total

Retail Sales	47.7%	49.7%	48.8%	48.4%	48.5%	48.4%
Business & Occupation	17.5%	17.1%	17.1%	18.3%	18.6%	18.5%
Property	11.4%	10.8%	11.3%	11.8%	12.8%	13.7%
Motor Vehicle Excise	5.4%	5.1%	4.7%	4.8%	4.5%	4.7%
Use	3.5%	3.7%	3.5%	3.4%	3.5%	3.6%
Real Estate Excise	2.6%	3.4%	2.7%	3.0%	3.0%	3.0%
Public Utility	2.3%	1.9%	2.0%	2.1%	2.2%	2.2%
All Other	<u>9.5%</u>	<u>8.3%</u>	<u>9.8%</u>	<u>8.2%</u>	<u>6.9%</u>	<u>5.8%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

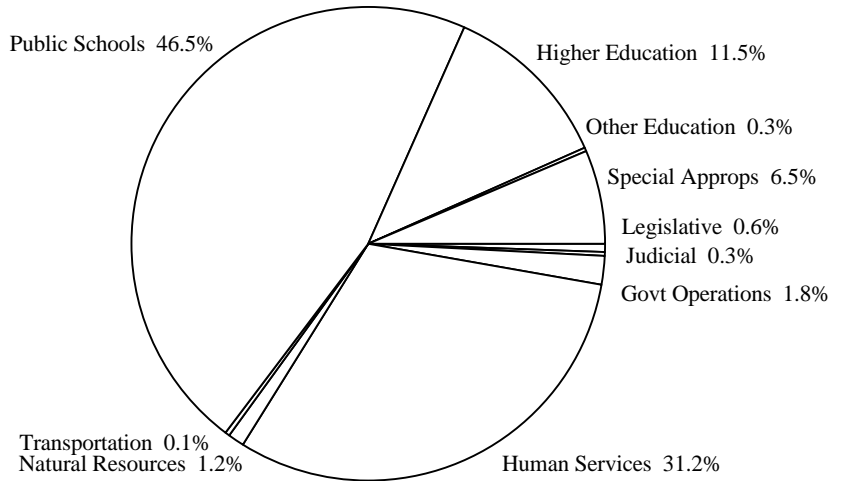
Retail Sales	25.1%	11.1%	12.0%	6.3%	10.5%
Business & Occupation	17.1%	12.9%	21.1%	8.1%	9.9%
Property	13.4%	18.8%	18.0%	14.5%	18.3%
Motor Vehicle Excise	13.6%	3.3%	15.4%	0.7%	15.5%
Use	29.3%	6.9%	10.5%	8.4%	13.8%
Real Estate Excise	55.5%	-8.7%	23.6%	6.2%	10.4%
Public Utility	-0.4%	20.0%	17.9%	13.6%	11.0%
All Other	<u>4.9%</u>	<u>33.5%</u>	<u>-6.3%</u>	<u>-10.8%</u>	<u>-6.3%</u>
Total	20.2%	13.0%	13.0%	6.2%	10.6%

* Reflects the March 1997 Revenue Forecast updated for the 1997 Legislative Session and Governor vetoes.

1997-99 Operating Budget Comparisons

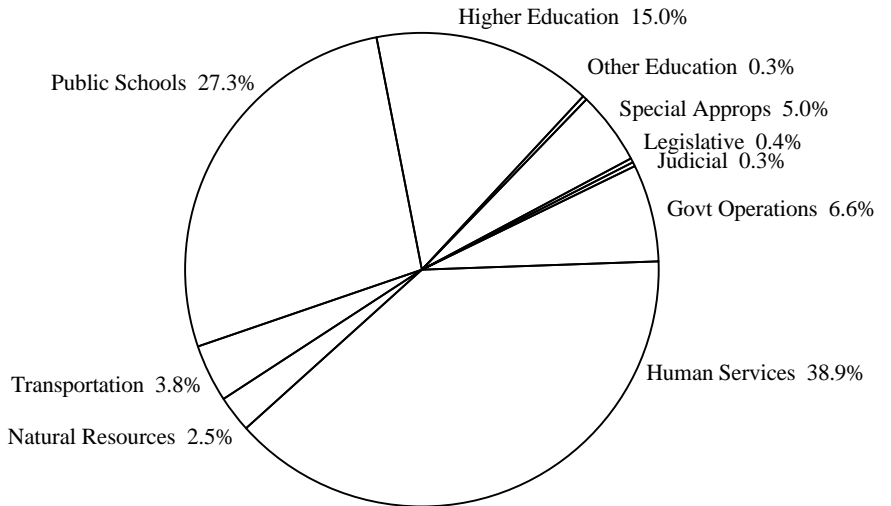
General Fund - State

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Total All Funds

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823

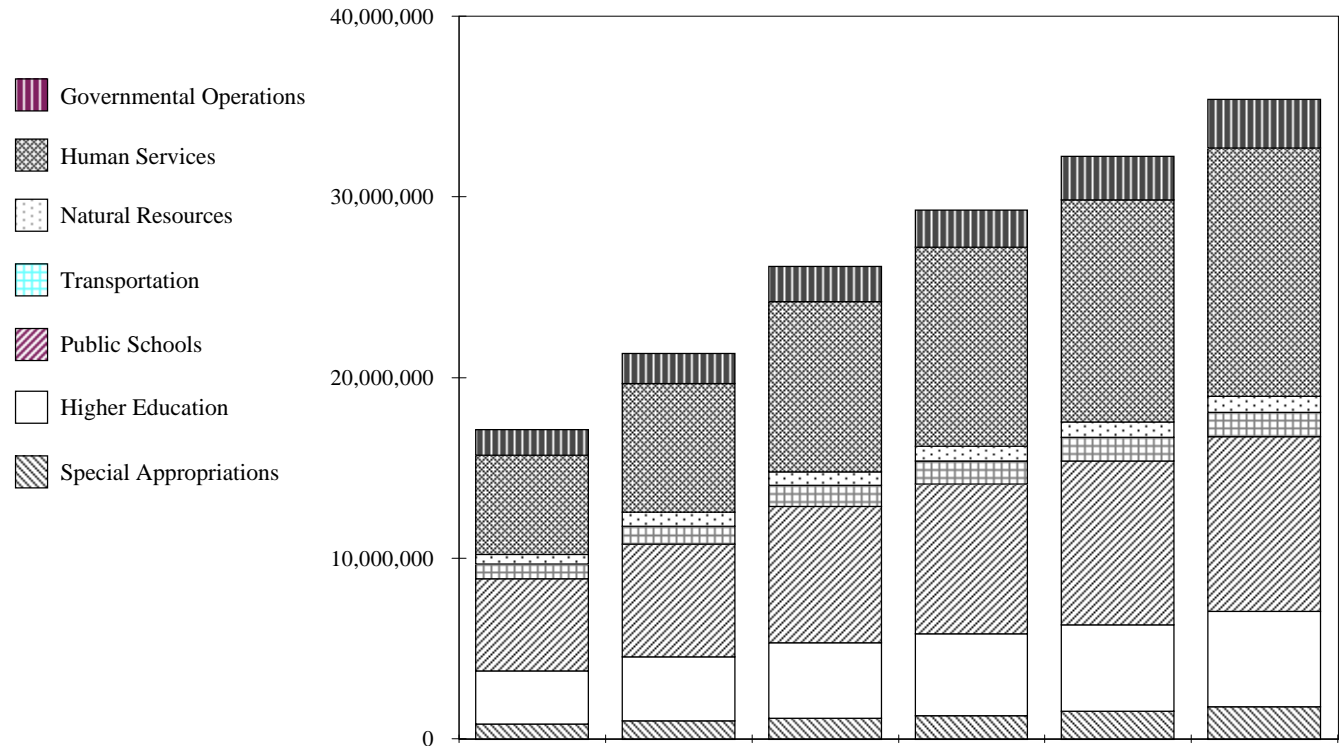


Note: Includes Chapter 149, Laws of 1997, PV (SSB 6062); Chapter 454, Laws of 1997, PV (ESHB 2259); Chapter 457, Laws of 1997, PV (ESSB 6061, and Chapter 425, Laws of 1997 (SSB 5327).

Washington State Operating Budget

Total All Funds

(Dollars in Thousands)



	1987-89	1989-91	1991-93	1993-95	1995-97 * Exp Auth	1997-99 * Budget
Governmental Operations (1)	1,406,027	1,685,902	1,966,076	2,062,452	2,405,776	2,662,885
Human Services	5,501,379	7,098,360	9,409,398	11,010,892	12,282,212	13,746,819
Natural Resources	512,857	791,454	755,156	812,267	855,861	900,905
Transportation	826,007	993,358	1,150,529	1,288,727	1,309,913	1,360,844
Public Schools	5,097,237	6,250,162	7,568,828	8,291,607	9,077,578	9,653,127
Higher Education (2)	2,945,524	3,536,299	4,177,226	4,522,579	4,758,918	5,292,358
Special Appropriations	820,363	981,591	1,129,400	1,271,107	1,538,260	1,761,885
Statewide Total	17,109,393	21,337,126	26,156,613	29,259,630	32,228,518	35,378,823

(1) Includes Legislative, Judicial, Other Education, and Governmental Operations agencies.

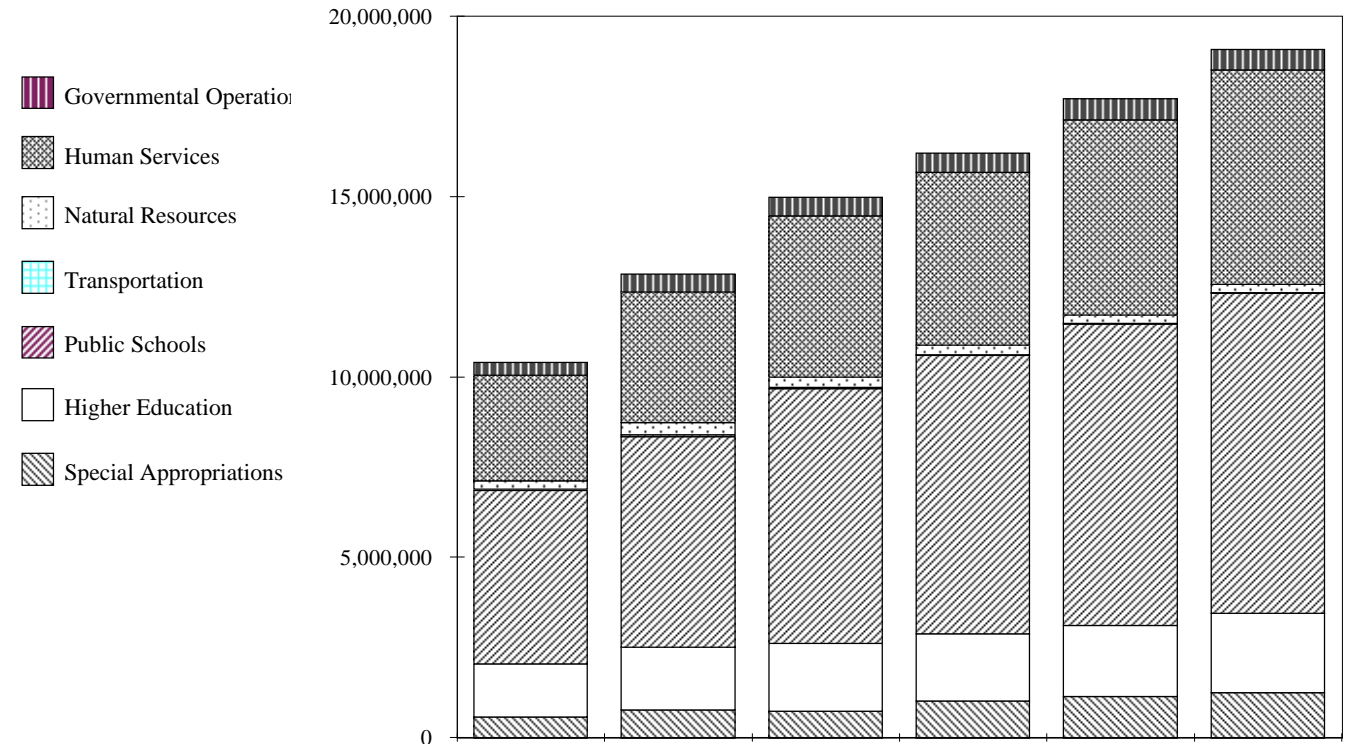
(2) Includes Community & Technical College System, Four Year Schools, Higher Education Coordinating Board, and Joint Center for Higher Education.

* The 1997-99 Budget includes all legislative operating amounts. See "Appropriations Contained Within Other Legislation", Page 9 for additional 1997-99 appropriations. The 1995-97 Expenditure Authority includes the 1997 Supplemental Budget.

Washington State Operating Budget

General Fund State

(Dollars in Thousands)



	1987-89	1989-91	1991-93	1993-95	1995-97 * Exp Auth	1997-99 * Budget
Governmental Operations (1)	364,284	487,781	518,215	537,021	584,204	560,021
Human Services	2,925,422	3,621,059	4,470,556	4,779,196	5,416,222	5,946,307
Natural Resources	227,412	345,978	278,785	275,334	220,789	231,214
Transportation	41,260	50,744	41,880	19,525	29,067	24,507
Public Schools	4,799,915	5,841,109	7,060,982	7,706,082	8,355,514	8,868,051
Higher Education (2)	1,476,284	1,736,363	1,881,534	1,880,743	1,970,007	2,202,787
Special Appropriations	566,981	759,028	728,733	1,002,950	1,135,524	1,243,996
Statewide Total	10,401,557	12,842,062	14,980,686	16,200,849	17,711,327	19,076,883

(1) Includes Legislative, Judicial, Other Education, and Governmental Operations agencies.

(2) Includes Community & Technical College System, Four Year Schools, Higher Education Coordinating Board, and Joint Center for Higher Education.

* The 1997-99 Budget includes all legislative operating amounts. See "Appropriations Contained Within Other Legislation", Page 9 for additional 1997-99 appropriations. The 1995-97 Expenditure Authority includes the 1997 Supplemental Budget.

Washington State Operating Budget Total All Funds

Dollars in Thousands

	<u>1987-89</u>	<u>1989-91</u>	<u>1991-93</u>	<u>1993-95</u>	<u>Exp Auth 1995-97</u>	<u>Budget 1997-99</u>
Legislative	87,416	108,217	111,734	105,319	112,569	124,369
Judicial	72,772	86,421	92,316	102,124	111,134	119,614
Governmental Operations	1,164,266	1,404,677	1,672,427	1,762,105	2,092,545	2,327,610
Dept of Social & Health Services	4,377,405	5,739,122	7,740,697	8,993,210	9,863,581	10,933,504
Other Human Services	1,123,974	1,359,239	1,668,701	2,017,683	2,418,631	2,813,315
Natural Resources	512,857	791,454	755,156	812,267	855,861	900,905
Transportation	826,007	993,358	1,150,529	1,288,727	1,309,913	1,360,844
Total Education	8,124,334	9,873,048	11,835,652	12,907,089	13,926,024	15,036,777
Public Schools	5,097,237	6,250,162	7,568,828	8,291,607	9,077,578	9,653,127
Higher Education	2,945,524	3,536,299	4,177,226	4,522,579	4,758,918	5,292,358
Other Education	81,573	86,587	89,598	92,903	89,528	91,292
Special Appropriations	820,363	981,591	1,129,400	1,271,107	1,538,260	1,761,885
Statewide Total	17,109,393	21,337,126	26,156,613	29,259,630	32,228,518	35,378,823

Percent of Total

Legislative	0.5%	0.5%	0.4%	0.4%	0.3%	0.4%
Judicial	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Governmental Operations	6.8%	6.6%	6.4%	6.0%	6.5%	6.6%
Dept of Social & Health Services	25.6%	26.9%	29.6%	30.7%	30.6%	30.9%
Other Human Services	6.6%	6.4%	6.4%	6.9%	7.5%	8.0%
Natural Resources	3.0%	3.7%	2.9%	2.8%	2.7%	2.5%
Transportation	4.8%	4.7%	4.4%	4.4%	4.1%	3.8%
Total Education	47.5%	46.3%	45.2%	44.1%	43.2%	42.5%
Public Schools	29.8%	29.3%	28.9%	28.3%	28.2%	27.3%
Higher Education	17.2%	16.6%	16.0%	15.5%	14.8%	15.0%
Other Education	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%
Special Appropriations	4.8%	4.6%	4.3%	4.3%	4.8%	5.0%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative	23.8%	3.2%	-5.7%	6.9%	10.5%
Judicial	18.8%	6.8%	10.6%	8.8%	7.6%
Governmental Operations	20.6%	19.1%	5.4%	18.8%	11.2%
Dept of Social & Health Services	31.1%	34.9%	16.2%	9.7%	10.8%
Other Human Services	20.9%	22.8%	20.9%	19.9%	16.3%
Natural Resources	54.3%	-4.6%	7.6%	5.4%	5.3%
Transportation	20.3%	15.8%	12.0%	1.6%	3.9%
Total Education	21.5%	19.9%	9.1%	7.9%	8.0%
Public Schools	22.6%	21.1%	9.5%	9.5%	6.3%
Higher Education	20.1%	18.1%	8.3%	5.2%	11.2%
Other Education	6.1%	3.5%	3.7%	-3.6%	2.0%
Special Appropriations	19.7%	15.1%	12.5%	21.0%	14.5%
Statewide Total	24.7%	22.6%	11.9%	10.1%	9.8%

Note: The 1997-99 Budget includes all legislative operating amounts. See "Appropriations Contained Within Other Legislation", page 9, for additional 1997-99 appropriations. The 1995-97 Expenditure Authority includes the 1997 Supplemental Budget.

Washington State Operating Budget General Fund - State

Dollars in Thousands

	<u>1987-89</u>	<u>1989-91</u>	<u>1991-93</u>	<u>1993-95</u>	<u>Exp Auth 1995-97</u>	<u>Budget 1997-99</u>
Legislative	85,035	102,222	105,978	98,868	105,076	112,884
Judicial	51,637	61,074	64,688	54,851	55,611	59,988
Governmental Operations	190,993	281,046	302,407	338,729	376,730	337,914
Dept of Social & Health Services	2,434,815	3,045,738	3,761,816	3,975,643	4,534,839	4,934,256
Other Human Services	490,606	575,321	708,740	803,553	881,383	1,012,051
Natural Resources	227,412	345,978	278,785	275,334	220,789	231,214
Transportation	41,260	50,744	41,880	19,525	29,067	24,507
Total Education	6,312,818	7,620,911	8,987,658	9,631,397	10,372,308	11,120,073
Public Schools	4,799,915	5,841,109	7,060,982	7,706,082	8,355,514	8,868,051
Higher Education	1,476,284	1,736,363	1,881,534	1,880,743	1,970,007	2,202,787
Other Education	36,619	43,439	45,142	44,572	46,787	49,235
Special Appropriations	566,981	759,028	728,733	1,002,950	1,135,524	1,243,996
Statewide Total	10,401,557	12,842,062	14,980,686	16,200,849	17,711,327	19,076,883

Percent of Total

Legislative	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%
Judicial	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%
Governmental Operations	1.8%	2.2%	2.0%	2.1%	2.1%	1.8%
Dept of Social & Health Services	23.4%	23.7%	25.1%	24.5%	25.6%	25.9%
Other Human Services	4.7%	4.5%	4.7%	5.0%	5.0%	5.3%
Natural Resources	2.2%	2.7%	1.9%	1.7%	1.2%	1.2%
Transportation	0.4%	0.4%	0.3%	0.1%	0.2%	0.1%
Total Education	60.7%	59.3%	60.0%	59.4%	58.6%	58.3%
Public Schools	46.1%	45.5%	47.1%	47.6%	47.2%	46.5%
Higher Education	14.2%	13.5%	12.6%	11.6%	11.1%	11.5%
Other Education	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Special Appropriations	5.5%	5.9%	4.9%	6.2%	6.4%	6.5%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative		20.2%	3.7%	-6.7%	6.3%	7.4%
Judicial		18.3%	5.9%	-15.2%	1.4%	7.9%
Governmental Operations		47.2%	7.6%	12.0%	11.2%	-10.3%
Dept of Social & Health Services		25.1%	23.5%	5.7%	14.1%	8.8%
Other Human Services		17.3%	23.2%	13.4%	9.7%	14.8%
Natural Resources		52.1%	-19.4%	-1.2%	-19.8%	4.7%
Transportation		23.0%	-17.5%	-53.4%	48.9%	-15.7%
Total Education		20.7%	17.9%	7.2%	7.7%	7.2%
Public Schools		21.7%	20.9%	9.1%	8.4%	6.1%
Higher Education		17.6%	8.4%	0.0%	4.7%	11.8%
Other Education		18.6%	3.9%	-1.3%	5.0%	5.2%
Special Appropriations		33.9%	-4.0%	37.6%	13.2%	9.6%
Statewide Total		23.5%	16.7%	8.1%	9.3%	7.7%

Note: The 1997-99 Budget includes all legislative operating amounts. See "Appropriations Contained Within Other Legislation", page 9, for additional 1997-99 appropriations. The 1995-97 Expenditure Authority includes the 1997 Supplemental Budget.

Washington State Operating Budget Annual FTE Staff

	<u>1987-89</u>	<u>1989-91</u>	<u>1991-93</u>	<u>1993-95</u>	<u>Exp Auth 1995-97</u>	<u>Budget 1997-99</u>
Legislative	928.1	960.6	925.1	824.4	826.5	827.6
Judicial	444.6	477.6	490.8	494.2	528.7	550.1
Governmental Operations	5,744.3	6,337.9	6,848.9	6,873.5	6,725.8	6,928.5
Dept of Social & Health Services	13,900.0	15,838.0	16,951.8	16,520.0	16,828.2	17,316.0
Other Human Services	9,706.5	10,608.4	11,480.9	12,547.7	13,243.3	13,839.3
Natural Resources	5,009.3	5,535.8	6,028.4	6,043.3	5,906.7	5,984.8
Transportation	6,717.0	7,010.1	7,360.6	7,499.1	7,543.0	7,757.7
Total Education	31,888.1	34,036.7	36,464.6	37,039.1	37,185.1	39,135.2
Public Schools	255.9	264.1	256.0	248.3	260.8	262.6
Higher Education	31,152.8	33,320.8	35,794.2	36,399.6	36,503.2	38,432.8
Other Education	479.4	451.9	414.5	391.2	421.1	439.8
Statewide Total	74,337.8	80,805.0	86,550.9	87,841.1	88,787.1	92,339.1

Percent of Total

Legislative	1.2%	1.2%	1.1%	0.9%	0.9%	0.9%
Judicial	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Governmental Operations	7.7%	7.8%	7.9%	7.8%	7.6%	7.5%
Dept of Social & Health Services	18.7%	19.6%	19.6%	18.8%	19.0%	18.8%
Other Human Services	13.1%	13.1%	13.3%	14.3%	14.9%	15.0%
Natural Resources	6.7%	6.9%	7.0%	6.9%	6.7%	6.5%
Transportation	9.0%	8.7%	8.5%	8.5%	8.5%	8.4%
Total Education	42.9%	42.1%	42.1%	42.2%	41.9%	42.4%
Public Schools	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Higher Education	41.9%	41.2%	41.4%	41.4%	41.1%	41.6%
Other Education	0.6%	0.6%	0.5%	0.4%	0.5%	0.5%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative		3.5%	-3.7%	-10.9%	0.3%	0.1%
Judicial		7.4%	2.8%	0.7%	7.0%	4.0%
Governmental Operations		10.3%	8.1%	0.4%	-2.1%	3.0%
Dept of Social & Health Services		13.9%	7.0%	-2.5%	1.9%	2.9%
Other Human Services		9.3%	8.2%	9.3%	5.5%	4.5%
Natural Resources		10.5%	8.9%	0.2%	-2.3%	1.3%
Transportation		4.4%	5.0%	1.9%	0.6%	2.8%
Total Education		6.7%	7.1%	1.6%	0.4%	5.2%
Public Schools		3.2%	-3.1%	-3.0%	5.0%	0.7%
Higher Education		7.0%	7.4%	1.7%	0.3%	5.3%
Other Education		-5.7%	-8.3%	-5.6%	7.6%	4.4%
Statewide Total		8.7%	7.1%	1.5%	1.1%	4.0%

Note: Does not include Capital FTEs. The 1997-99 Budget includes all legislative operating FTEs.

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Legislative	105,076	112,884	7,808	112,569	124,369	11,800
Judicial	55,611	59,988	4,377	111,134	119,614	8,480
Governmental Operations	376,730	337,914	-38,816	2,092,545	2,327,610	235,065
Dept of Social & Health Services	4,534,839	4,934,256	399,417	9,863,581	10,933,504	1,069,923
Other Human Services	881,383	1,012,051	130,668	2,418,631	2,813,315	394,684
Natural Resources	220,789	231,214	10,425	855,861	900,905	45,044
Transportation	29,067	24,507	-4,560	1,309,913	1,360,844	50,931
Total Education	10,372,308	11,120,073	747,765	13,926,024	15,036,777	1,110,753
Public Schools	8,355,514	8,868,051	512,537	9,077,578	9,653,127	575,549
Higher Education	1,970,007	2,202,787	232,780	4,758,918	5,292,358	533,440
Other Education	46,787	49,235	2,448	89,528	91,292	1,764
Special Appropriations	<u>1,135,524</u>	<u>1,243,996</u>	<u>108,472</u>	<u>1,538,260</u>	<u>1,761,885</u>	<u>223,625</u>
Statewide Total	17,711,327	19,076,883	1,365,556	32,228,518	35,378,823	3,150,305

Note: Amounts shown contain all legislative operating appropriations: Chapter 149, Laws of 1997, Partial Veto -- SSB 6062 Omnibus Operating Budget (Part 1); Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259 Omnibus Operating Budget (Part 2); Chapter 457, Laws of 1997 -- SSB 6061 Transportation Budget; and appropriations contained within other legislation (See Page 9 for further information).

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
House of Representatives	47,547	49,853	2,306	47,562	49,853	2,291
Senate	36,695	39,995	3,300	36,710	39,995	3,285
Jt Leg Audit & Review Committee	2,928	2,796	-132	2,928	4,296	1,368
Legislative Transportation Comm	0	0	0	2,778	3,022	244
WA Performance Partnership Council	250	0	-250	250	0	-250
LEAP Committee	2,324	2,595	271	2,734	3,015	281
Office of the State Actuary	0	0	0	1,573	1,681	108
Joint Legislative Systems Comm	8,900	10,860	1,960	8,940	12,840	3,900
Statute Law Committee	6,432	6,785	353	9,094	9,667	573
Total Legislative	105,076	112,884	7,808	112,569	124,369	11,800
Supreme Court	8,955	9,453	498	8,955	9,453	498
State Law Library	3,215	3,554	339	3,215	3,554	339
Court of Appeals	18,550	20,358	1,808	18,550	20,358	1,808
Commission on Judicial Conduct	1,401	1,305	-96	1,401	1,305	-96
Office of Administrator for Courts	23,490	25,318	1,828	73,208	72,757	-451
Office of Public Defense	0	0	0	5,805	12,187	6,382
Total Judicial	55,611	59,988	4,377	111,134	119,614	8,480
Total Legislative and Judicial	160,687	172,872	12,185	223,703	243,983	20,280

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget
GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	1995-97	1997-99	Difference	1995-97	1997-99	Difference
Office of the Governor	8,655	10,010	1,355	8,880	10,898	2,018
Office of the Lieutenant Governor	518	565	47	518	565	47
Public Disclosure Commission	2,308	2,663	355	2,309	2,663	354
Office of the Secretary of State	17,039	13,956	-3,083	23,679	23,712	33
Governor's Office of Indian Affairs	337	463	126	337	463	126
Asian/Pacific-American Affrs	361	401	40	361	401	40
Office of the State Treasurer	0	0	0	10,698	11,567	869
Office of the State Auditor	508	1,356	848	36,845	39,416	2,571
Comm Salaries for Elected Officials	65	67	2	65	67	2
Office of the Attorney General	6,503	7,992	1,489	131,355	139,641	8,286
Dept of Financial Institutions	0	0	0	13,764	15,669	1,905
Dept Community, Trade, Econ Dev	104,605	113,712	9,107	297,612	310,504	12,892
Economic & Revenue Forecast Council	983	905	-78	983	905	-78
Office of Financial Management	18,870	20,783	1,913	43,651	57,126	13,475
Office of Administrative Hearings	0	0	0	14,532	19,665	5,133
Department of Personnel	720	0	-720	29,820	28,779	-1,041
Deferred Compensation Committee	0	0	0	1,614	0	-1,614
State Lottery Commission	0	0	0	465,718	688,558	222,840
Washington State Gambling Comm	1,000	0	-1,000	19,914	18,633	-1,281
WA State Comm on Hispanic Affairs	405	407	2	405	407	2
African-American Affairs Comm	301	338	37	301	338	37
Personnel Appeals Board	0	0	0	1,593	1,539	-54
Department of Retirement Systems	0	0	0	32,541	34,732	2,191
State Investment Board	0	0	0	8,480	10,303	1,823
Department of Revenue	125,712	130,353	4,641	133,831	138,459	4,628
Board of Tax Appeals	1,989	1,774	-215	1,989	1,774	-215
Municipal Research Council	3,230	3,394	164	3,230	4,019	789
Minority & Women's Business Enterp	0	0	0	2,121	2,357	236
Dept of General Administration	3,067	2,580	-487	97,737	116,146	18,409
Department of Information Services	39,178	0	-39,178	277,910	226,333	-51,577
Office of Insurance Commissioner	0	0	0	20,335	22,387	2,052
State Board of Accountancy	0	0	0	1,293	978	-315
Forensic Investigation Council	0	0	0	12	12	0
Washington Horse Racing Commission	0	0	0	4,733	4,828	95
WA State Liquor Control Board	0	2,845	2,845	114,186	134,155	19,969
Utilities and Transportation Comm	0	0	0	26,224	24,827	-1,397
Board for Volunteer Firefighters	0	0	0	442	529	87
Military Department	34,397	16,305	-18,092	230,942	200,035	-30,907
Public Employment Relations Comm	3,314	3,532	218	3,314	3,532	218
Growth Management Hearings Board	2,665	2,634	-31	2,665	2,634	-31
State Convention and Trade Center	0	0	0	25,606	27,175	1,569
Caseload Forecast Council	0	879	879	0	879	879
Total Governmental Operations	376,730	337,914	-38,816	2,092,545	2,327,610	235,065

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Dept of Social & Health Services	4,534,839	4,934,256	399,417	9,863,581	10,933,504	1,069,923
WA State Health Care Authority	6,806	12,633	5,827	321,085	557,439	236,354
Human Rights Commission	3,917	4,055	138	5,663	5,758	95
Bd of Industrial Insurance Appeals	0	0	0	19,633	21,592	1,959
Criminal Justice Training Comm	0	0	0	11,954	13,918	1,964
Department of Labor and Industries	10,981	13,653	2,672	366,971	380,581	13,610
Indeterminate Sentence Review Board	2,285	2,061	-224	2,285	2,061	-224
WA Health Care Policy Board	0	0	0	4,023	0	-4,023
Department of Health	90,240	128,737	38,497	448,470	504,161	55,691
Department of Veterans' Affairs	18,506	19,121	615	50,663	53,455	2,792
Department of Corrections	738,684	825,064	86,380	744,716	848,518	103,802
Dept of Services for the Blind	2,589	2,779	190	14,178	15,107	929
Sentencing Guidelines Commission	1,262	1,427	165	1,262	1,427	165
Department of Employment Security	6,113	2,521	-3,592	427,728	409,298	-18,430
Total Other Human Services	881,383	1,012,051	130,668	2,418,631	2,813,315	394,684
Total Human Services	5,416,222	5,946,307	530,085	12,282,212	13,746,819	1,464,607

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget
DEPT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Children and Family Services	326,696	405,298	78,602	607,246	662,197	54,951
Juvenile Rehabilitation	131,051	157,629	26,578	176,590	201,973	25,383
Mental Health	445,655	474,344	28,689	898,123	939,345	41,222
Developmental Disabilities	381,809	415,063	33,254	717,992	777,464	59,472
Long-Term Care Services	756,075	808,349	52,274	1,521,062	1,692,605	171,543
Economic Services	985,238	1,073,135	87,897	1,800,958	2,025,753	224,795
Alcohol & Substance Abuse	21,240	28,800	7,560	170,957	182,827	11,870
Medical Assistance Payments	1,337,888	1,368,918	31,030	3,514,406	3,888,523	374,117
Vocational Rehabilitation	15,594	17,244	1,650	91,704	99,690	7,986
Administration/Support Svcs	52,047	48,528	-3,519	93,947	89,150	-4,797
Child Support Services	38,316	41,999	3,683	211,085	220,945	9,860
Payments to Other Agencies	43,230	94,949	51,719	59,511	153,032	93,521
Total DSHS	4,534,839	4,934,256	399,417	9,863,581	10,933,504	1,069,923

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Washington State Energy Office	508	0	-508	18,543	0	-18,543
Columbia River Gorge Commission	577	435	-142	1,101	870	-231
Department of Ecology	44,070	51,873	7,803	241,261	248,209	6,948
WA Pollution Liab Insurance Program	0	0	0	1,342	2,054	712
State Parks and Recreation Comm	39,747	40,861	1,114	67,703	73,503	5,800
Interagency Comm for Outdoor Rec	0	0	0	3,219	2,988	-231
Environmental Hearings Office	1,453	1,553	100	1,453	1,553	100
State Conservation Commission	1,692	1,678	-14	2,013	2,118	105
Office of Marine Safety	0	0	0	1,328	0	-1,328
Dept of Fish and Wildlife	69,206	72,251	3,045	211,667	250,832	39,165
Department of Natural Resources	49,064	47,959	-1,105	233,243	240,136	6,893
Department of Agriculture	14,472	14,604	132	72,988	78,642	5,654
Total Natural Resources	220,789	231,214	10,425	855,861	900,905	45,044

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

TRANSPORTATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Board of Pilotage Commissioners	0	0	0	260	275	15
Washington State Patrol	20,332	15,562	-4,770	253,230	277,085	23,855
WA Traffic Safety Commission	0	0	0	6,688	6,657	-31
Department of Licensing	8,735	8,945	210	191,424	172,495	-18,929
Department of Transportation	0	0	0	857,202	903,174	45,972
Marine Employees' Commission	0	0	0	345	354	9
Transportation Commission	0	0	0	764	804	40
Total Transportation	29,067	24,507	-4,560	1,309,913	1,360,844	50,931

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Public Schools	8,355,514	8,868,051	512,537	9,077,578	9,653,127	575,549
Higher Education Coordinating Board	151,912	190,927	39,015	158,834	203,581	44,747
University of Washington	527,705	573,730	46,025	2,225,611	2,455,663	230,052
Washington State University	310,158	339,463	29,305	669,358	737,578	68,220
Eastern Washington University	75,518	78,700	3,182	141,918	143,193	1,275
Central Washington University	69,982	75,830	5,848	123,887	140,259	16,372
The Evergreen State College	37,821	40,669	2,848	65,927	72,299	6,372
Joint Center for Higher Education	2,438	2,939	501	9,563	12,206	2,643
Western Washington University	88,360	96,677	8,317	163,899	190,224	26,325
Community/Technical College System	<u>706,113</u>	<u>803,852</u>	<u>97,739</u>	<u>1,199,921</u>	<u>1,337,355</u>	<u>137,434</u>
Total Higher Education	1,970,007	2,202,787	232,780	4,758,918	5,292,358	533,440
State School for the Blind	7,010	7,452	442	7,017	7,644	627
State School for the Deaf	12,547	12,917	370	12,562	12,917	355
Work Force Trng & Educ Coord Board	3,268	3,278	10	38,405	38,152	-253
State Library	14,351	14,764	413	19,203	19,611	408
Washington State Arts Commission	4,233	4,028	-205	5,175	4,718	-457
Washington State Historical Society	4,187	5,033	846	5,975	6,487	512
East Wash State Historical Society	<u>1,191</u>	<u>1,763</u>	<u>572</u>	<u>1,191</u>	<u>1,763</u>	<u>572</u>
Total Other Education	46,787	49,235	2,448	89,528	91,292	1,764
Total Education	10,372,308	11,120,073	747,765	13,926,024	15,036,777	1,110,753

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	1995-97	1997-99	Difference	1995-97	1997-99	Difference
OSPI & Statewide Programs	58,435	60,833	2,398	106,677	157,195	50,518
General Apportionment	6,419,791	6,940,884	521,093	6,419,791	6,940,884	521,093
Pupil Transportation	327,024	353,904	26,880	327,024	353,904	26,880
School Food Services	6,000	6,150	150	269,619	265,190	-4,429
Special Education	734,882	744,813	9,931	833,566	879,919	46,353
Traffic Safety Education	0	0	0	16,824	17,179	355
Educational Service Districts	8,901	9,021	120	8,901	9,021	120
Levy Equalization	159,702	173,952	14,250	159,702	173,952	14,250
Elementary/Secondary School Improv	0	0	0	222,376	255,987	33,611
Indian Education	0	0	0	55	0	-55
Institutional Education	32,033	37,009	4,976	40,581	45,557	4,976
Ed of Highly Capable Students	8,417	11,928	3,511	8,417	11,928	3,511
Education Reform	35,966	40,773	4,807	48,466	41,006	-7,460
Federal Encumbrances	0	0	0	51,216	0	-51,216
Transitional Bilingual Instruction	54,599	64,560	9,961	54,599	64,560	9,961
Learning Assistance Program (LAP)	113,868	121,171	7,303	113,868	121,171	7,303
Block Grants	114,922	106,777	-8,145	114,922	106,777	-8,145
Compensation Adjustments	218,595	196,276	-22,319	218,595	196,276	-22,319
Common School Construction	62,379	0	-62,379	62,379	12,621	-49,758
Total Public Schools	8,355,514	8,868,051	512,537	9,077,578	9,653,127	575,549

Washington State Operating Budget
1995-97 Expenditure Authority vs. 1997-99 Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>	<u>1995-97</u>	<u>1997-99</u>	<u>Difference</u>
Bond Retirement and Interest	843,666	982,009	138,343	1,139,770	1,386,543	246,773
Special Approps to the Governor	12,601	15,424	2,823	18,357	45,119	26,762
Sundry Claims	445	0	-445	463	0	-463
State Employee Compensation Adjust	88,262	86,963	-1,299	189,120	170,623	-18,497
Agency Loans	950	0	-950	950	0	-950
Contributions to Retirement Systems	<u>189,600</u>	<u>159,600</u>	<u>-30,000</u>	<u>189,600</u>	<u>159,600</u>	<u>-30,000</u>
Total Special Appropriations	1,135,524	1,243,996	108,472	1,538,260	1,761,885	223,625

Omnibus Appropriations Act - Agency Detail

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Legislative

Appropriations to legislative agencies provide carryforward funding for statutory duties, as well as enhancements in selected areas.

Through the House of Representatives and the Senate, funding is provided for the Legislative Ethics Board, including the addition of one full-time staff person. A joint study of higher education financial aid and tuition is provided one-time funding, and continued analysis of local government fiscal data is funded through the Legislative Evaluation and Accountability Program (LEAP) Committee.

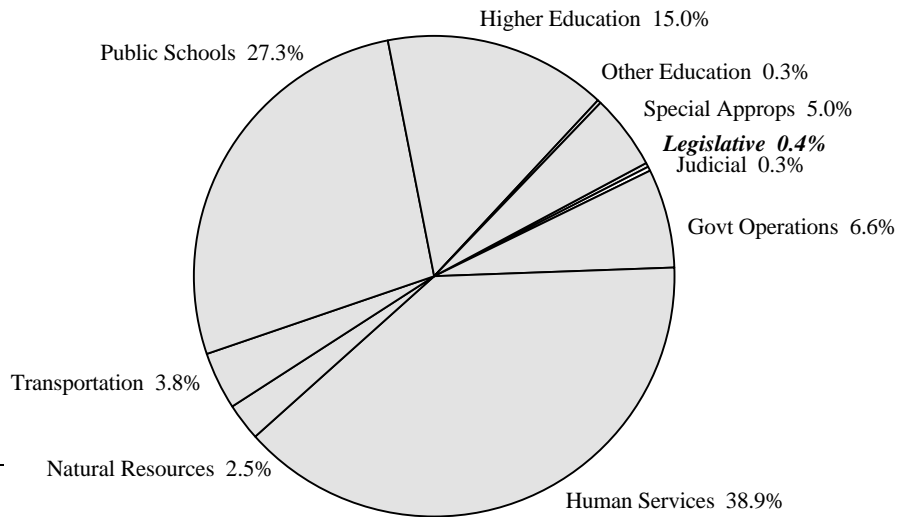
Under the legislative appropriations, the Joint Legislative Systems Committee will coordinate centralized computer purchasing for the House of Representatives, Senate, and Statute Law Committee.

1997-99 Washington State Operating Budget

Total Budgeted Funds

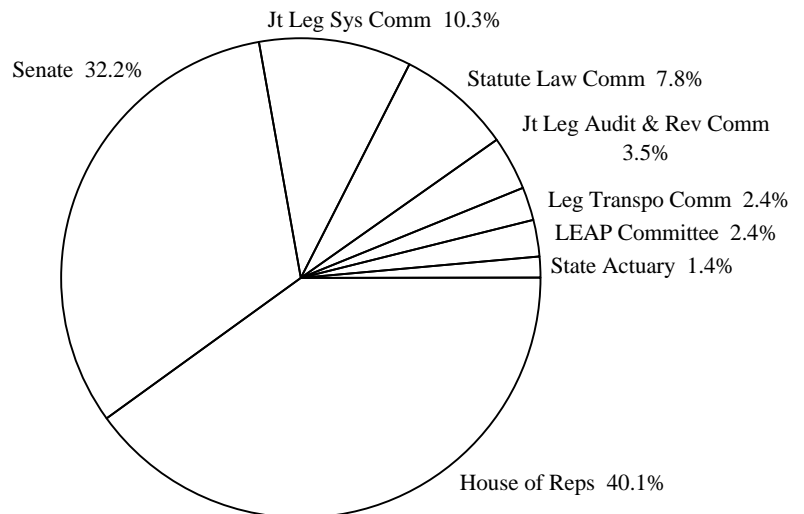
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

House of Representatives	49,853
Senate	39,995
Joint Leg Systems Comm	12,840
Statute Law Committee	9,667
Jt Leg Audit & Rev Comm	4,296
Leg Transportation Comm	3,022
LEAP Committee	3,015
State Actuary	1,681
Legislative	124,369



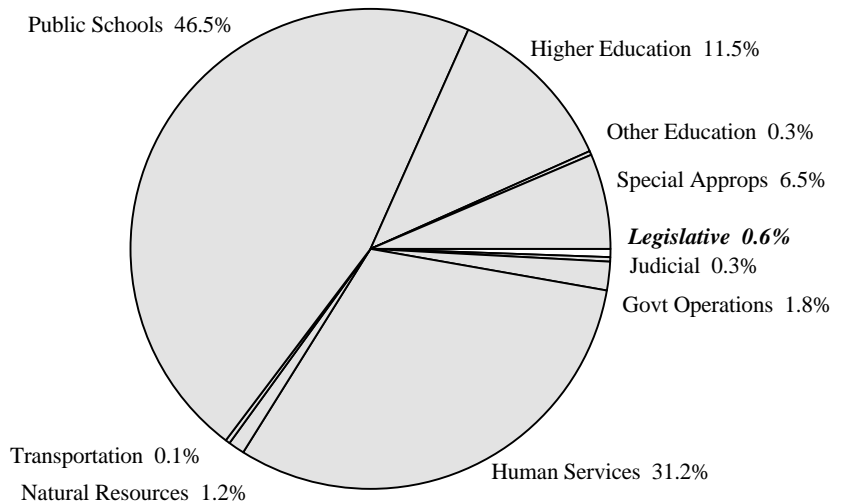
Legislative

1997-99 Washington State Operating Budget

General Fund - State

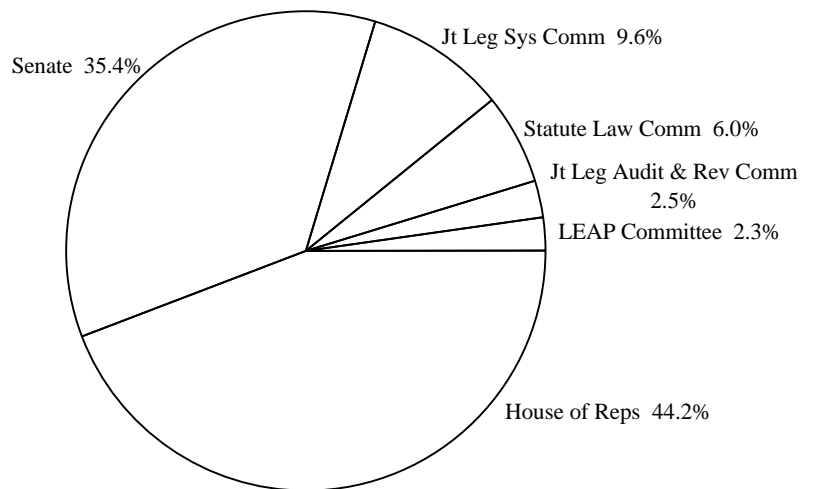
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

House of Representatives	49,853
Senate	39,995
Joint Leg Systems Comm	10,860
Statute Law Committee	6,785
Jt Leg Audit & Rev Comm	2,796
LEAP Committee	2,595
Legislative	112,884



Legislative

House of Representatives

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	47,547	15	47,562
1997-99 Maintenance Level	49,303	0	49,303
Policy Items			
1. Equipment	400	0	400
2. Legislative Ethics Board	150	0	150
3. SCR 8408 Water Policy Report	25	0	25
4. Lapse: SCR 8408 Water Policy Rpt	-25	0	-25
Total 1997-99 Biennium	49,853	0	49,853
Fiscal Year 1998 Totals	24,216	0	24,216
Fiscal Year 1999 Totals	25,637	0	25,637

Comments:

1. EQUIPMENT - Funding is provided to purchase computer equipment to support the work of the Legislature.
2. LEGISLATIVE ETHICS BOARD - Funding is provided for 0.5 FTE staff and operating expenses for the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.
3. SCR 8408 WATER POLICY REPORT - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. (SCR 8408 failed to be enacted, and the funds provided will lapse.)
4. LAPSE: SCR 8408 WATER POLICY RPT - Funds provided for preparation of the water policy report required by SCR 8408 (see Item 3 above) will lapse because SCR 8408 failed to be enacted. (\$25 K General Fund-State)

Senate
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	36,695	15	36,710
1997-99 Maintenance Level	39,870	0	39,870
Policy Items			
1. Legislative Ethics Board	25	0	25
2. SCR 8408 Water Policy Report	25	0	25
3. Financial Aid/Tuition Study	100	0	100
4. Lapse: SCR 8408 Water Policy Rpt	-25	0	-25
Total 1997-99 Biennium	39,995	0	39,995
Fiscal Year 1998 Totals	19,332	0	19,332
Fiscal Year 1999 Totals	20,663	0	20,663

Comments:

1. LEGISLATIVE ETHICS BOARD - Funding is provided for 0.5 FTE staff and operating expenses for the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.
2. SCR 8408 WATER POLICY REPORT - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the House of Representatives.
3. FINANCIAL AID/TUITION STUDY - Funding is provided for a study by the Senate and House of Representatives fiscal committees to conduct a study of higher education financial aid and tuition.
4. LAPSE: SCR 8408 WATER POLICY RPT - Funds provided for preparation of the water policy report required by SCR 8408 (see Item 2 above) will lapse because SCR 8408 failed to be enacted. (\$25 K General Fund-State)

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,928	0	2,928
1997-99 Maintenance Level	2,796	0	2,796
Policy Items			
1. School District Territory	50	0	50
2. Lapse: School District Territory	-50	0	-50
Total 1997-99 Biennium	2,796	0	2,796
Fiscal Year 1998 Totals	1,371	0	1,371
Fiscal Year 1999 Totals	1,425	0	1,425

Comments:

1. SCHOOL DISTRICT TERRITORY - Funding is provided for the implementation of SSB 5071 (School District Territory). The Joint Legislative Audit & Review Committee shall conduct a study on current laws and the State Board of Education's authority governing school district organization.
2. LAPSE: SCHOOL DISTRICT TERRITORY - Funds provided for preparation of the school district territory report required by SSB 5071 (Item 1 above) will lapse because SSB 5071 failed to be enacted.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Joint Legislative Audit & Review Committee's budget is shown in the Transportation Budget section of this document.

Legislative Evaluation & Accountability Program Committee

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	2,324	0	2,324
1997-99 Maintenance Level	2,324	0	2,324
Policy Items			
1. Non-classified Staff Adjustments	149	0	149
2. System Productivity Gains	-145	0	-145
3. Advanced Technical Training	14	0	14
4. Client Workstations/Servers	53	0	53
5. Local Government Fiscal Analysis	200	0	200
Total 1997-99 Biennium	2,595	0	2,595
Fiscal Year 1998 Totals	1,263	0	1,263
Fiscal Year 1999 Totals	1,332	0	1,332

Comments:

1. NON-CLASSIFIED STAFF ADJUSTMENTS - Funding is provided for merit increments for non-classified staff and a 0.2 FTE staff increase.
2. SYSTEM PRODUCTIVITY GAINS - Funding is reduced for personal services and goods and services as a result of system productivity gains.
3. ADVANCED TECHNICAL TRAINING - Funding is provided for advanced technology training.
4. CLIENT WORKSTATIONS/SERVERS - Funding is provided for improvements to legislative client workstations and servers.
5. LOCAL GOVERNMENT FISCAL ANALYSIS - Funds are provided to continue the work of the LEAP Committee to (1) collect and analyze local government fiscal data, and (2) conduct a one-time examination of state data processing projects funded in the budget, with the objective of improving the Legislature's evaluation and oversight of computer projects.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Legislative Evaluation & Accountability Committee's budget is shown in the Transportation Budget section of this document.

Office of the State Actuary

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	1,573	1,573
1997-99 Maintenance Level	0	1,627	1,627
Policy Items			
1. JCPP Meeting Costs	0	12	12
2. Increase Staff to Full-Time	0	14	14
3. Computer Replacement	0	20	20
4. Enhance Connection to LSC	0	8	8
Total 1997-99 Biennium	0	1,681	1,681
Fiscal Year 1998 Totals	0	836	836
Fiscal Year 1999 Totals	0	845	845

Comments:

1. JCPP MEETING COSTS - Funding is provided to pay the rental costs of meeting facilities for the Joint Committee on Pension Policy (JCPP), which meets approximately seven times a year in the SeaTac area. The Committee had been using the SeaTac Legislative Office at no charge until its closure in 1995. (Department of Retirement Systems Expense Account-State)
2. INCREASE STAFF TO FULL-TIME - Funding is provided to increase a Word Processing Specialist position from 80 percent to full time. The workload increase is due to duties associated with the Joint Committee on Pension Policy and additional office publications. (Department of Retirement Systems Expense Account-State)
3. COMPUTER REPLACEMENT - Funding is provided to allow the Legislative Service Center (LSC) to replace computers every three years. Being part of LSC's system, the State Actuary needs to replace its computer hardware to have the same computer capability. (Department of Retirement Systems Expense Account-State)
4. ENHANCE CONNECTION TO LSC - Funding is provided to upgrade the current connection to LSC for better processing service (LSC request). (Department of Retirement Systems Expense Account-State)

Joint Legislative Systems Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	8,900	0	8,900
1997-99 Maintenance Level	9,260	1,869	11,129
Policy Items			
1. Central Purchasing	1,600	0	1,600
Total 1997-99 Biennium	10,860	1,869	12,729
Fiscal Year 1998 Totals	5,430	934	6,364
Fiscal Year 1999 Totals	5,430	935	6,365

Comments:

1. CENTRAL PURCHASING - Funding is provided for the Legislative Service Center to operate a central personal computer and software purchasing service for the Legislature. Currently, the Senate, the House of Representatives, and the Statute Law Committee plan for their own acquisitions. The central purchasing service will result in more consistent and coordinated purchases. Equipment and software shall be purchased only at the request of the client agencies.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Joint Legislative Systems Committee's budget is shown in the Transportation Budget section of this document.

Statute Law Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	6,432	2,662	9,094
1997-99 Maintenance Level	6,893	2,882	9,775
Policy Items			
1. Transfer of Computer Purchasing	-108	0	-108
Total 1997-99 Biennium	6,785	2,882	9,667
Fiscal Year 1998 Totals	3,226	525	3,751
Fiscal Year 1999 Totals	3,559	2,357	5,916

Comments:

1. TRANSFER OF COMPUTER PURCHASING - The reduction represents the transfer to the Legislative Systems Committee of the function of purchasing personal computers and related equipment on behalf of the Statute Law Committee. The transfer will facilitate the coordination of legislative computer upgrades.

Judicial

Court of Appeals

Effective July 1, 1998, \$271,000 from the state general fund is provided for a new Court of Appeals judge position and support staff for Division I, Seattle. Additional funding is also provided for remodeling Division I court facilities in order to accommodate the new judge and staff.

Office of the Administrator for the Courts

The amount of \$12.9 million from the Judicial Information System Account is provided for the continued improvements and upgrades to the Judicial Information System. The computer system which connects 305 courts across the state is used for scheduling cases, recording fines and payments, managing court calendars, and tracking criminal history.

Office of Public Defense

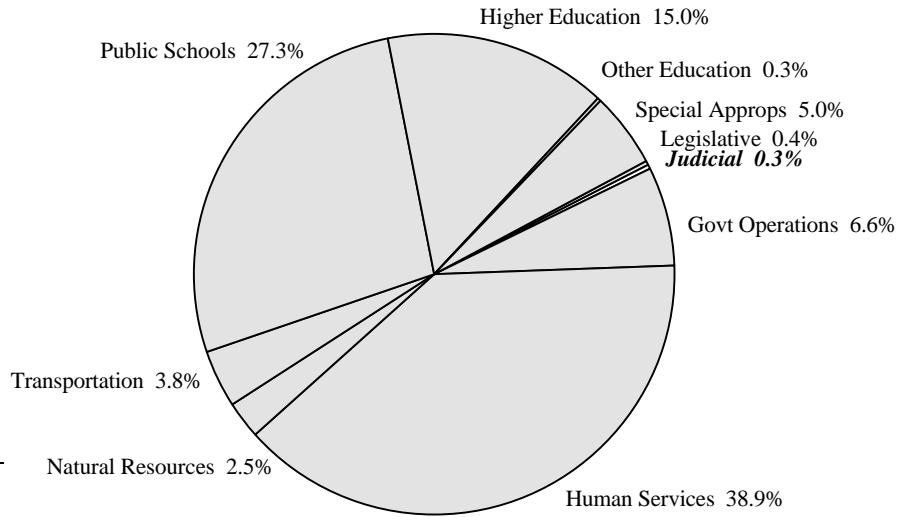
Funding is provided to increase reimbursement for private attorneys providing constitutionally-mandated indigent appellate defense in non-death penalty cases. Reimbursement is increased from \$1,900 per case to \$2,100 per case.

1997-99 Washington State Operating Budget

Total Budgeted Funds

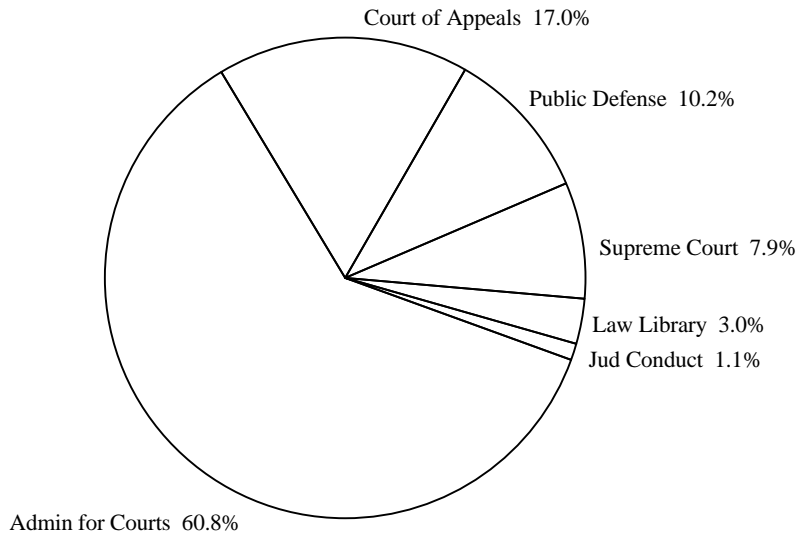
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Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Admin for the Courts	72,757
Court of Appeals	20,358
Office of Public Defense	12,187
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,305
Judicial	119,614



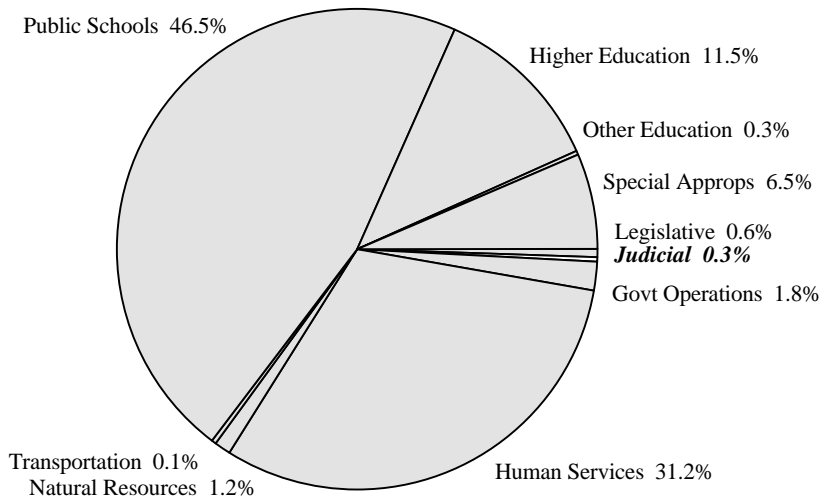
Judicial

1997-99 Washington State Operating Budget

General Fund - State

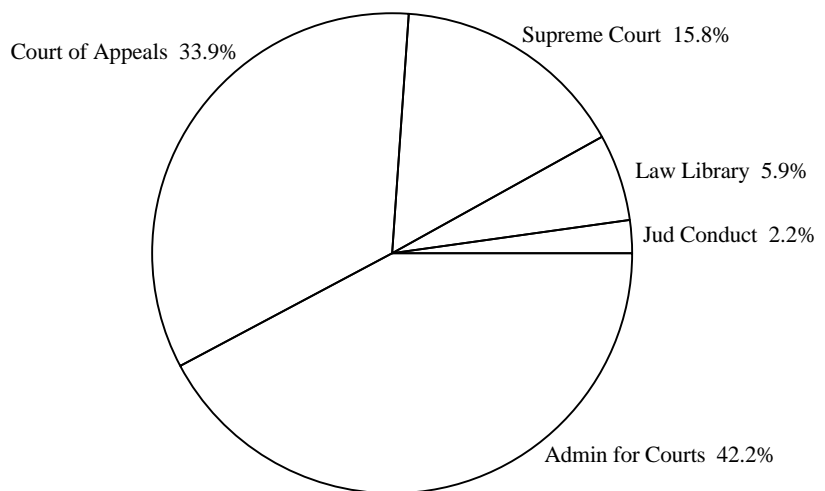
(Dollars in Thousands)

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Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Admin for the Courts	25,318
Court of Appeals	20,358
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,305
Judicial	59,988



Judicial

Supreme Court
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,955	0	8,955
1997-99 Maintenance Level	9,414	0	9,414
Policy Items			
1. Furniture Replacement	51	0	51
2. General Inflation	-12	0	-12
Total 1997-99 Biennium	9,453	0	9,453
Fiscal Year 1998 Totals	4,640	0	4,640
Fiscal Year 1999 Totals	4,813	0	4,813

Comments:

1. FURNITURE REPLACEMENT - Provides one-time funding to replace 19 law clerk workstations. The ergonomically-designed workstations will reduce wrist and back injuries and make more efficient use of limited office space.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

State Law Library

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,204	0	3,204
1997 Supplemental *	11	0	11
Total 1995-97 Expenditure Authority	3,215	0	3,215
1997-99 Maintenance Level	3,560	0	3,560
Policy Items			
1. General Inflation	-6	0	-6
Total 1997-99 Biennium	3,554	0	3,554
Fiscal Year 1998 Totals	1,769	0	1,769
Fiscal Year 1999 Totals	1,785	0	1,785

Comments:

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

* Please see the 1997 Supplemental Operating Budget section for additional information.

Court of Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	18,550	0	18,550
1997-99 Maintenance Level	19,692	0	19,692
Policy Items			
1. Pro-Tem Judges -- Division III	10	0	10
2. General Inflation	-105	0	-105
3. One Additional Judge and Support	271	0	271
4. One-Time Remodel and Equipment	490	0	490
Total 1997-99 Biennium	20,358	0	20,358
Fiscal Year 1998 Totals	10,225	0	10,225
Fiscal Year 1999 Totals	10,133	0	10,133

Comments:

1. PRO-TEM JUDGES -- DIVISION III - Provides funding for pro-tempore judges for Division III in Spokane to sit on judicial panels when required.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ONE ADDITIONAL JUDGE AND SUPPORT - Provides funding for one additional judge position in Division I and 3.0 FTE support staff, effective July 1, 1998.
4. ONE-TIME REMODEL AND EQUIPMENT - One-time funding is provided to remodel Division I court facilities. The current space will be reconfigured to accommodate the new judge and staff.

Commission on Judicial Conduct

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,401	0	1,401
1997-99 Maintenance Level	1,266	0	1,266
Policy Items			
1. Preservation of State Records	16	0	16
2. Database Conversion	30	0	30
3. General Inflation	-7	0	-7
Total 1997-99 Biennium	1,305	0	1,305
Fiscal Year 1998 Totals	652	0	652
Fiscal Year 1999 Totals	653	0	653

Comments:

1. PRESERVATION OF STATE RECORDS - Provides one-time funding to comply with state laws governing the recovery and preservation of public records in times of an emergency.
2. DATABASE CONVERSION - One-time funding is provided for a software upgrade of the Commissions' database containing all its proceedings and cases.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	23,490	49,714	73,204
1997 Supplemental *	0	4	4
Total 1995-97 Expenditure Authority	23,490	49,718	73,208
1997-99 Maintenance Level	25,125	36,705	61,830
Policy Items			
1. Juvenile Court IS Integration	0	2,612	2,612
2. Appellate Database Integration	0	375	375
3. Appellate Database Rewrite	0	264	264
4. Electronic Documents Study	0	200	200
5. DISCIS Data Entry Feasibility Study	0	60	60
6. Courts Automated Proceeding System	0	548	548
7. JIS Equipment Replacement	0	4,000	4,000
8. Electronic Publication Distribution	0	100	100
9. Automated Pro Se Information	0	188	188
10. JIS DB2 Database Review and Upgrade	0	408	408
11. Juvenile Court IS Backup Data	0	110	110
12. Disaster Recovery Plan	0	960	960
13. Electronic Judicial Order Sharing	0	228	228
14. Misdemeanor Criminal History	0	191	191
15. Expanded Law Agency Access to JIS	0	522	522
16. Seattle Municipal DISCIS Conversion	0	100	100
17. Snohomish Dist. DISCIS Conversion	0	96	96
18. Year 2000 Conversion	0	400	400
19. Court of Appeals LAN Support	0	278	278
20. Transfer Snohomish Diversion	100	-258	-158
21. General Inflation	-142	-648	-790
22. Fund Shift	0	0	0
23. Judicial Program Funding Pool	200	0	200
24. Professional Guardian Study	35	0	35
Total 1997-99 Biennium	25,318	47,439	72,757
Fiscal Year 1998 Totals	12,723	22,766	35,489
Fiscal Year 1999 Totals	12,595	24,673	37,268

Comments:

- JUVENILE COURT IS INTEGRATION - Provides one-time funding for programming costs associated with integrating the Juvenile Information System (JUVIS) with the Judicial Information System (JIS) and Year 2000 date compliance. (Judicial Information Systems Account)
- APPELLATE DATABASE INTEGRATION - Provides one-time funding for programming costs associated with integrating the Appellate Court Docketing System (ACORDS) with JIS and Year 2000 date compliance. (Judicial Information Systems Account)
- APPELLATE DATABASE REWRITE - Provides one-time funding to allow ACORDS to migrate from a mainframe computer to a local area network or personal computer environment that will be more reliable and cheaper to maintain. (Judicial Information Systems Account)
- ELECTRONIC DOCUMENTS STUDY - Funds a one-time feasibility study to enable the courts and the Attorney General's Office to file routine court documents electronically with the Court of Appeals and Supreme Court. (Judicial Information Systems Account)
- DISCIS DATA ENTRY FEASIBILITY STUDY - Funds a one-time feasibility study to enable local prosecutors and law enforcement agencies to upload infraction and misdemeanor data from local information systems into the District and Municipal Court Information System (DISCIS). (Judicial Information Systems Account)
- COURTS AUTOMATED PROCEEDING SYSTEM - Funding is provided for the training and installation of the new Courts Automated Proceeding System (CAPS) in 235 courts statewide. This case scheduling system will improve court operations. (Judicial Information Systems Account)
- JIS EQUIPMENT REPLACEMENT - Funding is provided to implement the second phase of the agency's schedule for replacing aging computer equipment in local courts. (Judicial Information Systems Account)
- ELECTRONIC PUBLICATION DISTRIBUTION - One-time funding is provided to enable the Administrator for the Courts to make agency-published manuals available electronically for judges and their staff by establishing access to the manuals via the Judicial Information System network. (Judicial Information Systems Account)
- AUTOMATED PRO SE INFORMATION - Funds a demonstration project to provide pro se litigants (litigants who act as their own attorneys) with electronic forms filing capability and information at courthouses and libraries or through the Internet. Through an automated telephone system, standard forms may also be requested by court facilitators. (Judicial Information Systems Account)

Office of the Administrator for the Courts

10. JIS DB2 DATABASE REVIEW AND UPGRADE - Provides funding for a review of the Judicial Information System (JIS) database structure to identify changes that will improve response time, ease of system maintenance, and provide 24-hour access. (Judicial Information Systems Account)
11. JUVENILE COURT IS BACKUP DATA - Provides funding for system improvements that permit uninterrupted access to information on juveniles' prior offense histories. (Judicial Information Systems Account)
12. DISASTER RECOVERY PLAN - Provides funding to design and test a disaster recovery/business resumption plan. Employees will be trained in relevant procedures in the event that the centralized JIS computer system becomes inoperable and is unavailable for several days due to a disaster. (Judicial Information Systems Account)
13. ELECTRONIC JUDICIAL ORDER SHARING - Provides one-time funding to establish the capability to electronically transfer judicial orders (warrants or restraining orders) between the courts and other criminal justice agencies. (Judicial Information Systems Account)
14. MISDEMEANOR CRIMINAL HISTORY - One-time funding is provided to create the capacity to store on an indefinite basis misdemeanor and gross-misdemeanor criminal history records. Indefinite storage will help determine whether an offender has remained crime-free long enough to have prior felony convictions disregarded at a future felony sentencing hearing. (Judicial Information Systems Account)
15. EXPANDED LAW AGENCY ACCESS TO JIS - Provides funds for toll-free telephone access to JIS by local law enforcement agencies seeking criminal justice information. (Judicial Information Systems Account)
16. SEATTLE MUNICIPAL DISCIS CONVERSION - Provides funding for a one-time study of the conversion of the Seattle Municipal Court's information system to District Court Information System (DISCIS). (Judicial Information Systems Account)
17. SNOHOMISH DIST. DISCIS CONVERSION - Provides funding for the conversion of the Snohomish County South District Court to DISCIS. The conversion will enable county and state sharing of court information. (Judicial Information Systems Account)
18. YEAR 2000 CONVERSION - Provides funds for the replacement of vendor software that is out of compliance with Year 2000 standards and provides for needed software changes to ensure uninterrupted business operations. (Judicial Information Systems Account)
19. COURT OF APPEALS LAN SUPPORT - Provides funding for staff to provide on-site support for local area networks (LANs) at each Division of the Court of Appeals. (Judicial Information Systems Account)
20. TRANSFER SNOHOMISH DIVERSION - General Fund-State funding is provided for FY 98 for the Snohomish County pre-prosecution diversion program. For FY 99, funding responsibility is transferred to Snohomish County. (General Fund-State, Public Safety and Education Account-State)
21. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
22. FUND SHIFT - Funding in the amount of \$1.4 million for information technology projects is shifted from the Public Safety and Education Account to the Judicial Information Systems Account. (Public Safety and Education Account-State, Judicial Information Systems Account)
23. JUDICIAL PROGRAM FUNDING POOL - Provides for enhancements to judicial programs that will be determined by the Office of the Administrator for the Courts in consultation with the Supreme Court.
24. PROFESSIONAL GUARDIAN STUDY - Provides funding for the Office of the Administrator for the Courts to conduct a study on the implementation of a certification process for professional guardians, pursuant to Chapter 312, Laws of 1997 (ESHB 1771).

* Please see the 1997 Supplemental Operating Budget section for additional information.

Office of Public Defense

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	5,805	5,805
1997-99 Maintenance Level	0	11,499	11,499
Policy Items			
1. Attorney Fees Increase	0	688	688
Total 1997-99 Biennium	0	12,187	12,187
Fiscal Year 1998 Totals	0	6,088	6,088
Fiscal Year 1999 Totals	0	6,099	6,099

Comments:

1. ATTORNEY FEES INCREASE - Funding is provided to increase reimbursement for private attorneys providing constitutionally mandated indigent appellate defense in non-death penalty cases. Reimbursement is increased from \$1,900 per case to \$2,100 per case. (Public Safety and Education Account-State)

Governmental Operations

Public Disclosure Commission

An amount of \$430,000 from the state general fund is provided for enhanced public disclosure functions. The use of technology will improve the filing of public disclosure documents and enhance public access via the Internet, fax-on-demand technology, document imaging, and other customer service improvements.

Office of the Attorney General

An amount of \$500,000 from the state general fund and \$500,000 in other funds is provided for selective salary increases for the Attorney General to retain experienced legal staff by providing competitive salaries for Assistant Attorneys General.

Initial funding of \$300,000 from the state general fund is provided for assessment of the public health and the environmental impacts of pollution in the Spokane River basin and determination of potential legal remedies.

Department of Community, Trade, and Economic Development

An additional \$2.0 million is provided for indigent civil legal services. These funds are to be expended in accordance with Chapter 319, Laws of 1997 (ESHB 2276).

The sum of \$500,000 is provided for the Washington Technology Center to increase the number of research and development projects that are conducted in conjunction with private sector partners.

The amount of \$600,000 is provided for three counties to recruit community volunteers to represent the interests of children in dependency proceedings. Funding is also provided for an evaluation of the effectiveness of the Court Appointed Special Advocates (CASA) program in improving outcomes for dependent children.

Legislation enacted during the 1997 session (Chapter 429, Laws of 1997, Partial Veto -- ESB 6094) directs six western Washington counties to analyze whether sufficient land exists within their urban growth areas to provide for both residential and non-residential growth over the next 10 to 20 years. The budget provides \$2 million for grants to local governments to assist them in conducting this analysis. The analysis is to include an inventory of available lands for development and will help determine whether county-wide planning policies are meeting planned residential densities and uses. The counties doing the inventory and analysis are King, Pierce, Snohomish, Clark, Kitsap, and Thurston.

The budget includes approximately \$2.7 million in reductions in a variety of Community, Trade and Economic Development programs, including growth management, international trade programs, business recruitment activities, and administrative functions.

Department of General Administration

To replace diminishing federal food volumes, the amount of \$2 million from the state general fund is provided to continue purchasing food products for the state's food assistance network.

Office of the Insurance Commissioner

An amount of \$600,000 from the Insurance Commissioner's Regulatory Account is provided for increased oversight of life insurance marketing. A recently revised settlement with the Prudential Insurance Company will provide restitution to Washington policyholders, as well as making \$600,000 available to the state for increased regulatory oversight of the marketing practices of Prudential.

Liquor Control Board

The amount of \$2.8 million from the state general fund is provided to implement Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers primary enforcement authority for cigarette and tobacco taxes from the Department of Revenue to the Liquor Control Board. As a result of the transfer, lost revenue due to cigarette and tobacco tax evasion is expected to be substantially reduced.

Military Department

During the 1995-97 biennium, Washington State experienced five natural disasters that received Presidential Disaster Declarations. Upon receiving a Presidential Disaster Declaration, the state qualifies for federal disaster assistance through the Federal Emergency Management Agency (FEMA). FEMA provides federal funds for 75 percent of eligible disaster recovery costs, while state and local governments provide the remaining 25 percent as a matching requirement to receive the federal assistance.

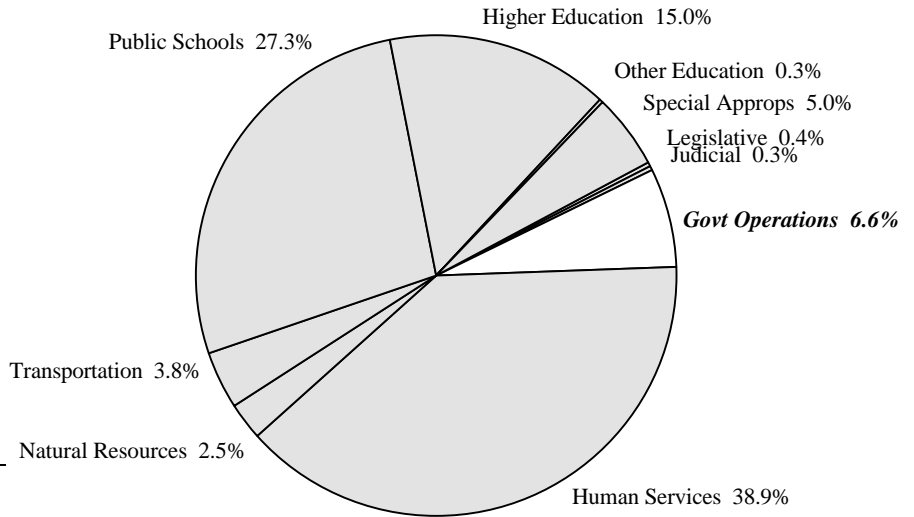
The amounts of \$24 million in state funds and \$95.4 million in federal funds are provided for disaster recovery costs in the 1997-99 biennium. State funding is provided for the local match requirements for the February 1996 floods. In addition, Chapter 251, Laws of 1997 (HB 2267), creates a new Disaster Response Account to provide greater accountability and flexibility in paying for disaster recovery costs.

1997-99 Washington State Operating Budget

Total Budgeted Funds

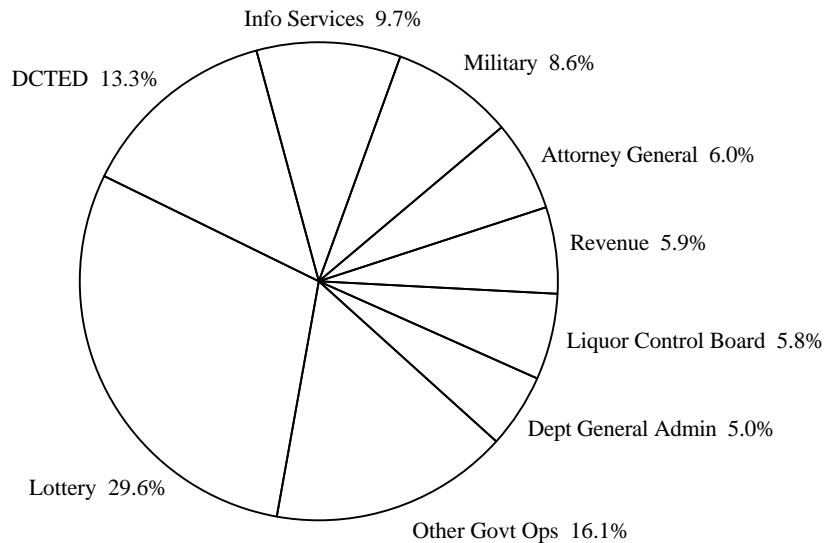
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

State Lottery Comm	688,558
Comm/Trade/Econ Dev	310,504
Dept of Info Services	226,333
Military Department	200,035
Attorney General	139,641
Dept of Revenue	138,459
Liquor Control Board	134,155
Dept of General Admin	116,146
Other Govt Operations	373,779
Governmental Operations	2,327,610



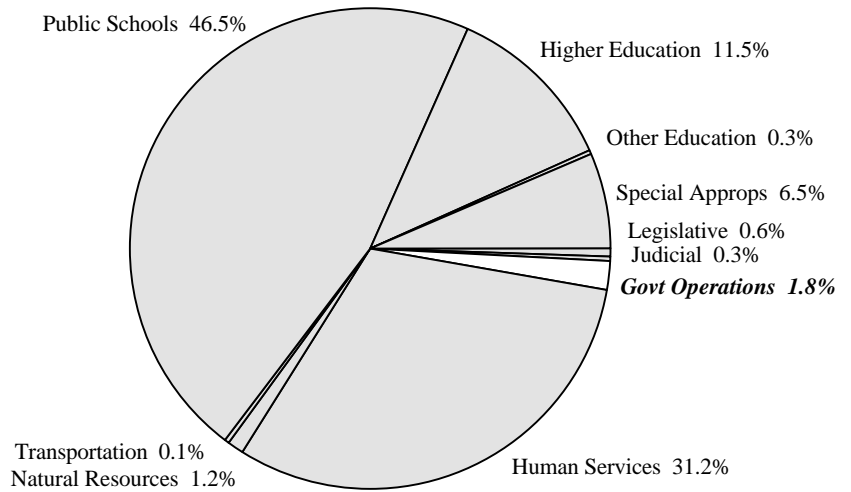
Governmental Operations

1997-99 Washington State Operating Budget

General Fund - State

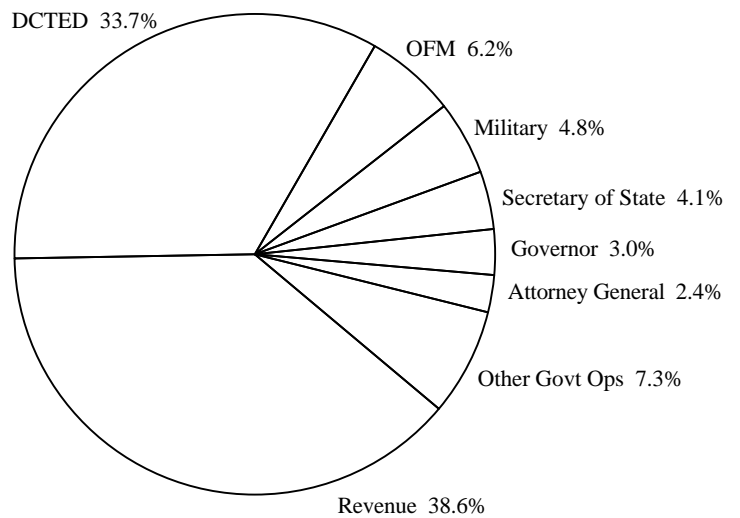
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Dept of Revenue	130,353
Comm/Trade/Econ Dev	113,712
Office of Financial Mgmt	20,783
Military Department	16,305
Secretary of State	13,956
Office of Governor	10,010
Attorney General	7,992
Other Govt Operations	24,803
Governmental Operations	337,914



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,655	225	8,880
1997-99 Maintenance Level	9,735	1,072	10,807
Policy Items			
1. Action Team Technology Enhancement	57	0	57
2. Puget Sound Work Plan	479	0	479
3. General Inflation	-75	0	-75
4. Law Enforcement Medal of Honor	25	0	25
5. Puget Sound Education Grants	0	-184	-184
6. Equipment Reduction	-21	0	-21
7. Puget Sound Action Team - Reduction	-36	0	-36
8. Executive Operations - Reduction	-154	0	-154
Total 1997-99 Biennium	10,010	888	10,898
Fiscal Year 1998 Totals	5,047	414	5,461
Fiscal Year 1999 Totals	4,963	474	5,437

Comments:

1. ACTION TEAM TECHNOLOGY ENHANCEMENT - Funding is provided for a wide area network link between the Puget Sound Water Quality Action Team and the Governor's Office.
2. PUGET SOUND WORK PLAN - Funds are provided for expanded technical assistance by the Puget Sound Action Team.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENFORCEMENT MEDAL OF HONOR - Funding is provided to the Law Enforcement Medal of Honor Committee to recognize qualified law enforcement officers as provided by Chapter 41.72 RCW.
5. PUGET SOUND EDUCATION GRANTS - Funding is reduced for Public Information and Education (PIE) grants awarded by the Puget Sound Action Team. (Water Quality Account)
6. EQUIPMENT REDUCTION - Funding is reduced for equipment purchases in the Office of the Family and Children's Ombudsman.
7. PUGET SOUND ACTION TEAM - REDUCTION - Printing costs are reduced by eliminating one-half of newsletters produced by the Puget Sound Water Quality Action Team each year.
8. EXECUTIVE OPERATIONS - REDUCTION - Funding is reduced for one staff position and goods and services in the Governor's Office.

Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	485	0	485
1997 Supplemental *	33	0	33
Total 1995-97 Expenditure Authority	518	0	518
1997-99 Maintenance Level	512	0	512
Policy Items			
1. General Inflation	-3	0	-3
2. Youth Drug & Alcohol Abuse Outreach	42	0	42
3. Acting Governor Compensation	14	0	14
Total 1997-99 Biennium	565	0	565
Fiscal Year 1998 Totals	282	0	282
Fiscal Year 1999 Totals	283	0	283

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. YOUTH DRUG & ALCOHOL ABUSE OUTREACH - The Lieutenant Governor is provided funding to implement a program addressing the problems of drug and alcohol abuse primarily among the youth in Washington State. The effort will involve research, development of materials, and presentations throughout the state.
3. ACTING GOVERNOR COMPENSATION - Additional funding is provided to accommodate the actual number of days the Governor is typically out of state, which requires the Lieutenant Governor to act as Governor.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Disclosure Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,176	1	2,177
1997 Supplemental *	132	0	132
Total 1995-97 Expenditure Authority	2,308	1	2,309
1997-99 Maintenance Level	2,240	0	2,240
Policy Items			
1. Filer Assistance	139	0	139
2. Compliance	52	0	52
3. General Inflation	-7	0	-7
4. Customer Technology Improvements	239	0	239
Total 1997-99 Biennium	2,663	0	2,663
Fiscal Year 1998 Totals	1,457	0	1,457
Fiscal Year 1999 Totals	1,206	0	1,206

Comments:

1. **FILER ASSISTANCE** - One-time funding is provided to implement electronic filing of financial affairs statements and lobbyist registrations.
2. **COMPLIANCE** - Additional funding is provided to the Public Disclosure Commission (PDC) to enable the agency to utilize Attorney General services at a level comparable to that experienced in the current biennium.
3. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **CUSTOMER TECHNOLOGY IMPROVEMENTS** - One-time funding is provided for customer service technology improvements including enhanced Internet access, fax-on-demand technology, and personal computers, and software compatible with the agency's new imaging system.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	16,849	6,640	23,489
1997 Supplemental *	190	0	190
Total 1995-97 Expenditure Authority	17,039	6,640	23,679
1997-99 Maintenance Level	14,172	9,840	24,012
Policy Items			
1. Charitable Trust Backlog	179	0	179
2. International Education	50	0	50
3. Eliminate Legal Advertising	-125	0	-125
4. General Inflation	-166	-84	-250
5. Census Block Boundary Program	99	0	99
6. Local Elections Certification	-353	0	-353
7. Oral History Program	55	0	55
8. State Horse Park Feasibility Study	45	0	45
Total 1997-99 Biennium	13,956	9,756	23,712
Fiscal Year 1998 Totals	8,055	4,882	12,937
Fiscal Year 1999 Totals	5,901	4,874	10,775

Comments:

1. CHARITABLE TRUST BACKLOG - Charitable trusts are required to file and be registered with the Secretary of State's Office. Funds and one staff person are provided to address the agency's nine-month backlog of filings, trust registrations, and re-registrations.
2. INTERNATIONAL EDUCATION - Chapter 253, Laws of 1996 (HB 2291) authorizes the Office of the Secretary of State to establish an international education database of foreign exchange students and other business contacts that may facilitate international trade. Funds are provided for this database.
3. ELIMINATE LEGAL ADVERTISING - Chapter 405, Laws of 1997 (ESSB 6068), introduced at the request of the Secretary of State, allows efficiencies in the cost of legal advertising for proposed state constitutional amendments. The statutory advertising duplicates information provided in the state Voters' Pamphlet and available from other public sources.
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. CENSUS BLOCK BOUNDARY PROGRAM - One-time funding is provided to prepare for the state's participation in the United State's Census Voting District Project to update U.S. census precinct boundaries and to facilitate the upcoming census and redistricting processes.
6. LOCAL ELECTIONS CERTIFICATION - Funding is reduced for continuing costs of audit review of county election offices. Audits of each of the 39 counties will be completed during the 1997-99 biennium, and further audits should be conducted pursuant to Chapter 284, Laws of 1997 (ESB 5565) on an as-needed basis within available resources.
7. ORAL HISTORY PROGRAM - Funds are provided to expand the Secretary of State's Oral History Program which documents the oral history of state government.
8. STATE HORSE PARK FEASIBILITY STUDY - The Secretary of State is directed to contract for an economic feasibility study of establishing a State Horse Park.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	337	0	337
1997-99 Maintenance Level	374	0	374
Policy Items			
1. Policy Research Assistance	90	0	90
2. General Inflation	-1	0	-1
Total 1997-99 Biennium	463	0	463
Fiscal Year 1998 Totals	230	0	230
Fiscal Year 1999 Totals	233	0	233

Comments:

1. POLICY RESEARCH ASSISTANCE - Funding is provided for a policy research assistant position needed to keep current with the agency's mandate to act as the policy lead for the Governor on all American Indian-related issues.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	361	0	361
1997-99 Maintenance Level	376	0	376
Policy Items			
1. Support Staff	28	0	28
2. General Inflation	-3	0	-3
Total 1997-99 Biennium	401	0	401
Fiscal Year 1998 Totals	200	0	200
Fiscal Year 1999 Totals	201	0	201

Comments:

1. SUPPORT STAFF - Funding is provided to restore the salary reduction of an administrative assistant position made as part of a consolidation effort of the four ethnic agencies in 1993.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	10,654	10,654
1997-99 Maintenance Level	0	11,153	11,153
Policy Items			
1. Information Systems	0	450	450
2. Technology Improvements	0	20	20
3. General Inflation	0	-56	-56
Total 1997-99 Biennium	0	11,567	11,567
Fiscal Year 1998 Totals	0	5,989	5,989
Fiscal Year 1999 Totals	0	5,578	5,578

Comments:

1. INFORMATION SYSTEMS - Funding is provided to continue development of a new treasury management system that was begun with a feasibility study in 1996. The amount provided reflects the first-year estimate for design and development of a treasury management system to replace the existing state debt, investments, cash management, and treasury accounting systems. Additional funding will be requested with the 1998 Supplemental Operating Budget to provide for second-year costs. (State Treasurer's Service Account)
2. TECHNOLOGY IMPROVEMENTS - Funding is provided for a data service connection to the statewide network operated by the Department of Information Services that will allow access to the statewide accounting system and enable the Treasurer's Office to share data with other agencies. Funding is also provided to repair phone and data lines. (State Treasurer's Service Account)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	508	36,700	37,208
1997 Supplemental *	0	-363	-363
Total 1995-97 Expenditure Authority	508	36,337	36,845
1997-99 Maintenance Level	859	36,331	37,190
Policy Items			
1. Staff Increase	0	1,000	1,000
2. Increase in Local Audits	0	306	306
3. Special Request Audits	0	624	624
4. Relocate Local Offices	0	174	174
5. General Inflation	-3	-145	-148
6. Reduction in Audit Services	0	-230	-230
7. Local Government Fiscal Reporting	500	0	500
Total 1997-99 Biennium	1,356	38,060	39,416
Fiscal Year 1998 Totals	678	19,029	19,707
Fiscal Year 1999 Totals	678	19,031	19,709

Comments:

1. STAFF INCREASE - The State Auditor received funds in the 1995-97 biennium to automate the audit process. The result was a reduction of 10 FTE staff, with projected savings of \$1 million per year. The software was pilot tested and found not to meet the needs of the State Auditor; the funding the project received will be returned in the 1997 Supplemental Operating Budget. Staff and funding necessary to perform ongoing audit functions are restored. (Auditing Services Revolving Account, Municipal Revolving Account-Non-Appropriated)
2. INCREASE IN LOCAL AUDITS - Funding and additional staff are provided for increased workload in local government audits. (Municipal Revolving Account-Non-Appropriated)
3. SPECIAL REQUEST AUDITS - Funding is provided for special request audits from local municipalities. (Municipal Revolving Account-Non-Appropriated)
4. RELOCATE LOCAL OFFICES - Local offices of the State Auditor are currently located in office space shared with the agencies they audit. Funding is provided to allow these local offices to lease their own space. (Municipal Revolving Account-Non-Appropriated)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. REDUCTION IN AUDIT SERVICES - The State Auditor will slightly reduce the number of audit hours on low-risk issues involving state agencies and, therefore, reduce the cost of conducting those audits. (Auditing Services Revolving Account)
7. LOCAL GOVERNMENT FISCAL REPORTING - One-time funding is provided for improvements to the Budget & Accounting Reporting System (BARS) to improve the collection and reporting of local government fiscal data as recommended by the local government finance study group.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	65	0	65
1997-99 Maintenance Level	67	0	67
Total 1997-99 Biennium	67	0	67
Fiscal Year 1998 Totals	4	0	4
Fiscal Year 1999 Totals	63	0	63

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,503	124,852	131,355
1997-99 Maintenance Level	6,963	129,984	136,947
Policy Items			
1. Attorney Salary Increases	0	1,000	1,000
2. Ecology Legal Services Demand	0	710	710
3. DSHS Legal Services Demand	0	240	240
4. Reduce Administration Funding	-50	0	-50
5. Tort Defense Increase	0	1,080	1,080
6. Additional Legal Services	0	663	663
7. Motor Vehicle Warranties Act	0	-768	-768
8. Idaho Mining Litigation	300	0	300
9. General Inflation	-71	-1,108	-1,179
10. Health Care Anti-Trust Monitoring	0	-152	-152
11. SMART Program	850	0	850
Total 1997-99 Biennium	7,992	131,649	139,641
Fiscal Year 1998 Totals	4,361	65,965	70,326
Fiscal Year 1999 Totals	3,631	65,684	69,315

Comments:

- ATTORNEY SALARY INCREASES - A special salary increase was funded in the 1995-97 biennium to allow the Attorney General to target salary increases to assistant attorneys general to address retention and turnover problems. Additional funds are provided for a second attorney salary increase in the 1997-99 biennium to ensure that the agency can retain experienced attorneys. In addition to this funding, assistant attorneys general receive the general cost-of-living increase provided to other state employees. (Legal Services Revolving Account)
- ECOLOGY LEGAL SERVICES DEMAND - Funding is provided for an additional attorney and a legal secretary to help the Department of Ecology to address the increased workload in water rights applications. The new attorney and legal secretary will focus on water resources appeals. Additionally, funding and staff are provided for legal representation and expert witness costs related to the appeal of the Intertanko lawsuit. (Legal Services Revolving Account)
- DSHS LEGAL SERVICES DEMAND - The Department of Social and Health Services has experienced a significant increase in litigation. Funding is provided to support two paralegals who will prepare cases and free up attorney time for more complex legal issues affecting the agency. (Legal Services Revolving Account)
- REDUCE ADMINISTRATION FUNDING - Savings will be made in the agency's administrative support for non-legal services revolving fund programs. Support functions will be reduced in areas such as centralized budget and accounting, personnel, specialized library, and information services.
- TORT DEFENSE INCREASE - In the past three years, the number of lawsuits against the state has increased 50 percent. Funds support three tort defense assistant attorneys general to investigate, resolve, and defend the state against lawsuits. (Legal Services Revolving Account)
- ADDITIONAL LEGAL SERVICES - The Department of Labor and Industries, the Office of Administrative Hearings, the Public Disclosure Commission, and the Office of Environmental Hearings need additional legal services above current budgeted levels. Funds are provided for these expenses. (Legal Services Revolving Account)
- MOTOR VEHICLE WARRANTIES ACT - A reduction in the New Motor Vehicle Arbitration Account expenditure is necessary due to declining revenues and insufficient fund balance. (New Motor Vehicle Arbitration Account)
- IDAHO MINING LITIGATION - One-time funding supports FY 98 costs for a comprehensive assessment of environmental and public health impacts and associated legal costs for pursuing remedies for pollution in the Spokane River basin.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- HEALTH CARE ANTI-TRUST MONITORING - To bring Health Services Account expenditures in line with account revenues, dedicated funding is eliminated for health care anti-trust activities. If health care anti-trust activities are needed, existing anti-trust funding from the general fund may be used. (Health Services Account-State)
- SMART PROGRAM - Funding is provided to implement the Supervision Management and Recidivist Tracking (SMART) program. The SMART program will allow the Department of Corrections and local law enforcement agencies to share information through the Homicide Investigation and Tracking System (HITS) concerning the activities of offenders on community supervision.

Department of Financial Institutions

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	13,764	13,764
1997-99 Maintenance Level	0	14,673	14,673
Policy Items			
1. Securities Enforcement Enhancement	0	460	460
2. Administration & Technology Package	0	496	496
3. License Suspension	0	102	102
4. General Inflation	0	-62	-62
Total 1997-99 Biennium	0	15,669	15,669
Fiscal Year 1998 Totals	0	7,732	7,732
Fiscal Year 1999 Totals	0	7,937	7,937

Comments:

1. SECURITIES ENFORCEMENT ENHANCEMENT - Funding is provided for increased securities enforcement including \$4,000 for one-time costs in FY 98. (Securities Regulation Account)
2. ADMINISTRATION & TECHNOLOGY PACKAGE - Funding is provided to develop business technology applications and automate internal office applications. One-time funds of \$216,000 are provided for the development of the new applications. (Securities Regulation Account, Banking Examination Account Non-Appropriated, Credit Unions Examination Account Non-Appropriated)
3. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision in Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Division of Securities licenses securities broker-dealers, salespeople, investment advisers, and investment adviser representatives. The Division of Consumer Services licenses escrow officers and mortgage brokers. (Securities Regulation Account, Banking Examination Account Non-Appropriated)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	104,313	192,547	296,860
1997 Supplemental *	292	209	501
Total 1995-97 Expenditure Authority	104,605	192,756	297,361
<hr/>			
1997-99 Maintenance Level	110,153	190,255	300,408
Policy Items			
1. Pass-through Funds Reduction	0	-2,894	-2,894
2. Low-Income Legal Services	2,000	0	2,000
3. General Inflation	-291	-162	-453
4. Land Use Study - Buildable Lands	2,000	0	2,000
5. Washington Technology Center	500	0	500
6. CASA/GAL	600	0	600
7. Community Connections Project	150	0	150
8. Long-Term Care Ombudsman	100	0	100
9. Domestic Violence Legal Advocacy	0	423	423
10. ECEAP Vendor Rate	1,286	0	1,286
11. Community Investment Unit	0	445	445
12. Community Development Finance	-247	0	-247
13. Business Recruitment Reduction	-275	0	-275
14. Biotechnology Conference	75	0	75
15. Director's Office Staffing	-90	0	-90
16. Space Reduction	-48	0	-48
17. Regulatory Reform Efficiency	-33	0	-33
18. CERB Support	-96	96	0
19. Energy Strategy Reduction	-30	0	-30
20. Employee Ownership	-133	0	-133
21. Economic Development Advocacy	-165	0	-165
22. Business Loans Mgmt Efficiency	-81	0	-81
23. International Trade	-274	0	-274
24. Foodstamp Outreach	-300	0	-300
25. Growth Management Grants	-968	0	-968
26. Re-Employment Support Center	-121	0	-121
27. Safe Drinking Water	0	213	213
28. Public Works - Financial Management	0	450	450
29. Federal Flood Assistance	0	7,714	7,714
<hr/>			
Total 1997-99 Biennium	113,712	196,540	310,252
Fiscal Year 1998 Totals	57,361	99,790	157,151
Fiscal Year 1999 Totals	56,351	96,750	153,101

Comments:

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| <p>1. PASS-THROUGH FUNDS REDUCTION - Pass-through funds are reduced for mobile home relocation assistance and Hanford area economic development assistance, consistent with available revenues in the 1997-99 biennium. (Mobile Home Park Relocation Account, Hanford Area Economic Investment Account)</p> <p>2. LOW-INCOME LEGAL SERVICES - Additional funding is provided for indigent civil legal representation services contracts.</p> <p>3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>4. LAND USE STUDY - BUILDABLE LANDS - Funding is provided for grants to counties, cities, and regional planning organizations to carry out the review and evaluation required by Section 25 of Chapter 429, Laws of 1997, Partial Veto (ESB 6094 -- Buildable Lands, Growth Management).</p> | <p>5. WASHINGTON TECHNOLOGY CENTER - Funding is provided for the Washington Technology Center to conduct additional research and development projects in conjunction with private sector partners.</p> <p>6. CASA/GAL - Funding is provided to recruit additional volunteer Court Appointed Special Advocates (CASA) or Guardians Ad Litem (GAL) to represent children in dependency court proceedings.</p> <p>7. COMMUNITY CONNECTIONS PROJECT - Funding is provided to continue the Walla Walla Community Connections program that serves at-risk youth and families.</p> <p>8. LONG-TERM CARE OMBUDSMAN - Provides funding for long term care ombudsman services to be extended to underserved areas of the state.</p> <p>9. DOMESTIC VIOLENCE LEGAL ADVOCACY - Additional funding from the federal Department of Justice Byrne Grant will provide for more legal advocacy services to victims of domestic violence. (General Fund-Federal)</p> |
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Department of Community, Trade, & Economic Development

10. ECEAP VENDOR RATE - Funding is provided for a 3 percent vendor rate increase, effective July 1, 1997, for Early Childhood Education and Assistance Program (ECEAP) providers.
11. COMMUNITY INVESTMENT UNIT - The Community Economic Revitalization Board (CERB) is provided additional staff to evaluate new funding requests and to monitor the existing loan portfolio. Funds to administer the Public Works Trust Fund program are shifted from the capital budget to the operating budget. (Public Facility Construction Loan Revolving Account, Public Works Assistance Account)
12. COMMUNITY DEVELOPMENT FINANCE - Funding is reduced for state technical assistance to local banks and local development organizations to assist businesses in securing financing. However, within the funding provided for associate development organizations, the Department is directed to maintain the community development finance program at its 1995-97 authorized level.
13. BUSINESS RECRUITMENT REDUCTION - Funding is reduced for the Department's business recruitment program.
14. BIOTECHNOLOGY CONFERENCE - Funding is provided for state sponsorship of a biotechnology conference scheduled for May 1999 in Seattle.
15. DIRECTOR'S OFFICE STAFFING - One position is eliminated in the Director's office.
16. SPACE REDUCTION - Leased space will be reduced as an efficiency measure in the Westin Building in Seattle.
17. REGULATORY REFORM EFFICIENCY - Program staff will absorb part of the regulatory reform activities that were being handled by the Local Development Assistance Service Area for the benefit of the total agency.
18. CERB SUPPORT - Eliminates General Fund-State support for the operations of CERB and shifts the cost to the Public Facilities Construction Loan Revolving Fund.
19. ENERGY STRATEGY REDUCTION - Agency staff will absorb the work associated with revising the Washington State Energy Strategy document rather than contracting for services.
20. EMPLOYEE OWNERSHIP - As an efficiency measure, one position and related funding is eliminated. The workload will be absorbed by other agency staff.
21. ECONOMIC DEVELOPMENT ADVOCACY - An exempt position responsible for economic policy development is eliminated.
22. BUSINESS LOANS MGMT EFFICIENCY - As an efficiency measure and through improved technology, one position is eliminated from the Loan Portfolio Management program, and the associated workload will be absorbed by other staff in the program.
23. INTERNATIONAL TRADE - Funding to support the international trade programs is reduced. The Department is conducting a review of its roles and responsibilities in support of international trade development. The specific impacts of this proposed reduction will be determined as a part of this effort.
24. FOODSTAMP OUTREACH - State funding for the Food Stamp Outreach Program is eliminated.
25. GROWTH MANAGEMENT GRANTS - Growth management grants for the 1997-99 biennium are reduced.
26. RE-EMPLOYMENT SUPPORT CENTER - Funding for the King County Reemployment Support Center is transferred to the Employment Security Department.
27. SAFE DRINKING WATER - The federal government has provided funding to improve the state's water systems. The Department of Community, Trade, and Economic Development (CTED) will operate a state revolving fund to finance these improvements. (General Fund-Federal)
28. PUBLIC WORKS - FINANCIAL MANAGEMENT - The Public Works Trust Fund program will acquire new financial management software to assist the Department in managing the program's loan portfolio. (Public Works Assistance Account)
29. FEDERAL FLOOD ASSISTANCE - Additional federal flood assistance has been awarded to the state through the Community Development Block Grant program. These funds will assist 27 counties with the costs associated with the November 1995 and February 1996 floods. (General Fund-Federal)

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Community, Trade, & Economic Development's budget is shown in the Transportation Budget section of this document.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	983	0	983
1997-99 Maintenance Level	910	0	910
Policy Items			
1. General Inflation	-5	0	-5
Total 1997-99 Biennium	905	0	905
Fiscal Year 1998 Totals	452	0	452
Fiscal Year 1999 Totals	453	0	453

Comments:

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

Office of Financial Management

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	18,870	23,238	42,108
1997 Supplemental *	0	1,433	1,433
Total 1995-97 Expenditure Authority	18,870	24,671	43,541
1997-99 Maintenance Level	19,740	35,063	54,803
Policy Items			
1. AmeriCorps Federal Requirements	210	-210	0
2. 2000 Census Workload	131	0	131
3. Population Survey	275	0	275
4. Performance Measure System	89	0	89
5. Acceptance Testing	0	114	114
6. Budget and Allotment System	0	462	462
7. Information Systems Enhancements	0	1,150	1,150
8. Replace Health Services Account	939	-339	600
9. General Inflation	-107	-13	-120
10. Decrease Contract Services	-150	0	-150
11. Staff Reductions	-344	0	-344
Total 1997-99 Biennium	20,783	36,227	57,010
Fiscal Year 1998 Totals	10,530	11,421	21,951
Fiscal Year 1999 Totals	10,253	24,806	35,059

Comments:

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| <ol style="list-style-type: none"> 1. AMERICORPS FEDERAL REQUIREMENTS - Matching funds requirements for the federal AmeriCorps program are increasing in the 1997-99 biennium. Funding is provided to assist local programs in distressed areas with their increased match requirements. 2. 2000 CENSUS WORKLOAD - Recent restructuring within the federal Census Bureau will require states to perform additional duties related to the 2000 Census. One full-time demographer is added to address the increased workload. 3. POPULATION SURVEY - Funding is provided to allow the Office of Financial Management (OFM) to contract for a new biennial survey of Washington State's population. Federal intercensal surveys provide regional data, but because they group Washington with California and other states, the federal data do not accurately reflect Washington's social and demographic characteristics. Washington-specific data will be used in all population and budget forecasts prepared by OFM, to establish performance measures, and to address questions and issues related to the implementation of federal welfare legislation. 4. PERFORMANCE MEASURE SYSTEM - In accordance with Chapter 317, Laws of 1996, Partial Veto (ESSB 6680), OFM is in the process of implementing a statewide system of performance measures tied to agencies' budget requests. Staff and funds are provided for software development and ongoing support expenses of a computer system for tracking performance measures. 5. ACCEPTANCE TESTING - Currently, changes to any of the statewide accounting systems require testing to ensure that the changes are accepted by all interfacing systems. An additional staff position is provided to enable a more streamlined acceptance testing procedure. (Data Processing Revolving Account- Non-Appropriated) 6. BUDGET AND ALLOTMENT SYSTEM - The current budget and allotment systems are being evaluated, and alternatives are under consideration. Staff and funding for contractors and software are provided to complete current allotment system improvements and redevelopment of budget systems. (Data Processing Revolving Account-Non-Appropriated) 7. INFORMATION SYSTEMS ENHANCEMENTS - This funding will allow OFM to make several improvements in its statewide budget and accounting systems. OFM will contract for engineering services to | <p>develop new input processes for the agency Financial Reporting System (AFRS) and to modernize AFRS reporting processes to make it easier for agencies to use AFRS data. This funding will also enable a feasibility study for upgrading AFRS to a relational database platform, provide improvements in the accounts receivable system, and training for agencies in statewide accounting policies and systems. (Data Processing Revolving Account-Non-Appropriated)</p> <ol style="list-style-type: none"> 8. REPLACE HEALTH SERVICES ACCOUNT - General Fund is used to replace funding from the Health Services Account for health policy positions in OFM. 9. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. 10. DECREASE CONTRACT SERVICES - OFM contracts with the Washington Association of Sheriffs and Police Chiefs (WASPC) for jail population data. Funding for contracted jail data collection services is reduced by 50 percent. 11. STAFF REDUCTIONS - OFM will reduce staff. These reductions will be achieved through vacancies and attrition where possible. <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget section of this document.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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Office of Administrative Hearings

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	14,532	14,532
1997-99 Maintenance Level	0	17,654	17,654
Policy Items			
1. Technology Plan	0	195	195
2. Legal Education Credits	0	46	46
3. DSHS Program Change	0	45	45
4. License Suspension	0	1,798	1,798
5. General Inflation	0	-73	-73
Total 1997-99 Biennium	0	19,665	19,665
Fiscal Year 1998 Totals	0	9,763	9,763
Fiscal Year 1999 Totals	0	9,902	9,902

Comments:

1. TECHNOLOGY PLAN - Funding is provided for technology improvements including computers, server upgrades, and \$65,000 for the interface with the Employment Security Department. (Administrative Hearings Revolving Fund)
2. LEGAL EDUCATION CREDITS - Funding is provided for continuing legal credits for the Administrative Law Judges at the Office of Administrative Hearings to meet professional licensing requirements. (Administrative Hearings Revolving Fund)
3. DSHS PROGRAM CHANGE - Funding is provided for an additional 0.5 FTE staff to implement an audit finding that the responsibility for billing and paying for goods and services should shift from the Department of Social and Health Services (DSHS) to the Office of Administrative Hearings. (Administrative Hearings Revolving Fund)
4. LICENSE SUSPENSION - Funding is provided for additional hearings anticipated from implementing the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Administrative Hearings Revolving Fund)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	720	29,100	29,820
1997-99 Maintenance Level	0	27,480	27,480
Policy Items			
1. Career Transition Continued Funding	0	500	500
2. Facility Remodel/Relocate	0	220	220
3. Data Warehouse Enhancements	0	800	800
4. General Inflation	0	-221	-221
Total 1997-99 Biennium	0	28,779	28,779
Fiscal Year 1998 Totals	0	14,313	14,313
Fiscal Year 1999 Totals	0	14,466	14,466

Comments:

1. CAREER TRANSITION CONTINUED FUNDING - Funding is provided to continue the State's career transition service. The career transition center will provide outplacement counseling, skills assessments, retraining resources, resume preparation assistance, interviewing techniques, and other related job seeking skills for state employees who are either being laid off or at risk of reduction-in-force (RIF). Refinement is targeted for the areas of strengthening comprehensive training efforts among participating employees and hiring agencies and improving the RIF transition pool matching process so that it aligns employees and recruited positions more successfully. The Department of Personnel will begin to measure customer satisfaction associated with the program services. (Personnel Services Revolving Fund)
2. FACILITY REMODEL/RELOCATE - Funding is provided to temporarily relocate Department of Personnel staff and services while the Franklin Street building is being renovated. (Personnel Services Revolving Fund)
3. DATA WAREHOUSE ENHANCEMENTS - One-time funding is provided solely for the expansion of the data warehouse on the statewide work force and to provide the Office of Financial Management, the Legislature, and state agencies with direct access to this expanded data for policy and planning purposes. Additional funding will be requested for completion of this project in the 1999-2001 biennium. Further funding requests for a human resource information system will be based on an updated feasibility study which documents the costs and benefits of the system. (Personnel Services Revolving Fund)

The Department will report quarterly to the Legislative Fiscal Committees, the Office of Financial Management, the Information Services Board, and the Office of Information Technology Oversight of the Department of Information Services on the number of state agencies that have received access to the data warehouse; the number of requests for mainframe downloads; and a summary of customer feedback from agencies with access to the data warehouse.

To assist in the collection of consistent data, institutions of higher education shall report personnel data to be used in the Department of Personnel's data warehouse in compliance with uniform reporting procedures established by the Department of Personnel.

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

State Lottery Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	465,718	465,718
1997-99 Maintenance Level	0	675,636	675,636
Policy Items			
1. Business Process Redesign	0	211	211
2. New On-Line Game	0	12,816	12,816
3. General Inflation	0	-105	-105
Total 1997-99 Biennium	0	688,558	688,558
Fiscal Year 1998 Totals	0	339,819	339,819
Fiscal Year 1999 Totals	0	348,739	348,739

Comments:

1. BUSINESS PROCESS REDESIGN - Funding is provided for a retail training coordinator and a gambling license technician to improve marketing. (Lottery Administrative Account)
2. NEW ON-LINE GAME - Funding is provided to develop and market a new on-line game. The new game is expected to increase the Lottery's transfer to the state general fund by \$7 million in the 1997-99 biennium and \$16.5 million in the 1999-2001 biennium. The additional 3 FTE staff include a customer service specialist, a product specialist, and a computer information consultant. (Lottery Administrative Account, State Lottery Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	1,000	18,914	19,914
1997-99 Maintenance Level	0	18,070	18,070
Policy Items			
1. Computer and Communication Upgrade	0	542	542
2. Tribal Casino Regulation	0	160	160
3. General Inflation	0	-139	-139
Total 1997-99 Biennium	0	18,633	18,633
Fiscal Year 1998 Totals	0	9,316	9,316
Fiscal Year 1999 Totals	0	9,317	9,317

Comments:

1. COMPUTER AND COMMUNICATION UPGRADE - Provides one-time funding for replacement of 76 personal computers necessary to link to the agency network, a processor upgrade to the agency's mini-computer, and an upgrade for the telephone system at the Southwest region office. (Gambling Revolving Account-Non-Appropriated)
2. TRIBAL CASINO REGULATION - Funding is provided for an additional gambling license technician position, training, and remote telecommunications equipment. (Gambling Revolving Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	405	0	405
1997-99 Maintenance Level	403	0	403
Policy Items			
1. Computer Upgrades	7	0	7
2. General Inflation	-3	0	-3
Total 1997-99 Biennium	407	0	407
Fiscal Year 1998 Totals	199	0	199
Fiscal Year 1999 Totals	208	0	208

Comments:

1. COMPUTER UPGRADES - One-time funding is provided for computers and associated software to perform database functions and required budget and policy work.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	301	0	301
1997-99 Maintenance Level	318	0	318
Policy Items			
1. Staff Increase	18	0	18
2. General Inflation	-2	0	-2
3. Computer Upgrades	4	0	4
Total 1997-99 Biennium	338	0	338
Fiscal Year 1998 Totals	170	0	170
Fiscal Year 1999 Totals	168	0	168

Comments:

1. STAFF INCREASE - Funding is provided for additional staff time to perform clerical duties and to coordinate activities related to constituent work, report publication, and special events.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPUTER UPGRADES - One-time funding is provided for a computer and associated software to perform database functions and required policy and budget operations.

Personnel Appeals Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	1,593	1,593
1997-99 Maintenance Level	0	1,651	1,651
Policy Items			
1. Funding Level Adjustment	0	-100	-100
2. General Inflation	0	-12	-12
Total 1997-99 Biennium	0	1,539	1,539
Fiscal Year 1998 Totals	0	760	760
Fiscal Year 1999 Totals	0	779	779

Comments:

1. FUNDING LEVEL ADJUSTMENT - Funding is adjusted to reflect actual ongoing agency expenditures. During the 1993-95 and 1995-97 biennia, the Personnel Appeals Board consistently spent less than their appropriation. (Personnel Services Revolving Fund)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	32,541	32,541
1997-99 Maintenance Level	0	31,733	31,733
Policy Items			
1. One-Time TRS Plan 3 Support	0	275	275
2. Ongoing TRS Plan 3 Support	0	25	25
3. Electronic Document Imaging System	0	1,373	1,373
4. Receivables Management System	0	1,259	1,259
5. Additional Employer Auditors	0	230	230
6. General Inflation	0	-163	-163
Total 1997-99 Biennium	0	34,732	34,732
Fiscal Year 1998 Totals	0	17,057	17,057
Fiscal Year 1999 Totals	0	17,675	17,675

Comments:

1. ONE-TIME TRS PLAN 3 SUPPORT - Funding is provided for one-time contract services for the Teachers' Retirement System (TRS) to set up optional benefit payouts and annuity purchases for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
2. ONGOING TRS PLAN 3 SUPPORT - Funding is provided for additional ongoing costs to support continued annuity payouts for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
3. ELECTRONIC DOCUMENT IMAGING SYSTEM - Funding is provided to acquire equipment and contracted services to begin implementation of an Electronic Document Image Management System (EDIMS) that will replace the current member paper file folder system. EDIMS will allow the Department to improve client service by improving the access and sharing of data, reducing the costs for storing and handling paper documents, and improving security, disaster recovery, and the archiving capabilities of agency data. The project will start in FY 99 and additional funds will be requested to complete the project. By December 15, 1997, the Department will submit to the Office of Financial Management (OFM) and the fiscal committees of the Legislature an updated feasibility study that will outline all projected costs and benefits of the system. (Department of Retirement Systems Expense Account)
4. RECEIVABLES MANAGEMENT SYSTEM - Funding is provided for the development and implementation of a receivables management system. Receivables management is the only area of activity not integrated with the rest of the agency's business processing systems. This project is the last phase of the business system consolidation and re-engineering efforts that began in 1990 and will be completed by the end of the 1997-99 biennium. (Department of Retirement Systems Expense Account)
5. ADDITIONAL EMPLOYER AUDITORS - Funding and FTE staff are provided for two additional audit positions. The new positions allow the agency to conduct audits in a more timely manner, to identify and recover additional monies due to the pension trust funds, and to conduct audits on previously unaudited employers including most of the larger cities and school districts. The anticipated annual recovery and return to the trust fund is estimated to be \$160,000 per additional auditor. (Department of Retirement Systems Expense Account)
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	8,480	8,480
1997-99 Maintenance Level	0	9,418	9,418
Policy Items			
1. Workload Enhancements	0	405	405
2. Deferred Contributions Assistance	0	64	64
3. Investment Accountability	0	471	471
4. General Inflation	0	-55	-55
Total 1997-99 Biennium	0	10,303	10,303
Fiscal Year 1998 Totals	0	5,124	5,124
Fiscal Year 1999 Totals	0	5,179	5,179

Comments:

1. **WORKLOAD ENHANCEMENTS** - Funding is provided for workload increases in the Fixed Income Unit at the State Investment Board (SIB). Fixed income assets are internally managed, and SIB estimates the investment earnings will increase by \$2.5 billion during the 1997-99 biennium. Funding of this item results in an anticipated \$1.5 million in added return against the performance benchmark of approximately one basis point per year on internally managed funds. One-time funding of \$13,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
2. **DEFERRED CONTRIBUTIONS ASSISTANCE** - In 1995, the Legislature directed that SIB manage the accounting functions and also become the default option for teachers participating in the Teachers' Retirement System Plan 3 (TRS 3). Previously, SIB has not managed a defined contribution plan and does not have staff capability to address questions about the portfolio and options. Funding is provided for a half-time information officer to respond to requests by any member of the public about the portfolio, and to specifically respond to teachers' questions about the SIB option. One-time funding of \$4,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
3. **INVESTMENT ACCOUNTABILITY** - Funding is provided for an internal auditor, a contract for a fiduciary counsel, and expenses related to on-site investment activities. One-time funding of \$5,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
4. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)

Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	125,712	8,119	133,831
1997-99 Maintenance Level	132,924	8,426	141,350
Policy Items			
1. Taxpayer Telephone Services	221	0	221
2. Property Tax Valuation Schedules	73	0	73
3. State Toxics Revenue Shortfall	0	-2	-2
4. Pollution Liability Funding	0	-244	-244
5. Administrative Efficiencies	-475	0	-475
6. Selective Program Reductions	-532	0	-532
7. General Inflation	-851	-74	-925
8. Transfer Tobacco Enforcement to LCB	-60	0	-60
9. Senior Citizens Property Tax	-947	0	-947
Total 1997-99 Biennium	130,353	8,106	138,459
Fiscal Year 1998 Totals	65,033	4,053	69,086
Fiscal Year 1999 Totals	65,320	4,053	69,373

Comments:

1. TAXPAYER TELEPHONE SERVICES - Funding is provided for three additional staff. The Department's Telephone Information Center (TIC) provides telephone assistance to Washington taxpayers nationwide. Because of the growth in the number of taxpayers and the complexity of the tax codes, calls to the Department have increased substantially. With the additional three staff, the agency estimates that on average, callers will receive assistance after seven and one-half minutes vs. approximately 22 minutes which is the current average.
2. PROPERTY TAX VALUATION SCHEDULES - Funding is provided to support a half-time staff person to update the Department's property tax valuation schedules. Approximately \$17 billion of personal property is assessed annually, yielding \$230 million of property tax revenue. This property is assessed using valuation schedules developed by the Department. The schedules are based on market studies that reflect trends and depreciation for approximately 180 different personal property types. The schedules are used by the Department's auditors and the county auditors in adding taxpayers. The agency has not done a comprehensive update of the schedules in several years.
3. STATE TOXICS REVENUE SHORTFALL - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. (State Toxics Control Account)
4. POLLUTION LIABILITY FUNDING - The agency does not anticipate collecting the petroleum tax that supports the Pollution Liability Account during the 1997-99 biennium. If the tax is reinstated during the biennium, the agency would request a supplemental budget to cover the administrative costs of collecting this tax. (Pollution Liability Insurance Program Trust Account)
5. ADMINISTRATIVE EFFICIENCIES - Through job redesign and service quality efforts, the agency will realize savings in postage, printing, computer processing, and administrative staff costs.
6. SELECTIVE PROGRAM REDUCTIONS - Service level reductions having no adverse revenue impacts are taken in the agency's taxpayer appeals, taxpayer services, computer support, internal audit, research, and rules writing functions.
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. TRANSFER TOBACCO ENFORCEMENT TO LCB - Funding is reduced as a result of implementing Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement to the Liquor Control Board.
9. SENIOR CITIZENS PROPERTY TAX - Due to a lower forecast in the senior citizens property tax deferral program, funding is decreased from \$4.20 million to \$3.25 million.

Board of Tax Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,989	0	1,989
1997-99 Maintenance Level	2,043	0	2,043
Policy Items			
1. Tax Referee Position Savings	-260	0	-260
2. General Inflation	-9	0	-9
Total 1997-99 Biennium	1,774	0	1,774
Fiscal Year 1998 Totals	885	0	885
Fiscal Year 1999 Totals	889	0	889

Comments:

1. TAX REFEREE POSITION SAVINGS - Funding is provided to restore a second in-house Tax Referee position to handle complex appeals. Due to reduced costs of contracting out, savings are returned to the state general fund.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Municipal Research Council
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,230	0	3,230
1997-99 Maintenance Level	3,394	0	3,394
Policy Items			
1. County Research Services	0	625	625
Total 1997-99 Biennium	3,394	625	4,019
Fiscal Year 1998 Totals	1,651	312	1,963
Fiscal Year 1999 Totals	1,743	313	2,056

Comments:

1. COUNTY RESEARCH SERVICES - Chapter 437, Laws of 1997 (SSB 5521) expands the duties of the Municipal Research Council to include research services for county governments, funded by a deduction from the counties' share of liquor excise tax distributions. (County Research Services Account)

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	2,121	2,121
1997-99 Maintenance Level	0	2,365	2,365
Policy Items			
1. Staff Training & Education	0	2	2
2. General Inflation	0	-10	-10
Total 1997-99 Biennium	0	2,357	2,357
Fiscal Year 1998 Totals	0	1,179	1,179
Fiscal Year 1999 Totals	0	1,178	1,178

Comments:

1. STAFF TRAINING & EDUCATION - Funding is provided for training to enhance staff expertise in certifying businesses to participate in government contracting programs. (Minority and Women's Business Enterprises Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	3,067	94,670	97,737
1997-99 Maintenance Level	592	115,160	115,752
Policy Items			
1. Commute Trip Reduction Funding	0	278	278
2. Risk Management Workload	0	233	233
3. Maintain State Food Purchases	2,000	0	2,000
4. Air Pollution Control Shortfall	0	-7	-7
5. Americans with Disabilities Act	-30	0	-30
6. Campus Security/Maintenance	0	-213	-213
7. General Inflation	-7	-1,885	-1,892
8. World War II Memorial	25	0	25
Total 1997-99 Biennium	2,580	113,566	116,146
Fiscal Year 1998 Totals	1,302	56,763	58,065
Fiscal Year 1999 Totals	1,278	56,803	58,081

Comments:

1. COMMUTE TRIP REDUCTION FUNDING - Funding from the Air Pollution Control Account is transferred from the Department of Transportation to the Department of General Administration where the program is administered. A corresponding reduction is found in the Department of Transportation's budget. (Air Pollution Control Account)
2. RISK MANAGEMENT WORKLOAD - Funding is provided for a Tort Claim Investigator to ensure that meritorious claims are promptly investigated and settled. Prompt investigation and settlement of tort claims reduces the state's liability. (Risk Management Account)
3. MAINTAIN STATE FOOD PURCHASES - Funding is provided to purchase bulk food commodities for distribution to the state's food assistance network. State funds will offset federal reductions to The Emergency Food Assistance Program (TEFAP) and continue current food distribution levels across the state. Proviso language states that \$2.4 million must be spent on food purchases and related expenses.
4. AIR POLLUTION CONTROL SHORTFALL - A reduction in the funding levels from the Air Pollution Control Account is necessary due to declining revenues. (Air Pollution Control Account)
5. AMERICANS WITH DISABILITIES ACT - Through collaborative efforts with other state agencies, the Department has identified ways to provide the services required by the Americans with Disabilities Act with reduced funding.
6. CAMPUS SECURITY/MAINTENANCE - Reliance on existing surveillance cameras will eliminate the need for one campus security guard. Grounds maintenance for the east capitol campus is reduced. Funds supporting the Thurston County Regional Planning Council are also eliminated. (Facilities and Services Revolving Account)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. WORLD WAR II MEMORIAL - Funding is provided to accomplish the tasks associated with the construction of the World War II Memorial as long as the site is immediately south of the Columbia Street and 11th Avenue axial on the west capitol campus. Another proviso states that no subsequent monuments may be placed on the capitol campus until the capitol campus monuments and memorial policy is included in the Department's administrative code.

NOTE: Subsection 4: The Department must use Washington-based sellers of travel for purchases of any travel product. Increased utilization of in-state companies should improve business opportunities and service.

Subsection 5: To achieve greater efficiencies, the Department is to study ways to exceed the federal government's minimum vehicle mileage and environmental standards for the State's motor pool vehicle fleet and report back to the Legislature by December 1, 1997.

Subsection 6: When cost effective, the Department will contract with a private vendor for vehicle preparation prior to sale and for the sale of all surplus motor pool vehicles.

Department of Information Services

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	27,000	195,714	222,714
1997 Supplemental *	12,178	43,018	55,196
Total 1995-97 Expenditure Authority	39,178	238,732	277,910
1997-99 Maintenance Level	0	181,969	181,969
Policy Items			
1. General Inflation	0	-1,164	-1,164
2. Washington Educational Network	0	44,028	44,028
3. Capitalize Education Tech Rev Fund	0	1,500	1,500
Total 1997-99 Biennium	0	226,333	226,333
Fiscal Year 1998 Totals	0	125,202	125,202
Fiscal Year 1999 Totals	0	101,131	101,131

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. WASHINGTON EDUCATIONAL NETWORK - Funding provided in the 1996 and 1997 Supplemental Budgets for the development of a statewide educational telecommunications network will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for appropriation and expenditure in the 1997-99 biennium. The funds shall be expended in accordance with the expenditures authorized by the Telecommunications Oversight and Policy Committee. (K-20 Technology Account)
3. CAPITALIZE EDUCATION TECH REV FUND - Funding provided in the 1997 Supplemental Budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259) to capitalize the education technology revolving fund will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for expenditure in the 1997-99 biennium. (Education Technology Revolving Fund-Non-Appropriated)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Office of Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	20,230	20,230
1997 Supplemental *	0	105	105
Total 1995-97 Expenditure Authority	0	20,335	20,335
1997-99 Maintenance Level	0	21,498	21,498
Policy Items			
1. Washington Information Network	0	213	213
2. Information Systems	0	148	148
3. Microfilming Enhancement	0	150	150
4. General Inflation	0	-99	-99
5. Information Technology Efficiencies	0	-155	-155
6. License Suspension	0	88	88
7. Increased Filing Workload	0	150	150
8. Insurance Company Investments	0	12	12
9. Prudential Consent Order	0	532	532
10. Lapse: Increased Filing Workload	0	-150	-150
Total 1997-99 Biennium	0	22,387	22,387
Fiscal Year 1998 Totals	0	11,445	11,445
Fiscal Year 1999 Totals	0	10,942	10,942

Comments:

- WASHINGTON INFORMATION NETWORK - The Office participates in the Washington Information Network (WIN) kiosks that provide state government services and information to the public. Currently, the Office has an automobile insurance information program on WIN and proposes to add similar programs for home, life, and property insurance. Funding is provided for programming enhancements. (Insurance Commissioner's Regulatory Account)
- INFORMATION SYSTEMS - Funding is provided for enhancements to the Office's Local Area Network (LAN) and for replacing personal computers for rates and contracts analysts. These enhancements and replacements, together with the document imaging equipment also requested, will allow the Office to immediately implement efficiencies to improve the percentage of proposed rates and contracts that can be reviewed within the statutorily-mandated 30 days. Within the biennium, these enhancements will also be necessary for the State Electronic Rate and Form Filing (SERFF) and Producer Information Network (PIN) projects that are being implemented by a consortium of the industry and state insurance regulators. SERFF will allow rates and contracts to be filed and approved electronically, with electronic correspondence between Office staff and firms, thus expediting the review process. PIN will allow regulators and the industry to share information about licensed insurance agents. (Insurance Commissioner's Regulatory Account)
- MICROFILMING ENHANCEMENT - The Office currently possesses microfilming equipment which is used to copy all rates and contracts filed by the industry for the Commissioner's review. Funding is provided for a document imaging scanner attachment that would create an electronic copy of the rates and contracts at the same time that the microfilm copy is produced. With the scanning capability, the Office can convert its paper-based reviewing process to a more efficient electronic one. The scanner is also necessary for the Office's related request for equipment for electronic filing and correspondence with firms. (Insurance Commissioner's Regulatory Account)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- INFORMATION TECHNOLOGY EFFICIENCIES - The implementation of the SERFF and the PIN projects will result in staff savings beginning in FY 99. These two projects will automate current staff-intensive functions and provide more timely services. (Insurance Commissioner's Regulatory Account)
- LICENSE SUSPENSION - The welfare reform program enacted in Chapter 58, Laws of 1997, Partial Veto (EHB 3901) provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with license suspension by the Office of Insurance Commissioner. (Insurance Commissioner's Regulatory Account)
- INCREASED FILING WORKLOAD - Funding is provided for additional workload in health insurance rate filings to meet the provisions of SHB 1387 (Health Plan Rate Filings). SHB 1387 was vetoed by the Governor. (Insurance Commissioner's Regulatory Account)
- INSURANCE COMPANY INVESTMENTS - Funds are provided for staff training needed to regulate insurance companies engaged in derivative investment transactions pursuant to Chapter 317, Laws of 1997 (SHB 2097 -- Insurance Company Investments). (Insurance Commissioner's Regulatory Account)
- PRUDENTIAL CONSENT ORDER - Appropriation authority is provided for funds received under a consent order with the Prudential Insurance Company for improper sales practices. The funds may be expended only for implementing the Prudential remediation process and for examinations of the Prudential Company. (Insurance Commissioner's Regulatory Account)
- LAPSE: INCREASED FILING WORKLOAD - Funds provided for increased health insurance rate filings under SHB 1387 (Item 7 above) will lapse because SHB 1387 failed to be enacted. (Insurance Commissioner's Regulatory Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

State Board of Accountancy

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	1,293	1,293
1997-99 Maintenance Level	0	1,239	1,239
Policy Items			
1. CPA Exam Adjustments	0	-306	-306
2. General Inflation	0	-17	-17
3. Compensation Change	0	40	40
4. License Suspension	0	22	22
Total 1997-99 Biennium	0	978	978
Fiscal Year 1998 Totals	0	447	447
Fiscal Year 1999 Totals	0	531	531

Comments:

1. CPA EXAM ADJUSTMENTS - Funding is reduced due to contracting out the Certified Public Accountant (CPA) examination. (Certified Public Accountants' Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPENSATION CHANGE - Funding is provided for three staff reclassified to Washington Management Service positions. (Certified Public Accountants' Account)
4. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Certified Public Accountants' Account)

Forensics Investigation Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	12	12
1997-99 Maintenance Level	0	12	12
Total 1997-99 Biennium	0	12	12
Fiscal Year 1998 Totals	0	6	6
Fiscal Year 1999 Totals	0	6	6

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

Washington Horse Racing Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	4,733	4,733
1997-99 Maintenance Level	0	4,882	4,882
Policy Items			
1. General Inflation	0	-54	-54
Total 1997-99 Biennium	0	4,828	4,828
Fiscal Year 1998 Totals	0	2,414	2,414
Fiscal Year 1999 Totals	0	2,414	2,414

Comments:

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

Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	113,604	113,604
1997 Supplemental *	0	582	582
Total 1995-97 Expenditure Authority	0	114,186	114,186
<hr/>			
1997-99 Maintenance Level	0	128,650	128,650
Policy Items			
1. License Suspension	0	154	154
2. Information Technology Upgrade	0	1,250	1,250
3. Safety Officer	0	73	73
4. Point of Sale Checkstands	0	532	532
5. General Inflation	0	-278	-278
6. Olympia Headquarters Relocation	0	470	470
7. Cigarette Tax Enforcement	2,845	0	2,845
8. Credit Cards in Liquor Stores	0	459	459
<hr/>			
Total 1997-99 Biennium	2,845	131,310	134,155
Fiscal Year 1998 Totals	1,603	65,998	67,601
Fiscal Year 1999 Totals	1,242	65,312	66,554

Comments:

1. LICENSE SUSPENSION - Funding is provided for the additional workload associated with administering the license suspension component of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Liquor Revolving Account)
2. INFORMATION TECHNOLOGY UPGRADE - Funding is provided for upgrading the agency's information technology capabilities. Funding for this item is contingent upon compliance with the provisions stated in Section 902 of Chapter 149, Laws of 1997, Partial Veto (SSB 6062). (Liquor Revolving Account)
3. SAFETY OFFICER - Funding is provided for additional staff to improve management of open claims, increase site inspections, and provide safety training. (Liquor Revolving Account)
4. POINT OF SALE CHECKSTANDS - Funding is provided to purchase ergonomically designed checkstands for liquor stores throughout the state. (Liquor Revolving Account)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. OLYMPIA HEADQUARTERS RELOCATION - Funding is provided to co-locate Liquor Control Board staff in Thurston County. One-time moving costs of \$200,000 are included in FY 98. (Liquor Revolving Account)
7. CIGARETTE TAX ENFORCEMENT - Funding and staff are provided for the implementation of Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor vetoed several provisions of the legislation as it passed the Legislature. (See veto comment below.)
8. CREDIT CARDS IN LIQUOR STORES - Funding is provided for costs associated with allowing the use of credit cards in state liquor stores pursuant to Chapter 148, Laws of 1997 (SSB 5664). (Liquor Revolving Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Vetoes:

Chapter 420, Laws of 1997, Partial Veto (ESHB 2272) transferred primary enforcement responsibility for cigarette and tobacco tax laws from the Department of Revenue to the Liquor Control Board. The Governor vetoed sections authorizing cooperative agreements with Indian tribes concerning the sale of cigarettes and tobacco products and establishing a schedule for the increased collection of cigarette and tobacco taxes. In vetoing the sections, the Governor stated that they were too restrictive to be practical.

Utilities and Transportation Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	26,002	26,002
1997-99 Maintenance Level	0	24,754	24,754
Policy Items			
1. General Inflation	0	-149	-149
Total 1997-99 Biennium	0	24,605	24,605
Fiscal Year 1998 Totals	0	12,302	12,302
Fiscal Year 1999 Totals	0	12,303	12,303

Comments:

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

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget section of this document.

Board for Volunteer Firefighters

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	442	442
1997-99 Maintenance Level	0	530	530
Policy Items			
1. General Inflation	0	-1	-1
Total 1997-99 Biennium	0	529	529
Fiscal Year 1998 Totals	0	261	261
Fiscal Year 1999 Totals	0	268	268

Comments:

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

Military Department

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	15,191	179,448	194,639
1997 Supplemental *	19,206	17,097	36,303
Total 1995-97 Expenditure Authority	34,397	196,545	230,942
1997-99 Maintenance Level	16,210	117,599	133,809
Policy Items			
1. February Flood Local Match	0	5,418	5,418
2. November 1996 Ice Storm	0	5,688	5,688
3. December 1996 Holiday Storms	0	44,739	44,739
4. Satellite Maintenance Contracts	-400	0	-400
5. Comprehensive Plan/Duty Officers	648	0	648
6. Administrative Efficiencies	-443	-443	-886
7. General Inflation	-110	-327	-437
8. Facilities Maintenance	200	0	200
9. Spring 1997 Flood	0	1,859	1,859
10. Conditional Scholarship	200	0	200
11. Disaster Recovery Appropriation	0	9,197	9,197
Total 1997-99 Biennium	16,305	183,730	200,035
Fiscal Year 1998 Totals	8,151	87,867	96,018
Fiscal Year 1999 Totals	8,154	95,863	104,017

Comments:

- FEBRUARY FLOOD LOCAL MATCH - In the 1996 Supplemental Budget, the Legislature appropriated state funds to provide the match necessary for local governments to be eligible for Federal Emergency Management Agency funds for the February 1996 floods. Additional funds are provided to continue this event-specific decision to provide local governments extra financial assistance because of the enormous costs involved. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State)
- NOVEMBER 1996 ICE STORM - Funding is provided to cover the damages sustained by Spokane, Pend Oreille, and Klickitat counties from the November 1996 ice storm. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- DECEMBER 1996 HOLIDAY STORMS - Funding is provided for disaster recovery costs associated with the December 1996 holiday storms. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- SATELLITE MAINTENANCE CONTRACTS - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 biennium. Consequently, funding for the maintenance contracts for the communications system is eliminated.
- COMPREHENSIVE PLAN/DUTY OFFICERS - In the 1995-97 biennium, one-time federal funds were used to fund four duty officers that provide 24 hour coverage for immediate emergency response. General Fund-State funding is provided to continue support of this activity.
- ADMINISTRATIVE EFFICIENCIES - Funding is reduced for goods and services and two support positions due to administrative efficiencies. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- FACILITIES MAINTENANCE - Funding is provided for the ongoing maintenance and repair of armories.
- SPRING 1997 FLOOD - Funding is provided for disaster recovery costs associated with the March 1997 spring floods. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- CONDITIONAL SCHOLARSHIP - Funding is provided for educational scholarships for enlisted soldiers and officers below the rank of captain.
- DISASTER RECOVERY APPROPRIATION - The amounts of \$6.2 million General Fund-Federal and \$3.0 million Flood Control Assistance Account are appropriated to the Disaster Response Account for payment of disaster recovery costs. (General Fund-Federal, Flood Control Assistance Account-State)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Employment Relations Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,314	0	3,314
1997-99 Maintenance Level	3,480	0	3,480
Policy Items			
1. Telecommunication Savings	-10	0	-10
2. Interest Arbitration	86	0	86
3. General Inflation	-24	0	-24
Total 1997-99 Biennium	3,532	0	3,532
Fiscal Year 1998 Totals	1,768	0	1,768
Fiscal Year 1999 Totals	1,764	0	1,764

Comments:

1. TELECOMMUNICATION SAVINGS - Funding is adjusted to reflect telecommunication cost savings estimated by the Department of Information Services.
2. INTEREST ARBITRATION - Funds are provided to handle increased workload due to implementation of Chapter 273, Laws of 1995 (ESHB 1730 -- Interest Arbitration for Law Enforcement Officers). Under this law, police officers in 68 additional jurisdictions will become eligible for interest arbitration on July 1, 1997.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Growth Management Hearings Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,665	0	2,665
1997-99 Maintenance Level	2,788	0	2,788
Policy Items			
1. General Inflation	-19	0	-19
2. Administrative Savings	-135	0	-135
Total 1997-99 Biennium	2,634	0	2,634
Fiscal Year 1998 Totals	1,314	0	1,314
Fiscal Year 1999 Totals	1,320	0	1,320

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. ADMINISTRATIVE SAVINGS - Through administrative efficiencies, funding is reduced for the 1997-99 biennium.

State Convention and Trade Center

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	25,606	25,606
1997-99 Maintenance Level	0	25,556	25,556
Policy Items			
1. Cost of Living Adjustments	0	244	244
2. Facility Maintenance & Improvements	0	575	575
3. Increased Business and Contingency	0	800	800
Total 1997-99 Biennium	0	27,175	27,175
Fiscal Year 1998 Totals	0	13,504	13,504
Fiscal Year 1999 Totals	0	13,671	13,671

Comments:

1. COST OF LIVING ADJUSTMENTS - Funding is provided for a 3 percent salary increase effective July 1, 1997, for personnel employed by the State Convention and Trade Center. (State Convention and Trade Center Operations Account)
2. FACILITY MAINTENANCE & IMPROVEMENTS - Funds are provided for carpet and wall coverings replacement. The funds will also allow the Convention Center to connect its existing parking garage to the Freeway Park garage which has been acquired from the City of Seattle. (State Convention and Trade Center Operations Account)
3. INCREASED BUSINESS AND CONTINGENCY - The Convention Center anticipates increased staffing and operating costs resulting from higher levels of convention business using the facility. In addition, contingency funding is provided to supplement existing equipment budgets and to replace high priority items as needed. (State Convention and Trade Center Operations Account)

Caseload Forecast Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Policy Items			
1. Establish Agency	879	0	879
Total 1997-99 Biennium	879	0	879
Fiscal Year 1998 Totals	489	0	489
Fiscal Year 1999 Totals	390	0	390

Comments:

1. ESTABLISH AGENCY - Chapter 168, Laws of 1997 (SSB 5472) establishes a Caseload Forecast Council. The caseload forecast supervisor shall prepare forecasts of the number of persons expected to meet entitlement requirements for specific state-funded services.

Human Services

The Human Services area 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 department 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.

Social Service Vendor Rate Increase

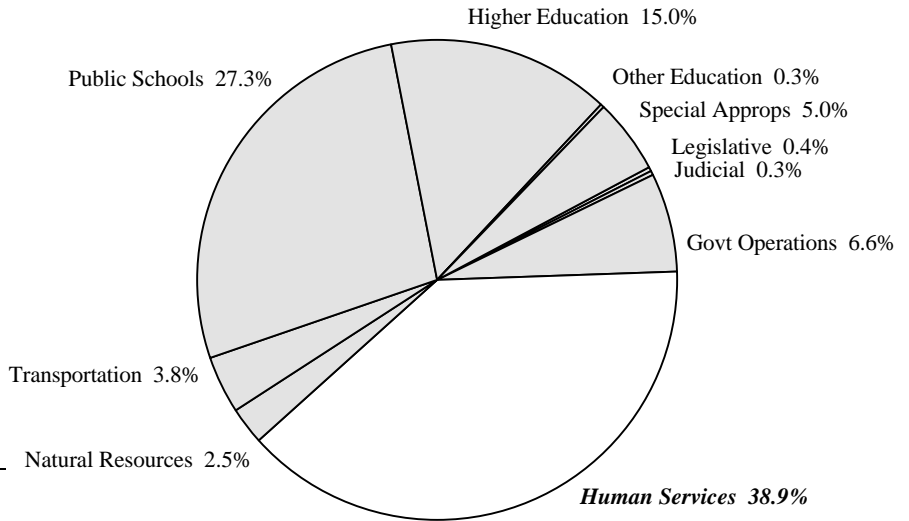
For many areas of state government, private firms provide services which might otherwise be provided directly by the public sector. Examples include nursing homes, outpatient mental health services, drug treatment, and Department of Corrections (DOC) work release facilities. Consistent with policy on state employee compensation, the budget funds a 3 percent rate increase for these vendors on July 1, 1997. DSHS is directed to target funding for vendor rate increases to address those areas in which recruitment, retention or quality of private sector service providers is a concern. Also, DOC work release facility contractors and educational services providers and Early Childhood Education and Assistance Program (ECEAP) vendors and the Washington Association of Sheriffs and Police Chiefs will receive the cost of living increase.

1997-99 Washington State Operating Budget

Total Budgeted Funds

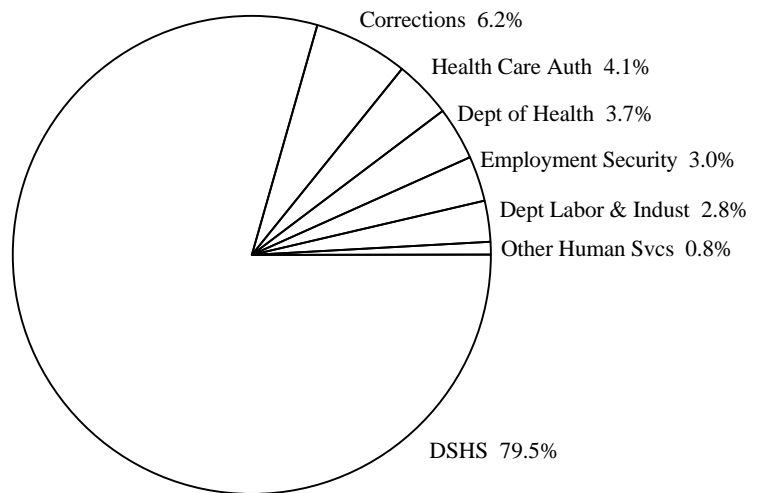
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

DSHS	10,933,504
Dept of Corrections	848,518
Health Care Authority	557,439
Dept of Health	504,161
Employment Security	409,298
Dept of Labor & Industries	380,581
Other Human Services	113,318
Human Services	13,746,819



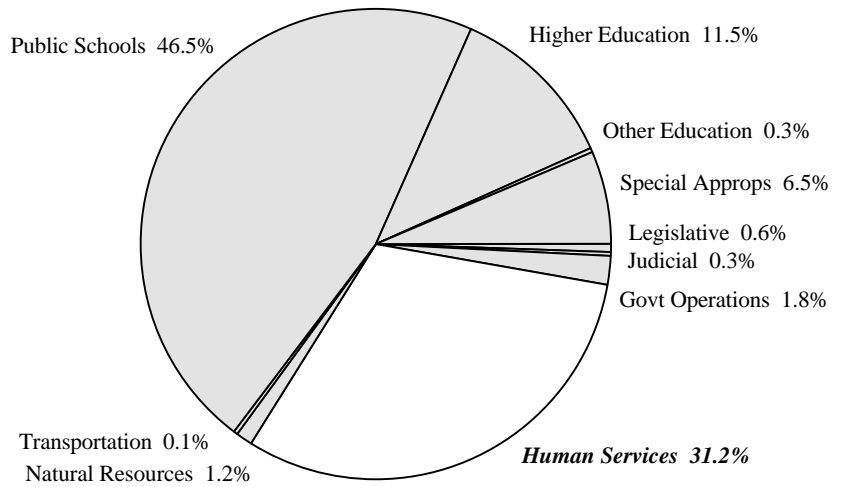
Human Services

1997-99 Washington State Operating Budget

General Fund - State

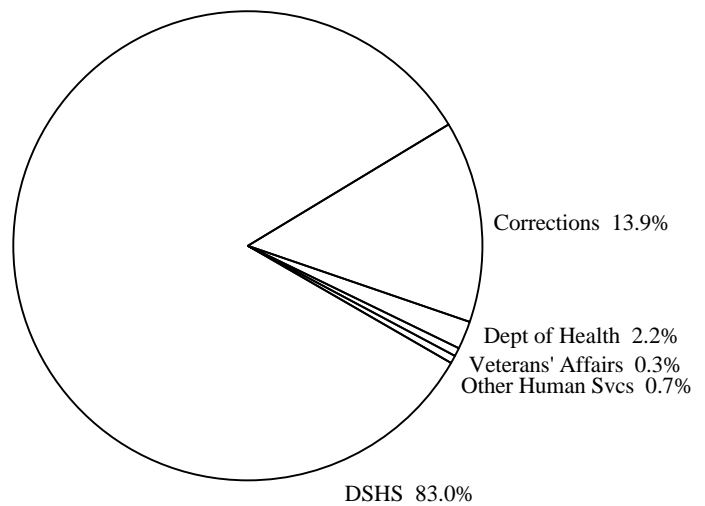
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

DSHS	4,934,256
Dept of Corrections	825,064
Dept of Health	128,737
Dept of Veterans' Affairs	19,121
Other Human Services	39,129
Human Services	5,946,307



Human Services

Department of Social & Health Services

Children and Family Services

The budget provides \$26.4 million from the state general fund and \$10.6 million from General Fund-Federal to improve foster care services provided by foster parents under contract to the Department of Social and Health Services (DSHS). Enhancements include funding for the increased foster care and adoption support caseloads, an increase in the foster care basic payment rate of \$25 per month per child, funding for recruitment and retention of foster parents, and an increase in the rate paid to child care placing agencies.

Amounts of \$18.1 million from the state general fund and \$8.1 million from General Fund-Federal are provided for 223 additional social workers in Child Protective Services (CPS). Funding is also provided for additional clerical workers, supervisors, regional staff, and headquarters staff. The additional workers will reduce the ratio of workers to cases from 1:32 to 1:29.

The budget provides \$2.3 million from the state general fund and \$2.2 million from General Fund-Federal for a new system to gather relevant information about children in foster care and to provide that information to foster parents in a timely fashion. The program will create a “passport” for each child in foster care over 90 days. The passport will accompany the child when foster care placements change.

The budget provides \$2.0 million from the state general fund and \$600,000 from General Fund-Federal for intensive assessments to be done on foster children who are in care over 90 days and who are expected to be in care over a long period. Assessments will identify services children need and assist in identifying permanency options for these children.

Juvenile Rehabilitation Administration

A total of \$202 million in state, federal, and local funds is provided for the Division of Juvenile Rehabilitation Administration (JRA) for the 1997-99 biennium. Savings of \$4.7 million are achieved by not opening a new JRA facility on the grounds of Eastern State Hospital. Additional savings are achieved by eliminating parole services for all offenders except sex offenders and those assessed as high risk, consolidating administrative functions, improving efficiencies in ongoing activities, and applying internal best practices throughout the JRA system.

A total of \$23.4 million (\$14.7 million from the state general fund, \$8.7 million from the Violence Reduction and Drug Enforcement Account, and \$6,000 from General Fund-Local) is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900) which makes numerous changes to the way juveniles are sentenced and adjudicated. Please see summary on page 5. Appropriations are made to JRA, the Department of Corrections, and to the Office of Superintendent of Public Instruction. Of the total, \$11.1 million is provided to JRA to fund the state and local government impact of the legislation.

Mental Health

A total of \$474.7 million in state and federal funds is provided for counseling, case management, crisis response, residential, and other community mental health services administered by Regional Support Networks (RSNs). Of this total, \$9.7 million (\$4.7 million state general fund) is specifically targeted for caseload growth in RSNs whose per-person Medicaid payment rates are below the statewide average. A total of \$106.7 million is provided for community hospitalization services, which are to be integrated with outpatient services under a single capitated managed care system. This integration is expected to result in better preventive and follow-up care,

and in a savings of at least \$7.0 million (\$4.0 million state general fund) from what would be spent if inpatient and outpatient services continued to be administered separately.

Capacity and funding at Eastern and Western State Hospitals, and at the Child Study and Treatment Center, are maintained at their current level. An additional \$4.3 million from the state general fund is provided to increase the Special Commitment Center's capacity to house and treat persons committed under the state's sexual predator law.

Developmental Disabilities

The number of children and adults receiving assistance with daily living activities in their own homes and in adult family homes will increase by an average of 1,600 over the 1995-97 level, at an increased state and federal cost of \$23.9 million. To help cover the cost of this increase, payments for persons sharing a household with a parent or other relative will be limited to a maximum of \$563 per month, for a state and federal savings of \$2.4 million. Additionally, DSHS is to manage the mix and level of personal care services so that the average cost per person served does not increase above the 1997 level (adjusted for the 3 percent vendor rate increase), which is expected to avoid \$1.9 million of increased state and federal costs.

A total of \$9.5 million (\$5.8 million state general fund) is provided in the Developmental Disabilities and the Vocational Rehabilitation budgets for job training and placement services, or other productive daytime activities, for approximately 1,400 young people with developmental disabilities graduating from special education programs in 1995, 1996, 1997, and 1998.

A total of \$1.3 million (\$0.8 million state general fund) is provided to help assure that adult family homes are equipped to serve the approximately 1,000 adults with developmental disabilities who live in such facilities. Both the frequency of case manager monitoring visits, and the amount of training provided to managers of such homes, are to be doubled.

Yakima Valley School will receive \$1.1 million of increased state and federal funding to develop a 16-bed respite program, and to provide nursing assessments, consultation, and quality assurance for people with developmental disabilities throughout central Washington.

Long-Term Care

The number of elderly and disabled people receiving long-term care in their own homes, adults family homes, boarding homes, and assisted living apartments is budgeted to increase by about 2,200 each year of the 1997-99 biennium. Total state and federal funding for such services will increase by \$130 million over the 1995-97 level. The budget also provides a total of about \$5 million in enhancements to help assure that community programs are providing safe and quality care. These include hiring additional licensing staff so that adult family homes can be inspected an average of at least once each year; doubling the number of boarding home inspectors; employing additional Area Agency on Aging case managers to monitor the delivery of in-home care; and increasing by about 60 percent the number of registered nurses employed in state long-term care offices.

Because of the increased availability of community care options, the number of people receiving publicly-funded nursing home care is expected to decrease by 480 by the end of the 1997-99 biennium, for a savings of \$17.8 million (\$8.5 million state general fund). Nursing home payment rates are expected to increase by an average of 5.7 percent per year above the fiscal year 1997 level, at a total cost of \$93.6 million (\$44.9 million state general fund).

Economic Services

A total of \$2 billion in state and federal funds is provided for cash assistance and WorkFirst services for about 232,000 households. This is about a 2 percent increase over caseloads in the 1995-97 biennium, the net effect declines in Temporary Assistance for Needy Families and Supplemental Security Income caseloads, and increases in the General Assistance-Unemployable and child care caseloads.

The budget provides \$84.6 million from the state general fund for legal immigrants and chemically-dependent persons who lose Supplemental Security Income (SSI) eligibility due to changes in federal law. These persons are eligible for

the General Assistance-Unemployable (GA-U) program. The GA-U program is a state entitlement program with a lower grant level than the SSI program.

The budget directs that the Department administer the GA-U program within funds appropriated by the Legislature. A variety of actions may be taken to accomplish this directive. This will result in a state general fund savings of \$35.2 million.

In Economic Services, an additional \$138 million of state and federal funds are provided for the major welfare reform initiatives: a new integrated employment child care system, enhanced work preparation and placement services, and a food subsidy program for legal immigrants who were made ineligible for federal food stamps. Additional flexible funds are also provided to DSHS in compliance with the Washington WorkFirst Temporary Assistance for Needy Families Act requirement to appropriate the entire federal block grant. For more information on the federal and state welfare reform across all state agencies, see the summary beginning on page 3.

Alcohol and Substance Abuse

The budget provides \$2.5 million from the state general fund, \$2.0 million from General Fund-Federal, and \$1.0 million from the Violence Reduction and Drug Enforcement Account for the state Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program to provide chemical dependency treatment to persons who have lost eligibility for the federal SSI program due to changes in the federal law. Those who successfully complete treatment may regain eligibility for SSI.

In addition, \$1.5 million General Fund-State is provided to continue the Birth to Three Parent/Child Assistance Program which works with women who have a history of alcohol or drug abuse to prevent the birth of children with fetal alcohol syndrome or alcohol related neurodevelopmental disorder.

Medical Assistance

A total of \$3.9 billion in state and federal funds is provided for an average of about 770,000 people per month to receive medical and dental coverage through Medicaid and other state medical assistance programs. This is a 9 percent increase from 1995-97 in the average number of persons covered, and an 11 percent increase in total funding. The largest caseload increases are occurring among children whose families are not on welfare, but which have incomes below 200 percent of the poverty level. Over a quarter of a million such children are expected to be covered by Medicaid by the end of the 1997-99 biennium, a more than 30 percent increase from the 1995-97 level. The next largest caseload increases are among the elderly and disabled, who are also the most expensive groups to cover.

The budget makes a number of changes to help pay for these increased service levels. Competitive contracting strategies will be used to limit managed care rate increases to 3.5 percent per year for the disabled population, and to 2 percent per year for other covered groups. This will result in \$41 million of state and federal savings from what would need to be expended if such rates kept pace with national projections of medical inflation. A total of \$18.5 million will be saved through changes in interpreters services for recipients who have limited English-speaking ability. Caseload reductions due to changes in eligibility for the state general assistance program are expected to result in \$12 million of medical assistance savings. The budget directs DSHS to seek a federal waiver under which adults who are not elderly or disabled will contribute \$10 per month toward the cost of their medical coverage. If approved, this will result in state and federal savings of \$11.6 million in the second year of the biennium.

Vocational Rehabilitation

As discussed above, a total of \$4.1 million (\$0.9 million state general fund) is provided for job training and placement services for young people with developmental disabilities who graduate from special education programs in 1997-99. In addition, \$2.4 million (\$0.5 million state general fund) is provided for increased vocational rehabilitation services for other persons with disabilities.

Administration and Supporting Services

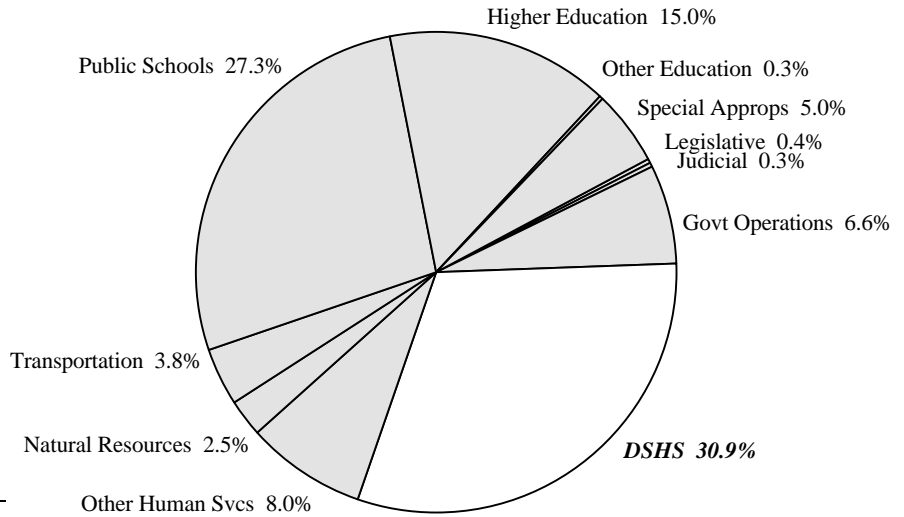
The budget reduces administration in the Department of Social and Health Services. In order to implement the reduction effectively, transfers may be made from the Department's division administration budgets to the central administration budget, allowing reductions to be made in the most appropriate program. This will result in savings of \$3.0 million in the state general fund and \$2.8 million General Fund-Federal.

1997-99 Washington State Operating Budget

Total Budgeted Funds

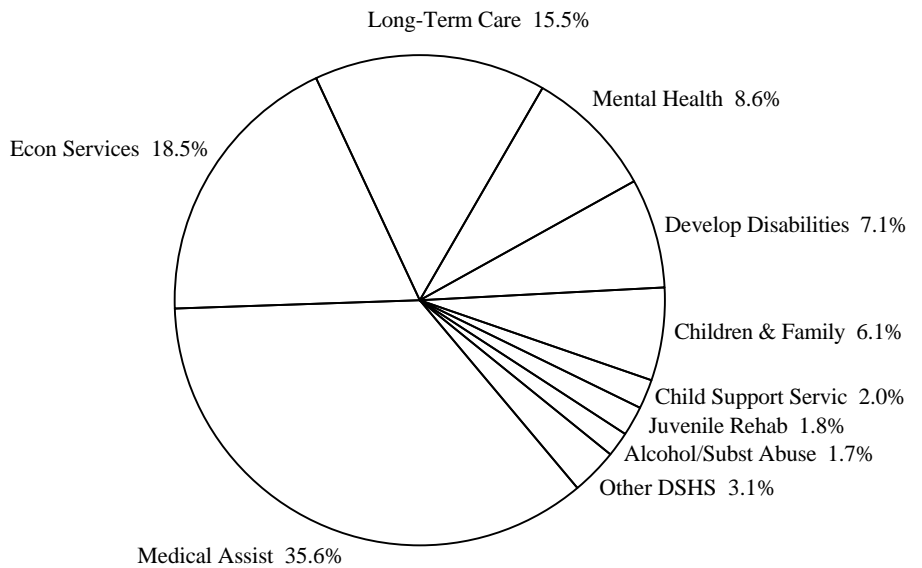
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
DSHS	10,933,504
Other Human Services	2,813,315
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Medical Assistance	3,888,523
Economic Services	2,025,753
Long-Term Care Svcs	1,692,605
Mental Health	939,345
Developmental Disabilities	777,464
Children & Family Svcs	662,197
Child Support Services	220,945
Juvenile Rehabilitation	201,973
Alcohol/Subst Abuse	182,827
Other DSHS	341,872
DSHS	10,933,504



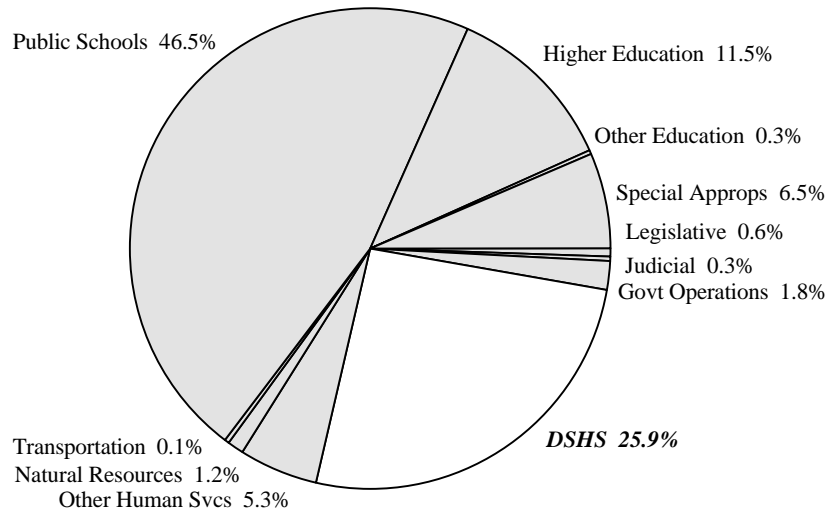
DSHS

1997-99 Washington State Operating Budget

General Fund - State

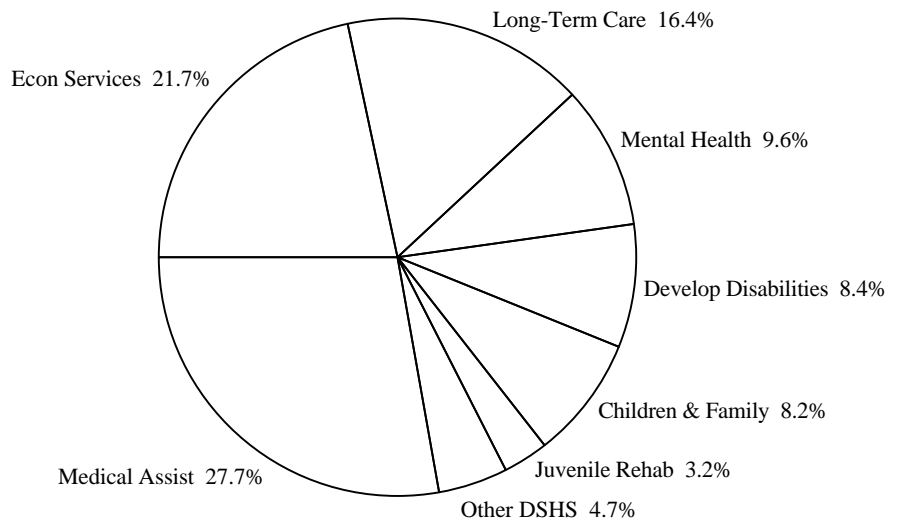
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
DSHS	4,934,256
Other Human Services	1,012,051
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Medical Assistance	1,368,918
Economic Services	1,073,135
Long-Term Care Svcs	808,349
Mental Health	474,344
Developmental Disabilities	415,063
Children & Family Svcs	405,298
Juvenile Rehabilitation	157,629
Other DSHS	231,520
DSHS	4,934,256



DSHS

Department of Social & Health Services
Children & Family Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	319,913	278,498	598,411
1997 Supplemental *	6,783	2,052	8,835
Total 1995-97 Expenditure Authority	326,696	280,550	607,246
1997-99 Maintenance Level	398,124	288,952	687,076
Policy Items			
1. 1997-99 Child Care Vendor Increase	1,391	55	1,446
2. Division of Licensed Resources	482	216	698
3. Reduce Secured CRCs	-2,336	-39	-2,375
4. Transfer of Employment Child Care	-39,408	-27,798	-67,206
5. Reduce Social Worker Workload	8,153	3,661	11,814
6. Fire Marshal Inspections	262	0	262
7. Improve Lead Worker Ratio	1,866	839	2,705
8. Child Care Provider Training	1,160	0	1,160
9. Passport Program	2,262	2,184	4,446
10. Intensive Foster Care Assessment	2,005	614	2,619
11. Home Studies for Adoptive Families	346	104	450
12. Adoption Reconsideration	24	0	24
13. Foster Care Basic Rate	2,459	653	3,112
14. Increase Child Placing Agency Rates	828	894	1,722
15. Indian Child Welfare	1,500	0	1,500
16. Continuum of Care/Street Youth	4,400	0	4,400
17. Improve Child Care Quality	2,930	1,141	4,071
18. Domestic Violence Funding	0	3,182	3,182
19. Victims of Crime Federal Increase	0	4,188	4,188
20. General Inflation	-789	-368	-1,157
21. Delay Community Network Funding	0	-4,860	-4,860
22. Secure Crisis Center Treatment	200	0	200
23. Foster Care Improvements	1,150	290	1,440
24. Juvenile Treatment Legislation	1,280	0	1,280
25. Temporary Assistance Transfer	17,009	-17,009	0
Total 1997-99 Biennium	405,298	256,899	662,197
Fiscal Year 1998 Totals	196,437	126,302	322,739
Fiscal Year 1999 Totals	208,861	130,597	339,458

Comments:

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| <p>1. 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a 3 percent increase to child care provider rates, effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)</p> <p>2. DIVISION OF LICENSED RESOURCES - Funding is provided for the Division of Licensed Resources within the Children's Administration. The Division was created in 1996 by Executive Order. The new Division is responsible for all licensing functions performed by Children's Administration. (General Fund-State, General Fund-Federal)</p> <p>3. REDUCE SECURED CRCS - Funding is adjusted to reflect a one-time reduction in the FY 98 appropriation for the operation of secured Crisis Residential Centers (CRCs) because all 75 CRC beds will not be in operation until FY 99. Funding for FY 99 is provided at the amount necessary to support 75 CRC beds. (General Fund-State, General Fund-Federal)</p> <p>4. TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to Economic Services Administration from Children's Administration in accordance with</p> | <p>Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)</p> <p>5. REDUCE SOCIAL WORKER WORKLOAD - Funding is provided to reduce the ratio of Child Protective Services social workers to cases. The caseload ratio is currently 1:32. Funding is phased in over the 1997-99 biennium so that the caseload ratio will be 1:29 by the end of FY 99. Funding is also provided to reduce the ratio of clerical workers to caseworkers, to provide additional staff in regional offices, and to provide headquarters staff support. (General Fund-State, General Fund-Federal)</p> <p>6. FIRE MARSHAL INSPECTIONS - Child care licensure requirements mandate that providers have their facilities inspected for fire safety by local fire marshals. Funding is provided for the fire marshal inspections for certain child care providers and for safety training of child care licensors and providers.</p> |
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**Department of Social & Health Services
Children & Family Services**

7. **IMPROVE LEAD WORKER RATIO** - Funding is provided to reduce the ratio of employees to supervisors within Child Protective Services. The ratio is currently one supervisor for every ten caseworkers. Funding is phased in to reduce the ratio to one supervisor for every eight caseworkers by the end of FY 99. (General Fund-State, General Fund-Federal)
8. **CHILD CARE PROVIDER TRAINING** - Funding is provided for child care training programs. Enhancements funded include an expansion of a 15-hour training model for family child care providers statewide, training for workers in child care centers, training vouchers for low-income child care staff, and a tracking system to monitor and enforce child care training requirements.
9. **PASSPORT PROGRAM** - Funds are provided for a statewide roll-out of a pilot program operated in King County during 1996 which creates a "passport" for children who are in foster care over 90 days. The passport program is intended to improve information sharing among persons who care for foster children. The passport is a concise record of a foster child's current medical, dental, behavioral, psychological, and educational status as well as the child's relevant providers of care and a record of vaccinations, allergies, medications, and upcoming appointments. (General Fund-State, General Fund-Federal)
10. **INTENSIVE FOSTER CARE ASSESSMENT** - Funds are provided for an in-depth, independent assessment of foster children who are in Department placements after 90 days and who are deemed likely to remain in foster care for an extended period. (General Fund-State, General Fund-Federal)
11. **HOME STUDIES FOR ADOPTIVE FAMILIES** - In order to complete the adoption process, the adoptive family must have a home study performed. There is currently a backlog of home studies to be completed. Funding is provided to allow private agencies to be paid for home studies at a cost of \$750 per home study. (General Fund-State, General Fund-Federal)
12. **ADOPTION RECONSIDERATION** - Funding is provided for Chapter 131, Laws of 1997 (2SHB 1432) which expands the Adoption Support Reconsideration Program to include those children who are at high risk of a future physical, mental, or emotional problem from exposure to traumatic conditions prior to adoption. It is anticipated that 12 additional children will be served each year.
13. **FOSTER CARE BASIC RATE** - Funding is provided to increase the basic rate for family foster care by \$25 per child per month. The rate increase is phased in over the 1997-99 biennium and is in addition to any other vendor rate increases provided by the Department. (General Fund-State, General Fund-Federal)
14. **INCREASE CHILD PLACING AGENCY RATES** - Funding is provided to increase the rate paid to private child placing agencies. These agencies place children in foster care and provide other services to children in foster care and adoptive homes. The per placement rate is increased from \$205 to \$285 and is in addition to any other vendor rate increase provided by the Department. (General Fund-State, General Fund-Federal)
15. **INDIAN CHILD WELFARE** - Funding is provided for projects identified in the Division of Children and Family Services Tribal Capacity Self-Study. Funds will be used to serve American Indian children who are involved in Children's Administration programs.
16. **CONTINUUM OF CARE/STREET YOUTH** - Funding is restored for projects which serve street youth and which provide a continuum of care for children in five existing locations around the State.
17. **IMPROVE CHILD CARE QUALITY** - The federal Child Care Development Fund (CCDF) requires that a minimum of 4 percent of federal block grant funds be spent on improving the quality and capacity of the State's child care system. Funding is provided for additional investments in the child care system to comply with CCDF requirements and to better prepare the State to meet the child care demands related to welfare reform legislation. Funding may be used to provide grants and other services to child care providers to support the expansion of child care slots for off-hours child care, for technical assistance, to expand resource and referral networks, and to expand child care to currently unserved areas of the state. (General Fund-State, General Fund-Federal)
18. **DOMESTIC VIOLENCE FUNDING** - Funding is provided to strengthen existing domestic violence programs, to fund new domestic violence programs in parts of the state where no programs exist, and for children's advocates to act as case managers in each of the 40 state-supported domestic violence programs. (General Fund-Federal)
19. **VICTIMS OF CRIME FEDERAL INCREASE** - Additional federal funding authority is provided for programs designed to assist sexual assault victims and other victims of crime. (General Fund-Federal)
20. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
21. **DELAY COMMUNITY NETWORK FUNDING** - Funding of the community public health and safety networks from the Violence Reduction and Drug Enforcement Account (VRDE) is delayed for two years. Federal funds equivalent to the amount projected to be spent in the 1995-97 biennium are provided to the networks to continue activities through the 1997-99 biennium. Total funding for community network activities is \$7.06 million from the federal Title IV-B, Part 2 program. The total Family Policy Council appropriation is \$1.04 million. Within this amount, the Family Policy Council must contract for audits of ten networks, must provide funding for the Washington Institute for Public Policy to continue the evaluation of the community networks, and may create a geographic information system database. Funds totaling \$1,485,000 of the Federal IV-B, Part 2 funding are transferred to the networks from Children's Administration. (Violence Reduction and Drug Enforcement Account)
22. **SECURE CRISIS CENTER TREATMENT** - Funding is provided for Children's Administration to assist in defending providers who contract with the state for secure Crisis Residential Center (CRC) beds in the event that lawsuits arise from providing these services. Funds may also be used for the implementation of rules regarding income, resources, and exemptions to determine a parent's ability to pay for a child's treatment at a secure facility.
23. **FOSTER CARE IMPROVEMENTS** - Funding is provided for implementation of Chapter 272, Laws of 1997 (E2SHB 2046 -- Foster Parent Liaisons). The bill requires that the Department contract for a foster care recruitment and retention program with a private entity and establish one foster parent liaison in each of the six Children's Administration regions. Foster parent liaisons shall act as the advocate for foster parents with the Department and will free foster parents up to work with children by taking care of procedural and administrative activities required by DSHS. (General Fund-State, General Fund-Federal)
24. **JUVENILE TREATMENT LEGISLATION** - Funding is provided for Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710 -- Juvenile Care and Treatment). In part, the bill authorizes creation of new alternative response sites similar to existing continuum of care programs in five locations around the State. Funding is provided for two new alternative response sites, which will serve families screened from the child protective services risk assessment process.

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

25. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Foster Care *										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,166	8,207
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	0.6%	0.5%
Child Care **										
Avg # Children Served Monthly	5,235	6,051	6,386	7,109	7,715	7,100	7,241	7,275	7,275	7,275
% Change from prior year		15.6%	5.5%	11.3%	8.5%	-8.0%	2.0%	0.5%	0.0%	0.0%
Child Protective Services										
Avg Cases Referred Monthly	3,644	4,301	5,819	5,699	5,750	6,108	6,241	6,602	6,986	7,391
% Change from prior year		18.0%	35.3%	-2.1%	0.9%	6.2%	2.2%	5.8%	5.8%	5.8%
Avg Cases per Worker	1:32	1:31	1:31	1:33	1:36	1:36	1:32	1:32	1:29	1:29
Adoption Support										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,142	4,597	5,053
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	12.6%	11.0%	9.9%

* Includes Family Foster Care and Group Foster Care.

** Includes the following services: Protective/Welfare, Therapeutic, Teen Parent, Seasonal, and Foster Parent Employment.
Employment Child Care is no longer included.

Data Source:

DSHS Budget Division.

Department of Social & Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	119,155	65,397	184,552
1997 Supplemental *	11,896	-19,858	-7,962
Total 1995-97 Expenditure Authority	131,051	45,539	176,590
1997-99 Maintenance Level	163,065	35,939	199,004
Policy Items			
1. Delay Green Hill Housing Units	-175	0	-175
2. Reduce Institutions Pgm Managers	-446	0	-446
3. Administration Reduction	-443	0	-443
4. Increase Mental Health Services	600	0	600
5. General Inflation	-606	0	-606
6. Assume Internal Best Practices	-388	0	-388
7. Parole Targeting	-1,956	-344	-2,300
8. Medical Lake Closure	-4,724	0	-4,724
9. Juvenile Offender Placement	206	0	206
10. Risk Classification	128	0	128
11. Juvenile Justice Legislation	2,368	4,084	6,452
12. Local Impact of Juvenile Justice	0	4,665	4,665
Total 1997-99 Biennium	157,629	44,344	201,973
Fiscal Year 1998 Totals	79,009	20,093	99,102
Fiscal Year 1999 Totals	78,620	24,251	102,871

Comments:

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| <p>1. DELAY GREEN HILL HOUSING UNITS - Funding is reduced due to delays in opening three new 64-bed housing units at Green Hill School. The opening is delayed from February 1998 to July 1998.</p> <p>2. REDUCE INSTITUTIONS PGM MANAGERS - Funding is reduced due to 12 of the Juvenile Rehabilitation Administration (JRA) small (16-bed) cottages sharing program managers.</p> <p>3. ADMINISTRATION REDUCTION - Funding is reduced for administrative costs.</p> <p>4. INCREASE MENTAL HEALTH SERVICES - Funding is provided to increase contracted psychiatric and psychological services to make them available at all institutions and state group homes.</p> <p>5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>6. ASSUME INTERNAL BEST PRACTICES - The recently completed Joint Legislative Audit and Review Committee Capacity Study found that staffing efficiencies could be achieved by applying internal best practices. JRA will study their most efficient housing units as they are currently operating and apply the most efficient practices to similar housing units.</p> <p>7. PAROLE TARGETING - Funding for parole services is eliminated for offenders within the custody of JRA, except sex offenders and approximately 25 percent of offenders assessed as high risk. In addition, an intensive parole and aftercare program is established by Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) in order to provide an enhanced level of services to those offenders remaining on the JRA caseload. Please see the separate juvenile justice legislation item 11. (General Fund-State, General Fund-Federal)</p> <p>8. MEDICAL LAKE CLOSURE - Savings are achieved by not opening the Medical Lake Treatment Center on the grounds of Eastern State Hospital. The facility was planned to have 80 beds and would cost</p> | <p>approximately \$53,000 per bed annually to operate. The November 1996 juvenile offender forecast projects that the number of offenders housed by JRA will be substantially less than the maximum operating capacity of the system. By not opening the facility and housing the offenders within maximum operating capacity, savings are achieved.</p> <p>9. JUVENILE OFFENDER PLACEMENT - Funding is provided to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710). Provisions of the legislation require JRA to develop and implement procedures and policies to protect sexually-vulnerable youth from sexually-aggressive youth.</p> <p>10. RISK CLASSIFICATION - Provides funding for the implementation of Chapter 364, Laws of 1997 (ESSB 5759). Provisions of the legislation require JRA to assign a risk classification level to sex offenders released from their facilities.</p> <p>11. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. Also, an intensive parole and aftercare program is established to provide an enhanced level of services to high-risk offenders. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. (General Fund-State, General Fund-Federal, General Fund-Local, Violence Reduction and Drug Enforcement Account)</p> |
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Department of Social & Health Services
Juvenile Rehabilitation

12. LOCAL IMPACT OF JUVENILE JUSTICE - Funding is provided for the local government impact of Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. These funds are distributed to counties to offset the impact of the bill. (Violence Reduction and Drug Enforcement Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Community Residential *										
Avg Daily Population/Month	199	217	253	314	353	346	359	389	389	389
% Change from prior year		8.7%	16.6%	24.3%	12.4%	-1.9%	3.8%	8.4%	0.0%	0.0%
Institutions										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,041	1,059	1,074
% Change from prior year		10.1%	5.4%	5.3%	4.6%	21.5%	10.1%	3.4%	1.7%	1.4%
Parole										
Avg Daily Population/Month	358	423	496	537	595	765	917	977	648	653
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	6.5%	-33.7%	0.8%

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

Data Sources:

FY 90 through FY 99 from DSHS Juvenile Rehabilitation Administration.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

Department of Social & Health Services
Mental Health
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	448,668	423,020	871,688
1997 Supplemental *	-3,013	29,448	26,435
Total 1995-97 Expenditure Authority	445,655	452,468	898,123
1997-99 Maintenance Level	472,112	489,205	961,317
Policy Items			
1. General Inflation	-1,172	-419	-1,591
2. Reduce Admin Requirements	60	0	60
3. Adjust Capitalization Rates	-6,671	-7,227	-13,898
4. Implement Phase III Managed Care	-4,102	-2,941	-7,043
5. Mentally Ill Offender Project	500	0	500
6. Balance Health Services Account	13,617	-13,617	0
Total 1997-99 Biennium	474,344	465,001	939,345
Fiscal Year 1998 Totals	235,106	229,570	464,676
Fiscal Year 1999 Totals	239,238	235,431	474,669

Comments:

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMIN REQUIREMENTS - Funding is provided for the Department to continue working with mental health service providers, Regional Support Networks (RSNs), and various DSHS divisions to streamline the delivery of mental health services and reduce administrative costs.
- ADJUST CAPITALIZATION RATES - When the community mental health system converted to a capitated payment system for Medicaid outpatient services, different capitation rates were established for each RSN, based upon actual Medicaid expenditures in that RSN during 1992, 1993, or 1994. Because of wide variations in the extent to which community mental health centers in different parts of the state utilized the Medicaid program during those years, capitated payment rates are much lower in some RSNs than others. The 1997-99 biennium budget implements a policy of adjusting rates toward the statewide average. This is to be accomplished by: (1) distributing new funding for caseload growth at the current statewide average rate; and (2) providing no additional funding for caseload growth to RSNs whose FY 97 allocation is more than they would receive in the 1997-99 biennium if their allocation were based on the statewide weighted average rate. As a result of this approach, about \$9.7 million of new funding will be distributed in the 1997-99 biennium. Eight RSNs will receive a larger increase than if caseload growth were funded at their current payment rate; three RSNs will receive an increase over their FY 97 allocation, but with caseload growth funded at less than their current payment rate; and three RSNs will be held harmless at their FY 97 allocation. (General Fund-State, General Fund-Federal)
- IMPLEMENT PHASE III MANAGED CARE - Starting in October 1997, community inpatient hospitalization will be integrated with outpatient services under a single capitated managed care system for Medicaid-eligible mental health clients. RSNs have been managing children's inpatient admissions since March 1995, and adult admissions since March 1996, with the result that voluntary inpatient expenditures were over 25 percent lower in FY 96 than would have been expected based on previous utilization trends. The 1997-99 biennium budget provides for about one-third of this reduction to be a savings to the state budget and for the balance to be included in capitation payments to the organizations managing the integrated system. The share included in capitation payments will be used to administer the integrated system and to provide case management, outpatient, and other services for persons at risk of hospitalization. (General Fund-State, General Fund-Federal)
- MENTALLY ILL OFFENDER PROJECT - Funding is provided to develop and operate the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one RSN or other provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community.
- BALANCE HEALTH SERVICES ACCOUNT - Community mental health services for children covered by Medicaid as a result of the eligibility expansion to 200 percent of the federal poverty level will be funded with General Fund-State rather than from the Health Services Account. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Mental Health

WORKLOAD HISTORY

Fiscal Year Average

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
State Hospitals *										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,354	1,354	1,354
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	5.9%	0.0%	0.0%
Community Outpatient Services	21,675	23,394	25,110	30,108	32,939	36,729	38,427	38,427	40,118	41,347
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	0.0%	4.4%	3.1%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,040	29,274	30,171
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	0.0%	4.4%	3.1%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,387	10,844	11,176
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	0.0%	4.4%	3.1%
Special Commitment Center **										
Avg Monthly Population	NA	4	11	17	23	28	33	41	55	66
% Change from prior year			184.4%	57.8%	34.2%	23.2%	20.1%	22.7%	34.1%	20.0%

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 95, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

** Special Commitment Center opened in July 1990.

Data Sources:

FY 90 through FY 96 are from DSHS Budget Division.

FY 97 through FY 99 estimates are by Legislative Fiscal Committees.

Department of Social & Health Services
Developmental Disabilities
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	378,548	333,730	712,278
1997 Supplemental *	3,261	2,453	5,714
Total 1995-97 Expenditure Authority	381,809	336,183	717,992
1997-99 Maintenance Level	403,766	368,477	772,243
Policy Items			
1. General Inflation	-841	-735	-1,576
2. Reduce Administrative Supports	-402	-182	-584
3. Reduce Medicaid Personal Care	-1,183	-1,257	-2,440
4. Manage Personal Care Growth	-884	-962	-1,846
5. Yakima Valley School	625	475	1,100
6. UCP Closure	667	719	1,386
7. Adult Family Home Quality	577	308	885
8. Provider Liability Insurance	196	204	400
9. Adult Family Home Training	274	222	496
10. 1997-99 High School Graduates	1,908	0	1,908
11. Community Protection Initiative	2,672	2,820	5,492
12. Balance Health Services Account	7,688	-7,688	0
Total 1997-99 Biennium	415,063	362,401	777,464
Fiscal Year 1998 Totals	206,697	178,654	385,351
Fiscal Year 1999 Totals	208,366	183,747	392,113

Comments:

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMINISTRATIVE SUPPORTS - Expenditures on Developmental Disabilities central administration are to be reduced by approximately 6.5 percent, and expenditures on community technical assistance and demonstration projects are to be reduced by approximately 6 percent. (General Fund-State, General Fund-Federal)
- REDUCE MEDICAID PERSONAL CARE - Medicaid personal care reimbursement for persons living with their family will be limited to approximately \$564 per month, rather than to the \$863 maximum reimbursement which is available for someone living alone. This change is expected to affect approximately 260 of the 4,600 adults served and about 115 of the approximately 2,000 children served. (General Fund-State, General Fund-Federal)
- MANAGE PERSONAL CARE GROWTH - The number of children receiving Medicaid personal care services is budgeted to increase by an average of 23 percent per year in the 1997-99 biennium, and the number of adults receiving such services is budgeted to increase by 11 percent per year. However, the average cost per person served is to remain at the FY 97 level (adjusted for any authorized vendor rate increases). To the extent that does not occur, or to the extent caseload grows even more than budgeted, the agency is directed to adjust eligibility criteria and/or service levels enough to remain within appropriated levels, as required by the statute authorizing provision of personal care services. (General Fund-State, General Fund-Federal)
- YAKIMA VALLEY SCHOOL - Funding is provided to:
 - operate a nursing community outreach project at Yakima Valley School through which registered nursing staff will provide nursing assessments, consulting, training, and quality assurance to persons with developmental disabilities throughout Central Washington; and
 - develop and operate a 16-bed respite program for eligible persons with developmental disabilities statewide, with an emphasis on those residing in Central Washington. (General Fund-State, General Fund-Federal)
- UCP CLOSURE - The United Cerebral Palsy Association (UCP) plans to close its 57-bed nursing facility, and transfer the residents to small community residences which it is developing. While this change will save taxpayers about \$6,000 per resident per year when the moves are completed, there will be a temporary cost increase in order to maintain the nursing facility plant and base staffing level while residents are gradually moving out. This item provides one-time funding to enable the closure to be completed by February 1999. The lower community costs which will occur after the moves are completed will pay for this investment in four years. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME QUALITY - This item funds additional case management staff to monitor and assist adult family homes serving the 1,200 adults with developmental disabilities expected to reside in such homes during the 1997-99 biennium. With this additional funding, case managers will be able to double the amount of monitoring and assistance currently provided for such homes. (General Fund-State, General Fund-Federal)
- PROVIDER LIABILITY INSURANCE - During the 1995-97 biennium, "hold harmless" provisions for community residential providers serving dangerous clients were eliminated from their contracts, resulting in the need for these providers to purchase private liability insurance premiums at increased cost. This step funds the increased cost of these premiums. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME TRAINING - Funding is provided for specialized training for adult family homes which serve persons with developmental disabilities. Currently, adult family homes must receive 22 hours of initial training, and 10 hours of follow-up training per year. This proposal funds trainer and staff replacement costs for the managers of homes serving people with developmental disabilities to receive an additional 20 hours of initial training and 10 hours per year of follow-up training. Funding is also provided for additional consultation and training for homes serving individuals with additional behavioral or medical needs. (General Fund-State, General Fund-Federal)

Department of Social & Health Services
Developmental Disabilities

10. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for employment and day training programs for an estimated 900 young persons with developmental disabilities who will graduate from public school during the 1997-99 biennium. In addition to the funds budgeted here, \$4.1 million of state and federal funds are provided for this purpose in the Division of Vocational Rehabilitation appropriation. Services are to be phased in during the first year after graduation.
11. COMMUNITY PROTECTION INITIATIVE - During the first six months of 1997, secure residential settings were developed to provide 24-hour supervision for 40 persons with histories of physically or sexually abusive behavior or arson. These individuals were thought to pose a high risk of re-offending in their previous living arrangement. This item continues operation of those intensively supervised living arrangements throughout the 1997-99 biennium, at an average cost of \$76,000 per person per year. (General Fund-State, General Fund-Federal)
12. BALANCE HEALTH SERVICES ACCOUNT - Funding for enhanced family support services and some children's personal care is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		<u>FY99</u>
Institutions										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,268	1,263	1,263
% Change from prior year		-8.1%	-5.1%	-3.7%	-4.4%	-6.4%	-2.1%	-2.1%	-0.4%	0.0%
Community Residential Programs *										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,804	3,842	3,842
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	1.7%	1.0%	0.0%
Employment and Day Programs										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,927	8,226	8,497
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	4.7%	3.8%	3.3%
Family Support **										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,635	4,029	4,403
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.7%	10.8%	9.3%
Adult Personal Care ***										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,956	4,424	4,892
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.2%	11.8%	10.6%

* 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 for FY 90 through FY 99.

*** Adult Personal Care includes Medicaid Personal Care, Chore Services, and COPES. Prior to FY 90, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Sources:

FY 90 through FY 96 from LEAP workload data base except: (1) FY 90 - FY 95 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 93 through FY 96 Community Residential From DSHS Division of Developmental Disabilities, due to a change in reporting methodology.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

Department of Social & Health Services
Long-Term Care Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	764,349	780,388	1,544,737
1997 Supplemental *	-8,274	-15,401	-23,675
Total 1995-97 Expenditure Authority	756,075	764,987	1,521,062
1997-99 Maintenance Level	809,245	889,308	1,698,553
Policy Items			
1. Revise Adult Day Health Eligibility	-1,481	-1,607	-3,088
2. Nursing Facility Reimbursement	1,407	1,142	2,549
3. Nurse Assessments & Oversight	85	85	170
4. General Inflation	-147	-133	-280
5. New Nursing Home Payment System	-3,099	-3,378	-6,477
6. Boarding Home Rate Increase	1,129	1,220	2,349
7. Basic Health Plan Underexpenditure	0	-3,591	-3,591
8. Residential Care Quality Assurance	437	437	874
9. Enhanced Case Management	773	773	1,546
Total 1997-99 Biennium	808,349	884,256	1,692,605
Fiscal Year 1998 Totals	392,045	427,202	819,247
Fiscal Year 1999 Totals	416,304	457,054	873,358

Comments:

1. REVISE ADULT DAY HEALTH ELIGIBILITY - Eligibility standards for adult day health services are to be tightened in order to reduce the rate of growth in the program. At the funding level provided for the 1997-99 biennium, enrollment in the program will be able to grow at approximately 10 percent per year, rather than the 25 percent per year rate at which it has grown the past several years. (General Fund-State, General Fund-Federal)
2. NURSING FACILITY REIMBURSEMENT - Chapter 277, Laws of 1997, Partial Veto (2SSB 5179) makes several changes to the current nursing home payment system. These include increased reimbursement for costs associated with new construction or substantial remodeling of a nursing facility, and reducing the 90 percent minimum occupancy standard to 85 percent for nursing homes which were newly-constructed in 1994. (General Fund-State, General Fund-Federal)
3. NURSE ASSESSMENTS & OVERSIGHT - Additional funding is provided so that registered nurses can be hired to fill at least six of the new field positions added in the maintenance level budget for FY 98, and at least seven of the new positions added in FY 99. This will result in a 60 percent increase in the number of registered nurses employed in state long-term care offices, and is expected to result in better medical assessments and quality of care oversight for persons in need of long-term care. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
5. NEW NURSING HOME PAYMENT SYSTEM - A new nursing home payment system is to take effect in FY 99. The Appropriations Act directs DSHS to propose designs which will assure that the average state payment per nursing home resident increases by no more than 175 percent of the national index of nursing home inflation in FY 99. This will result in a rate increase of approximately 6.4 percent in FY 99, compared to the 7.5 percent average increase assumed in the legislative maintenance level budget. (General Fund-State, General Fund-Federal)
6. BOARDING HOME RATE INCREASE - Funding is provided for a \$2 per resident day increase in state payment rates for adult residential care and enhanced adult residential care provided by licensed boarding homes. (General Fund-State, General Fund-Federal)
7. BASIC HEALTH PLAN UNDEREXPENDITURE - The number of homecare workers receiving subsidized enrollment in the Basic Health Plan is expected to increase to 3,800 in FY 98, and to 4,300 in FY 99. This coverage is expected to cost a total of \$14.5 million in the 1997-99 biennium (\$1.3 million General Fund-State and \$6.1 million Health Services Account), which is about \$3.6 million less than initially anticipated in the maintenance level budget. (Health Services Account)
8. RESIDENTIAL CARE QUALITY ASSURANCE - The frequency of adult family home licensing visits is to be increased from an average of once every 15 months to an average of once every 12 months. (General Fund-State, General Fund-Federal)
9. ENHANCED CASE MANAGEMENT - Area Agencies on Aging are to provide more intensive case management assistance and monitoring for persons who receive in-home assistance from self-employed rather than agency-supervised homecare workers. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Long Term Care

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Nursing Homes										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,942	14,377	14,137
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.5%	-3.8%	-1.7%
Community Care *										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,051	25,288	27,472
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.4%	9.7%	8.6%

* Includes Chore Services, COPES, Adult Residential, and Medicaid Personal Care.

Data Sources:

Nursing Homes for FY 90 through FY 96 from LEAP workload data base.

Community Care for FY 90 through FY 96 from Aging and Adult Services Administration.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

Department of Social & Health Services
Economic Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	990,799	838,164	1,828,963
1997 Supplemental *	-5,561	-22,444	-28,005
Total 1995-97 Expenditure Authority	985,238	815,720	1,800,958
1997-99 Maintenance Level	1,068,031	797,522	1,865,553
Policy Items			
1. 1997-99 Child Care Vendor Increase	0	9,275	9,275
2. Transfer of Employment Child Care	39,408	27,798	67,206
3. SSI State Supplemental Payment	-3,789	0	-3,789
4. GA-U Naturalization Effort	-12,134	0	-12,134
5. Health Services Account Reduction	0	-750	-750
6. General Inflation	-1,502	-1,146	-2,648
7. Integrated Child Care System	0	73,129	73,129
8. Newly Arriving Aliens	-2,869	0	-2,869
9. Limit Eligibility for GA-U Program	-23,114	0	-23,114
10. Welfare Reform Legislation	26,113	29,781	55,894
11. Temporary Assistance Transfer	-17,009	17,009	0
Total 1997-99 Biennium	1,073,135	952,618	2,025,753
Fiscal Year 1998 Totals	543,150	474,104	1,017,254
Fiscal Year 1999 Totals	529,985	478,514	1,008,499

Comments:

- 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a vendor rate increase for child care providers of 3 percent effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)
- TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to the Economic Services Administration from the Children's Administration in accordance with Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)
- SSI STATE SUPPLEMENTAL PAYMENT - Significant changes in Supplemental Security Income (SSI) eligibility have caused the forecasted caseload for SSI to decline over the 1997-99 biennium. Based on this information, the standard individual payment level method of paying the SSI State Supplement was adopted on January 1, 1997. Funding for the state supplement is adjusted accordingly. The Legislature intends that once the total payment for SSI State Supplement to SSI recipients reaches the budget level provided in 1995 for this program, the method of calculating the State Supplement payment will be changed to the total budget method of paying the State Supplement.
- GA-U NATURALIZATION EFFORT - Funding is provided to assist legal immigrants in the citizenship process that will allow them to retain or regain their SSI eligibility upon attainment of citizenship. The costs of naturalization include a fee for community-based organizations to hold ten-week bilingual citizenship training classes, and application fees charged by the Immigration and Naturalization Service (INS). The estimated General Assistance-Unemployable (GA-U) caseload savings as clients obtain citizenship and regain their eligibility under SSI offsets the costs of the naturalization assistance program.
- HEALTH SERVICES ACCOUNT REDUCTION - Funding no longer required for Basic Health Plan (BHP) enrollment assistance is eliminated. (Health Services Account)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- INTEGRATED CHILD CARE SYSTEM - Funding is provided to increase the availability of child care for low-income families including those on Temporary Assistance for Needy Families (TANF). A single child care program to be operated within funds provided by the Legislature is created by Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). This funding will allow persons on TANF to participate in work programs and low-income working persons to receive assistance to offset the cost of child care. (General Fund-State, General Fund-Federal)
- NEWLY ARRIVING ALIENS - Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants), provides that legal immigrants may receive public assistance subject to deeming of their sponsors' incomes. Immigrants new to the country are also subject to a one-year waiting period before becoming eligible to apply for public assistance benefits. Funding is adjusted for the GA-U program based on the expectation that deeming of sponsors' incomes will result in fewer legal immigrants being eligible to receive public assistance.
- LIMIT ELIGIBILITY FOR GA-U PROGRAM - Funding is reduced in the GA-U program. The Department may utilize a variety of actions to accommodate this reduction, including limiting or eliminating social and vocational factors as a contributing factor to eligibility and ratable grant reductions for GA-U recipients.

Department of Social & Health Services
Economic Services

10. WELFARE REFORM LEGISLATION - Funding is provided for Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform) and Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants). EHB 3901 requires funding of the state Maintenance of Effort under the Temporary Assistance for Needy Families (TANF) Program plus the total TANF block grant and Child Care block grant awarded to the State each year. EHB 3901 requires that the Department operate the TANF and related child care programs within the funding specified in the bill and the budget. The bills create a food stamp assistance program for legal immigrants (approximately \$65 million) and a child care program for low-income working families and for those on the TANF program who are in work activities. Child care funding is provided in the item titled "Integrated Child Care System" (Item 7). An evaluation of welfare programs is provided for at \$1 million and a study of the affordability of child care for low-income families costing \$50,000 is required. (General Fund-State, General Fund-Federal)
11. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the TANF block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Economic Services

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
SSI State Supplement										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,380	77,711	78,373
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.3%	-11.1%	0.9%
General Assistance - Unemployable										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	19,038	31,972	34,675
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	12.7%	67.9%	8.5%
General Assistance - Pregnant Women										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,647	1,644	1,647
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	0.8%	-0.2%	0.2%
TANF Cases										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	96,090	91,102	82,979
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-3.3%	-5.2%	-8.9%
Child Care										
# Cases Served	9,769	12,156	16,733	19,225	20,039	21,984	21,768	25,320	28,871	35,384
% Change from prior year		24.4%	37.7%	14.9%	4.2%	9.7%	-1.0%	16.3%	14.0%	22.6%

Data Sources:

FY 90 through FY 96 from LEAP workload data base.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

Department of Social & Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	20,189	150,463	170,652
1997 Supplemental *	1,051	-746	305
Total 1995-97 Expenditure Authority	21,240	149,717	170,957
1997-99 Maintenance Level	24,472	153,193	177,665
Policy Items			
1. Referral and Monitoring Agency	0	-950	-950
2. Fetal Alcohol Syndrome	1,520	0	1,520
3. Treatment For SSI/SSDI Persons	2,506	3,000	5,506
4. General Inflation	-68	0	-68
5. Reduce Administration	-370	-246	-616
6. Reduce ADATSA Transportation	-230	0	-230
7. Balance Health Services Account	970	-970	0
Total 1997-99 Biennium	28,800	154,027	182,827
Fiscal Year 1998 Totals	14,466	76,984	91,450
Fiscal Year 1999 Totals	14,334	77,043	91,377

Comments:

- REFERRAL AND MONITORING AGENCY - With the passage of Public Law 104-191, individuals who have drug or alcohol addiction as a contributing factor to their disability were eliminated from eligibility for the Supplemental Security Income (SSI) program. The law also eliminated related funding for employment and case management services for drug and alcohol addicted clients on SSI. (General Fund-Federal)
- FETAL ALCOHOL SYNDROME - Funds are provided for an advocacy program to provide coordinated services to the highest risk mothers who are abusing alcohol, commonly known as the Birth to Three program. The program will operate in two sites in the state. These women include those who have given birth to a child with Fetal Alcohol Syndrome/Alcohol Related Neurodevelopmental Disorder.
- TREATMENT FOR SSI/SSDI PERSONS - Funding is provided for Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) services for individuals who lose SSI and Social Security Disability Insurance (SSDI) eligibility due to changes in the federal law which deny eligibility for those addicted to drugs or alcohol. Those who lose eligibility and who have another disability will be eligible for the General Assistance-Unemployable program. Those who do not have another disability may receive treatment services through the ADATSA program. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- REDUCE ADMINISTRATION - Funding for administrative staff and costs in the Division of Alcohol and Substance Abuse is reduced. (General Fund-State, General Fund-Federal)
- REDUCE ADATSA TRANSPORTATION - Funding is reduced to eliminate the payment of a portion of the transportation costs for individuals who must travel to reach alcohol and drug treatment services.
- BALANCE HEALTH SERVICES ACCOUNT - Funding for the fetal alcohol syndrome diagnostic center and treatment of drug or alcohol addicted youth is shifted to the General Fund-State from the Health Services Account. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Alcohol and Substance Abuse

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
ADATSA - Assessment										
# Assessments	1,237	1,411	1,194	1,186	1,158	1,249	1,070	1,070	1,230	1,230
% Change from prior year		14.0%	-15.4%	-0.7%	-2.4%	7.9%	-14.3%	0.0%	15.0%	0.0%
ADATSA - Outpatient Treatment *										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	274	293	291	291	303	303
% Change from prior year		N/A	N/A	N/A	N/A	6.9%	-0.7%	0.0%	4.1%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	580	571	552	505	489	525	493	493	531	531
% Change from prior year		-1.6%	-3.4%	-8.5%	-3.2%	7.4%	-6.1%	0.0%	7.7%	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 for Outpatient Treatment was converted from number of cases to number of admissions beginning in FY 94. Number of admissions is unavailable prior to FY 94.*

Data Source:

DSHS Budget Division.

Department of Social & Health Services
Medical Assistance Payments
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,327,503	2,181,120	3,508,623
1997 Supplemental *	10,385	-4,602	5,783
Total 1995-97 Expenditure Authority	1,337,888	2,176,518	3,514,406
1997-99 Maintenance Level	1,401,231	2,610,461	4,011,692
Policy Items			
1. General Inflation	-390	-605	-995
2. Caseload Decline Due to WorkFirst	-3,941	-4,282	-8,223
3. Newly Arriving Legal Immigrants	-1,518	-1,223	-2,741
4. Eliminate GA-U Vocational Factors	-12,090	0	-12,090
5. Trauma Care	-4,600	4,600	0
6. Hospital Savings	-2,310	-2,518	-4,828
7. Managed Care Per Capitas	-14,235	-27,108	-41,343
8. Prescription Drug Savings	-4,620	-4,853	-9,473
9. Providers Provide Interpreters	-7,600	-10,920	-18,520
10. Constraint of Fee-for-Service	-6,500	-8,219	-14,719
11. Premiums for Able-Bodied Adults	-5,472	-6,053	-11,525
12. Air Ambulance Rate Increase	650	638	1,288
13. Balance Health Services Account	30,313	-30,313	0
Total 1997-99 Biennium	1,368,918	2,519,605	3,888,523
Fiscal Year 1998 Totals	684,033	1,219,344	1,903,377
Fiscal Year 1999 Totals	684,885	1,300,261	1,985,146

Comments:

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| <p>1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)</p> <p>2. CASELOAD DECLINE DUE TO WORKFIRST - The number of non-disabled adults receiving publicly-funded medical assistance is expected to decrease by approximately 0.6 percent in FY 98, and by approximately 2.5 percent in FY 99 as a result of increased work opportunities resulting from welfare reform. It is assumed that most children whose parents leave or are diverted from welfare will continue to be eligible for medicaid under the 200 percent of poverty children's eligibility level. (General Fund-State, General Fund-Federal)</p> <p>3. NEWLY ARRIVING LEGAL IMMIGRANTS - As part of Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing the Federal Personal Responsibility and Work Opportunity Act), newly arriving legal aliens will be ineligible for Temporary Assistance for Needy Families (TANF) and for General Assistance-Unemployable (GA-U) for one year, or until they become citizens. After the one-year residency requirement is fulfilled, eligibility will be determined assuming the immigrant's sponsor's income is available to the immigrant. This will result in reduced medical assistance caseloads and expenditures. Adults will continue to be eligible for emergency and maternity care, and children will continue to be eligible for full-scope medical care through the state-only medical program. (General Fund-State, General Fund-Federal)</p> <p>4. ELIMINATE GA-U VOCATIONAL FACTORS - Fewer persons will qualify for medical assistance under the GA-U program because of changes which eliminate vocational factors as a contributor to eligibility for that program. (General Fund-State, General Fund-Federal)</p> <p>5. TRAUMA CARE - In 1996, the Legislature provided a General Fund-State increase in medical assistance payment rates for services delivered by designated trauma centers. This increase was expected to be temporary while a longer-term solution to the problem of uncompensated and under-compensated trauma care was developed.</p> | <p>In 1997, the Legislature enacted Chapter 331, Laws of 1997, Partial Veto (2SSB 5127), which will result in an additional \$11.5 million per year of revenue for trauma centers beginning in calendar year 1998. A portion of these revenues are used to make the increased medical assistance payment rate permanent. (General Fund-State, General Fund-Federal, Emergency Medical and Trauma Care Services Account-State)</p> <p>6. HOSPITAL SAVINGS - The Medical Assistance Administration expects to reduce expenditures by: (1) selectively contracting with only a few "Centers of Excellence" for performance of certain organ transplants; and (2) negotiating larger volume discounts with urban hospitals, as an alternative to selectively contracting with only a few of the hospitals in those areas. (General Fund-State, General Fund-Federal)</p> <p>7. MANAGED CARE PER CAPITAS - Because of competitive bidding and contract negotiation strategies, average TANF and expansion group managed care payments are expected to increase by no more than 2 percent per person per year in the 1997-99 biennium, rather than by an average of 5 percent per year as assumed in the maintenance level budget. Average managed care payments for the Supplemental Security Income (SSI) population are expected to increase by no more than 3.5 percent per year. (General Fund-State, General Fund-Federal, Health Services Account-State)</p> <p>8. PRESCRIPTION DRUG SAVINGS - The Medical Assistance Administration will achieve reductions in expenditures on the prescription drug program. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>9. PROVIDERS PROVIDE INTERPRETERS - Total projected expenditures on interpreter services will be reduced by 70 percent. (General Fund-State, Health Services Account, General Fund-Federal)</p> |
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Department of Social & Health Services
Medical Assistance Payments

10. **CONSTRAINT OF FEE-FOR-SERVICE** - The rates paid for most medical services not included in managed care are to be reduced by 2 percent. Pharmacy dispensing fees are exempted from this reduction, since pharmacy expenditures are being reduced elsewhere in the budget. (General Fund-State, General Fund-Federal)
11. **PREMIUMS FOR ABLE-BODIED ADULTS** - The DSHS Medical Assistance Administration will seek federal permission to require all adults who are not elderly or disabled to contribute \$10 per month toward the cost of their Medicaid coverage. Because a federal demonstration waiver will be required to implement this change, no savings are anticipated before the second year of the biennium. (General Fund-State, General Fund-Federal)
12. **AIR AMBULANCE RATE INCREASE** - Funding is provided to increase state payment rates for air ambulance services to a level more comparable to the percentage of billed charges paid for ground ambulance services and by other states. (General Fund-State, General Fund-Federal)
13. **BALANCE HEALTH SERVICES ACCOUNT** - Funding for the Medically Indigent program is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Medical Assistance

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		
	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Categorically Needy	362,144	406,664	473,222	520,569	559,686	614,070	655,466	693,712	726,781	747,217
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,249	319,713	313,334	309,277	309,036
Elderly	32,414	33,198	34,397	35,365	35,823	36,968	38,972	40,562	41,917	43,293
Disabled	53,103	58,834	67,904	77,335	85,454	91,396	96,230	100,427	103,766	108,760
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	164,117	202,629	234,888	249,022
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,465	19,372	19,519	19,519	19,519
Undocumented Children	1	3,227	11,127	10,911	12,361	12,787	12,927	13,114	13,287	13,460
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,862	4,135	4,127	4,127	4,127
Medically Needy	15,020	15,798	17,616	18,151	17,012	14,425	11,700	9,998	9,748	9,587
AFDC-Related	6,897	6,916	6,934	7,126	5,822	3,895	1,383	0	0	0
Elderly	4,188	4,469	5,169	5,163	5,208	4,837	4,457	4,233	4,096	3,959
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	5,626	5,626
All Others	594	502	761	616	445	134	89	58	26	2
General Assistance/ADATSA										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	12,252	10,924
State Medically Indigent										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,976	1,976
Refugees										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,244	1,107
Total Eligibles per Month	394,992	441,115	507,377	553,157	590,927	643,522	682,023	719,918	752,001	770,811
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.0%	5.6%	4.5%	2.5%

Data Sources:

FY 90 through FY 96 from DSHS Budget Division.

FY 97 through FY 99 estimates from the Legislative Fiscal Committees.

Department of Social & Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	15,587	76,084	91,671
1997 Supplemental *	7	26	33
Total 1995-97 Expenditure Authority	15,594	76,110	91,704
1997-99 Maintenance Level	15,902	77,460	93,362
Policy Items			
1. General Inflation	-22	-128	-150
2. Basic/Support Employment Grant	495	1,906	2,401
3. 1997-99 High School Graduates	869	3,208	4,077
Total 1997-99 Biennium	17,244	82,446	99,690
Fiscal Year 1998 Totals	8,652	41,476	50,128
Fiscal Year 1999 Totals	8,592	40,970	49,562

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
2. BASIC/SUPPORT EMPLOYMENT GRANT - The agency estimates that federal revenues for the Basic Support Rehabilitation Services and the Supported Employment Program will increase by approximately 3 percent per year in the 1997-99 biennium. This item provides the 21.3 percent state match which is needed if the state is to collect the increased federal funds. (General Fund-State, General Fund-Federal)
3. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for the Division of Vocational Rehabilitation to provide job training and placement for approximately 65 percent of the 900 students with developmental disabilities who will graduate from high school in 1997 and 1998. Funding for other graduates, and ongoing support for all who require it, is provided in the Division of Developmental Disabilities budget. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Administration & Supporting Services
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	51,867	41,773	93,640
1997 Supplemental *	180	127	307
Total 1995-97 Expenditure Authority	52,047	41,900	93,947
1997-99 Maintenance Level	51,782	43,467	95,249
Policy Items			
1. License Suspension	119	231	350
2. General Inflation	-287	-263	-550
3. Administrative Reduction	-3,046	-2,813	-5,859
4. Reduce Sexual Minority Initiative	-100	0	-100
5. Local Fraud Investigation Pilot	60	0	60
Total 1997-99 Biennium	48,528	40,622	89,150
Fiscal Year 1998 Totals	24,572	20,610	45,182
Fiscal Year 1999 Totals	23,956	20,012	43,968

Comments:

1. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Federal)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
3. ADMINISTRATIVE REDUCTION - Funding for the administrative functions in the agency is reduced. The Department may reduce administrative functions across its various programs to achieve this reduction, or may reduce the central administrative office budget. (General Fund-State, General Fund-Federal)
4. REDUCE SEXUAL MINORITY INITIATIVE - Funding is eliminated for the Sexual Minority Initiative.
5. LOCAL FRAUD INVESTIGATION PILOT - Funding is provided to create a pilot program to allow Pend Oreille County to investigate local public assistance fraud.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Child Support Services
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	37,839	171,509	209,348
1997 Supplemental *	477	1,260	1,737
Total 1995-97 Expenditure Authority	38,316	172,769	211,085
1997-99 Maintenance Level	41,938	178,970	220,908
Policy Items			
1. State Directory of New Hires	236	457	693
2. Paternity Establishment	89	170	259
3. License Suspension	474	781	1,255
4. General Inflation	-738	-1,432	-2,170
Total 1997-99 Biennium	41,999	178,946	220,945
Fiscal Year 1998 Totals	21,122	89,375	110,497
Fiscal Year 1999 Totals	20,877	89,571	110,448

Comments:

1. STATE DIRECTORY OF NEW HIRES - Federal welfare legislation requires that all employers are required to furnish, within 20 days, new hire data to the State Directory of New Hires. Currently only certain employers are required to report new hires. Funding is provided to implement the new federal requirement. (General Fund-State, General Fund-Federal)
2. PATERNITY ESTABLISHMENT - Federal welfare legislation requires that states establish parentage for 90 percent of the children in their child support caseload effective October 1, 1999. The previous requirement was 75 percent. Funding is provided to increase outreach to local hospitals, in order to achieve the higher paternity establishment requirement. (General Fund-State, General Fund-Federal)
3. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload associated with license suspension activities. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Payments to Other Agencies
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	41,780	16,281	58,061
1997 Supplemental *	1,450	0	1,450
Total 1995-97 Expenditure Authority	43,230	16,281	59,511
1997-99 Maintenance Level	48,640	17,768	66,408
Policy Items			
1. License Suspension	612	1,186	1,798
2. General Inflation	-31	-19	-50
3. Targeted Vendor Rate Increase	45,728	39,148	84,876
Total 1997-99 Biennium	94,949	58,083	153,032
Fiscal Year 1998 Totals	47,435	28,879	76,314
Fiscal Year 1999 Totals	47,514	29,204	76,718

Comments:

- LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in appeals workload and hearings. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- TARGETED VENDOR RATE INCREASE - Funding is provided for vendor rate increases throughout DSHS. The Department will target the vendor rate increases to more effectively deal with services where there is a lack of qualified providers. The Department may provide different levels of vendor rate increase to different classifications of providers but may not grant increases that cause additional carryforward costs in the 1999-2001 biennium. The amount included is equal to the cost of a 3 percent vendor rate increase effective July 1, 1997. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reductions and Drug Enforcement Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Other Human Services

Health Care Authority/Basic Health Plan

As discussed in detail in the section on the Health Services Account on page 4, the budget increases enrollments in the Basic Health Plan and makes a number of changes in the co-pay and subsidy structure. An additional \$800,000 is provided for the Authority to keep pace with increased workload in the public employee benefits programs.

Board of Industrial Insurance Appeals

Funding of \$1.4 million from the Medical Aid and Accident funds is provided for additional staff and office space due to an increased workload. A new relational database management system is also funded to better manage agency workload.

Criminal Justice Training Commission

The mandatory training of correctional and law enforcement officers provided by the Commission is fully funded. In addition, funding is also provided for the continuation of the law enforcement and correctional officer training study to improve the training program in the future.

Department of Labor and Industries

An amount of \$3.1 million from the Medical Aid and Accident Funds is provided for improved technology in support of workers' compensation claims management service delivery and to develop and implement cost savings strategies through alternative health care delivery models and efficient medical reimbursement programs.

Indeterminate Sentence Review Board

Pursuant to Chapter 350, Laws of 1997 (HB 1646), \$936,000 from the state general fund is provided for continuation of the board that has jurisdiction over offenders who committed crimes prior to the implementation of the Sentencing Reform Act in 1984.

Department of Health

The budget provides \$6.6 million from the state general fund and \$3.4 million General Fund-Federal for the AIDS Prescription Drug Program. The program shall be operated within funds appropriated for that purpose. The Department is directed to take action to ensure that expenditures remain within appropriations.

The budget provides \$21.0 million from the Emergency Medical and Trauma Care Account to fund Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). Revenues generated by the bill will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided.

Department of Veterans' Affairs

A total of \$45.6 million (\$11.5 million state general fund) is provided for continued operation of the two state veterans' homes. Contracted field offices and counseling services will receive a 3 percent cost-of-living increase effective July 1, 1997. A total of \$144,000 is provided to recruit, train, and support volunteers to assist veterans with claims for federal benefits.

Department of Corrections

A total of \$848.5 million in state and federal funds is provided for the Department of Corrections (DOC) for the 1997-99 biennium.

A total of \$11.5 million is provided to DOC to implement Chapter 338, Laws of 1997 (E3SHB 3900), which includes a provision that requires the automatic transfer of 16- and 17-year-olds charged with certain violent crimes and certain criminal histories to the adult system. Funding to implement this legislation is also provided to the Superintendent of Public Instruction and the Juvenile Rehabilitation Administration division of DSHS. Additional information is provided on page 5. Also, \$1.6 million from the state general fund is included to provide a 3 percent vendor rate increase on July 1, 1997, for contracted work-release facilities and community colleges providing educational services to offenders. The sum of \$500,000 from the Violence Reduction and Drug Enforcement Account and \$100,000 from federal funds (Byrne grant) through the Department of Community, Trade, and Economic Development is provided to conduct a feasibility study for the possible future replacement of the Offender Based Tracking System.

Savings of \$15.8 million are achieved through various measures including: implementing additional health care cost containment efforts; administrative reductions; reducing purchased goods, services, and equipment; delaying the opening of the Tacoma pre-release facility; eliminating selected specialists; reducing custody staff overtime; and other efficiencies and consolidations. The budget also seeks to maximize federal funding and funds approximately \$18.1 million in workload growth from federal rather than state sources.

Employment Security Department

A total of \$7.9 million in state and federal funding is provided for unemployment insurance business reform activities which are intended to improve services to clients and reduce administrative costs through implementation of claim and adjudication call centers, overpayment detection and collection systems, and improved collection of employer wage information.

An amount of \$2.4 million from the state general fund is provided for labor market information and employer outreach services to support local workforce training and placement activities.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,806	318,279	325,085
1997 Supplemental *	0	-4,000	-4,000
Total 1995-97 Expenditure Authority	6,806	314,279	321,085
1997-99 Maintenance Level	7,070	536,068	543,138
Policy Items			
1. BHP Enrollment Expansion	0	22,541	22,541
2. PEBB Customer Service	0	807	807
3. Reduce Promotions and Commissions	0	-1,008	-1,008
4. Restructure Subsidized BHP	0	-7,000	-7,000
5. Increase Managed Competition	0	0	0
6. General Inflation	-251	-938	-1,189
7. Financial Sponsorship Fees	0	0	0
8. BHP Subsidy Scale	0	0	0
9. Health Care Savings Accounts	0	150	150
10. Balance Health Services Account	5,814	-5,814	0
Total 1997-99 Biennium	12,633	544,806	557,439
Fiscal Year 1998 Totals	6,316	253,334	259,650
Fiscal Year 1999 Totals	6,317	291,472	297,789

Comments:

- BHP ENROLLMENT EXPANSION - The Legislative budget provides funds for an additional 8,000 people to receive state-subsidized health insurance through the Basic Health Plan (BHP). In addition to these new enrollees, new funding is provided in the Department of Social & Health Services budget for homecare worker enrollment in the subsidized BHP to increase by approximately 3,700 in the 1997-99 biennium. With these increases, total enrollment in the subsidized BHP will average 141,000 persons per month in FY 98, and 143,000 persons per month in FY 99. (Health Services Account-State; Basic Health Plan Trust Account-Non-Appropriated)
- PEBB CUSTOMER SERVICE - Additional Public Employees Benefits Board (PEBB) funding is included for increased workload in benefit services support, accounting support, appeals, and for rebidding the Uniform Medical Plan third-party administrator contract. This increase is necessary due to additional customers (e.g., 15,000 additional K-12 retirees) and increased workload as a result of changes in the provision of state employee benefits implemented in the 1995-97 biennium. (State Health Care Authority Administrative Account)
- REDUCE PROMOTIONS AND COMMISSIONS - Because subsidized Basic Health Plan enrollment has reached its budgeted capacity of 130,000, and there are an estimated 70,000 people waiting to enroll, funding is eliminated for commissions to insurance brokers and for marketing. (Health Services Account)
- RESTRUCTURE SUBSIDIZED BHP - The following increases are anticipated in BHP point-of-service co-pay requirements: (a) from \$8 to \$10 for office visits; (b) from \$50 to \$100 per admission for hospitalizations; (c) from \$25 to \$50 per visit for emergency room use; (d) from \$25 to \$50 per transport for ambulance use; and (e) from \$8 to \$25 for outpatient clinic visits. The Health Care Authority is authorized to modify the package in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Health Services Account-State)
- INCREASE MANAGED COMPETITION - Health Services Account expenditures are expected to be reduced by at least \$21 million by basing the state BHP subsidy on the premium charged by the lowest-cost plan readily available to the large majority of enrollees, rather than on the premium of the highest-priced plan as is currently the case. This will reduce state costs by giving health plans additional incentives to limit premium increases, and by shifting the extra cost for enrollees who choose a higher-cost plan from the state to the enrollee. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, State Health Care Administrative Account; Health Services Account; Basic Health Plan Subscription Account)
- FINANCIAL SPONSORSHIP FEES - Health plans, hospitals, clinics, and any other group paid to deliver BHP services will be required to pay a minimum of \$30 per month to sponsor BHP enrollment for individuals qualifying for state subsidy. The State will continue to subsidize the remaining 60 - 70 percent of the enrollees' insurance premium. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Non-Appropriated Account)
- BHP SUBSIDY SCALE - Three changes in the current BHP subsidy scale are anticipated: (1) minimum premium payments are increased from \$10 to \$12 per month for adults with incomes between 66-100 percent of the federal poverty level, and from \$10 to \$15 for those with incomes between 100-125 percent of the poverty level; (2) for adults with family incomes between 125-200 percent of poverty, the state is expected to subsidize 41-76 percent of total premium costs, rather than 54-85 percent of premium costs as is currently the case; and (3) the maximum family premium is expected to be capped at three times the individual premium share, rather than twice the individual premium as is currently done. The Health Care Authority is authorized to modify the subsidy scale in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining current enrollment levels within budgeted funds. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)

Washington State Health Care Authority

9. HEALTH CARE SAVINGS ACCOUNTS - Funding was provided to cover start-up costs associated with the development of a medical savings account option for enrollees in the non-subsidized Basic Health Plan. However, because the legislation requiring a pilot of this approach was not enacted, these funds will lapse. (Health Services Account)
10. BALANCE HEALTH SERVICES ACCOUNT - State general funds are provided to replace the Health Services Account revenues which would otherwise be used for the grants to community clinics program. (Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Vetoes:

The Governor vetoed Section 210(5) of Chapter 454, Laws of 1997, Partial Veto (ESHB 2259) which required the Health Care Authority to report on the number of Basic Health Plan enrollees who are illegal immigrants.

Washington State Health Care Authority

WORKLOAD HISTORY

Fiscal Year Averages For Monthly Subsidized Enrollees

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Basic Health Plan										
Monthly Subsidized Enrollees *	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,621	140,995	142,860
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.7%	13.1%	1.3%

* FY 95 through FY 99 enrollments include homecare workers funded in the DSHS Long-Term Care and Developmental Disabilities budgets.

Data Sources:

FY 90 through FY 97 from the Health Care Authority.

FY 98 and FY 99 estimates from the Legislative Fiscal Committees.

Human Rights Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,917	1,746	5,663
1997-99 Maintenance Level	4,075	1,718	5,793
Policy Items			
1. General Inflation	-20	-15	-35
Total 1997-99 Biennium	4,055	1,703	5,758
Fiscal Year 1998 Totals	2,019	870	2,889
Fiscal Year 1999 Totals	2,036	833	2,869

Comments:

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

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	19,633	19,633
1997-99 Maintenance Level	0	20,400	20,400
Policy Items			
1. Relational Database System	0	83	83
2. Workload Increase	0	1,141	1,141
3. New Appeal Specialists	0	184	184
4. General Inflation	0	-216	-216
Total 1997-99 Biennium	0	21,592	21,592
Fiscal Year 1998 Totals	0	10,704	10,704
Fiscal Year 1999 Totals	0	10,888	10,888

Comments:

1. RELATIONAL DATABASE SYSTEM - Funding is provided for consulting services and the purchase of a new computing platform and upgraded file servers. The Board will migrate to a relational database management system and file server environment. (Accident and Medical Aid Accounts-State)
2. WORKLOAD INCREASE - Funding is provided for additional staff to accommodate a 6 percent annual workload increase in appeals. Additional space is also funded to accommodate the increased staff in Seattle and Spokane. (Accident and Medical Aid Accounts-State)
3. NEW APPEAL SPECIALISTS - Funding is provided for two new Appeal Specialist positions that will relieve judges from some administrative duties, allowing more time for dispute resolution. (Accident and Medical Aid Accounts-State)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	11,418	11,418
1997 Supplemental *	0	536	536
Total 1995-97 Expenditure Authority	0	11,954	11,954
<hr/>			
1997-99 Maintenance Level	0	13,708	13,708
Policy Items			
1. Domestic Violence Initiative	0	100	100
2. Vendor Rate Increase	0	32	32
3. General Inflation	0	-184	-184
4. Law Enf Supervision Training	0	92	92
5. Study Expanded Training & Funding	0	130	130
6. Law Enf Training Legislation	0	40	40
<hr/>			
Total 1997-99 Biennium	0	13,918	13,918
Fiscal Year 1998 Totals	0	6,993	6,993
Fiscal Year 1999 Totals	0	6,925	6,925

Comments:

1. DOMESTIC VIOLENCE INITIATIVE - Funding is provided for increased domestic violence training and reporting. (General Fund-Federal)
2. VENDOR RATE INCREASE - Funding is provided for a 3 percent cost-of-living increase for Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. (Public Safety and Education Account-State)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENF SUPERVISION TRAINING - Provides funding for 315 police officers to attend supervisory and management training. Under current law, attendance at the course is encouraged but not mandatory. (Public Safety and Education Account-State)
5. STUDY EXPANDED TRAINING & FUNDING - Funding is provided for an expanded study of law enforcement and corrections training. In addition to continuing the work begun in 1996, the study will also produce a comprehensive list of courses offered, the actual cost of offering each type of class, and what fees, if any, should be charged. Finally, the study will focus on training needs of the corrections system. (Public Safety and Education Account-State)
6. LAW ENF TRAINING LEGISLATION - Funding is provided to implement Chapter 351, Laws of 1997, Partial Veto (E2SHB 1423). The legislation requires: 1) the presentation of an annual class on child abuse and neglect investigation; and 2) supervisors and managers in law enforcement to attend mandatory training. Funding for the first item is provided here while the second provision is funded as a separate item (Item 4). (Public Safety and Education Account-State)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Labor & Industries

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	10,981	354,897	365,878
1997 Supplemental *	0	1,093	1,093
Total 1995-97 Expenditure Authority	10,981	355,990	366,971
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1997-99 Maintenance Level	13,564	364,190	377,754
Policy Items			
1. Claims Service Delivery	0	1,950	1,950
2. Contractor Service Improvement	50	650	700
3. Injury & Disability Prevention	0	1,125	1,125
4. Legal Services Support	0	630	630
5. License Suspension	78	78	156
6. Process Improvements	0	108	108
7. General Inflation	-39	-1,904	-1,943
8. Plumber Certification	0	101	101
<hr/>			
Total 1997-99 Biennium	13,653	366,928	380,581
Fiscal Year 1998 Totals	6,805	185,592	192,397
Fiscal Year 1999 Totals	6,848	181,336	188,184

Comments:

1. CLAIMS SERVICE DELIVERY - Funding is provided for detailed planning, design, development, piloting, and implementation of technology applications to improve claims management services. (Accident and Medical Aid Accounts-State)
2. CONTRACTOR SERVICE IMPROVEMENT - Provides funding for a feasibility study and general design of an Electrical Permitting and Inspection System and a Credentialing Information System. (General Fund-State, Electrical License Account, Accident and Medical Aid Accounts-State)
3. INJURY & DISABILITY PREVENTION - Funding is provided for the following two activities: (1) Occupationally Focused Health Care Systems - A consultant will assist the agency in developing alternative health care delivery system models that respond to the findings of the University of Washington's managed care pilot evaluation; and (2) Effectiveness of Medical Reimbursement Programs - A consultant will develop and maintain a structured, data driven reimbursement approach to medical benefit payments. The analysis will focus on the Professional Fee Schedule, Hospital Inpatient Prospective Payment System, Pharmacy Fee Schedule, Medical and Surgical Supplies, and the Department of Labor and Industries' Unique Coding Systems. (Accident and Medical Aid Accounts-State)
4. LEGAL SERVICES SUPPORT - Provides funds for two Assistant Attorneys General and one paralegal needed to address the industrial insurance appeals workload increase. (Accident and Medical Aid Accounts-State)
5. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provisions of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (General Fund-State, Plumbing Certificate Account, Electrical License Account)
6. PROCESS IMPROVEMENTS - Funding is provided for one staff position to assist the director in evaluating agency operational improvements. (Accident and Medical Aid Accounts-State)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. PLUMBER CERTIFICATION - Provides funding and one staff position to implement Chapter 326, Laws of 1997 (SSB 5749) which requires the examination and certification of medical gas piping installers. (Plumbing Certificate Account)

NOTE: Subsection 4: The Secretary of the Department of Social and Health Services and the Director of Labor and Industries shall report to the Legislature by July 1, 1997, and every six months after on the measurable changes in employee injury and time-loss rates that have occurred in the state Developmental Disabilities, Juvenile Rehabilitation, and Mental Health institutions as a result of the up-front loss-control discount agreement between the agencies.

Subsection 5: Expenditures may not exceed available funding. The expenditures of the elevator, factory assembled structures, and contractors' registration and compliance programs may not exceed the revenues generated by the programs.

Subsection 8: \$593,000 of non-appropriated funds from the Medical Aid Account shall be allocated to the Joint Legislative Audit and Review Committee for a performance audit and operations review of the state workers' compensation system pursuant to Chapter 330, Laws of 1997 (SSB 6030).

* Please see the 1997 Supplemental Operating Budget section for additional information.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,285	0	2,285
1997-99 Maintenance Level	1,141	0	1,141
Policy Items			
1. Agency Reauthorization	936	0	936
2. General Inflation	-16	0	-16
Total 1997-99 Biennium	2,061	0	2,061
Fiscal Year 1998 Totals	1,141	0	1,141
Fiscal Year 1999 Totals	920	0	920

Comments:

1. AGENCY REAUTHORIZATION - Funding is provided to implement Chapter 350, Laws of 1997 (HB 1646) which reauthorizes the Board for an additional ten years. This legislation also allows part-time board members which results in lower operating costs.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington Health Care Policy Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	4,339	4,339
1997 Supplemental *	0	-316	-316
Total 1995-97 Expenditure Authority	0	4,023	4,023
1997-99 Maintenance Level	0	4,412	4,412
Policy Items			
1. Eliminate Board	0	-4,387	-4,387
2. General Inflation	0	-25	-25
Total 1997-99 Biennium	0	0	0
Fiscal Year 1998 Totals	0	0	0
Fiscal Year 1999 Totals	0	0	0

Comments:

1. ELIMINATE BOARD - As directed by Chapter 274, Laws of 1997 (ESHB 2264 -- Health Care Policy Board Elimination), funding is eliminated for the Health Care Policy Board effective July 1, 1997. (Health Services Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,967	353,430	442,397
1997 Supplemental *	1,273	4,800	6,073
Total 1995-97 Expenditure Authority	90,240	358,230	448,470
1997-99 Maintenance Level	101,601	379,289	480,890
Policy Items			
1. Farmworker Housing	141	0	141
2. Public Water System Supervision	0	1,467	1,467
3. Automated System Development	0	2,134	2,134
4. Youth Tobacco Prevention	0	400	400
5. Public Water System Regulation	0	5,385	5,385
6. Health Services Account Reduction	0	-8,505	-8,505
7. Child Death Review Team	0	1,000	1,000
8. Reduce State Toxics Control Account	0	-65	-65
9. License Suspension	0	259	259
10. Boarding Home Quality Assurance	406	406	812
11. EMS Trauma	-220	0	-220
12. Maternal and Child Health Contracts	-588	0	-588
13. Environmental Radiation	-508	0	-508
14. Administrative Reduction	-703	0	-703
15. Puget Sound Work Plan	730	0	730
16. General Inflation	-482	-1,409	-1,891
17. Mandated Health Benefit Review	100	0	100
18. Dental Services for Children	200	0	200
19. Abstinence Education	0	700	700
20. AIDS Prescription Drug Program	-2,039	0	-2,039
21. Transfer of Public Health Funding	0	0	0
22. Merging Accounts	0	0	0
23. County Public Health Appropriation	2,250	0	2,250
24. Attorney General Anti-trust	120	0	120
25. Improve Access to Oral Health	300	0	300
26. Trauma Care Services	0	21,042	21,042
27. Natural Medicine Clinic	500	0	500
28. Poison Center Enhancement	250	0	250
29. Balance Health Services Account	26,679	-26,679	0
Total 1997-99 Biennium	128,737	375,424	504,161
Fiscal Year 1998 Totals	62,996	185,954	248,950
Fiscal Year 1999 Totals	65,741	189,470	255,211

Comments:

- FARMWORKER HOUSING - Funding is provided for the cost of an additional licenser/surveyor for temporary farmworker housing in order to meet increased workload as additional housing is developed.
- PUBLIC WATER SYSTEM SUPERVISION - Additional federal funding is provided for the Drinking Water program as a result of the reauthorization of the federal Safe Drinking Water Act. Activities funded are the development of a water data management system and compliance efforts to meet requirements of the federal Safe Drinking Water Act. (General Fund-Federal)
- AUTOMATED SYSTEM DEVELOPMENT - Funding is provided for a Health Professions Licensing and Disciplinary Management System to be used primarily for complaint tracking and management. The new system will be developed and implemented by July 1998. Increases in some fees which fund the Health Professions/Medical Disciplinary Account will be required at less than the limit imposed by Initiative 601. (Medical Disciplinary Account)
- YOUTH TOBACCO PREVENTION - Funding from the Youth Tobacco Prevention Account is provided for additional activities related to tobacco use prevention, education, and enforcement. Additional revenue is available in this account to fund these activities. Seventy percent of the funds are provided to local health jurisdictions for coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth and 30 percent are provided to the Liquor Control Board through an interagency agreement for enforcement of laws relating to access to tobacco by youth. (Youth Tobacco Prevention Account)
- PUBLIC WATER SYSTEM REGULATION - Funding is provided for additional activities required as a result of passage of the federal Safe Drinking Water Act of 1996, which establishes the State Revolving Fund and other program requirements for the Drinking Water program. (General Fund-Federal)

Department of Health

6. HEALTH SERVICES ACCOUNT REDUCTION - In order to bring Health Services Account expenditures into line with forecasted revenues, activities funded by the account are eliminated or reduced. Activities reduced or eliminated are listed below.

Health personnel training funding is reduced by \$1.0 million. The American Indian Health Care Plan funding is reduced by \$200,000. Basic Health Plan enrollment assistance of \$300,000 is eliminated. Multicultural assistance of \$100,000 is eliminated. The Health Professions Resource Plan funding is reduced by \$600,000 and the Plan is to be completed within existing Department funding. Health Quality Data Standards funding is reduced by \$1.6 million. Funding for teen pregnancy prevention is reduced by \$700,000 and the reduction is supplanted with federal abstinence funding. The Information System for Public Health Officials funding is reduced by \$1.6 million to be supplanted through user fees to local health jurisdictions using the system. Children with Special Health Care Needs funding for the Children's Hospital is reduced by \$900,000 and the family support and provider training activities are to continue to be provided. Funding for information kiosks of \$5,000 is eliminated. Public Health Improvement Plan (PHIP) state capacity funding is reduced by \$1.0 million and PHIP local capacity funding is reduced by \$500,000. (Health Services Account, Public Health Account)
7. CHILD DEATH REVIEW TEAM - Funding is provided for implementation of a statewide child mortality review process. Local health jurisdictions will coordinate child mortality reviews, develop local child mortality review protocols, and serve as the appointing authority and lead agency for local child death review teams. The Department of Health will develop standard aggregate data elements, collect and analyze local child mortality review data, provide technical assistance to local child mortality review teams, and approve local child death review protocols. (Death Investigations Account)
8. REDUCE STATE TOXICS CONTROL ACCOUNT - Expenditures from the State Toxics Control Account are reduced to accommodate estimated revenues. (State Toxics Control Account)
9. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Private/Local, Health Professions Account)
10. BOARDING HOME QUALITY ASSURANCE - Funding is provided in the boarding home quality assurance program to improve the timeliness of response to complaints, increase the number and quality of technical assistance visits, and increase the depth and detail of annual inspections. These activities are funded with General Fund-State funds and through license fee increases. Fee increases are anticipated to be 20 percent on July 1, 1997 (to \$44.82 per bed) and another 10 percent on July 1, 1998 (to \$49.30 per bed). (General Fund-State, General Fund-Local)
11. EMS TRAUMA - Funding to local Emergency Medical Services (EMS) regions is reduced. Funding is used for training technicians, operating trauma prevention programs, planning and developing local emergency medical systems, and integrating them into the statewide trauma care system.
12. MATERNAL AND CHILD HEALTH CONTRACTS - Funding for Maternal Child Health activities is reduced. Reductions will be achieved through greater use of managed care organizations' services and other adjustments related to targeting of funds to local contractors.
13. ENVIRONMENTAL RADIATION - Funding for the environmental monitoring program is reduced. Reductions will be achieved through the elimination of ionizing radiation emissions monitoring and the elimination of the state health laboratory support for this program.
14. ADMINISTRATIVE REDUCTION - Administrative staff and costs for the Department are reduced.
15. PUGET SOUND WORK PLAN - Funding is provided for outreach and technical assistance to local health jurisdictions for Puget Sound Work Plan activities. Funded programs include local on-site sewage issues, contracting with local health jurisdictions for recreational shellfish activities, contracts to research and demonstrate alternative and experimental on-site sewage systems, and developing an integrated shellfish data system.
16. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Hospital Commission Account, Medical Disciplinary Account, Health Professions Account, Safe Drinking Water Account, Public Health Account, Water Works Certification Account, Water Quality Account, State Toxics Account, Violence Reduction and Drug Enforcement Account, Medical Test Site Licensure Account, Youth Tobacco Prevention Account, Health Services Account)
17. MANDATED HEALTH BENEFIT REVIEW - Funding is provided to implement Chapter 412, Laws of 1997 (2SHB 1191 -- Mandated Health Benefit Review), which establishes a process for reviewing mandated health benefit proposals. The Department will review proposals when requested to do so by the Legislature.
18. DENTAL SERVICES FOR CHILDREN - To improve access to dental care for children in rural and underserved areas, funding is provided for retired dentists' malpractice insurance costs.
19. ABSTINENCE EDUCATION - Funding is provided for Section 601 (creating an Abstinence Education Program) of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Department is required to apply for federal funds which are available for an abstinence education program. Approximately \$700,000 in federal funding is available to the State for this program. Of that amount, \$400,000 shall be transferred to the Office of the Superintendent of Public Instruction for the 1998-99 school year to fund ongoing projects in abstinence education. All projects receiving this funding must comply with the abstinence education provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (General Fund-State, General Fund-Federal)
20. AIDS PRESCRIPTION DRUG PROGRAM - Funding provided for the AIDS Prescription Drug Program (APDP) is reduced. The Department must operate the program within the funding appropriated and may use various methods to manage the program. Techniques the Department may use include a cap on the number of recipients who receive protease inhibitors, seeking a lower drug cost, or limiting enrollment.
21. TRANSFER OF PUBLIC HEALTH FUNDING - Funding is transferred from the Public Health Account to the Health Services Account, totaling \$26.3 million. This transfer will eliminate the need to make a transfer in the budget bill. (Public Health Account, Health Services Account)
22. MERGING ACCOUNTS - Chapter 79, Laws of 1997 (SB 5448), eliminates the Medical Disciplinary Account and merges it into the Health Professions Account. A total of \$4.0 million is transferred. (Medical Disciplinary Account, Hospital Professions Account)
23. COUNTY PUBLIC HEALTH APPROPRIATION - Funding is appropriated to the County Public Health Account from General Fund-State for transfer to local health jurisdictions for use in funding public health activities. The appropriation eliminates the need for a transfer to the Public Health Account in the back of the budget bill.
24. ATTORNEY GENERAL ANTI-TRUST - Funding is provided for implementation of Chapter 274, Laws of 1997 (ESHB 2264 -- Eliminating the Health Care Policy Board). Funding is provided to support anti-trust activities performed by the Attorney General's Office.

Department of Health

25. **IMPROVE ACCESS TO ORAL HEALTH** - Funding is provided for community-based oral health grants that may fund sealant programs, education, prevention, and other oral health interventions. Grants may be awarded to state- or federally-funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants must include: 1) an assessment of the community's oral health education and prevention needs; 2) identification of the population to be served; and 3) a description of the grant program's predicted outcomes.
26. **TRAUMA CARE SERVICES** - Funding is provided for Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). The bill generates fee revenue to be used for funding trauma services around the state. Revenue generated will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided. (Emergency Medical Services and Trauma Care Account)
27. **NATURAL MEDICINE CLINIC** - Funding is provided for operation of a naturopathic medicine clinic constructed in South King County in 1996. This funding is intended to assist in payment of start-up costs for the clinic and is one-time in nature.
28. **POISON CENTER ENHANCEMENT** - Funding is provided for an enhancement to the poison center operating budget.
29. **BALANCE HEALTH SERVICES ACCOUNT** - A transfer of Health Services Account funding to General Fund-State is made to reduce expenditures from the Health Services Account to be within available funding. Functions transferred include the youth suicide program (\$1.0 million), pesticide reporting activities (\$700,000), and family support and training activities related to children with special health care needs performed by Children's Hospital (\$1.0 million). (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Veterans' Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	19,996	30,644	50,640
1997 Supplemental *	-1,490	1,513	23
Total 1995-97 Expenditure Authority	18,506	32,157	50,663
1997-99 Maintenance Level	18,875	34,334	53,209
Policy Items			
1. Central Office Move	140	0	140
2. Field Services Outreach	144	0	144
3. Field Services Vendor Rate Increase	76	0	76
4. Veterans Home Replacement Equipment	130	0	130
5. Computer Support Staff	89	0	89
6. General Inflation	-333	0	-333
Total 1997-99 Biennium	19,121	34,334	53,455
Fiscal Year 1998 Totals	9,928	16,826	26,754
Fiscal Year 1999 Totals	9,193	17,508	26,701

Comments:

1. CENTRAL OFFICE MOVE - Funding is provided to cover the cost of the agency's relocation of its headquarters into an office with 80 percent more space, costing 36 percent more per square foot.
2. FIELD SERVICES OUTREACH - Funding is provided to reimburse volunteer service officers for travel and other costs associated with providing outreach claims services to veterans' and their family members.
3. FIELD SERVICES VENDOR RATE INCREASE - Funds are provided for a 3 percent vendor rate increase effective July 1, 1997 for the ten contracted field offices and providers of Post Traumatic Stress Disorder (PTSD) treatment services.
4. VETERANS HOME REPLACEMENT EQUIPMENT - Additional funding is provided for the purchase of resident care equipment, vehicles, and other equipment necessary for the operation of the Retsil facility.
5. COMPUTER SUPPORT STAFF - Provides one computer technology specialist, to be shared between the Veterans' and the Soldiers' Homes, to assist with automation of the client assessment and care planning information as well as other business systems.
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Corrections

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	735,433	6,032	741,465
1997 Supplemental *	3,251	0	3,251
Total 1995-97 Expenditure Authority	738,684	6,032	744,716
1997-99 Maintenance Level	829,988	22,994	852,982
Policy Items			
1. Delay Hiring Supervision Staff	-512	0	-512
2. Goods and Services Savings	-1,656	0	-1,656
3. Reduce Workload Support	-427	0	-427
4. Administrative Reductions	-2,786	0	-2,786
5. Eliminate Selected Specialists	-830	0	-830
6. Reduce Custody Staff Overtime	-700	0	-700
7. Reduce CI Expansion	-1,077	0	-1,077
8. Field Office Consolidations	-248	0	-248
9. Delay Tacoma Pre-Release	-1,330	0	-1,330
10. Data Communications Upgrade	1,168	0	1,168
11. General Inflation	-4,152	-40	-4,192
12. Health Care Savings	-5,100	0	-5,100
13. Vendor Rate Increase	1,566	0	1,566
14. Reduce Work Crews	-352	0	-352
15. Eliminate Artist-in-Residence	-42	0	-42
16. Reduce On-Site Evaluations	-28	0	-28
17. Reduce Mental Health R&D	-200	0	-200
18. CCO Automation Efficiencies	-377	0	-377
19. Local Government Impacts	425	0	425
20. Tracking System Replacement	0	500	500
21. Sentencing & Policy Legislation	348	0	348
22. Juvenile Justice Legislation	11,532	0	11,532
23. Mentally Ill Offender Project	-146	0	-146
Total 1997-99 Biennium	825,064	23,454	848,518
Fiscal Year 1998 Totals	406,048	15,114	421,162
Fiscal Year 1999 Totals	419,016	8,340	427,356

Comments:

1. DELAY HIRING SUPERVISION STAFF - The maintenance level budget includes funding for additional Community Corrections Officers to supervise additional offenders. Savings are generated by delaying the hiring of these additional Community Corrections Officers by an average of 120 days.
2. GOODS AND SERVICES SAVINGS - Funding is reduced due to savings in the purchase of goods, services, and equipment. In the 1995-97 biennium, the Department purchased a number of items using cash instead of debt service. This reduced the need for resources to be dedicated in the 1997-99 biennium for repayment.
3. REDUCE WORKLOAD SUPPORT - Funding is reduced through the reduction of support staff. As the offender population in the Department grows, additional support staff are added in areas like data processing, accounting, and correctional industries. All of the staff added for workload growth in the Administration Program and a portion of those added in the Correctional Industries Program are eliminated.
4. ADMINISTRATIVE REDUCTIONS - Savings are generated through a number of administrative reductions and consolidations in the Division of Community Corrections and the Division of Prisons.
5. ELIMINATE SELECTED SPECIALISTS - Savings are generated by eliminating a number of community corrections specialist positions. The services provided by the specialists will be transitioned into the regular duties of other staff. Training will typically be provided by computer-based training programs and videos rather than by the specialists.
6. REDUCE CUSTODY STAFF OVERTIME - Savings will be achieved by making better use of intermittent staff to reduce overtime. The Department will also implement programs aimed at improving scheduling and reducing sick leave.
7. REDUCE CI EXPANSION - Funding provided at maintenance level for expanding offender employment is reduced. In addition, \$400,000 per year in expenditures associated with this expansion will be paid from the non-appropriated Correctional Industries (CI) Revolving Fund.
8. FIELD OFFICE CONSOLIDATIONS - Savings are generated by closing four community corrections field offices. When a facility is closed, offenders and staff will typically be assigned to the next closest facility.
9. DELAY TACOMA PRE-RELEASE - Savings are generated by delaying the opening of 60 beds at the Tacoma Pre-Release facility from January 1999 until July 1999.

Department of Corrections

10. DATA COMMUNICATIONS UPGRADE - Funding, mostly one-time, is provided to upgrade the Department's wide area network (WAN) to meet the needs of increased system utilization. The network supports several mission critical data systems including the Offender Based Tracking System (OBTS). Of the amount funded, only \$96,000 is an ongoing cost.
11. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
12. HEALTH CARE SAVINGS - Funding is reduced to capture anticipated savings in offender health care costs. The 1995 Legislature required the Office of Financial Management to contract with a private research company to identify cost saving strategies for delivering and managing inmate health care. The study recommended several strategies which, if implemented, are projected to save \$5.1 million in the 1997-99 biennium. The Department will consult with direct health care service providers and health care staff in implementing these strategies.
13. VENDOR RATE INCREASE - Provides funding for a vendor rate increase of 3.0 percent. Those receiving a rate increase include providers of contracted work release facilities and community colleges providing educational services to offenders.
14. REDUCE WORK CREWS - Savings are generated by eliminating four community service work crews. In most cases, work crews are paid for by the entity benefiting from their work. Funding is eliminated for four work crews which did not receive reimbursement. Funding for litter pick up activities performed by adult and juvenile correctional work crews is funded separately in the Department of Ecology's budget.
15. ELIMINATE ARTIST-IN-RESIDENCE - Funding is eliminated for the Artist-in-Residence program. This program brings artists into prisons for a two-week residency working with offenders. In recent years, available federal funding for the program has shrunk, reducing the scope of the program.
16. REDUCE ON-SITE EVALUATIONS - Savings are generated by discontinuing on-site safety inspections and evaluations in Division of Community Corrections field offices.
17. REDUCE MENTAL HEALTH R&D - Savings are achieved by reducing mental health research and program development by one-half. This service is provided, under contract, by the University of Washington.
18. CCO AUTOMATION EFFICIENCIES - The Division of Community Corrections has purchased portable computers with cellular modems for community corrections officers (CCOs). By using this equipment, CCOs can check offender data and enter information directly from the field. Currently, CCOs must write the data down and then come back to the office to enter it into the system. In addition to the purchase of equipment, the Department incurs additional costs for the use of cellular modems to transfer data. It is assumed that the efficiencies generated by the program will cover the additional cellular costs.
19. LOCAL GOVERNMENT IMPACTS - Funding is provided for one-time local government impact costs associated with the opening of 512 additional beds at the Airway Heights Corrections Center.
20. TRACKING SYSTEM REPLACEMENT - Funding is provided for a feasibility study for the possible future replacement of the Offender Based Tracking System. An additional \$100,000 in funding is provided from the federal Byrne Grant program administered by the Department of Community, Trade, and Economic Development. (Violence Reduction and Drug Enforcement Account)
21. SENTENCING & POLICY LEGISLATION - Funding is provided to implement: Chapter 196, Laws of 1997, Partial Veto (ESSB 5044), which increases the penalties associated with the transmission of the human immunodeficiency virus (HIV); and Chapter 364, Laws of 1997 (ESSB 5759), which requires the Department of Corrections to assign a risk classification level to sex offenders released from their facilities.
22. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium.
23. MENTALLY ILL OFFENDER PROJECT - Funding is reduced to reflect savings resulting from the implementation of the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one Regional Support Network or other service provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community. Many of the offenders eligible for the program lack approved housing but are otherwise eligible for release into the community. Under the project, some of these offenders would be released into community supervision and thus save prison beds.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Vetoes:

The Governor vetoed a proviso which expressed that it is the intent of Legislature that the Department of Corrections reduce health care expenditures in the 1997-99 biennium according to the scenario identified in the 1996 Health Services Delivery System Study. The proviso also required the Department of Corrections to consult with direct health services providers and health care staff in implementing the scenario.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Work Release/Pre-Release										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,123	1,266	1,303
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.6%	12.7%	2.9%
Community Supervision										
# Active Offenders	33,250	35,655	39,900	42,294	44,713	47,749	51,084	54,034	57,390	59,313
% Change from prior year		7.2%	11.9%	6.0%	5.7%	6.8%	7.0%	5.8%	6.2%	3.4%
Institutions										
Avg Daily Pop/Month	6,675	7,383	8,327	9,124	9,557	10,016	10,726	11,487	12,017	12,554
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.1%	4.6%	4.5%
Avg Cost Per Inmate *										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,438	\$24,031	\$23,924	\$23,621	\$24,956	\$24,261
% Change from prior year		-3.1%	-1.7%	3.4%	3.1%	2.5%	-0.4%	-1.3%	5.7%	-2.8%

* Includes prison, pre-release, and work training release inmates.

Data Sources:

FY 90 through FY 99 from Division of Management and Budget at Department of Corrections.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

Department of Services for the Blind

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,589	11,589	14,178
1997-99 Maintenance Level	2,677	11,952	14,629
Policy Items			
1. Federal Grant Increase	123	473	596
2. General Inflation	-21	-97	-118
Total 1997-99 Biennium	2,779	12,328	15,107
Fiscal Year 1998 Totals	1,368	6,084	7,452
Fiscal Year 1999 Totals	1,411	6,244	7,655

Comments:

1. FEDERAL GRANT INCREASE - State funds are provided to enable the agency to qualify for additional federal vocational rehabilitation revenues, which are expected to increase by 3 percent per year during the 1997-99 biennium, if the required 21.3 percent state match is available. The agency estimates this will enable it to provide job training and placement services to 150 additional persons with blindness or severe visual impairments. (General Fund-State, General Fund-Federal)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

Sentencing Guidelines Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,262	0	1,262
1997-99 Maintenance Level	1,439	0	1,439
Policy Items			
1. General Inflation	-12	0	-12
Total 1997-99 Biennium	1,427	0	1,427
Fiscal Year 1998 Totals	714	0	714
Fiscal Year 1999 Totals	713	0	713

Comments:

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

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,113	421,115	427,228
1997 Supplemental *	0	500	500
Total 1995-97 Expenditure Authority	6,113	421,615	427,728
1997-99 Maintenance Level	0	396,762	396,762
Policy Items			
1. Program Improvement Research	0	114	114
2. Early Intervention Re-employment	0	1,000	1,000
3. Fund Source Change	0	0	0
4. Unemployment Ins Business Reform	0	7,900	7,900
5. Strengthen Employment Services	0	1,798	1,798
6. General Inflation	0	-797	-797
7. LMI/ Employer Outreach	2,400	0	2,400
8. Re-employment Support Center	121	0	121
Total 1997-99 Biennium	2,521	406,777	409,298
Fiscal Year 1998 Totals	1,260	208,242	209,502
Fiscal Year 1999 Totals	1,261	198,535	199,796

Comments:

1. PROGRAM IMPROVEMENT RESEARCH - Funding is provided for one position to assist the commissioner in determining program and service improvements. (Administrative Contingency Account)
2. EARLY INTERVENTION RE-EMPLOYMENT - Funding is provided for additional staff to strengthen and expand re-employment services to a larger number of unemployment insurance claimants. The additional staff will assist unemployment insurance claimants in returning to work faster, which is intended to reduce long-term benefit payments made from the Unemployment Insurance Trust Fund. (Employment Services Administrative Account)
3. FUND SOURCE CHANGE - Overpayment and detection activities that were paid by the Unemployment Compensation Administration Account are shifted to the Administrative Contingency Account. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)
4. UNEMPLOYMENT INS BUSINESS REFORM - Provides funding for the modification of the unemployment compensation payment system. The system is to be modified as follows:
 - a) Claim and Adjudication Call Centers: Funding is provided for planning and implementation of three regional Claim and Adjudication Call Centers and four stand-alone Adjudication Call Centers. The Department will move from a geographically-based in-person initial claims process to a centralized telephone claims process. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)
 - b) Overpayment Detection/Collection Productivity Enhancement: Funding is provided for implementation of a new automated voice link and case management system. The Department will also complete the interface between the automated fraud detection and benefit payment systems, utilize bar code scanners to increase quarterly cross match cases, and obtain equipment to prepare forgery, prosecution, and fraud cases. (Administrative Contingency Account-State)
 - c) Data/Wage Quality Initiative: Funding is provided to improve the quality of employer reported wage information through reporting alternatives and the use of scanning and imaging. (Unemployment Compensation Administrative Account-Federal)
5. STRENGTHEN EMPLOYMENT SERVICES - Funding is provided for the One-Stop Information Connectivity project which will enhance communications among all employment services related information systems across state government. Integrated communications will improve the effectiveness of matching individual client needs with available employment services. (General Fund-Federal)
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
7. LMI/ EMPLOYER OUTREACH - Funding is provided for labor market information (LMI) and employer outreach activities.
8. RE-EMPLOYMENT SUPPORT CENTER - Funds are provided for the King County Re-employment Support Center. This transfer from the Department of Community, Trade, and Economic Development results in all three re-employment centers being funded in the Employment Security Department.

NOTE: Subsection 3: \$1.126 million of the federal general fund appropriation is provided for the continuation of job placement centers collocated on community and technical college campuses to assist individuals with job referrals and placement in the workforce.

Subsection 4: The Department is granted the authority to expend more than the stated appropriation for the General Unemployment Insurance Development Effort (GUIDE) project by up to \$2.6 million. The vendor is responsible for the costs associated with any vendor-caused project delays. The Department is required to seek full recovery of any project costs in excess of the appropriation from the vendor.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Natural Resources

Department of Fish and Wildlife

Wild Fish Listings: The National Marine Fisheries Service has proposed listing additional chinook, coho, and steelhead salmon in Washington as threatened or endangered under the federal Endangered Species Act. The amount of \$1.7 million is provided for the Department of Fish and Wildlife to hire additional staff to work on the federal permits, research, and consultations that these listings will require. In addition, the sum of \$1 million is provided to continue the Department of Fish and Wildlife's Habitat Partnership program which provides technical assistance to landowners and local governments in support of fish and wildlife habitat planning activities.

Wildlife Enforcement: The 1997-99 budget provides \$700,000 in funds for the Department of Fish and Wildlife (WDFW) to hire five additional wildlife enforcement officers. Also, \$300,000 is provided for WDFW to contract with the U.S. Department of Agriculture to increase animal damage control efforts to protect crops, livestock, and property. The budget also includes \$195,000 to support a comprehensive program to address damage caused by the Canadian Dusky Goose population in the lower Columbia River basin.

Licensing System: The amount of \$687,000 is provided to the Department of Fish and Wildlife for design and development of an automated hunting and fishing license sales system. As a part of the design phase, a recreational license database will be created.

Savings: The 1997-99 budget reduces funding for both the state general fund and the wildlife fund supported programs in order to help fund new initiatives. A total of \$3.2 million in savings is found in the fisheries management program, hatchery operations, the aircraft division, and administrative functions.

Department of Natural Resources

Fire Protection: Funding is provided in the 1997 Supplemental budget to allow the Department of Natural Resources' Fire Prevention program to carry forward an adequate beginning balance in the Forest Fire Protection Account in the 1997-99 biennium. See the 1997 Supplemental Budget overview for more detail.

Savings: The budget includes a 5 percent (\$1.6 million) reduction to state general fund supported programs administered by the Department of Natural Resources. The Department is directed to find these savings without affecting legislatively-authorized funding for the fire protection and fire suppression programs during the 1997-99 biennium.

State Parks and Recreation Commission

No Park Closures: The 1997-99 budget provides \$2.0 million to open a number of new park facilities that were constructed in the 1995-97 biennium. The 1997 Supplemental Budget also includes funding to address an expected shortfall in park-generated revenues next biennium. See the 1997 Supplemental Budget overview for more detail.

Department of Ecology

Litter Control: The budget provides an additional \$4.5 million in funds from the litter account to help clean up litter along the state's roadways. The Department of Ecology will hire more Ecology Youth Corps crews to pick up litter in areas that are visible to the public. Funding is also increased for grants to local governments for litter cleanup programs, as well as for public education programs to control litter and promote awareness of the state's Model Litter Control and Recycling Act.

Toxics Cleanups: The budget includes \$2.2 million funding from the state toxics control account to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee, as provided in Chapter 406, Laws of 1997 (ESB 7900). The recommendations focus primarily on providing more flexibility in the clean-up process and

the transfer of contaminated properties. The Department of Ecology will recover from the owners of contaminated sites approximately \$2 million of the costs of implementing the recommendations of the advisory committee.

Coastal Erosion: The amount of \$1 million is provided to continue the study and abatement of coastal erosion in the region of Willapa Bay, Grays Harbor, and the lower Columbia River. The Department of Ecology is working cooperatively with the United State Geological Service (USGS) on this project.

Savings: The budget includes \$1.3 million in state general fund savings in the Department of Ecology's Shorelands program and in project coordination and administrative staff.

Puget Sound Water Quality Work Plan

The amount of \$2.5 million from the state general fund is provided for several agencies to implement key actions identified in the Puget Sound Water Quality Work Plan. The Department of Health will increase shellfish monitoring efforts and additional staff will help local governments address failing septic systems. The Department of Ecology will continue a pilot project to restore degraded wetlands. Finally, the Department of Fish and Wildlife is provided additional staff to work on interagency technical assistance teams to help solve problems related to declining fish stocks.

Pilot Landscape Management Plans

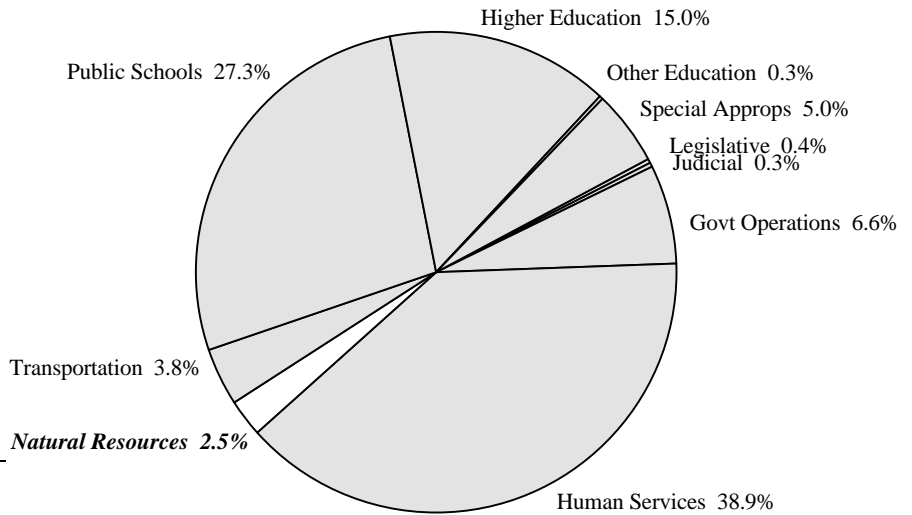
The budget provides \$1.0 million to implement five pilot landscape management plans as provided in Chapter 290, Laws of 1997, Partial Veto (SHB 1985). The legislation, which was developed through the Timber/Fish/Wildlife process, provides an alternative means for forest landowners to meet forest practice permit requirements. Funding is provided for the Departments of Natural Resources, Fish and Wildlife, and Ecology to review, negotiate, and approve the landscape plans.

1997-99 Washington State Operating Budget

Total Budgeted Funds

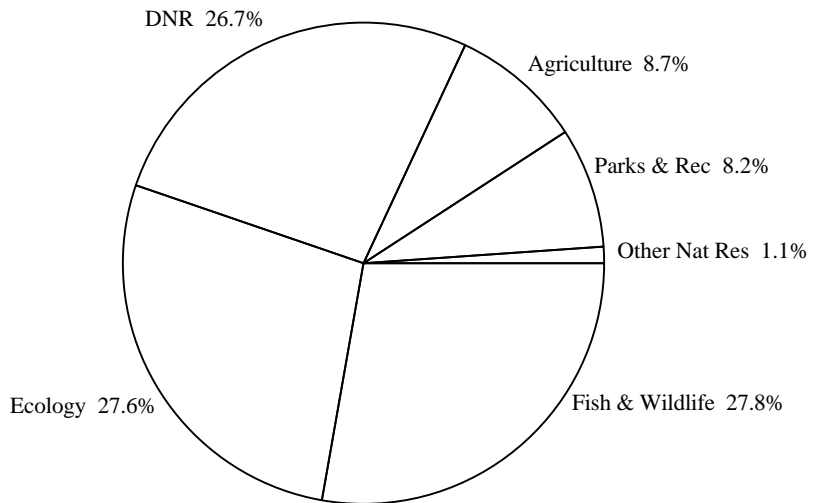
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Dept of Fish & Wildlife	250,832
Dept of Ecology	248,209
Dept of Natural Resources	240,136
Dept of Agriculture	78,642
Parks & Recreation	73,503
Other Natural Resources	9,583
Natural Resources	900,905



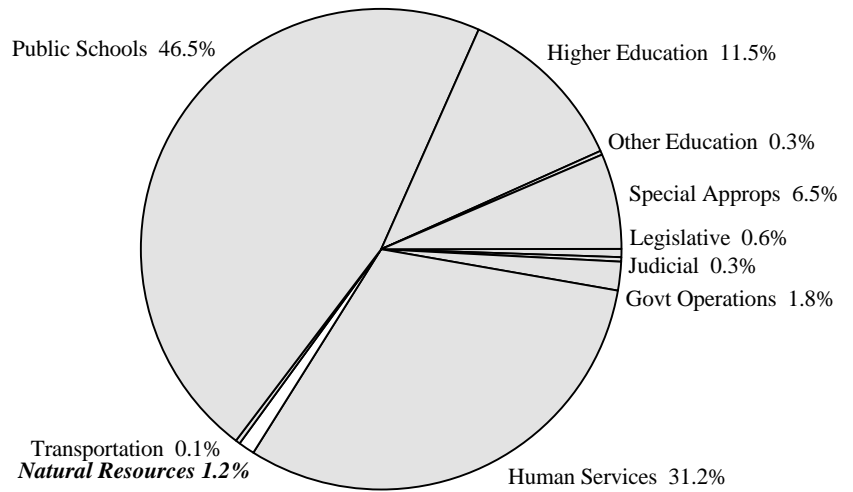
Natural Resources

1997-99 Washington State Operating Budget

General Fund - State

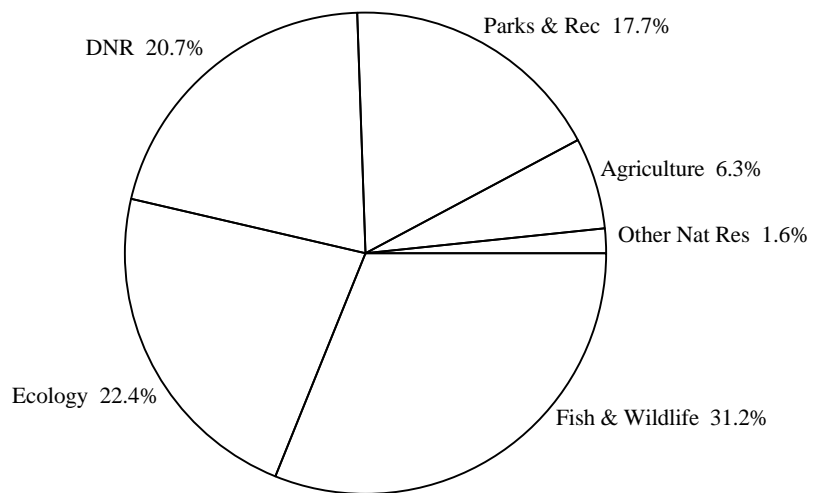
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
<i>Natural Resources</i>	<i>231,214</i>
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Dept of Fish & Wildlife	72,251
Dept of Ecology	51,873
Dept of Natural Resources	47,959
Parks & Recreation	40,861
Dept of Agriculture	14,604
Other Natural Resources	3,666
<i>Natural Resources</i>	<i>231,214</i>



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	577	524	1,101
1997-99 Maintenance Level	605	550	1,155
Policy Items			
1. Grants to Gorge Counties	240	240	480
2. General Inflation	-4	-4	-8
3. Operating Reduction	-406	-351	-757
Total 1997-99 Biennium	435	435	870
Fiscal Year 1998 Totals	213	214	427
Fiscal Year 1999 Totals	222	221	443

Comments:

1. GRANTS TO GORGE COUNTIES - Each of the three gorge counties will receive \$80,000 to carry out their responsibilities under the Scenic Area Act. If a gorge county has not adopted an ordinance to implement the act, the Commission may use the funds to implement the act for the county.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. OPERATING REDUCTION - Commission costs are reduced. Funds are shifted to the counties for administration and implementation of the Scenic Area Act.

Department of Ecology

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	43,698	193,687	237,385
1997 Supplemental *	372	800	1,172
Total 1995-97 Expenditure Authority	44,070	194,487	238,557
1997-99 Maintenance Level	45,871	193,423	239,294
Policy Items			
1. State/Federal Relations	-50	0	-50
2. Administration Program Reductions	-808	0	-808
3. Reduced Project Coordination	-179	0	-179
4. Shoreline Assistance & Enforcement	-245	-245	-490
5. Sediment Management	-89	0	-89
6. Reduce Bi-State Columbia River	0	-300	-300
7. Staff Savings Shifted to Capital	0	-500	-500
8. Water Resources Infrastructure	3,055	0	3,055
9. Local Watershed Planning	5,000	0	5,000
10. Other Water Legislation	875	0	875
11. Flood Control Assistance	1,000	850	1,850
12. Toxic Cleanups	0	2,202	2,202
13. Prevention and Clean Up of Litter	0	4,514	4,514
14. Intertanko Lawsuit	0	240	240
15. Office of Marine Safety Merger	0	80	80
16. Yakima Adjudication	274	-274	0
17. Community Watershed Assistance	345	0	345
18. Solid Waste Permit Renewals	0	-59	-59
19. Puget Sound Action Plan	528	0	528
20. General Inflation	-179	-783	-962
21. Programmatic Adjustments	0	-3,324	-3,324
22. Landscape Management Plan Pilots	128	0	128
23. Grain Facility Air Inspections	0	-91	-91
24. Environmental Excellence Program	0	247	247
25. License Suspension	17	0	17
26. Biosolids Permit Program	0	356	356
27. Governor Veto	-3,670	0	-3,670
Total 1997-99 Biennium	51,873	196,336	248,209
Fiscal Year 1998 Totals	26,013	97,875	123,888
Fiscal Year 1999 Totals	25,860	98,461	124,321

Comments:

- STATE/FEDERAL RELATIONS - A reduction is made in state general fund support for the Nuclear Waste Management program.
- ADMINISTRATION PROGRAM REDUCTIONS - State general fund support to the administration program is reduced by approximately 10 percent. Areas to be reduced include the fiscal office, employee services, telecommunications, graphic design, and the library.
- REDUCED PROJECT COORDINATION - Staff responsible for issuing water quality certifications for construction projects, evaluating projects to determine consistency with the Coastal Zone Management Act, and coordinating permits will be reduced.
- SHORELINE ASSISTANCE & ENFORCEMENT - A reduction is made to local government assistance for administering the Shoreline Management Act. In addition, there is a 50 percent reduction to shoreline enforcement activities. (General Fund-State, General Fund-Federal)
- SEDIMENT MANAGEMENT - Reduces funding for the Sediment Management program. Efforts to reduce sediments in stormwater and establish cleanup standards for contaminated sediments are delayed.
- REDUCE BI-STATE COLUMBIA RIVER - For several years the Department of Ecology (DOE) has participated with representatives from industry, local government, and the state of Oregon regarding the water quality problems of the Lower Columbia River. Now that the area has become part of the National Estuary Program, these activities can be supported to a greater extent by federal funds. Sufficient state funding is maintained to match federal money for the program. (State Toxics Control Account)
- STAFF SAVINGS SHIFTED TO CAPITAL - Referendum 26 was adopted by a vote of the people in 1972 and authorized \$225 million in bonds for waste management and water pollution control facilities. Given that the majority of these funds have been spent and grant projects completed, staff can be phased out. Therefore, administrative funding for this program is provided for FY 98 only. (Referendum 26)

Department of Ecology

8. **WATER RESOURCES INFRASTRUCTURE** - Funding is provided for the Department to process water right applications, continue the development of the water resources data management system, and provide technical assistance to local watershed planning efforts. The funding is contingent upon enactment of Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Management). See Item 27 - Governor vetoes.
9. **LOCAL WATERSHED PLANNING** - Funding is provided for grants to local planning groups for the development of watershed plans consistent with Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Management). The funding is contingent upon enactment of specific sections of 2SHB 2054. See Item 27 -- Governor Vetoes.
10. **OTHER WATER LEGISLATION** - Funding is provided to implement ESHB 1111 (Water Rights -- vetoed by the Governor), Chapter 440, Laws of 1997, Partial Veto (SHB 1118 -- Water Rights Claim Filing), SSB 5030 (Lake Water Irrigation -- vetoed by the Governor), Chapter 360, Laws of 1997, Partial Veto (SSB 5276 -- Water Rights Permits), Chapter 443, Laws of 1997 (SSB 5505 -- Assist Water Applicants), and Chapter 446, Laws of 1997 (SSB 5785 -- Consolidate Ground Water Rights). See Item 27 -- Governor Vetoes.
11. **FLOOD CONTROL ASSISTANCE** - The five year coastal erosion study started in the 1995-97 biennium is continued. The study involves local, state, and federal entities in an effort to gather data that will help predict, plan, and possibly prevent coastal erosion emergencies. The United State Geologic Survey is participating in the study and is expected to contribute an equal amount of financial support. Also, reappropriations are made for flood-related projects initiated during the 1995-97 biennium but not completed. Uncompleted projects include the Skokomish Valley Flood Reduction plan in Mason County and dike and levee repair projects needed as a result of the November 1995 and February 1996 flood events.
12. **TOXIC CLEANUPS** - Funding is provided to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee. DOE will recover approximately \$2 million through enhanced technical assistance to owners of contaminated sites. The recommendations include: implementing a site-specific risk assessment to modify the cleanup process to allow more flexibility; increasing technical assistance to sites volunteering to clean up; allowing prospective purchaser agreements to facilitate the development and transfer of contaminated facilities; and providing additional opportunities for communities to be involved in making clean-up decisions. (State Toxics Control Account, Local Toxics Control Account)
13. **PREVENTION AND CLEAN UP OF LITTER** - Funding is provided to increase litter prevention and control efforts. The funds are to be allocated as follows: 50 percent for a litter patrol program to employ youth and correctional work crews to remove litter from places that are most visible to the public; 20 percent for grants to local governments for litter cleanup; and 30 percent for public education and awareness programs and programs to foster local waste reduction and recycling efforts. (Waste Reduction, Recycling, and Litter Control Account)
14. **INTERTANKO LAWSUIT** - Increased attorney general services and expert witness costs are required for the appeal of the District Court's decision on the Intertanko lawsuit. (Oil Spill Administration Account)
15. **OFFICE OF MARINE SAFETY MERGER** - One-time funding is provided to address moving costs associated with the merger of the Office of Marine Safety into the Department of Ecology. (Oil Spill Administration Account)
16. **YAKIMA ADJUDICATION** - A technical adjustment is made to carryforward funding that was provided in the 1996 Supplemental Budget for the Yakima Adjudication.
17. **COMMUNITY WATERSHED ASSISTANCE** - Funding is provided to support the local watershed planning efforts established in Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 - Local Watershed Planning). See Item 27 - Governor vetoes.
18. **SOLID WASTE PERMIT RENEWALS** - DOE has proposed legislation that would enable local health departments to renew solid waste management facility permits every five years, rather than the current mandate for annual renewal. This change will result in administrative savings. (Waste Reduction, Recycling, and Litter Control Account)
19. **PUGET SOUND ACTION PLAN** - Additional funding is provided for two components of the 1997-99 Puget Sound Water Quality Work Plan in order to: 1) expand the water quality monitoring effort in Puget Sound; and 2) modify the methodology used in the pilot wetland restoration program to include all critical watershed functions.
20. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
21. **PROGRAMMATIC ADJUSTMENTS** - Several of DOE's dedicated fund programs will experience reductions as a result of increased operating costs that are not supported by a corresponding increase in revenue growth. For example, decreases are made to funds which support tire pile cleanup, air quality, fresh water weeds, toxics cleanups, and flood control assistance. This is offset by an increase in administrative funding for the federal water quality loan program to reflect available state and federal dollars. (General Fund-Private/Local, Flood Control Assistance Account, Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, State Toxics Control Account, Air Pollution Control Account, Air Operating Permit Account, Freshwater Aquatic Weeds Account, Metals Mining Account Water Pollution Control Revolving)
22. **LANDSCAPE MANAGEMENT PLAN PILOTS** - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Departments of Fish and Wildlife and Natural Resources will assist in the pilot projects.
23. **GRAIN FACILITY AIR INSPECTIONS** - Funding is reduced for air quality work associated with small grain facilities based on Chapter 410, Laws of 1997 (SHB 1033 -- Grain Facility Clean Air Requirements). Under the provisions of the bill, grain handling facilities that process less than 10 million bushels of grain annually no longer have to re-register with the Department's air quality program each year.
24. **ENVIRONMENTAL EXCELLENCE PROGRAM** - Funding is provided to implement Chapter 381, Laws of 1997, Partial Veto (E2SHB 1866 -- Environmental Excellence). Under provisions of the bill, project proponents may enter into environmental agreements with state agencies which are intended to allow the regulated entity more flexibility in meeting environmental requirements. The program is designed to be self-supporting. State agencies may assess a fee to cover the cost of processing environmental agreement proposals.
25. **LICENSE SUSPENSION** - The Personal Responsibility and Work Opportunity Act of 1996 (Federal Welfare Legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.
26. **BIOSOLIDS PERMIT PROGRAM** - Appropriation authority is provided for implementation of a new biosolids permitting program, as provided in Chapter 398, Laws of 1997 (ESB 5590 -- Biosolids Management Program). (Biosolids Permit Account)

Department of Ecology

27. GOVERNOR VETO - The Governor vetoed section 302 (3) which provided \$3.4 million for water rights permitting, data management, and technical assistance to local watershed planning groups contingent upon enactment of specific sections in Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Planning). Since these specific sections in 2SHB 2054 were also vetoed, the entire \$3.4 million appropriation lapses.

The Governor vetoed section 302 (4) which provided \$5 million for grants to local watershed planning groups contingent upon enactment of specific sections in 2SHB 2054. The Governor also vetoed many of the provided sections in 2SHB 2054. In spite of the veto action, the Governor has not directed that these funds lapse.

The Governor vetoed section 302 (5) which provided \$200,000 for implementation of ESHB 1111 (Water Rights). ESHB 1111 was vetoed in its entirety. The \$200,000 appropriation lapses.

The Governor vetoed section 302 (22) which provided funds for implementation of SSB 5030. SSB 5030 (Lakewater Irrigation) was vetoed. The \$70,000 appropriation lapses.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	1,342	1,342
1997-99 Maintenance Level	0	1,958	1,958
Policy Items			
1. Technical Assistance Program	0	104	104
2. General Inflation	0	-8	-8
Total 1997-99 Biennium	0	2,054	2,054
Fiscal Year 1998 Totals	0	1,022	1,022
Fiscal Year 1999 Totals	0	1,032	1,032

Comments:

1. TECHNICAL ASSISTANCE PROGRAM - Departmental request legislation authorizes the agency to offer technical assistance to owners and operators of heating oil tanks. The staff and funding for this technical assistance program are provided contingent upon enactment of Chapter 8, Laws of 1997 (SHB 1007).
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	36,347	29,429	65,776
1997 Supplemental *	3,400	-2,400	1,000
Total 1995-97 Expenditure Authority	39,747	27,029	66,776
<hr/>			
1997-99 Maintenance Level	40,775	29,871	70,646
Policy Items			
1. Retrospective Rating Refund	0	10	10
2. 1997-99 COP Project Impact	0	150	150
3. Boating Safety	0	480	480
4. Snowmobile/Sno-Park Grooming	0	692	692
5. General Inflation	-209	-150	-359
6. Dedicated Projects	0	500	500
7. Underwater Parks	250	0	250
8. Feasibility Study	45	0	45
9. Interpretive Materials	0	158	158
<hr/>			
Total 1997-99 Biennium	40,861	31,711	72,572
Fiscal Year 1998 Totals	20,526	15,698	36,224
Fiscal Year 1999 Totals	20,335	16,013	36,348

Comments:

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|---|---|
| <ol style="list-style-type: none"> 1. RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs in the agency. (Industrial Insurance Premium Refund Account) 2. 1997-99 COP PROJECT IMPACT - In the 1995-97 biennium, State Parks was authorized to pursue \$600,000 in Certificate of Participation (COP) projects. These projects make investments in park facilities which generate additional revenue. A total of \$2 million in new COP projects is included in the capital budget. Projects are authorized at Cama Beach, Ocean City, Grayland Beach, and other parks statewide. Funding is provided for debt service and additional staff for the projects that will be completed in the 1997-99 biennium. (Parks Renewal and Stewardship Account) 3. BOATING SAFETY - The Federal FY 97 budget provides a \$15 million increase in boating safety funds distributed to the states. Appropriation authority is provided to spend Washington State's share of this additional federal money on boating safety activities and grants. (General Fund-Federal) 4. SNOWMOBILE/SNO-PARK GROOMING - Chapter 164, Laws of 1996 (ESB 6566) increased snowmobile registration fees. These additional revenues are appropriated to purchase additional snow grooming equipment and to increase grooming of snowmobile trails. Additional funding is also provided for increased grooming of cross country ski trails at state sno-parks. (Winter Recreation Program Account, Snowmobile Account) 5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. 6. DEDICATED PROJECTS - Additional appropriation authority is provided to complete projects funded through dedicated donations. (Parks Renewal and Stewardship Account) 7. UNDERWATER PARKS - Funding is provided to support the development of an underwater parks program. Specific plans will be developed in conjunction with the Underwater Parks Task Force facilitated by State Parks. 8. FEASIBILITY STUDY - Funding is provided for a feasibility study regarding the use of county, private, and state lands in the area of Square Lake (Kitsap County) for low-intensity recreation. | <ol style="list-style-type: none"> 9. INTERPRETIVE MATERIALS - Funding is provided to acquire additional interpretive materials for sale at state parks. (Parks Improvement Account, Parks Renewal and Stewardship Account) <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the State Parks and Recreation Commission's budget is shown in the Transportation Budget section of this document.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	3,219	3,219
1997-99 Maintenance Level	0	2,780	2,780
Policy Items			
1. Recreation Accessibility Specialist	0	68	68
2. PRISM Data System Enhancement	0	150	150
3. General Inflation	0	-10	-10
Total 1997-99 Biennium	0	2,988	2,988
Fiscal Year 1998 Totals	0	1,567	1,567
Fiscal Year 1999 Totals	0	1,421	1,421

Comments:

1. RECREATION ACCESSIBILITY SPECIALIST - Funding is provided for a recreation accessibility specialist to train and advise state, federal, tribal, and local agencies on the design and operation of recreation facilities to meet barrier-free access issues associated with the Americans with Disabilities Act (ADA). In addition to training agencies, this position will continue to develop a state database of barrier-free recreation facilities. (Recreation Resources Account-State)
2. PRISM DATA SYSTEM ENHANCEMENT - Additional funding is provided to implement the second and final phase of the Interagency Committee for Outdoor Recreation's (IAC's) Project Information System (PRISM). Specific work will include automating remaining segments for document imaging, transmission of data to the state accounting system, on-line invoicing, archiving of data, and connecting to the Internet. (Recreation Resources Account-State)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Environmental Hearings Office

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,428	0	1,428
1997 Supplemental *	25	0	25
Total 1995-97 Expenditure Authority	1,453	0	1,453
1997-99 Maintenance Level	1,548	0	1,548
Policy Items			
1. Internet Access	5	0	5
2. Forest Practices Appeals Board	8	0	8
3. General Inflation	-8	0	-8
Total 1997-99 Biennium	1,553	0	1,553
Fiscal Year 1998 Totals	780	0	780
Fiscal Year 1999 Totals	773	0	773

Comments:

1. INTERNET ACCESS - Funding is provided for equipment required for Internet access. Ongoing costs for the Internet connection will be absorbed from savings in postage and travel costs.
2. FOREST PRACTICES APPEALS BOARD - In recognition of the increased workload of the Forest Practices Appeals Board, Chapter 423, Laws of 1997 (SSB 5119) reclassifies the Board for purposes of per diem compensation for its part-time members. The legislation increases per diem compensation from \$50 per day to \$100 per day for each of the Board's three members.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

State Conservation Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,692	321	2,013
1997-99 Maintenance Level	1,707	440	2,147
Policy Items			
1. Administrative Reductions	-20	0	-20
2. General Inflation	-9	0	-9
Total 1997-99 Biennium	1,678	440	2,118
Fiscal Year 1998 Totals	838	219	1,057
Fiscal Year 1999 Totals	840	221	1,061

Comments:

1. ADMINISTRATIVE REDUCTIONS - Reductions are made in travel and the agency's legal support costs.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Fish and Wildlife

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	66,888	133,477	200,365
1997 Supplemental *	2,318	8,984	11,302
Total 1995-97 Expenditure Authority	69,206	142,461	211,667
1997-99 Maintenance Level	69,276	179,624	248,900
Policy Items			
1. Habitat Partnerships	1,000	0	1,000
2. Warm Water Game Fish Enhancement	0	-560	-560
3. Retrospective Rating Refund	0	120	120
4. Dam Maintenance and Safety	343	0	343
5. Wildlands Stewardship	300	0	300
6. Wild Salmon Management	1,657	0	1,657
7. Puget Sound Work Plan	830	0	830
8. General Inflation	-753	-1,726	-2,479
9. Landscape Management Plan Pilots	457	0	457
10. Winter Feeding	0	1,000	1,000
11. Environmental Excellence	0	20	20
12. License Suspension	33	0	33
13. Data Entry Savings	-400	0	-400
14. Fisheries Management	-922	0	-922
15. Hatchery ESA Reprogramming	-270	0	-270
16. Rules Officer	-260	0	-260
17. Hydraulic Permit Efficiencies	-200	0	-200
18. License System	387	300	687
19. Mass Marking Implementation	700	0	700
20. Problem Wildlife Enforcement	640	360	1,000
21. Interpretive Center	50	0	50
22. Administrative Reductions	-332	0	-332
23. Warmwater Gamefish	-250	0	-250
24. Aircraft Reductions	-100	0	-100
25. Hatcheries Administration	-300	0	-300
26. Engineering Staff	0	-240	-240
27. Consolidate Public Affairs	-120	-120	-240
28. Remote Site Incubators	393	0	393
29. Flood Control Permitting	266	0	266
30. Eastern WA Pheasant Program	0	547	547
31. Fisheries Enhancement	0	156	156
32. Animal Damage Control	195	0	195
33. Grants to Regional Groups	0	100	100
34. Lapse	0	-1,000	-1,000
35. SSB 5327 - Habitat Incentives Pgm	24	0	24
36. Governor Veto	-393	0	-393
Total 1997-99 Biennium	72,251	178,581	250,832
Fiscal Year 1998 Totals	35,864	87,472	123,336
Fiscal Year 1999 Totals	36,387	91,109	127,496

Comments:

- HABITAT PARTNERSHIPS - The Habitat Partnerships program was funded in the 1995-97 biennium with \$1.8 million in one-time federal funding. For the 1997-99 biennium, the program is continued at the \$1 million level using General Fund-State support.
- WARM WATER GAME FISH ENHANCEMENT - Funds are transferred to the capital budget for warmwater fish production and fishing access site development. (Warmwater Game Fish Account)
- RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs at the Department of Fish and Wildlife (WDFW). Activities will include safety equipment purchases. (Industrial Insurance Premium Refund Account)

Department of Fish and Wildlife

4. DAM MAINTENANCE AND SAFETY - WDFW owns and operates 54 earthen dams which are currently out of compliance with state inspection and maintenance regulations. These dams are used primarily for habitat improvements and hatchery operations. Funding is provided for staff to inspect these dams and to begin required maintenance. The Department will also complete an evaluation on the need for these dams and report whether they should continue to be maintained or decommissioned.
5. WILDLANDS STEWARDSHIP - Funding is provided for two new Washington Conservation Corps crews to perform maintenance and restoration work on Department-owned lands.
6. WILD SALMON MANAGEMENT - The National Marine Fisheries Service has proposed listing additional chinook, coho, and steelhead in Washington as threatened or endangered under the federal Endangered Species Act. Staff are provided to cope with the additional federal permits, research, and consultations that these listings will require. Funding is also provided for the Department to review hatchery operations and to conduct genetic stock identification research. In addition, an egg-take program will be established for Dungeness Pink Salmon.
7. PUGET SOUND WORK PLAN - Funding is provided to implement key actions identified in the Puget Sound Work Plan. Technical assistance is provided to local watershed planning efforts regarding water and sediment quality, wetlands, and habitat management.
8. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
9. LANDSCAPE MANAGEMENT PLAN PILOTS - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Departments of Natural Resources and Ecology will assist in the pilot projects.
10. WINTER FEEDING - Appropriation authority is provided to the Wildlife Account for up to \$1 million to be used for emergency feeding of deer and elk in the winter of 1997-98. The appropriation is supported by a variety of possible fees, donations, or the sale of surplus property as authorized in SHB 1478 (Wildlife Winter Feeding). SHB 1478 was vetoed by the Governor. (See Item 34 - Lapse)
11. ENVIRONMENTAL EXCELLENCE - Appropriation authority is provided for the Department to implement Chapter 381, Laws of 1997, Partial Veto (E2SHB 1866 -- Environmental Excellence) for hydraulic project approval applicants.
12. LICENSE SUSPENSION - The Personal Responsibility and Work Opportunity Act of 1996 (Federal Welfare Legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.
13. DATA ENTRY SAVINGS - Positions providing data entry services for biological information will be eliminated. This information will now be entered through scanner technology. Account and time sheet data entry costs will be absorbed by the programs.
14. FISHERIES MANAGEMENT - Funding is reduced for activities related to shellfish management, halibut and sturgeon catch sampling, steelhead surveys, and other monitoring programs.
15. HATCHERY ESA REPROGRAMMING - In order to prepare for fish listings under the federal Endangered Species Act (ESA), reductions are made in hatchery production of coho at selected facilities. The Shale Creek hatchery will be closed and production reductions will occur at Kendall Creek and at the Sol Duc complex. In addition, the consolidation of hatchery facilities has resulted in savings related to equipment expenditures.
16. RULES OFFICER - The agency's centralized rules officer will be eliminated. Rule adoption work will be absorbed by agency programs.
17. HYDRAULIC PERMIT EFFICIENCIES - Funding is reduced to the hydraulic permit program assuming efficiencies can be made in the permit process.
18. LICENSE SYSTEM - Funding is provided for the design and development of an automated recreational license sales system. As a part of the design phase, a recreational license database will be created and scoping requirements for the system will be determined. (Wildlife Fund-State)
19. MASS MARKING IMPLEMENTATION - Funding is provided for purchase of monitoring equipment to fully implement mass marking of coho salmon.
20. PROBLEM WILDLIFE ENFORCEMENT - Funding for additional enforcement officers is provided to address problem wildlife. The item also includes \$300,000 for the Department to contract with the U.S. Department of Agriculture for animal damage control services throughout the state. (Wildlife Fund-State)
21. INTERPRETIVE CENTER - Funding is provided for staffing and operation of the Tennant Lake Interpretive Center.
22. ADMINISTRATIVE REDUCTIONS - This item reduces agency administrative support by 2 FTEs.
23. WARMWATER GAMEFISH - Legislation enacted in 1996 (Chapter 222, Laws of 1996) creates a dedicated fund source for the Warmwater Gamefish program which is expected to generate \$2.4 million in revenue for the program during the 1997-99 biennium. General Fund-State start-up funding is eliminated. The federal and Wildlife Account funds in the base budget are maintained.
24. AIRCRAFT REDUCTIONS - Savings are achieved by selling one of the Department's six airplanes. Flight logs indicate that the Cessna 421 is not used as much as the other aircraft and has had mechanical problems. Ongoing operational savings are estimated to be \$100,000 per biennium. Proceeds from the sale of the plane are redirected into the Wildlife Account to support other priority programs of the Department.
25. HATCHERIES ADMINISTRATION - Reductions are made in hatcheries administration, including assessment and development activities and facilities support.
26. ENGINEERING STAFF - Reductions are made in engineering staff supported by funds in the Department's operating budget. (Wildlife Fund-State)
27. CONSOLIDATE PUBLIC AFFAIRS - Savings are assumed from consolidating public affairs and outreach and education activities within the agency. (Wildlife Fund-State)
28. REMOTE SITE INCUBATORS - Funding is provided for implementation of 2SSB 5120 (Remote Site Incubators). This bill was vetoed by the Governor.
29. FLOOD CONTROL PERMITTING - Funding is provided for implementation of Chapter 385, Laws of 1997 (2SSB 5442 -- Flood Control Permitting).
30. EASTERN WA PHEASANT PROGRAM - With passage of Chapter 422, Laws of 1997 (SSB 5104), new funds will be available for pheasant enhancement programs in eastern Washington. Appropriation authority is provided so that the Department may begin implementing the program in the 1997-99 biennium. (Eastern Washington Pheasant Enhancement Account)
31. FISHERIES ENHANCEMENT - Chapter 197, Laws of 1997 (SSB 5102) extends the recreational fisheries surcharge to three-day licenses. Revenue from the surcharge is dedicated to recreational fisheries enhancement programs. (Recreational Fisheries Enhancement Account)
32. ANIMAL DAMAGE CONTROL - Funding is provided for the Department's animal damage control program for the Canadian Dusky Goose population of the Lower Columbia River region.

Department of Fish and Wildlife

33. GRANTS TO REGIONAL GROUPS - Additional funding is provided from the Aquatic Lands Enhancement Account to support the work of the regional fisheries enhancement groups. (Aquatic Lands Enhancement Account)
34. LAPSE - Section 304(7) provided a \$1 million appropriation from the wildlife account to be used for emergency winter feeding of deer and elk, contingent upon enactment of SHB 1478. The Governor vetoed SHB 1478 in its entirety. Since SHB 1478 was not enacted, the \$1 million wildlife account appropriation lapses.
35. SSB 5327 - HABITAT INCENTIVES PGM - Chapter 425, Laws of 1997 (SSB 5327) establishes a habitat incentive program to be administered by the Department of Fish and Wildlife (WDFW). WDFW is to work jointly with the Department of Natural Resources (DNR) in developing the program. The program will allow private landowners to enter into an agreement with WDFW to enhance habitat for fish and wildlife species. The legislation includes a \$48,500 General Fund-State appropriation. Of the total, WDFW receives \$24,250. DNR receives \$24,250.
36. GOVERNOR VETO - The Governor vetoed section 304 (16) which provided \$393,000 to implement SSB 5120 (remote site incubators). The Governor also vetoed SSB 5120. The entire \$393,000 appropriation lapses.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	40,749	184,179	224,928
1997 Supplemental *	8,315	0	8,315
Total 1995-97 Expenditure Authority	49,064	184,179	233,243
<hr/>			
1997-99 Maintenance Level	48,387	178,870	227,257
Policy Items			
1. Fire Protection	0	-3,627	-3,627
2. Geology and Mining Support	0	139	139
3. Natural Areas	975	-975	0
4. Additional Timber Sales	0	8,926	8,926
5. Silvicultural Investments	0	6,404	6,404
6. Public Use and Recreation	0	506	506
7. Photo and Map Activities	0	875	875
8. Five Percent Reductions	-1,573	0	-1,573
9. General Inflation	-269	-1,225	-1,494
10. Eagle Harbor Settlement	0	2,300	2,300
11. Burning Permits	0	-16	-16
12. Landscape Management Plan Pilots	415	0	415
13. SSB 5327 - Habitat Incentives Pgm	24	0	24
<hr/>			
Total 1997-99 Biennium	47,959	192,177	240,136
Fiscal Year 1998 Totals	23,779	95,439	119,218
Fiscal Year 1999 Totals	24,180	96,738	120,918

Comments:

1. FIRE PROTECTION - An adjustment is made in the estimated expenditures from the forest fire protection assessment account to reflect an anticipated reduction in revenue in the 1997-99 biennium. The reduction is offset by a total of \$4.2 million General Fund-State that is provided in the 1997 Supplemental Budget. By funding the \$4.2 million General Fund-State in the Supplemental Budget, sufficient carryforward funds can be maintained in the forest fire protection assessment account for expenditure in the 1997-99 biennium. Of the \$4.2 million General Fund-State that is provided in the 1997 Supplemental Budget, \$2.7 million is intended to be ongoing funding that will be included in the program's carryforward level for the 1999-01 biennium. (Forest Fire Protection Assessment Account)
5. SILVICULTURAL INVESTMENTS - Funding is provided for additional pre-commercial thinning, fertilization, and pruning on forest board lands. (Resource Management Cost Account, Forest Development Account)
2. GEOLOGY AND MINING SUPPORT - The Department of Natural Resources (DNR) monitors surface and metal mines in the state. Additional funding is provided to meet increased workload for these activities. This work will reduce the backlog in surface mining permit applications, improve technical and educational assistance, and allow the regulation of one additional metal mine. (Surface Mining Reclamation Account, Metals Mining Account)
6. PUBLIC USE AND RECREATION - State trustlands are receiving increased recreation use. Funding is provided to increase the maintenance of trails and recreation sites, to monitor their use through an ongoing survey process, and to hire four regional volunteer coordinators to recruit, organize, and supervise volunteer activities on state lands. (Forest Development Account, Off Road Vehicle Account)
3. NATURAL AREAS - For the last several biennia, the operation and maintenance of DNR's Natural Area Preserves and Natural Resource Conservation Areas, along with a portion of the Natural Heritage Program, have been funded through one-time revenue from an expired real estate excise tax. This funding is no longer available. Funding to continue the current level of operations is transferred to the general fund.
7. PHOTO AND MAP ACTIVITIES - Funding is provided to replace and upgrade DNR mapping equipment, to acquire additional aerial photography, and to produce additional geographic materials for sale. The agency will also make a one-time expenditure to automate the distribution of geographic materials. DNR will increase scanning and indexing of survey records obtained through cooperative agreements with counties. (Surveys and Maps Account, Resource Management Cost Account, Forest Development Account)
4. ADDITIONAL TIMBER SALES - In recent years, the workload associated with the preparation of timber sales has increased. This package provides staff necessary to maintain timber sales at the current level of 600 million board feet (MBF). Without this support, the DNR timber sales will be reduced by 40 MBF each fiscal year. Additional staff is also provided to prepare timber sales for FY 99 necessary to meet the Board of Natural Resources new annual sustained yield harvest level of 655 MBF. (Resource Management Cost Account, Forest Development Account)
8. FIVE PERCENT REDUCTIONS - This item assumes a 5 percent reduction in General Fund-State supported programs throughout the Department, except for the fire program. In implementing this reduction, the Department shall not reduce expenditures authorized in the 1997-99 biennium for fire protection and fire suppression activities.
9. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
10. EAGLE HARBOR SETTLEMENT - DNR, the Department of Ecology, and the Department of Transportation anticipate reaching a court settlement for clean-up of Eagle Harbor on Bainbridge Island. Funding is provided for DNR's costs for this settlement. (Aquatic Lands Enhancement Account)

Department of Natural Resources

11. BURNING PERMITS - Funding for the burning permit and regulation program is reduced to reflect revenues to the Air Pollution Control Account. (Air Pollution Control Account)
12. LANDSCAPE MANAGEMENT PLAN PILOTS - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Department of Fish and Wildlife and the Department of Ecology will assist in the pilot projects.
13. SSB 5327 - HABITAT INCENTIVES PGM - Chapter 425, Laws of 1997 (SSB 5327) establishes a habitat incentive program to be administered by the Department of Fish and Wildlife (WDFW). WDFW is to work jointly with DNR in developing the program. The program will allow private landowners to enter into an agreement with WDFW to enhance habitat for fish and wildlife species. The legislation includes a \$48,500 General Fund-State appropriation. Of the total, WDFW receives \$24,250. DNR receives \$24,250.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	14,257	58,041	72,298
1997 Supplemental *	215	175	390
Total 1995-97 Expenditure Authority	14,472	58,216	72,688
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1997-99 Maintenance Level	13,936	62,222	76,158
Policy Items			
1. Retrospective Rating Refund	0	184	184
2. Computer Services Staffing	0	312	312
3. Pesticide Registration	0	996	996
4. State Toxics Revenue Shortfall	0	-23	-23
5. Asian Gypsy Moth	461	360	821
6. General Inflation	-94	-317	-411
7. Entomologists	276	0	276
8. Integrated Pest Management	25	0	25
<hr/>			
Total 1997-99 Biennium	14,604	63,734	78,338
Fiscal Year 1998 Totals	7,596	31,729	39,325
Fiscal Year 1999 Totals	7,008	32,005	39,013

Comments:

1. RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund is appropriated to continue the Department of Agriculture (WSDA) safety program. The safety program is coordinated with the Department of Labor and Industries and includes safety training for potentially hostile or dangerous situations in the field and the acquisition of safety equipment for field and laboratory staff. (Industrial Insurance Premium Refund Account)
2. COMPUTER SERVICES STAFFING - WSDA's information services section is responsible for supporting 25 Departmental programs. Three computer information consultants are provided to allow grain, food, and pesticide inspectors to rapidly track and access information on samples and inspections needed for regulatory activities and inspection services. (Agriculture Local Account, Horticultural Districts Account, Grain and Hay Inspection Revolving Account)
3. PESTICIDE REGISTRATION - Funding is provided to support four additional positions enabling the Pesticide Management program to respond to increased workloads. Two sources of funding are provided: 1) Chapter 242, Laws of 1997 (E2SHB 1527 -- Pesticide Registration) authorizes the agency to increase fees for pesticide registration and applicator licenses to generate \$656,000 in increased revenue during the 1997-99 biennium; and 2) \$340,000 is provided from the State Toxics Control Account to support the program. (Agricultural Local Account-Non-appropriated, State Toxics Control Account)
4. STATE TOXICS REVENUE SHORTFALL - The Agricultural Waste Pesticide Disposal program will be reduced to manage within available revenues in the State Toxics Control Account. (State Toxics Control Account)
5. ASIAN GYPSY MOTH - Funding is provided to spray to control Asian Gypsy Moths in the West Seattle area and continue trapping efforts to detect and prevent future problems.
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
7. ENTOMOLOGISTS - Funding is provided to support two additional entomologist positions in the plant protection program to address on-going pest problems.
8. INTEGRATED PEST MANAGEMENT - Funds are provided for implementation of Chapter 357, Laws of 1997 (SSB 5077 -- Integrated Pest Management).

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget section of this document.

* Please see the 1997 Supplemental Operating Budget section for additional information.

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 State Patrol and the Department of Licensing. Therefore, the notes contained in this section are limited. For additional information, please see the Transportation Budget section of this document.

Washington State Patrol

Funding is provided for the upgrade of the Washington State Identification System (WASIS) and the Washington Crime Information Center (WACIC). The two information technology systems will be reengineered to accommodate new federal reporting requirements and new demands on the systems.

Department of Licensing

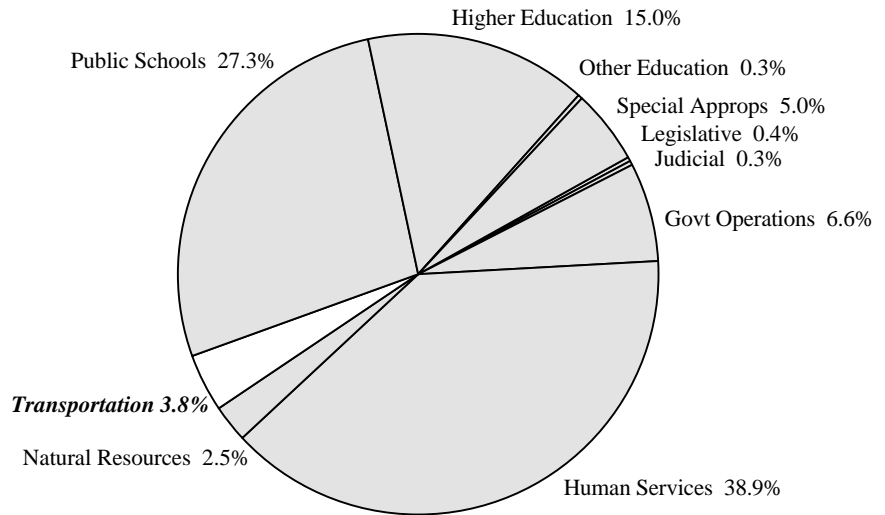
The amount of \$424,000 from the state general fund is provided for the implementation of Chapter 178, Laws of 1997 (SB 5997). The bill requires the Department of Licensing to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, and shops.

1997-99 Washington State Operating Budget

Total Budgeted Funds

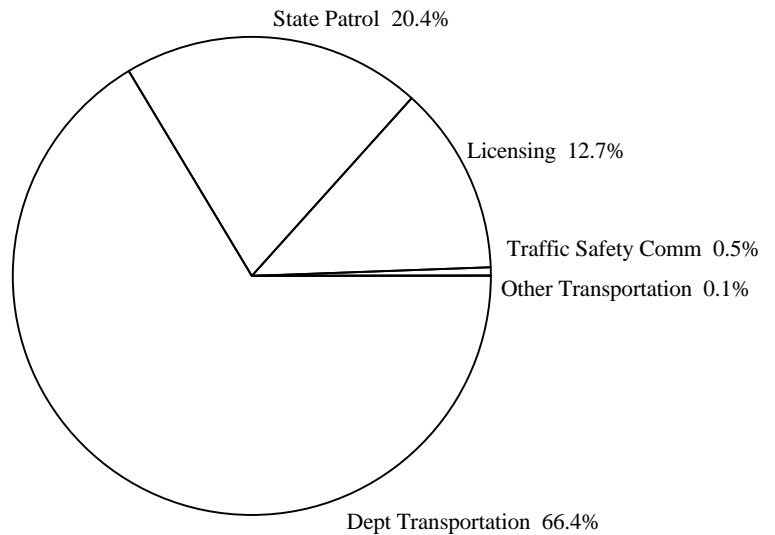
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Dept of Transportation	903,174
State Patrol	277,085
Dept of Licensing	172,495
Traffic Safety Commission	6,657
Other Transportation	1,433
Transportation	1,360,844



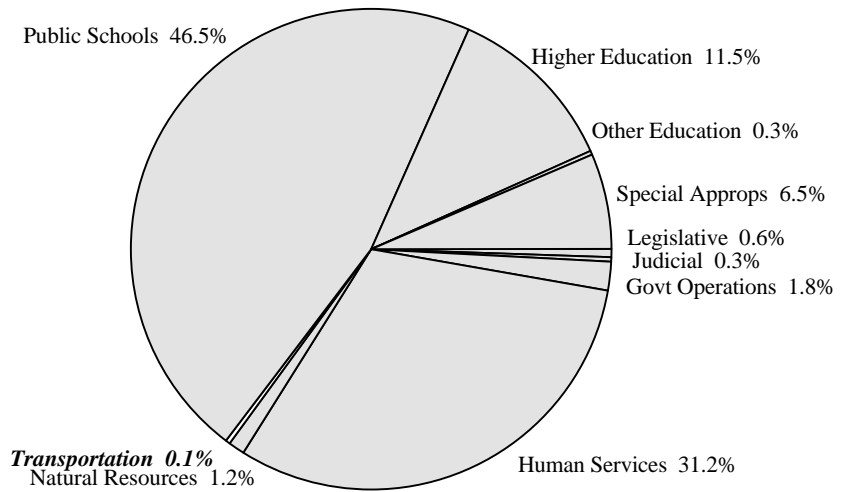
Transportation

1997-99 Washington State Operating Budget

General Fund - State

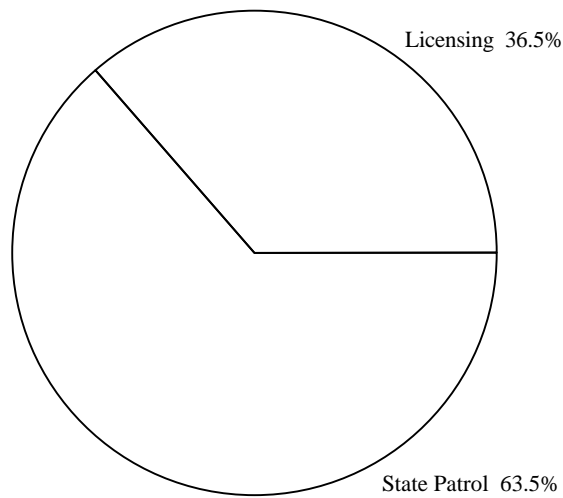
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

State Patrol	15,562
Dept of Licensing	8,945
Transportation	24,507



Transportation

Washington State Patrol
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	19,243	20,293	39,536
1997 Supplemental *	1,089	681	1,770
Total 1995-97 Expenditure Authority	20,332	20,974	41,306
1997-99 Maintenance Level	15,763	17,624	33,387
Policy Items			
1. Re-engineer Boarding Home Inspect	-146	0	-146
2. Additional Crime Scene/Lab FTEs	0	430	430
3. Fire Training Replacement Equipment	110	0	110
4. Savings in Acquisition Costs	-61	0	-61
5. Adjustment in Support Costs	-11	0	-11
6. Automate Background Checks	0	254	254
7. Drug Task Force Grant Match	0	360	360
8. General Inflation	-93	-105	-198
9. Criminal Identity Reengineering	0	1,260	1,260
10. Crime Database Redesign	0	1,476	1,476
11. Incident-based Investigation Tools	0	264	264
Total 1997-99 Biennium	15,562	21,563	37,125
Fiscal Year 1998 Totals	7,712	12,052	19,764
Fiscal Year 1999 Totals	7,850	9,511	17,361

Comments:

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| <ol style="list-style-type: none"> 1. RE-ENGINEER BOARDING HOME INSPECT - Savings are generated by converting existing contracts for inspection of boarding homes into funding for two inspectors with the Fire Protection Bureau and by eliminating a part-time standards and accreditation position. 2. ADDITIONAL CRIME SCENE/LAB FTES - Funding is provided for two additional DNA databank technicians, one firearms analyst, and two investigators to support a Crime Scene Response Team. (Municipal Criminal Justice Assistance Account, County Criminal Justice Assistance Account) 3. FIRE TRAINING REPLACEMENT EQUIPMENT - Provides funding for a used snow plow, forklift, tractor/mower, and miscellaneous maintenance equipment to keep the fire training academy operational. 4. SAVINGS IN ACQUISITION COSTS - Funding is reduced to reflect savings in the purchase of equipment. 5. ADJUSTMENT IN SUPPORT COSTS - Funding for publications, travel, and administration is reduced. 6. AUTOMATE BACKGROUND CHECKS - Funding is provided for a computer system that will allow the private sector to check criminal history records from remote locations by computer or phone for non-criminal purposes. These purposes may include pre-employment background checks and instant checks for firearm purchases. A report to the Office of Financial Management and Department of Information Services regarding implementation plans must be approved before expending this appropriation. (Fingerprint Identification Account) 7. DRUG TASK FORCE GRANT MATCH - Funding is provided for the 25 percent state match for the federal Bureau of Justice Assistance grant for narcotic enforcement efforts. (Federal Seizure Account-Local) 8. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. 9. CRIMINAL IDENTITY REENGINEERING - Funding for the Washington State Identification System (WASIS) re-engineering project is provided. The WASIS re-engineering project will enable the | <p>automated input of conviction, sentence, and other disposition information from the courts. The re-engineered WASIS also will support new federal reporting requirements, new statewide telecommunication standards, and links to the Washington Crime Information Center. (General Fund-Federal)</p> <ol style="list-style-type: none"> 10. CRIME DATABASE REDESIGN - Provides funding for the Washington Crime Information Center (WACIC) re-engineering project. The WACIC re-engineering project will enable the electronic entry of warrants and court orders, reporting of multiple warrant and court orders, compliance with federal reporting requirements, and links to WASIS. (General Fund-Federal) 11. INCIDENT-BASED INVESTIGATION TOOLS - Funding is provided for a feasibility study to develop a criminal investigation computer system. The study will report on the feasibility of developing a system that uses as its foundation incident-based reporting (IBR) consistent with FBI standards. The system will have the capability of connecting with local law enforcement jurisdictions as well as fire protection agencies conducting arson investigations. The study will report on the system requirements for incorporating case management, intelligence data, imaging and geographic information. The system will also provide links to existing crime information databases such as WASIS and WACIC. (General Fund-Federal) <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget section of this document.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,735	21,687	30,422
1997-99 Maintenance Level	8,495	22,998	31,493
Policy Items			
1. Uniform Commercial Code Reduction	0	-692	-692
2. Master License System Pilot	0	97	97
3. Master License System PC Upgrades	0	77	77
4. Boxing/Wrestling Legislation	43	0	43
5. Asset Management Coordinator	8	18	26
6. Engineer Compliance Officer	0	86	86
7. Regional Engineer Exam Reviews	0	16	16
8. Camera Replacement	5	0	5
9. Appraiser Program Law Judge	12	0	12
10. Engineer Licensing Information	0	13	13
11. General Inflation	-55	-95	-150
12. License Suspension	32	82	114
13. Engineer/Surveyor Legislation	0	17	17
14. Reduce Security Guard Programs	-120	0	-120
15. Reduce Equipment and DP costs	-22	0	-22
16. White Water River Rafter Regulation	0	40	40
17. Cosmetology Advisory Board	110	0	110
18. Cosmetology Inspections	424	0	424
19. Vessel Registration Exemptions	13	0	13
20. UCC Financial Statements Filing	0	74	74
21. Lapse	0	-74	-74
Total 1997-99 Biennium	8,945	22,657	31,602
Fiscal Year 1998 Totals	4,536	11,427	15,963
Fiscal Year 1999 Totals	4,409	11,230	15,639

Comments:

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| <p>1. UNIFORM COMMERCIAL CODE REDUCTION - Funding is reduced in order to meet available revenues. (Uniform Commercial Code Account)</p> <p>2. MASTER LICENSE SYSTEM PILOT - Funding is provided to continue and expand the use of the Master Licensing System to include city licenses. (Master License Account)</p> <p>3. MASTER LICENSE SYSTEM PC UPGRADES - Funds the replacement of 22 personal computers and associated software. (Master License Account)</p> <p>4. BOXING/WRESTLING LEGISLATION - Provides funding for the implementation of Chapter 205, Laws of 1997 (SB 5754), which modifies the administration and regulation of the boxing, martial arts, and wrestling professions.</p> <p>5. ASSET MANAGEMENT COORDINATOR - Funding is provided for an asset manager coordinator position to manage the agency's equipment and software inventory. (General Fund-State, Architects' License Account, Master License Account, Professional Engineers Account, Real Estate Commission Account, Uniform Commercial Code Account)</p> <p>6. ENGINEER COMPLIANCE OFFICER - Funds an additional compliance officer to improve professional engineers and land surveyors' compliance with disciplinary orders. (Professional Engineers Account)</p> <p>7. REGIONAL ENGINEER EXAM REVIEWS - Funds examination sites in three locations outside of Olympia. (Professional Engineers Account)</p> | <p>8. CAMERA REPLACEMENT - Funding is provided to replace three microfilm cameras used to film documents as part of the vehicle and vessel licensing and titling processes.</p> <p>9. APPRAISER PROGRAM LAW JUDGE - Funds an additional administrative law judge to address increasing violations of the Real Estate Appraiser Act (RCW 18.140).</p> <p>10. ENGINEER LICENSING INFORMATION - Provides funding for the inclusion of professional engineer and land surveyor licensing and regulatory information on the Internet. (Professional Engineers Account)</p> <p>11. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>12. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901) provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with the license suspension. (General Fund-State, Architects' License Account, Master License Account, Professional Engineers Account, Real Estate Commission Account, Funeral Directors and Embalmers Account)</p> <p>13. ENGINEER/SURVEYOR LEGISLATION - Provides funding for "pro tempore" or temporary board members to serve on committees or formal disciplinary hearing panels, printing of pamphlets, letters and other publications, and attorney general support for amending existing rules pursuant to Chapter 247, Laws of 1997 (SB 5266). (Professional Engineers Account)</p> |
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Department of Licensing

14. REDUCE SECURITY GUARD PROGRAMS - Expenditures are reduced to match available licensing revenues.
15. REDUCE EQUIPMENT AND DP COSTS - Funding is reduced for data processing costs, out-of-state travel, and equipment.
16. WHITE WATER RIVER RAFTER REGULATION - Funding is provided to establish the certification, licensing, and regulation of white water river craft operators as required by Chapter 391, Laws of 1997 (SSB 5483). (Master License Account)
17. COSMETOLOGY ADVISORY BOARD - Funding is provided for Chapter 179, Laws of 1997 (SB 5998), which reauthorizes the Cosmetology Advisory Board for one additional year.
18. COSMETOLOGY INSPECTIONS - Funds the implementation of Chapter 178, Laws of 1997 (SB 5997). The Department is required to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, or shops.
19. VESSEL REGISTRATION EXEMPTIONS - Funding is provided for the implementation of Chapter 83, Laws of 1997 (SSB 5513), which modifies provisions relating to vessel registration.
20. UCC FINANCIAL STATEMENTS FILING - Funding is provided for administrative costs associated with the implementation of ESB 5163. The bill requires the Department of Licensing to notify all creditors who file a Uniform Commercial Code (UCC) financial statement, four and one-half years after filing, that the lien expires after five years unless a continuation statement is filed. Because the Governor vetoed ESB 5163, the funding lapses. (See Item 21) (Uniform Commercial Code Account)
21. LAPSE - Funding was provided in the 1997-99 Omnibus Appropriations Act (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062) to implement ESB 5163 (UCC Financial Statement Filing) contingent on enactment of the bill by June 30, 1997. The Governor vetoed ESB 5163 stating that certain provisions would make Washington's law non-uniform and would create uncertainty for people doing business in Washington, and between Washington and other states. Because the bill was not enacted, the appropriation lapses.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Licensing's budget is shown in the Transportation Budget section of this document.

Public Schools

For the 1997-99 biennium, the Legislature provided various funding enhancements. The major ones were: \$176.53 million for a 3 percent cost-of-living increase; \$50.8 million for learning improvement grants; \$19.75 million for health benefit increases; \$39.3 million for technology; \$19.98 million for instructional materials; \$6.1 million to increase the block grant; \$4.3 million to improve reading; \$2.87 million for the highly capable program; and \$2.41 million to increase levy equalization.

There were also some changes in program funding which produced savings and some program terminations. Major changes were: -\$12.65 million from changing how teacher experience and education is calculated; -\$11.35 million from delaying development of assessments by the commission on student learning; -\$4.9 million from a new audit resolution process; -\$2.97 million from terminating the state school-to-work grant program; -\$1.65 million from terminating the superintendent/principal internship program; and -\$1.5 million from reducing the Magnet School program. Details follow.

Cost-of-Living Increase

An amount of \$176.53 million is appropriated to provide a 3 percent cost-of-living increase, effective September 1, 1997, for all K-12 state-funded certificated administrative, certificated instructional, and classified staff.

Health Benefit Increases

An amount of \$19.75 million is appropriated to increase the 1996-97 monthly health benefit amount from \$314.51, to \$317.34 for 1997-98 and \$335.75 for 1998-99.

Common School Construction

A total of \$75.0 million is appropriated to the common school construction account which, when combined with other capital funds, is expected to provide state matching funds to all the eligible common school projects in the 1997-99 biennium. Of the total, \$62.4 million is appropriated from the state general fund in the 1997 Supplemental Budget and \$12.6 million is appropriated from the education savings account in the 1997-99 biennial budget.

Learning Improvement Grants

An amount of \$50.8 million is appropriated to provide grants to school districts to improve learning in reading, writing, math, and communications. The Commission on Student Learning has prepared essential learning requirements and assessments for these basic subjects for use by school districts. Funding to improve learning is focused on these subject matters and will be phased in the K-12 system starting in the elementary grades. The four subject matters constitute about 80 percent of the teaching effort in the elementary grades, 60 percent in middle schools, and about 40 percent in the high schools. Accordingly, the budget provides \$36.69 per elementary student, \$30.00 per middle school student, and \$22.95 per high school student.

Technology Grants

An amount of \$39.3 million is appropriated from the education savings account to provide matching grants to school district consortia for purchase of computers and other high technology classroom aids designed to improve student learning. The matching funds are to be awarded through a competitive grant process to districts with applications that show the greatest potential educational benefit. Fifteen percent of the funds are designated for districts in financial distress.

Instructional Materials

An amount of \$19.98 million is appropriated for the 1998-99 school year, for purchase of instructional materials such as books, software, and other technology related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. Funds will be allocated at a rate of \$20.82 per student and will provide about \$458 for the average size classroom.

Block Grant

An amount of \$6.1 million is appropriated to increase the current block grant rate per student from \$26.30 to \$29.86 per student for the 1997-98 and 1998-99 school years. Part of the \$6.1 million increase represents two discontinued programs, School-to-Work and Superintendent/Principal Internships, for a total of \$3.6 million. The block grant program serves to provide discretionary funds to school districts for educational purposes.

Reading Initiatives: Tests and Learning Grants

An amount of \$4.3 million is appropriated to implement Chapter 262, Laws of 1997, Partial Veto (ESHB 2042) to establish a second grade reading test and for grants to provide training for K-3 teachers in reading instruction.

Levy Equalization Assistance to Districts with High Property Tax Rates and Additional Levy Authority

An amount of \$2.41 million is appropriated to implement Chapter 259, Laws of 1997 (ESHB 2069 - School Levies). This bill affects the 25 percent of school districts that require the highest property tax rates for a 10 percent maintenance and operation levy. Starting in calendar year 1999, these districts will be eligible to receive levy equalization matching funds for up to a 12 percent levy. Other districts eligible for levy equalization will be eligible for matching funds up to a 10 percent levy. The bill also extends the temporary levy lid increase which expires in 1997 by providing an additional 2 percent in levy authority in calendar year 1998 and 4 percent in calendar year 1999 and thereafter. The additional levy authority will allow districts to collect an estimated \$36 million in calendar year 1998 and \$83 million in 1999.

Magnet Schools and Complex Needs Programs

An amount of \$1.6 million is appropriated for the Magnet School program which provides grants to five school districts for programs to encourage racial integration of schools through voluntary transfers (the 1995-97 amount was \$3.1 million). An amount of \$4.3 million is appropriated for the Complex Needs program which provides grants to 17 school districts based on 1989-91 data showing high incidences of: poor students; students with disabilities; and non-English speaking students.

Alternative Education Opportunities for Students who have Dropped Out or Been Expelled

An amount of \$1.0 million is appropriated to provide start-up grants to school districts for alternative educational approaches to help drop out and expelled students gain educational skills necessary for their re-entry into school. Enrollments in these programs generate state fund allocations in the same manner as regular district enrollments. This is the source of funds to be used for educational programming and to continue such programs in the future. The start-up funds and portions of regular apportionments may be used for educational services contracted out as specified in Chapter 265, Laws of 1997 (EHB 1581 - Disruptive Students/Offenders).

Information System Support

An amount of \$500,000 is appropriated to the Office of the Superintendent of Public Instruction to continue enhancement of information processing. The purpose of this appropriation is to enable the Superintendent to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public. The data system is to have suitable safeguards of student confidentiality.

Student Teacher Centers

An amount of \$275,000 is appropriated to increase funding for Student Teacher Centers. These centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. Total funding for this program increases from \$225,000 in 1995-97 to \$500,000 in 1997-99.

Education Centers

Education centers are educational operations independent of school districts established to provide learning opportunities to students who have dropped out of school. Currently, there are 12 centers and \$100,000 is appropriated to fund a similar center in southwest Washington. In addition, \$100,000 is appropriated to stabilize funding for education centers currently receiving less than \$100,000 per biennium.

Highly Capable Program Increase

An amount of \$2.9 million is appropriated to increase the number of students eligible for state funding in the highly capable program from 1.5 percent to 2.0 percent of each district's K-12 enrollment.

K-12 Savings Initiatives

Average Salary Calculation

As directed in Chapter 141, Laws of 1997 (SB 5395 - Certified Staff Salaries), the calculation of average salaries used for state basic education funding of regular education and special education programs is changed to include actual salary costs in both programs, rather than just regular education. Currently, some districts are overfunded and some underfunded for their state special education salary costs, depending on the actual education and experience of their special education staffs. This legislation is expected to produce \$12.7 million in savings to the state general fund.

Modification of the Timelines for Education Reform Statewide Assessments

Chapter 268, Laws of 1997 (ESB 6072 - Student Assessment System) provides the Commission on Student Learning with modified timelines for the development of the statewide assessment system for the 4th, 7th, and 10th grades by delaying development of certain assessments. The modification in timelines reduces the cost of assessment development by \$11.35 million in the 1997-99 biennium and increases the cost for the subsequent biennium.

Truancy Boards

An amount of \$2.0 million to support local truancy board operations as provided for the 1996-97 school year is not continued. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.

ESD Special Education Coordinators

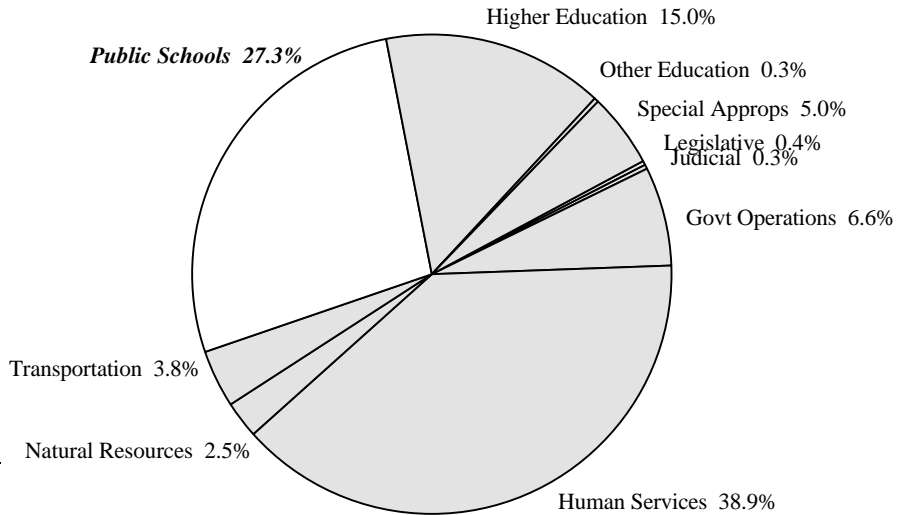
State funding of \$1.74 million for special education coordinators is eliminated. Federal funds for special education are being increased so districts will have the resources to choose whether to support regional staff or purchase assistance in other manners.

1997-99 Washington State Operating Budget

Total Budgeted Funds

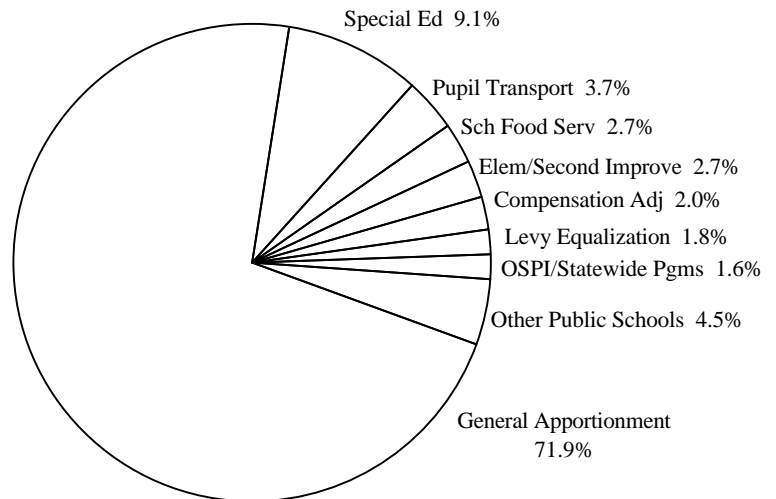
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

General Apportionment	6,940,884
Special Education	879,919
Pupil Transportation	353,904
School Food Services	265,190
Elem/Second Sch Improve	255,987
Compensation Adj	196,276
Levy Equalization	173,952
OSPI & Statewide Program	157,195
Other Public Schools	429,820
Public Schools	9,653,127



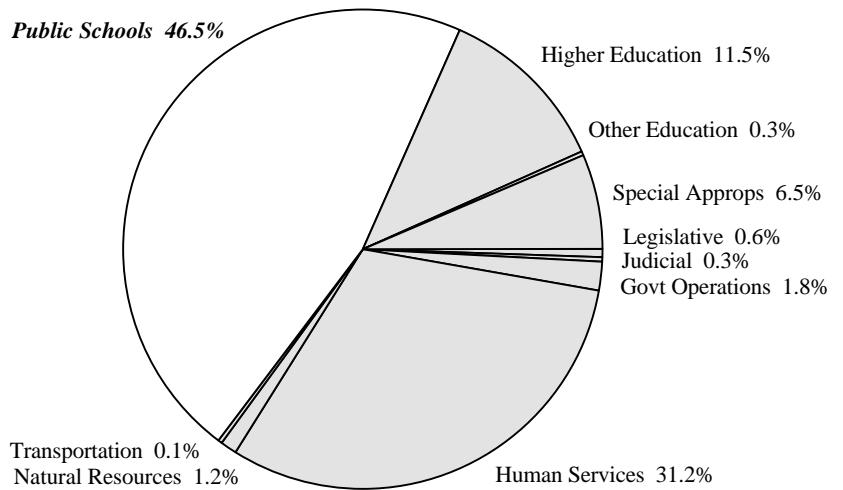
Public Schools

1997-99 Washington State Operating Budget

General Fund - State

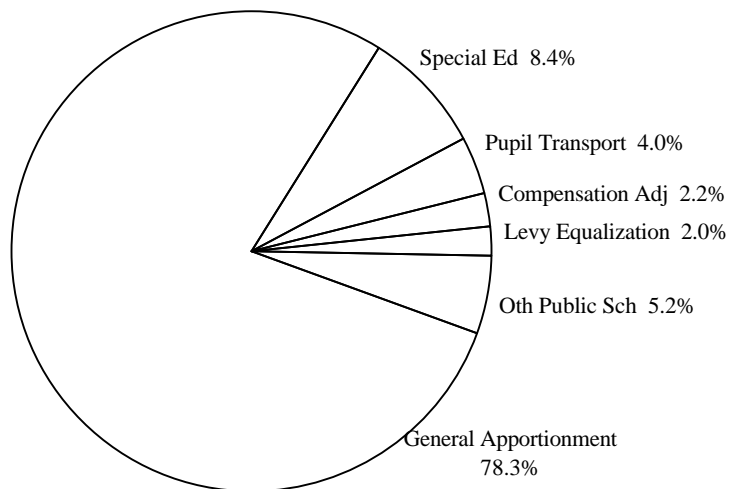
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

General Apportionment	6,940,884
Special Education	744,813
Pupil Transportation	353,904
Compensation Adj	196,276
Levy Equalization	173,952
Other Public Schools	458,222
Public Schools	8,868,051



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
								Estimate		
General Apportionment										
FTE Enrollment	768,619	795,703	823,355	850,426	871,735	896,872	903,986	923,619	943,019	959,507
% Change from prior year		3.5%	3.5%	3.3%	2.5%	2.9%	0.8%	2.2%	2.1%	1.7%
Special Education										
Headcount Enrollment *	80,236	84,808	95,954	102,388	101,463	107,232	108,255	109,126	110,704	111,698
% Change from prior year		5.7%	13.1%	6.7%	-0.9%	5.7%	1.0%	0.8%	1.4%	0.9%
Bilingual Education										
Headcount Enrollment	19,344	23,513	28,156	32,200	36,306	39,888	42,981	45,966	48,940	52,646
% Change from prior year		21.6%	19.7%	14.4%	12.8%	9.9%	7.8%	6.9%	6.5%	7.6%
Learning Assistance Program										
Entitlement Units **	86,749	104,123	106,270	114,909	112,771	117,887	154,933	157,583	159,891	160,632
% Change from prior year		20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	1.7%	1.5%	0.5%

* 1995-96 through 1998-99 represent enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

** Formula changed in 1995 -- entitlement units used for allocation purposes only. Actual students served may vary.

Data Sources:

1989-90 through 1995-96 amounts from SPI/OFM.

1996-97 through 1998-99 estimates from Legislative Conference Budget.

Public Schools
OSPI & Statewide Programs
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	56,110	48,242	104,352
1997 Supplemental *	2,325	0	2,325
Total 1995-97 Expenditure Authority	58,435	48,242	106,677
1997-99 Maintenance Level	37,771	57,330	95,101
Policy Items			
1. K-12 Technology	0	39,312	39,312
2. OSPI Information System Support	500	0	500
3. VRDE Account Shortfall	0	0	0
4. Teen Aware Fund Shift	400	400	800
5. Truancy Board Funding	-2,000	0	-2,000
6. School Audit Resolution	100	0	100
7. Alternative Education Programs	1,000	0	1,000
8. FCC Licensing Assistance	15	0	15
9. Voc Ag Teacher Recruitment	35	0	35
10. Education Centers	200	0	200
11. School Business Efficiency Studies	50	0	50
12. Complex Needs	-70	0	-70
13. Magnet Schools	-1,495	0	-1,495
14. Federal Goals 2000 Prohibition	0	-680	-680
15. Geographic Alliance	50	0	50
16. Instructional Materials	19,977	0	19,977
17. Reading Initiatives	5,000	0	5,000
18. Governor Veto	-700	0	-700
Total 1997-99 Biennium	60,833	96,362	157,195
Fiscal Year 1998 Totals	20,408	47,036	67,444
Fiscal Year 1999 Totals	40,425	49,326	89,751

Comments:

- | | |
|---|---|
| <p>1. K-12 TECHNOLOGY - Funding is provided for technology matching grants from the Education Savings Account. The matching grants shall be awarded on a competitive basis to school district consortia with applications showing the greatest potential educational benefits. Fifteen percent of the funds are designated for districts meeting the criteria of "financial distress." One FTE is provided for technical staff to support development of the K-20 network.</p> <p>2. OSPI INFORMATION SYSTEM SUPPORT - Additional funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to enhance information processing. The purpose of these funds are to allow OSPI to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public.</p> <p>3. VRDE ACCOUNT SHORTFALL - Due to a shortfall of revenue in the Violence Reduction and Drug Enforcement Account, Public Safety and Education Account funds are used to maintain school security awards at 1995-97 funding levels.</p> <p>4. TEEN AWARE FUND SHIFT - Funding for teen aware is increased by \$400,000 General Fund-State. Total funding for this program is \$800,000, including \$400,000 from federal funds.</p> <p>5. TRUANCY BOARD FUNDING - Funding for truancy board staffing is eliminated. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.</p> <p>6. SCHOOL AUDIT RESOLUTION - One-half of a full-time equivalent staff is provided to OSPI to increase support for a new school district audit resolution process required by Chapter 167, Laws of 1997 (SSB</p> | <p>5394 -- School Audits). The audit resolution process takes place whenever the state auditor finds that erroneous data has been submitted to the state by a school district for state funding purposes.</p> <p>7. ALTERNATIVE EDUCATION PROGRAMS - School districts are provided funding for start-up costs of alternative educational programs for students who are expelled or drop out of school. Once students are participating in the alternative program, State funding will be allocated on the same basis as district-enrolled students.</p> <p>8. FCC LICENSING ASSISTANCE - Funding is provided to the Superintendent of Public Instruction to assist high school vocational education programs which improve skills in working with FM radio communications.</p> <p>9. VOC AG TEACHER RECRUITMENT - The State Board of Education is to design a program to encourage high school students and others to pursue careers as teachers of agriculture in high school vocational educational programs.</p> <p>10. EDUCATION CENTERS - Funding is provided to increase the number of state-funded education centers and similar programs from 12 to 13, by adding one program in the southwest Washington area. In addition, \$100,000 is provided to help stabilize funding in the existing programs.</p> <p>11. SCHOOL BUSINESS EFFICIENCY STUDIES - Funding is provided for studies of school district business practices.</p> <p>12. COMPLEX NEEDS - Funding is provided for complex needs grants provided to 17 qualifying school districts. The allocation formula is based on 1990 data measuring the incidence of students who are from low-income families, disabled, or non-English speaking.</p> |
|---|---|

**Public Schools
OSPI & Statewide Programs**

13. MAGNET SCHOOLS - Funding is reduced by 50 percent for Magnet School grants to qualifying school districts for programs designed to encourage racial integration of schools through voluntary transfers.
14. FEDERAL GOALS 2000 PROHIBITION - The budget prohibits the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program. This proviso was vetoed by the Governor. (See Item 18.)
15. GEOGRAPHIC ALLIANCE - Funds are provided for matching purposes of a grant by the National Geographic Society for the improvement of teaching of geography in public schools.
16. INSTRUCTIONAL MATERIALS - Funds are allocated for the 1998-99 school year at a rate of \$20.82 per student for purchase of instructional materials such as books, software, and other technology-related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. This is expected to provide \$458 per average size classroom.
17. READING INITIATIVES - The budget provides \$5.0 million to implement two reading initiatives: 2SSB 5508 and Chapter 262, Laws of 1997 (ESHB 2042). An amount of \$700,000 was provided to implement 2SSB 5508 for a third grade reading test. The bill was not enacted. An amount of \$4.3 million was provided to implement ESHB 2042 to establish a second grade reading test and provide grants for reading instruction training for K-3 teachers.
18. GOVERNOR VETO - The Governor vetoed the \$700,000 appropriation to implement 2SSB 5508 which would have established a third grade reading test. The bill was not enacted by the Legislature.

The Governor vetoed the proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
General Apportionment
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	6,428,005	0	6,428,005
1997 Supplemental *	-8,214	0	-8,214
Total 1995-97 Expenditure Authority	6,419,791	0	6,419,791
1997-99 Maintenance Level	6,954,838	0	6,954,838
Policy Items			
1. Mix Factor Averaging	-11,454	0	-11,454
2. School Audit Resolution	-2,500	0	-2,500
Total 1997-99 Biennium	6,940,884	0	6,940,884
Fiscal Year 1998 Totals	3,429,727	0	3,429,727
Fiscal Year 1999 Totals	3,511,157	0	3,511,157

Comments:

1. MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Pupil Transportation
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	328,753	0	328,753
1997 Supplemental *	-1,729	0	-1,729
Total 1995-97 Expenditure Authority	327,024	0	327,024
<hr/>			
1997-99 Maintenance Level	353,904	0	353,904
<hr/>			
Total 1997-99 Biennium	353,904	0	353,904
Fiscal Year 1998 Totals	174,344	0	174,344
Fiscal Year 1999 Totals	179,560	0	179,560

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
School Food Services
 (Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,000	263,619	269,619
1997-99 Maintenance Level	6,000	276,040	282,040
Policy Items			
1. Summer Food Program	150	0	150
2. Federal Day Care Home Food	0	-17,000	-17,000
Total 1997-99 Biennium	6,150	259,040	265,190
Fiscal Year 1998 Totals	3,075	129,519	132,594
Fiscal Year 1999 Totals	3,075	129,521	132,596

Comments:

1. SUMMER FOOD PROGRAM - This item provides state funding to replace a portion of lost federal funding for summer food programs for children who live in low-income areas.
2. FEDERAL DAY CARE HOME FOOD - The federal welfare reform legislation restricts eligibility for food subsidies for home day care providers. This is a reduction in non-appropriated federal funds.

Public Schools
Special Education
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	747,920	98,684	846,604
1997 Supplemental *	-13,038	0	-13,038
Total 1995-97 Expenditure Authority	734,882	98,684	833,566
1997-99 Maintenance Level	749,544	135,106	884,650
Policy Items			
1. Mix Factor Averaging	-1,196	0	-1,196
2. School Audit Resolution	-2,500	0	-2,500
3. Medicaid @ Dists Under 2,000	700	0	700
4. ESD Special Ed. Coordinators	-1,735	0	-1,735
Total 1997-99 Biennium	744,813	135,106	879,919
Fiscal Year 1998 Totals	370,486	66,118	436,604
Fiscal Year 1999 Totals	374,327	68,988	443,315

Comments:

- MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

- SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.
- MEDICAID @ DISTIS UNDER 2,000 - School districts with fewer than 2,000 pupils (class 2) are permitted to keep 50 percent of federal Medicaid fund reimbursements for services provided to special education students. Larger districts will continue to be provided 20 percent of the reimbursements with the balance returned to the state to offset special education costs.

- ESD SPECIAL ED. COORDINATORS - State funding is eliminated for special education coordinators housed at each of the Educational Service Districts (ESDs). The function of these coordinators has been to assist school districts with the following: state reports and applications for state and federal funds; local special education cooperatives; employment of special education staff; etc.

The majority of ESD funding comes from services purchased by school districts. Services provided by special education coordinators could be maintained through charges to school districts. Funds to pay these charges are expected to be available from federal funds increases to school districts. The source of the federal fund increases to school districts is due to:

- Increases in federal funding for special education of approximately \$14.7 million per year; and
- A budget proviso which requires the Superintendent of Public Instruction to reduce the amount of federal funds retained for agency administrative costs and increase the flow-through of federal funds to school districts by an additional 4 percent. This is expected to increase federal funds allocated to school districts by at least \$2.6 million per year.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Traffic Safety Education
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	16,928	16,928
1997 Supplemental *	0	-104	-104
Total 1995-97 Expenditure Authority	0	16,824	16,824
<hr/>			
1997-99 Maintenance Level	0	17,179	17,179
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Total 1997-99 Biennium	0	17,179	17,179
Fiscal Year 1998 Totals	0	8,589	8,589
Fiscal Year 1999 Totals	0	8,590	8,590

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Educational Service Districts
 (Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,901	0	8,901
1997-99 Maintenance Level	8,746	0	8,746
Policy Items			
1. Student Teacher Centers	275	0	275
Total 1997-99 Biennium	9,021	0	9,021
Fiscal Year 1998 Totals	4,511	0	4,511
Fiscal Year 1999 Totals	4,510	0	4,510

Comments:

1. STUDENT TEACHER CENTERS - Funding is increased for Student Teacher Centers. These Centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. The 1991-93 biennium appropriation for this program was initially \$500,000 and has been reduced over time to \$225,000.

Public Schools
Levy Equalization
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	159,677	0	159,677
1997 Supplemental *	25	0	25
Total 1995-97 Expenditure Authority	159,702	0	159,702
1997-99 Maintenance Level	171,545	0	171,545
Policy Items			
1. Increase Levy Equalization	2,407	0	2,407
Total 1997-99 Biennium	173,952	0	173,952
Fiscal Year 1998 Totals	84,347	0	84,347
Fiscal Year 1999 Totals	89,605	0	89,605

Comments:

1. INCREASE LEVY EQUALIZATION - Funds are provided to implement the provisions of Chapter 259, Laws of 1997 (ESHB 2069 -- School Levies), which provides extra support for districts which must request the highest property tax rates to provide a supplement to a district's state and federal budgeted funds. Districts in the quartile which must request the highest tax rates to achieve equal maintenance and operation levy support rates are provided state levy equalization funding at 12 percent. Other districts with qualifying local levy effort will be provided the equivalent of a 10 percent levy as in current statute.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Elementary & Secondary School Improvement
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	222,376	222,376
1997-99 Maintenance Level	0	255,987	255,987
Total 1997-99 Biennium	0	255,987	255,987
Fiscal Year 1998 Totals	0	123,793	123,793
Fiscal Year 1999 Totals	0	132,194	132,194

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

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

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	33,726	8,548	42,274
1997 Supplemental *	-1,693	0	-1,693
Total 1995-97 Expenditure Authority	32,033	8,548	40,581
1997-99 Maintenance Level	36,261	8,548	44,809
Policy Items			
1. Juvenile Justice Act Revisions	748	0	748
Total 1997-99 Biennium	37,009	8,548	45,557
Fiscal Year 1998 Totals	18,026	4,274	22,300
Fiscal Year 1999 Totals	18,983	4,274	23,257

Comments:

1. JUVENILE JUSTICE ACT REVISIONS - The initial budget passed by the Legislature provided \$1.197 million for the institutional education cost associated with Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions). The legislation is expected to result in an increase in the number of juveniles in local detention centers and juvenile delinquent institutions. Revisions to the bill since the budget was passed have reduced the amount needed to \$748,000.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Education of Highly Capable Students
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	8,454	0	8,454
1997 Supplemental *	-37	0	-37
Total 1995-97 Expenditure Authority	8,417	0	8,417
1997-99 Maintenance Level	8,966	0	8,966
Policy Items			
1. Centrum Program Transfer	-86	0	-86
2. Odyssey of the Mind Transfer	186	0	186
3. Gifted Funded @ 2 Percent	2,862	0	2,862
Total 1997-99 Biennium	11,928	0	11,928
Fiscal Year 1998 Totals	5,752	0	5,752
Fiscal Year 1999 Totals	6,176	0	6,176

Comments:

1. CENTRUM PROGRAM TRANSFER - The program support for Odyssey of the Mind through Centrum is transferred to the state Odyssey of the Mind program.
2. ODYSSEY OF THE MIND TRANSFER - Funding is provided for Odyssey of the Mind program support through the state Odyssey of the Mind organization.
3. GIFTED FUNDED @ 2 PERCENT - The percentage of K-12 enrollment funded in the highly capable program is increased from the current 1.5 percent to 2.0 percent. In addition, the rate per student is increased from \$302.78 in the 1996-97 school year, to \$318.13 for 1997-98 and \$319.94 in 1998-99. These rates include salary and health benefit increases.

* Please see the 1997 Supplemental Operating Budget section for additional information.

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

	GF-S	Other	Total
1995-97 Expenditure Authority	35,966	12,500	48,466
1997-99 Maintenance Level	56,713	12,733	69,446
Policy Items			
1. Change Assessment Timeline	-11,350	0	-11,350
2. School-To-Work	-2,970	0	-2,970
3. Superintendent/Principal Internship	-1,620	0	-1,620
4. Federal Goals 2000 Prohibition	0	-12,500	-12,500
Total 1997-99 Biennium	40,773	233	41,006
Fiscal Year 1998 Totals	18,905	127	19,032
Fiscal Year 1999 Totals	21,868	106	21,974

Comments:

- CHANGE ASSESSMENT TIMELINE - The budget for the Commission on Student Learning implements Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System), which delays the timelines for development of assessments for various subject matters.

The availability of the elementary, middle, and high school tests for reading, writing, communications, and mathematics will be staggered over the 1997-99 biennium instead of all being required in the 1996-97 school year. A phased approach is also taken in the development of test specifications and assessments for science, social studies, arts, and health and fitness.
- SCHOOL-TO-WORK - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program.
- SUPERINTENDENT/PRINCIPAL INTERNSHIP - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program. The purpose of this program was to provide funds for release time for staff to receive training to become future administrators.
- FEDERAL GOALS 2000 PROHIBITION - The budget prohibited the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

NOTE: The Governor vetoed the budget proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

Public Schools
Transitional Bilingual Instruction
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	54,810	0	54,810
1997 Supplemental *	-211	0	-211
Total 1995-97 Expenditure Authority	54,599	0	54,599
1997-99 Maintenance Level	65,198	0	65,198
Policy Items			
1. Bilingual Enrollment	-638	0	-638
Total 1997-99 Biennium	64,560	0	64,560
Fiscal Year 1998 Totals	31,146	0	31,146
Fiscal Year 1999 Totals	33,414	0	33,414

Comments:

1. BILINGUAL ENROLLMENT - Enrollment is adjusted to be consistent with the definition of eligibility in the budget. The budget defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12 and receiving instruction in accordance with state bilingual laws.

NEW BILINGUAL FORMULA - The budget contains a new bilingual formula for implementation beginning with the 1998-99 school year. The new formula replaces the current dollar per student funding formula with a weighted formula based on time in program and grade level of students.

Governor's Vetoes:

The Governor vetoed the budget proviso which defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12.

The Governor vetoed the new bilingual formula for implementation beginning with the 1998-99 school year. This leaves the old formula in place.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Learning Assistance Program (LAP)
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,627	0	114,627
1997 Supplemental *	-759	0	-759
Total 1995-97 Expenditure Authority	113,868	0	113,868
<hr/>			
1997-99 Maintenance Level	121,171	0	121,171
<hr/>			
Total 1997-99 Biennium	121,171	0	121,171
Fiscal Year 1998 Totals	60,309	0	60,309
Fiscal Year 1999 Totals	60,862	0	60,862

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Block Grants
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,969	0	114,969
1997 Supplemental *	-47	0	-47
Total 1995-97 Expenditure Authority	114,922	0	114,922
1997-99 Maintenance Level	49,847	0	49,847
Policy Items			
1. Student Learning Improvement Grants	50,840	0	50,840
2. Block Grant Rate	6,090	0	6,090
Total 1997-99 Biennium	106,777	0	106,777
Fiscal Year 1998 Totals	49,815	0	49,815
Fiscal Year 1999 Totals	56,962	0	56,962

Comments:

1. STUDENT LEARNING IMPROVEMENT GRANTS - Learning Improvement allocations are provided at a rate of \$36.69 per K-4 student, \$30.00 per student in grades 5-7, and \$22.95 per student for grades 8-12. The allocations for learning improvements focus on reading, writing, communication, and mathematics in accordance with the timelines specified by Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System). These subjects constitute about 80 percent of the instruction taking place in grades K-4, about 60 percent in grades 5-7, and about 40 percent in grades 8-12. This requires greater resources in the early grades and less in the upper grades.
2. BLOCK GRANT RATE - The block grant rate is increased from the current \$26.30 per student to \$29.86 per student. Part of the increase is due to the transfer of \$3.6 million from two discontinued programs, School-to-Work, and Superintendent/Principal Internship programs.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Compensation Adjustments
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	218,964	0	218,964
1997 Supplemental *	-369	0	-369
Total 1995-97 Expenditure Authority	218,595	0	218,595
Policy Items			
1. K-12 Salary COLA	176,525	0	176,525
2. Health Benefit Rate Adjustments	19,751	0	19,751
Total 1997-99 Biennium	196,276	0	196,276
Fiscal Year 1998 Totals	79,966	0	79,966
Fiscal Year 1999 Totals	116,310	0	116,310

Comments:

1. K-12 SALARY COLA - Salary cost of living adjustments (COLAs) are provided to all state funded school district staff, including certificated instructional staff, classified staff, and certificated administrative staff. A 3 percent increase is effective September 1, 1997.
2. HEALTH BENEFIT RATE ADJUSTMENTS - The current health benefits rate per month of \$314.51 is increased to \$317.34 in 1997-98 and \$335.75 in 1998-99.

NOTE: A budget proviso requires that the 3 percent salary increase be given to all state funded classified staff.

A budget proviso requires the Superintendent of Public Instruction to submit a report to the legislature by February 15, 1998, for the 1997-98 school year, showing the salary levels which each school district may pay to its certificated instructional staff according to RCW 28A.400.200 and the actual salary paid, based on the personnel report that school districts submit for state apportionment purposes.

A budget proviso requires, for the 1998-99 school year, that the Superintendent withhold state salary increase funds to any school district which exceeds the allowable salary for certificated instructional staff by the amount of the overage.

The Governor vetoed the budget proviso which requires that the 3 percent salary increase be given to all state funded classified staff.

The Governor vetoed the budget proviso which, for the 1998-99 school year, requires that the Superintendent withhold state salary increase funds to any school district exceeding the allowable salary for certificated instructional staff.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Public Schools
Common School Construction
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997 Supplemental *	62,379	0	62,379
Total 1995-97 Expenditure Authority	62,379	0	62,379
Policy Items			
1. Common School Const Fund	0	12,621	12,621
Total 1997-99 Biennium	0	12,621	12,621
Fiscal Year 1999 Totals	0	12,621	12,621

Comments:

1. COMMON SCHOOL CONST FUND - This appropriation from the Education Savings Account when combined with the \$62.4 million General Fund-State appropriation in the 1997 Supplemental Budget provides an additional \$75.0 million for common school construction. This amount plus revenues from trust lands and bond moneys are expected to provide sufficient funds to fund all the eligible common school capital projects in the 1997-99 biennium.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Higher Education

Enrollment Increases

The amount of \$39.8 million from the state general fund is provided to address increasing enrollment demand. Access to public higher education is expanded to accommodate an additional 6,390 students: 2,190 in the baccalaureate institutions and 4,200 students in the Community and Technical College System (CTCS). Full funding for new enrollments is provided as determined by the Higher Education Coordinating Board. New students at the branch campuses were funded at the rate appropriate for upper division students.

Support for Dislocated Workers

Workforce training enrollment opportunities and financial aid assistance is maintained for up to 7,200 dislocated workers at the community and technical colleges. This support is provided through \$31.3 million of the state general fund and \$26.3 million from the Employment and Training Trust Fund. The general fund resources are provided as a phased replacement of funding from the Employment and Training Trust Fund revenue source which expires on January 1, 1998.

Student Financial Aid

The sum of \$33.2 million from the state general fund is provided to increase student financial aid in the State Need Grant, State Work Study, Educational Opportunity Grant, National Guard Scholarships, Washington Scholars, Award for Vocational Excellence, Work-based Training, and other programs. Additionally, \$2.2 million of the state general fund is provided to replace funding from the Health Services Account in support of Health Professions Scholarships.

Accountability Measures

Two percent of the baccalaureate institutions non-instructional funding (\$10.7 million state general fund) will be held in reserve and may be released by the Higher Education Coordinating Board upon certification that institutions have prepared plans and have met performance goals for student progression and retention, time to degree, faculty productivity, and one additional measure to be developed for each institution. In a similar fashion, \$6.8 million of the Community and Technical Colleges general fund is to be held by the State Board for Community and Technical Colleges until the two-year institutions meet selected performance goals.

Tuition Increases

Under Chapter 403, Laws of 1997 (E2SSB 5927), tuition rates are increased by 4.0 percent in the 1997-98 academic year and an additional 4.0 percent in the 1998-99 academic year. The resulting additional local tuition funds may be used for general educational enhancements or for specially provided optional salary increases described below. Exceptions to the general increase provided at the University of Washington are: 8.3 percent increase in each year for non-resident undergraduates; 7.3 percent in each year for resident law students; and 6.7 percent in each year for non-resident law students. Of the tuition revenue generated by these special increases in excess of a 4 percent tuition rate increase, 10 percent of those additional revenues shall be used to assist needy low- and middle-income resident students.

Cost-of-Living Increase

Higher education classified employees will receive a cost-of-living increase of 3 percent effective July 1, 1997. Higher education faculty, exempt staff, and other special salary classifications will receive an average 3 percent cost-of-living increase effective July 1, 1997. The flexibility provided for these classifications is to provide for locally determined, merit-based salary increases.

Faculty Retention Pool

The state's four-year institutions will receive \$4.0 million state general fund to recruit and retain faculty. In addition, the four-year institutions are given the optional authority to provide an average 1 percent pay increase in 1997 and an additional 2 percent pay increase in 1998 to faculty and exempt staff. Funding for these optional increases is available either through the authorized tuition rate increases or through locally identified efficiencies. These pay increases are in addition to the general cost-of-living increase.

Community College Part-Time Faculty Pay Disparity

The Community and Technical Colleges are instructed to address the part-time faculty pay disparity by applying up to \$7.7 million of the authorized tuition rate increases as salary enhancements. The amount each college applies to pay disparity issues will be based on local situations, but a minimum of \$2.9 million must be expended for part-time salaries or hiring additional full-time faculty. In addition, the State Board is authorized to use non-restricted funds from the base allocation to equalize pay disparities for full-time faculty among the various community and technical colleges.

Replacement of Health Services Account

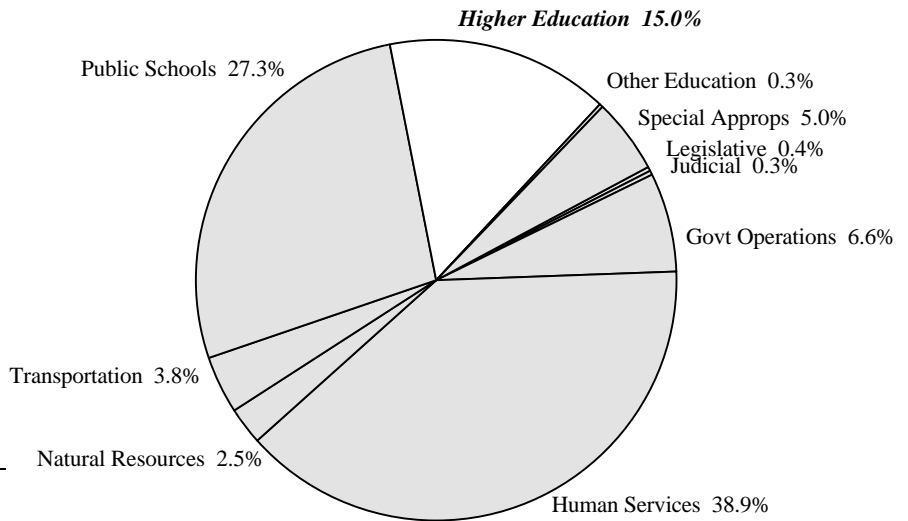
In addition to the general fund support of the Health Professions Scholarship described above, \$3.3 million of the state general fund was provided for training of primary care providers and \$4.9 million of the state general fund was provided for health benefits for graduate teaching and research assistants. This funding is provided to maintain these programs and benefits in the face of a shortfall in the Health Services Account.

1997-99 Washington State Operating Budget

Total Budgeted Funds

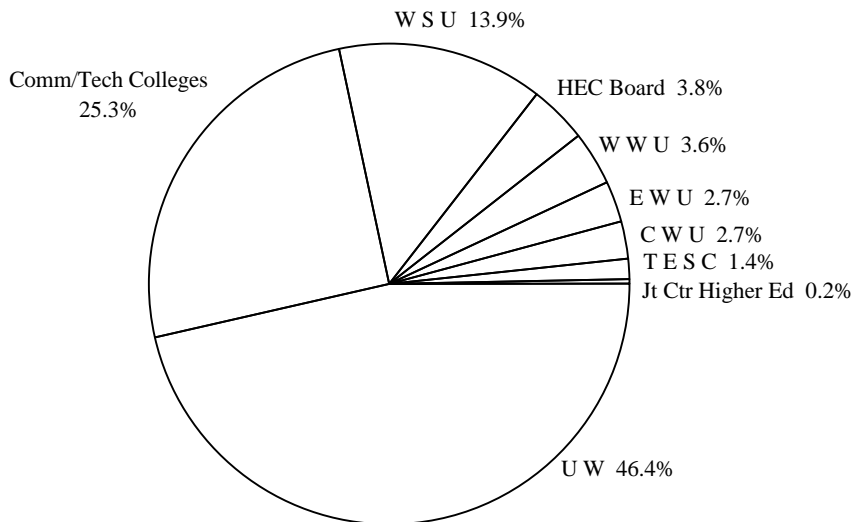
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Univ of Washington	2,455,663
Community/Tech Colleges	1,337,355
Washington State Univ	737,578
Higher Ed Coord Board	203,581
Western Washington Univ	190,224
Eastern Washington Univ	143,193
Central Washington Univ	140,259
The Evergreen State Coll	72,299
Joint Ctr for Higher Ed	12,206
Higher Education	5,292,358



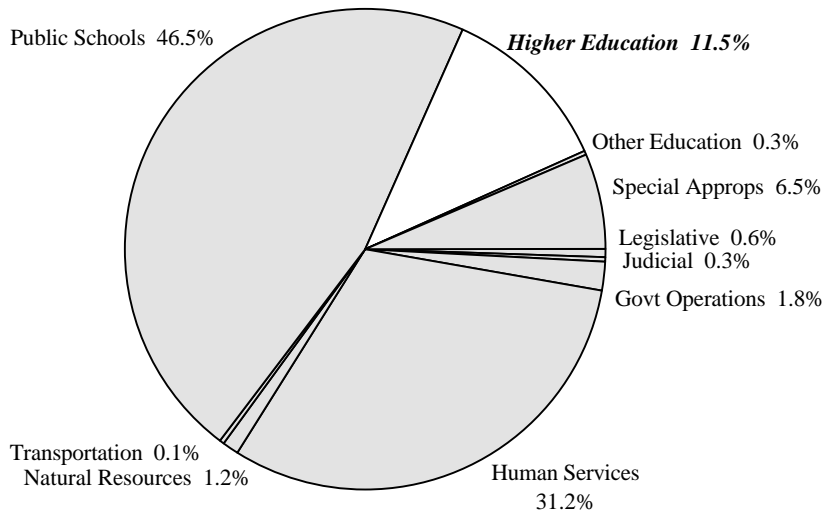
Higher Education

1997-99 Washington State Operating Budget

General Fund - State

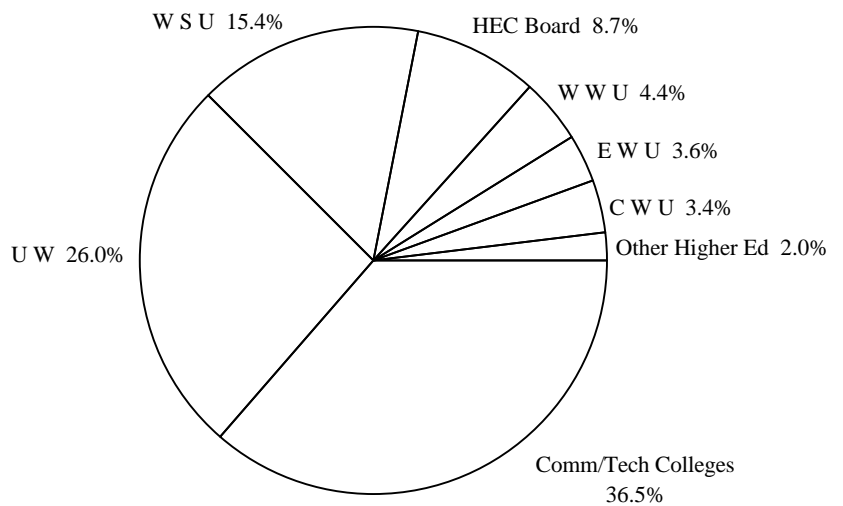
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Community/Tech Colleges	803,852
Univ of Washington	573,730
Washington State Univ	339,463
Higher Ed Coord Board	190,927
Western Washington Univ	96,677
Eastern Washington Univ	78,700
Central Washington Univ	75,830
Other Higher Education	43,608
Higher Education	2,202,787



Higher Education

Higher Education
FTE Student Enrollment History
 By Academic Year

	Actual Enrollment							Budgeted	
	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94^{1,2}</u>	<u>1994-95¹</u>	<u>1995-96¹</u>	<u>1996-97¹</u>	<u>1997-98</u>	<u>1998-99</u>
Community & Technical Colleges	100,523	104,295	107,115	111,035	113,609	118,075	118,653	116,426	118,526
General Enrollment ⁽³⁾	100,523	104,295	107,115	111,035	113,609	109,907	111,129	109,226	111,326
Dislocated Workers ⁽³⁾	0	0	0	0	0	8,168	7,524	7,200	7,200
Four-Year Schools	72,566	73,071	74,481	76,411	77,305	77,977	79,435	81,048	82,463
University of Washington	30,123	30,723	31,210	31,341	31,493	31,811	32,858	32,919	33,414
Washington State University	16,777	16,452	16,685	17,467	18,007	18,425	18,594	19,360	19,950
Eastern Washington University	7,417	7,360	7,533	7,635	7,605	7,364	6,945	7,739	7,739
Central Washington University	6,429	6,312	6,588	7,339	7,337	7,339	7,448	7,346	7,446
The Evergreen State College	3,089	3,203	3,326	3,282	3,377	3,387	3,489	3,496	3,576
Western Washington University	8,731	9,021	9,139	9,347	9,486	9,651	10,101	10,188	10,338
HECB Timber Workers	0	7	21	63	104	118	139	50	50
Total Higher Education	173,089	177,373	181,617	187,509	191,018	196,170	198,227	197,524	201,039

(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 Sources:

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 <u>1996-97</u>	Increase for <u>1997-98</u>	Total Budgeted <u>1997-98</u>	Increase for <u>1998-99</u>	Total Budgeted <u>1998-99</u>
Community and Technical Colleges	114,326	2,100	116,426	2,100	118,526
Community Colleges *	93,406	1,847	95,253	1,847	97,100
Technical Colleges	13,220	253	13,473	253	13,726
Dislocated Workers **	7,200	0	7,200	0	7,200
Timber Workers	500	0	500	0	500
Four-Year Schools	80,273	775	81,048	1,415	82,463
University of Washington	32,504	415	32,919	495	33,414
Main	30,455	225	30,680	230	30,910
Evening	617	0	617	0	617
Bothell	685	90	775	120	895
Tacoma	747	100	847	145	992
Washington State University	19,330	30	19,360	590	19,950
Main	17,403	0	17,403	320	17,723
Spokane	352	0	352	90	442
Tri-Cities	724	30	754	60	814
Vancouver	851	0	851	120	971
Eastern Washington University	7,739	0	7,739	0	7,739
Central Washington University	7,256	90	7,346	100	7,446
The Evergreen State College	3,406	90	3,496	80	3,576
Western Washington University	10,038	150	10,188	150	10,338
HECB Timber Workers	50	0	50	0	50
Total Higher Education	194,649	2,875	197,524	3,515	201,039

* Includes Distressed Economic Community enrollments.

** The Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

1997-99 New Tuition and Services and Activities Fee Rates

	Current Rate	New Rates	
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Research Universities			
Resident Undergraduate	3,136	3,256	3,381
Resident Graduate	4,930	5,122	5,319
Resident Law	4,924	5,268	5,634
Resident MD/DD/DVM	8,058	8,380	8,709
Nonresident Undergraduate - UW	9,746	10,536	11,388
Nonresident Undergraduate - WSU	9,758	10,148	10,554
Nonresident Graduate	12,366	12,856	13,365
Nonresident Law	12,366	13,173	14,040
Nonresident MD/DD/DVM	20,464	21,282	22,122
Comprehensive Institutions			
Resident Undergraduate	2,433	2,529	2,629
Resident Graduate	3,888	4,044	4,207
Nonresident Undergraduate	8,618	8,964	9,322
Nonresident Graduate	11,820	12,294	12,787
Community & Technical Colleges			
Resident Undergraduate	1,401	1,458	1,515
Nonresident Undergraduate	5,511	5,733	5,961

Notes:

Services and Activities Fees are dependent on bonded debt; therefore, actual "tuition and fees" for an individual institution will vary slightly from the averages shown for research and comprehensive institutions.

Resident / Nonresident Law are new tuition categories established by the 1997 Legislature.

Nonresident undergraduate tuition for 1996-97 at the University of Washington and Washington State University was increased by the 1996 Legislature.

Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	151,907	6,922	158,829
1997 Supplemental *	5	0	5
Total 1995-97 Expenditure Authority	151,912	6,922	158,834
<hr/>			
1997-99 Maintenance Level	156,206	9,048	165,254
Policy Items			
1. Health Benefits Increase	14	0	14
2. General Inflation	-32	0	-32
3. State Need Grant	24,154	0	24,154
4. Educational Opportunity Grant	2,750	0	2,750
5. Washington Scholars	967	0	967
6. Award for Vocational Excellence	232	0	232
7. Prepaid Tuition	350	0	350
8. Capital Planning Oversight	1,000	0	1,000
9. Computer Upgrade	170	0	170
10. Undergraduate Fellowships	375	0	375
11. Western Interstate Commission	5	0	5
12. Work Study	2,500	5,842	8,342
13. Balance Health Services Account	2,236	-2,236	0
<hr/>			
Total 1997-99 Biennium	190,927	12,654	203,581
Fiscal Year 1998 Totals	92,103	6,778	98,881
Fiscal Year 1999 Totals	98,824	5,876	104,700

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. STATE NEED GRANT - Funding is provided for the State Need Grant program in an amount that is equal to 43 percent of new tuition revenues. The program will serve students with family incomes at 45 percent of the state's median family income. After April 1 of each year, up to 1.0 percent of the annual appropriation may be transferred to the state work study program. The budget bill, as passed by the Legislature, required that, unless a tuition-based distribution method is enacted for the 1998-99 academic year, the Higher Education Coordinating Board (HECB) shall establish family income equivalencies for independent students. This last provision was vetoed by the Governor.
4. EDUCATIONAL OPPORTUNITY GRANT - Funding is provided for the Educational Opportunity Grant (EOG) program. The increased funding level will serve approximately 1,100 additional student FTEs in the 1997-99 biennium.
5. WASHINGTON SCHOLARS - Funding is provided for tuition and fee grants for recipients of the Washington Scholars Award.
6. AWARD FOR VOCATIONAL EXCELLENCE - Funding is provided for tuition and fee grants to recipients of the Washington Award for Vocational Excellence.
7. PREPAID TUITION - One-time funding is provided for 1997-99 biennium start-up costs of a new Prepaid College Tuition Payment program pursuant to Chapter 289, Laws of 1997 (E2SHB 1372 -- Advanced College Tuition Payment). This program is designed to enhance the ability of Washington citizens to obtain financial access to institutions of higher education through the encouragement of savings.
8. CAPITAL PLANNING OVERSIGHT - One-time funding is provided for operational oversight of higher education capital projects. The sum of \$50,000 is earmarked for a study of the educational needs in Omak/Okanogan County.
9. COMPUTER UPGRADE - One-time funds are provided for computer upgrades (\$150,000) and the ongoing costs associated with maintenance and communications (\$20,000).
10. UNDERGRADUATE FELLOWSHIPS - One-time funding is provided for a demonstration project to establish approximately 15 undergraduate fellowships based upon the graduate fellowship program.
11. WESTERN INTERSTATE COMMISSION - Funding is provided for increased membership dues to the Western Interstate Commission for Higher Education (WICHE).
12. WORK STUDY - Funding is provided for the state and federal work study programs. New state general funds will serve approximately 735 additional student FTEs per year. Funding is also provided through the federal work study program and will serve approximately 2,230 additional students each year. After April 1 of each year, up to 1 percent of the annual appropriation may be transferred to the state need grant program.
13. BALANCE HEALTH SERVICES ACCOUNT - Funds are provided from the state general fund to replace the Health Services Account funding for the Health Professional Loan Repayment and Scholarship Program.

* Please see the 1997 Supplemental Operating Budget section for additional information.

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	526,995	1,697,906	2,224,901
1997 Supplemental *	710	0	710
Total 1995-97 Expenditure Authority	527,705	1,697,906	2,225,611
1997-99 Maintenance Level	541,888	1,863,624	2,405,512
Policy Items			
1. Hospital Inflation	0	6,113	6,113
2. Health Benefits Increase	1,593	37	1,630
3. General Inflation	-4,999	0	-4,999
4. Enrollment	9,408	4,548	13,956
5. Burke Museum	94	0	94
6. Faculty Retention	2,400	8,588	10,988
7. Environmental Health Programs	0	980	980
8. State Toxicology Lab	0	12	12
9. Graduate Assistant Health Benefits	2,909	-2,909	0
10. Senior Dental Health Program	300	0	300
11. Olympic Natural Resource Center	150	0	150
12. Primary Care Training	3,343	-3,343	0
13. Salary Increase	16,644	196	16,840
14. Tuition Rate Increase	0	4,087	4,087
Total 1997-99 Biennium	573,730	1,881,933	2,455,663
Fiscal Year 1998 Totals	283,923	935,341	1,219,264
Fiscal Year 1999 Totals	289,807	946,592	1,236,399

Comments:

- HOSPITAL INFLATION - Funding is provided for anticipated hospital cost inflation at the University of Washington Medical Center and Harborview Hospital. (University Hospital Account-Non-appropriated)
- HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- ENROLLMENT - Additional funds provide 225 new full-time equivalent student enrollments (FTEs) in academic year 1997-98 and 230 additional FTEs in academic year 1998-99 at the Seattle main campus; 90 FTEs for the Bothell campus in 1997-98 and 120 FTEs in 1998-99; 100 FTEs for the Tacoma campus in 1997-98 and 145 in 1998-99. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
- BURKE MUSEUM - Funding is provided for the employment of a fossil preparator/educator at the Burke Museum. This entire amount shall be allocated directly to the Burke Museum.
- FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
- ENVIRONMENTAL HEALTH PROGRAMS - Funds are provided to the University's Department of Environmental Health for the following: agricultural safety, policy analysis and program evaluation, placement of interns with the Department of Labor and Industries, collaborative outreach with the state to elementary and secondary schools regarding workplace safety as part of the federal school to work grant, and research support in occupational epidemiology and biostatistics. (Accident Account-State, Medical Aid Account-State)
- STATE TOXICOLOGY LAB - Funding is provided for forensic toxicology services to meet the increasing demand for driver drug testing. (Death Investigations Account-State)
- GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
- SENIOR DENTAL HEALTH PROGRAM - Funding is provided for the School of Dentistry's senior dental extern program, dental hygiene degree completion program, and graduate pediatric dental program to serve rural and underserved children.
- OLYMPIC NATURAL RESOURCE CENTER - Funding is provided to increase the research capabilities of the Center.
- PRIMARY CARE TRAINING - Funding is provided from the state general fund for training of primary care physicians and other primary care providers.
- SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Death Investigations Account-State, Accident Account-State, Medical Aid Account-State)

14. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 6)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	309,682	359,200	668,882
1997 Supplemental *	476	0	476
Total 1995-97 Expenditure Authority	310,158	359,200	669,358
1997-99 Maintenance Level	323,233	390,314	713,547
Policy Items			
1. Health Benefits Increase	913	0	913
2. General Inflation	-1,790	-3	-1,793
3. Enrollment	4,614	2,148	6,762
4. Air Pollution Control Adjustment	0	-4	-4
5. Faculty Retention	1,200	4,755	5,955
6. Graduate Assistant Health Benefits	1,400	-1,400	0
7. Salary Increase	9,893	0	9,893
8. Tuition Rate Increase	0	2,305	2,305
Total 1997-99 Biennium	339,463	398,115	737,578
Fiscal Year 1998 Totals	166,644	197,059	363,703
Fiscal Year 1999 Totals	172,819	201,056	373,875

Comments:

- HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- ENROLLMENT - Funding is provided for 620 new full-time equivalent student enrollments (FTEs) in the 1997-99 biennium. The increases include: 320 FTEs in academic year 1998-99 for the Pullman campus; 90 FTEs in academic year 1998-99 for the Spokane campus; 30 FTEs in academic year 1997-98 and 60 additional FTEs in academic year 1998-99 for the Tri-Cities campus; and 120 FTEs in academic year 1998-99 for the Vancouver campus. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
- AIR POLLUTION CONTROL ADJUSTMENT - Funding is reduced to balance expenditures with available revenues. (Air Pollution Control Account-State)
- FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
- GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
- SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
- TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 5)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Eastern Washington University

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	75,744	67,375	143,119
1997 Supplemental *	-226	-975	-1,201
Total 1995-97 Expenditure Authority	75,518	66,400	141,918
1997-99 Maintenance Level	76,402	63,046	139,448
Policy Items			
1. Health Benefits Increase	250	0	250
2. General Inflation	-677	-73	-750
3. Faculty Retention	107	1,233	1,340
4. Graduate Assistant Health Benefits	200	-200	0
5. Salary Increase	2,418	0	2,418
6. Tuition Rate Increase	0	487	487
Total 1997-99 Biennium	78,700	64,493	143,193
Fiscal Year 1998 Totals	39,211	31,896	71,107
Fiscal Year 1999 Totals	39,489	32,597	72,086

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
4. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
5. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
6. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 3)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	69,886	53,905	123,791
1997 Supplemental *	96	0	96
Total 1995-97 Expenditure Authority	69,982	53,905	123,887
<hr/>			
1997-99 Maintenance Level	72,112	62,076	134,188
Policy Items			
1. Health Benefits Increase	247	0	247
2. General Inflation	-334	0	-334
3. Enrollment	1,279	628	1,907
4. Faculty Retention	102	1,072	1,174
5. Graduate Assistant Health Benefits	140	-140	0
6. Salary Increase	2,284	0	2,284
7. Tuition Rate Increase	0	793	793
<hr/>			
Total 1997-99 Biennium	75,830	64,429	140,259
Fiscal Year 1998 Totals	37,214	31,787	69,001
Fiscal Year 1999 Totals	38,616	32,642	71,258

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 90 student FTEs in academic year 1997-98 and an additional 100 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
6. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
7. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 4)

* Please see the 1997 Supplemental Operating Budget section for additional information.

The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	37,761	28,106	65,867
1997 Supplemental *	60	0	60
Total 1995-97 Expenditure Authority	37,821	28,106	65,927
1997-99 Maintenance Level	38,731	29,379	68,110
Policy Items			
1. Health Benefits Increase	143	0	143
2. General Inflation	-464	0	-464
3. Enrollment	887	902	1,789
4. Faculty Retention	58	582	640
5. Salary Increase	1,314	0	1,314
6. Tuition Rate Increase	0	767	767
Total 1997-99 Biennium	40,669	31,630	72,299
Fiscal Year 1998 Totals	20,151	15,438	35,589
Fiscal Year 1999 Totals	20,518	16,192	36,710

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 90 student FTEs in academic year 1997-98 and an additional 80 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the college may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The college shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
6. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the college and for optional faculty salary increases. (See Item 4)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Joint Center for Higher Education

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	2,438	7,125	9,563
1997-99 Maintenance Level	2,717	7,150	9,867
Policy Items			
1. Campus Development	0	622	622
2. Health Benefits Increase	1	0	1
3. Local Fund/Grant Activity Increase	0	1,520	1,520
4. General Inflation	-79	-25	-104
5. Building Maintenance	300	0	300
Total 1997-99 Biennium	2,939	9,267	12,206
Fiscal Year 1998 Totals	1,469	4,632	6,101
Fiscal Year 1999 Totals	1,470	4,635	6,105

Comments:

1. **CAMPUS DEVELOPMENT** - Funding is adjusted to reflect gross expenditures pursuant to State Auditor findings. The Joint Center for Higher Education (JCHE) must identify the gross, rather than the net, amount of revenue from its leased properties and the management expenses to maintain those properties. In addition, an increase in expenditures for Riverpoint Campus improvements (street, parking, and utility improvements, environmental studies, etc.) is supported by an increase in revenue from grants and fund reserves. (Dedicated Local Account-Non-Appropriated)
2. **HEALTH BENEFITS INCREASE** - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
3. **LOCAL FUND/GRANT ACTIVITY INCREASE** - Funding is provided for grants, personal service contracts, and additional FTE staff authority for student interns and temporary staff during the 1997-99 biennium. This funding represents the last two years of a \$15 million federal grant. The total FTE staff supported by grant activity will be reviewed in the next biennial budget to ensure continued grant and local fund support for the allotted FTE staff. (Grant and Contract Account-Non-Appropriated, Dedicated Local Account-Non-Appropriated)
4. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **BUILDING MAINTENANCE** - Funds are provided for increased costs of building and grounds maintenance due to termination of contractual services.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,242	75,539	163,781
1997 Supplemental *	118	0	118
Total 1995-97 Expenditure Authority	88,360	75,539	163,899
1997-99 Maintenance Level	91,776	90,159	181,935
Policy Items			
1. Health Benefits Increase	324	0	324
2. General Inflation	-839	0	-839
3. Enrollment	2,090	1,007	3,097
4. Faculty Retention	133	1,433	1,566
5. Graduate Assistant Health Benefits	200	-200	0
6. Salary Increase	2,993	0	2,993
7. Tuition Rate Increase	0	1,148	1,148
Total 1997-99 Biennium	96,677	93,547	190,224
Fiscal Year 1998 Totals	47,822	46,157	93,979
Fiscal Year 1999 Totals	48,855	47,390	96,245

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 150 student FTEs in academic year 1997-98 and an additional 150 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
6. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
7. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 4)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	704,003	493,808	1,197,811
1997 Supplemental *	2,110	0	2,110
Total 1995-97 Expenditure Authority	706,113	493,808	1,199,921
<hr/>			
1997-99 Maintenance Level	728,097	511,086	1,239,183
Policy Items			
1. Health Benefits Increase	2,683	0	2,683
2. Worker Training Funding	31,314	5,589	36,903
3. General Inflation	-4,860	0	-4,860
4. Enrollment	21,500	5,750	27,250
5. Work-Based Tuition Waivers	2,000	0	2,000
6. New Campus Support	1,650	0	1,650
7. Faculty Salary Disparity	0	7,715	7,715
8. Faculty Salary Increments	3,137	0	3,137
9. Fund for Innovation and Quality	-4,000	0	-4,000
10. Salary Increase	22,331	0	22,331
11. Tuition Rate Increase	0	3,363	3,363
<hr/>			
Total 1997-99 Biennium	803,852	533,503	1,337,355
Fiscal Year 1998 Totals	382,891	276,791	659,682
Fiscal Year 1999 Totals	420,961	256,712	677,673

Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. WORKER TRAINING FUNDING - Special funds as defined under RCW 28B.50.851 are provided from the state general fund and from the Employment and Training Trust Fund for unemployed workers' training. Funding supports up to 7,200 student FTEs each year of the 1997-99 biennium. The General Fund-State funding level assumes that the total remaining balance of funds in the Employment and Training Trust Fund are utilized. Funding is also included for support services which may include child care assistance, transportation, and financial aid. The State Board for Community and Technical Colleges shall submit a plan for the allocation of full-time equivalent students to the Workforce Training and Education Coordinating Board for review and approval.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. ENROLLMENT - Funding is provided for 2,100 student FTEs in academic year 1997-98 and an additional 2,100 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
5. WORK-BASED TUITION WAIVERS - Funding is provided for tuition waivers for students enrolled in work-based learning programs.
6. NEW CAMPUS SUPPORT - Funding is provided for administration and senior faculty to develop curricula, organize operations, and plan the purchase of library resources. Cascadia Community College plans to open for classes in the fall of 1999 in new space co-located with the University of Washington Bothell branch campus. The college shall use a portion of these funds to develop a set of measurable standards and outcomes as the basis for budget development in the 1999-2001 biennium.
7. FACULTY SALARY DISPARITY - The State Board is required to allocate at least \$2.934 million and is authorized to allocate up to \$7.715 million of the funds generated by the tuition rate increase for the purpose of addressing part-time faculty salaries. The State Board may direct that part-time salary increases are provided or that full-time positions are made available.
8. FACULTY SALARY INCREMENTS - General fund support is provided in addition to faculty turnover savings for faculty salary increments.
9. FUND FOR INNOVATION AND QUALITY - The grant program, which was initiated in the 1996 Supplemental Budget, is eliminated.
10. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Employment and Training Trust Fund)
11. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the colleges and for optional faculty salary increases. (See Item 7)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Other Education

State School for the Blind

The amount of \$70,000 from the state general fund is provided for a Director of Outreach to coordinate outreach services to blind children in public schools throughout the state.

State School for the Deaf

The amount of \$40,000 from the state general fund is provided to operate the Extended School Year program which offers ongoing educational programs during the summer.

Washington State Library

The amount of \$198,000 from the state general fund is provided in the first fiscal year to complete and evaluate the government information locator service pilot project. The pilot received funding in the 1996 Supplemental Budget.

Washington State Historical Society

The amount of \$432,400 from the state general fund is provided for exhibit and educational programming for the new Washington State History Museum.

Eastern Washington State Historical Society

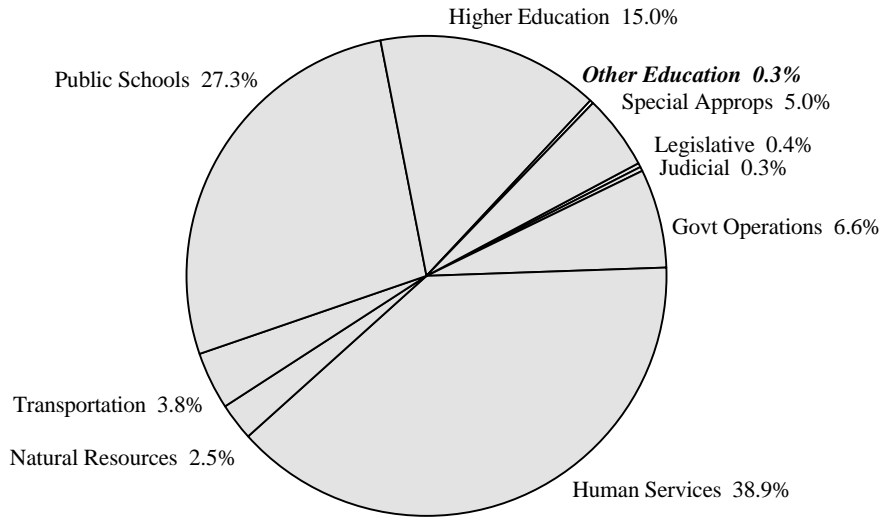
The amount of \$275,000 from the state general fund is provided for new exhibit design and planning at the Cheney Cowles Museum.

1997-99 Washington State Operating Budget

Total Budgeted Funds

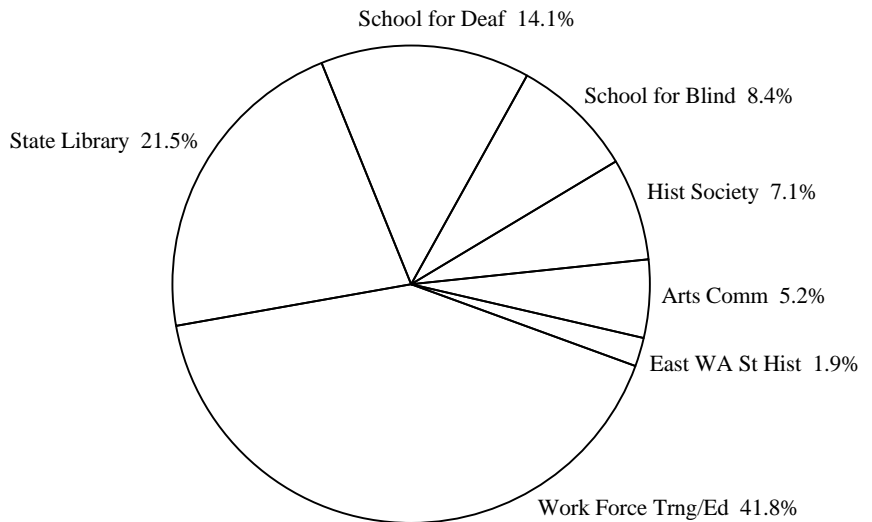
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Work Force Trng & Ed	38,152
State Library	19,611
School for the Deaf	12,917
School for the Blind	7,644
State Historical Society	6,487
Arts Commission	4,718
East WA State Hist Society	1,763
Other Education	91,292



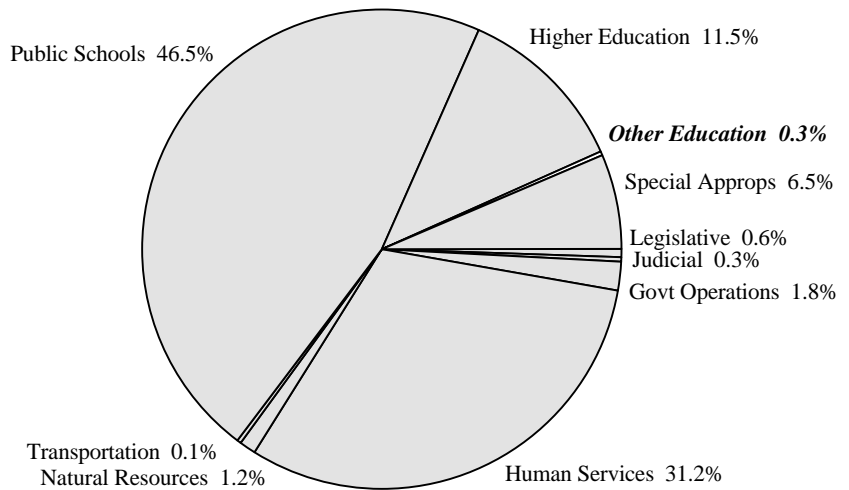
Other Education

1997-99 Washington State Operating Budget

General Fund - State

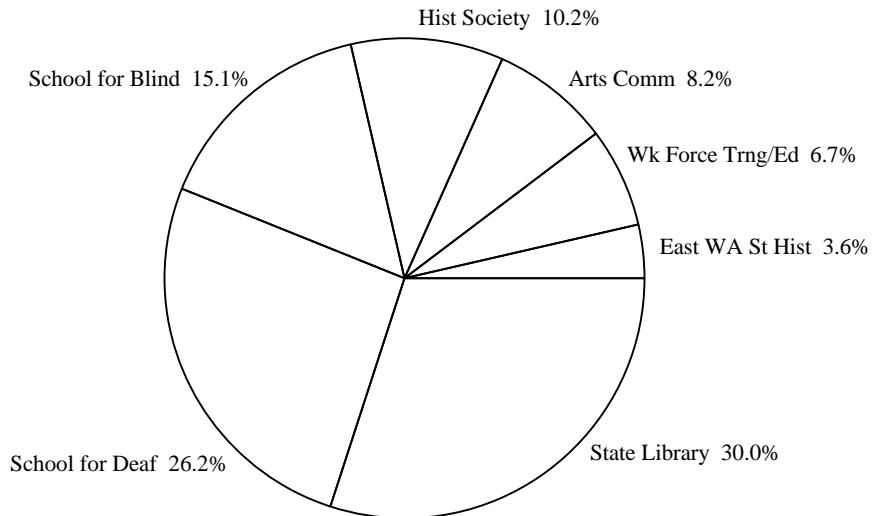
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

State Library	14,764
School for the Deaf	12,917
School for the Blind	7,452
State Historical Society	5,033
Arts Commission	4,028
Work Force Trng & Ed	3,278
East WA State Hist Society	1,763
Other Education	49,235



Other Education

State School for the Blind

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	7,010	7	7,017
1997-99 Maintenance Level	7,443	193	7,636
Policy Items			
1. Outreach Program	70	0	70
2. General Inflation	-61	-1	-62
Total 1997-99 Biennium	7,452	192	7,644
Fiscal Year 1998 Totals	3,714	96	3,810
Fiscal Year 1999 Totals	3,738	96	3,834

Comments:

1. **OUTREACH PROGRAM** - Funding is provided for an outreach services coordinator. The Washington State School for the Blind has expanded its outreach to serve 321 percent more blind children since 1991. Much of the funding for outreach services comes from contracted services with Education Service Districts and Local Education Agencies. This item provides 1.0 FTE staff to serve as Director of Outreach, with one-third of the funding from General Fund-State. The remaining funding will be from contracted services with the Local Education Agencies and Education Service Districts for actual outreach services and from the federal grant received for the Washington Instructional Resource Center to act as Project Director.
2. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

State School for the Deaf

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	12,547	15	12,562
1997-99 Maintenance Level	12,966	1	12,967
Policy Items			
1. Extended School Year	40	0	40
2. General Inflation	-89	-1	-90
Total 1997-99 Biennium	12,917	0	12,917
Fiscal Year 1998 Totals	6,458	0	6,458
Fiscal Year 1999 Totals	6,459	0	6,459

Comments:

1. EXTENDED SCHOOL YEAR - Funding is provided for the Extended School Year (ESY) program. The ESY program will provide on-going educational programs during the summer to WSD students as required in their Individual Evaluation Programs. Currently, approximately 10 percent of the WSD students have been identified as needing educational services during the summer months. This item provides half the necessary funds with the expectation that WSD will work with the Local Education Agencies to share costs to provide summer educational services to students.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,268	35,137	38,405
1997-99 Maintenance Level	3,406	34,889	38,295
Policy Items			
1. Program Reduction	-114	0	-114
2. General Inflation	-14	-15	-29
Total 1997-99 Biennium	3,278	34,874	38,152
Fiscal Year 1998 Totals	1,636	19,560	21,196
Fiscal Year 1999 Totals	1,642	15,314	16,956

Comments:

1. PROGRAM REDUCTION - Funding is reduced based on anticipated efficiencies in work force planning and evaluation and private vocational school licensure activities.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

State Library
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	14,351	4,852	19,203
1997-99 Maintenance Level	14,796	4,966	19,762
Policy Items			
1. Reduce Storage Collection	-23	0	-23
2. General Inflation	-207	-119	-326
3. Government Information Locator	198	0	198
Total 1997-99 Biennium	14,764	4,847	19,611
Fiscal Year 1998 Totals	7,483	1,909	9,392
Fiscal Year 1999 Totals	7,281	2,938	10,219

Comments:

1. REDUCE STORAGE COLLECTION - The Library will reduce its need for storage by moving approximately 50 percent of outdated books to other local libraries.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. GOVERNMENT INFORMATION LOCATOR - Funding is provided to continue and evaluate the Government Information Locator Service (GILS) pilot project in FY 98. The library shall prepare an evaluation report of the pilot project by October 1, 1997, including a cost-benefit analysis, determination of fiscal impacts to the state, and programmatic information.

NOTE: A proviso states that at least \$2.524 million shall be expended for the library services contract with the Seattle Public Library for the Washington Talking Book and Braille Library.

Washington State Arts Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	4,233	935	5,168
1997 Supplemental *	0	7	7
Total 1995-97 Expenditure Authority	4,233	942	5,175
1997-99 Maintenance Level	4,269	690	4,959
Policy Items			
1. Program Reduction	-213	0	-213
2. General Inflation	-28	0	-28
Total 1997-99 Biennium	4,028	690	4,718
Fiscal Year 1998 Totals	2,015	345	2,360
Fiscal Year 1999 Totals	2,013	345	2,358

Comments:

1. PROGRAM REDUCTION - Development of additional public/private partnership opportunities permit the reduction of the Arts Commission's state budget by 5 percent.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Washington State Historical Society

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	4,187	1,788	5,975
1997-99 Maintenance Level	5,147	1,479	6,626
Policy Items			
1. Local Area Network Support	-38	0	-38
2. Customer Survey	0	6	6
3. General Inflation	-76	-31	-107
Total 1997-99 Biennium	5,033	1,454	6,487
Fiscal Year 1998 Totals	2,502	710	3,212
Fiscal Year 1999 Totals	2,531	744	3,275

Comments:

1. LOCAL AREA NETWORK SUPPORT - Funding is reduced due to efficiencies gained from the use of a local area network to connect the three museum sites.
2. CUSTOMER SURVEY - Additional local funds are provided to conduct customer surveys. (Local Museum Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

NOTE: A proviso states that \$432,400 of the general fund appropriation is provided solely for exhibit and educational programming.

Eastern Washington State Historical Society

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,191	0	1,191
1997-99 Maintenance Level	1,504	0	1,504
Policy Items			
1. General Inflation	-16	0	-16
2. Exhibit Design and Planning	275	0	275
Total 1997-99 Biennium	1,763	0	1,763
Fiscal Year 1998 Totals	741	0	741
Fiscal Year 1999 Totals	1,022	0	1,022

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. EXHIBIT DESIGN AND PLANNING - Funding is provided for the design and planning of the Tribes of the Plateau exhibit.

Special Appropriations

Across-the-Board Salary Increases

Funding has been provided for a 3 percent salary increase for state and higher education employees beginning July 1, 1997, and for K-12 employees beginning September 1, 1997. The budget provides \$296.8 million from the state general fund and \$66.5 million from other funds for the salary increases.

Personnel Resource Board Salary Adjustments

Amounts of \$15.9 million from the state general fund and \$8.9 million from other funds are provided for additional state employee salary increases. Under Chapter 319, Laws of 1996 (SSB 6767), the Legislature identified several higher-priority compensation issues for classified personnel, including salary inequities, recruitment and retention, and compensation for increased duties and responsibilities. Of the 23 classification titles (10,940 positions), the first 10 classification titles (6,822 positions) on the Washington Personnel Resource Board's priority list will receive salary adjustments starting July 1, 1997. The remaining classification titles will receive adjustments beginning July 1, 1998.

Other Salary Increases

Amounts of \$500,000 from the state general fund and \$500,000 from other funds are provided to fund a portion of the second phase of the 1994 Assistant Attorney General compensation study.

Employee Health Benefits

Amounts of \$33 million from the state general fund and \$7 million from other funds are provided for health care benefits for state, higher education, and K-12 employees. The monthly health care benefit rates, \$317.34 for fiscal year 1998 and \$335.75 for fiscal year 1999, were calculated using medical inflation rates of 4.4 percent and 4.6 percent, respectively and assumed full utilization of the surplus in the Health Care Authority Insurance Fund.

Public Employee's and Retiree's Insurance Account

This account has been increased by \$1.0 million to allow for a contingency reserve.

Office of Financial Management

In the initial 1997-99 budget (Chapter 149, Laws of 1997, Partial Veto - SSB 6062), the Legislature appropriated \$14.47 million (\$5.34 million state general fund and \$9.13 million in other funds) to address the Year 2000 computer conversion problems. In Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), this funding was shifted to the supplemental budget and the appropriations contained in Chapter 149, Laws of 1997, Partial Veto (SSB 6062) were repealed. However, the Governor vetoed this repeal (thereby restoring the 1997-99 appropriations) and also vetoed all of the dedicated account appropriations contained in the supplemental budget. These two vetoes, in combination, have the effect of returning the dedicated account appropriations to the 1997-99 budget, while creating a double appropriation of the state general fund portion. The Governor stated his intent to place the 1997-99 state general fund appropriation in reserve status. As a result of these actions, Year 2000 costs will be funded by a 1995-97 supplemental appropriation of \$5.34 million from the state general fund and by 1997-99 appropriations of \$9.13 million from the other (dedicated) accounts.

The Legislature appropriated approximately \$7 million from various funds in the initial operating budget (Chapter 149, Laws of 1997, Partial Veto - SSB 6062) for regulatory reform activities. The Governor vetoed the proviso attached to the funding. At the time the budget passed, the final contents of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032), the most substantial regulatory reform legislation, were not determined. The final version of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032) which passed the Legislature did not include several provisions with major fiscal impacts, such as the requirements for the review of existing rules and the development of regulatory impact notes. The changes made in the final version of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032)

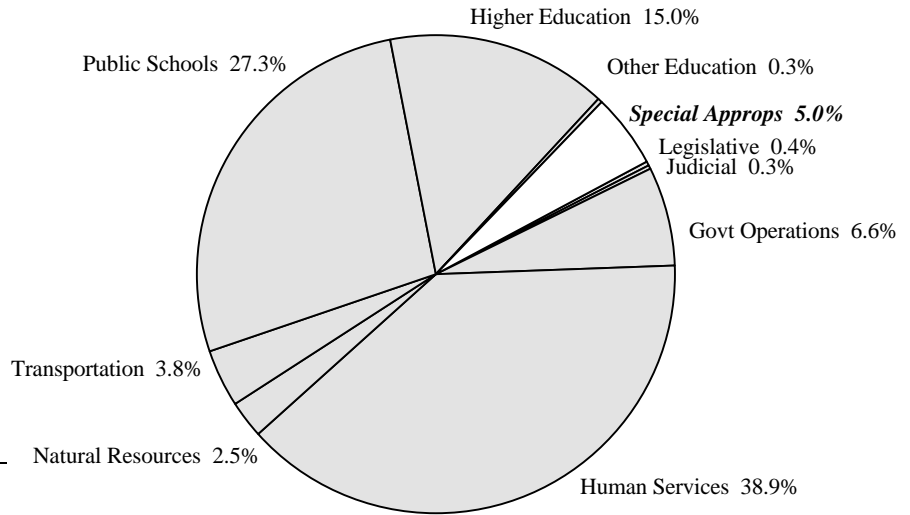
resulted in the Legislature repealing all funding for regulatory reform in the second operating budget bill (Chapter 454, Laws of 1997, Partial Veto - ESHB 2259). However, the Governor vetoed the repealer and declared his intent to keep the funds for allocation to agencies to implement the regulatory reform legislation.

1997-99 Washington State Operating Budget

Total Budgeted Funds

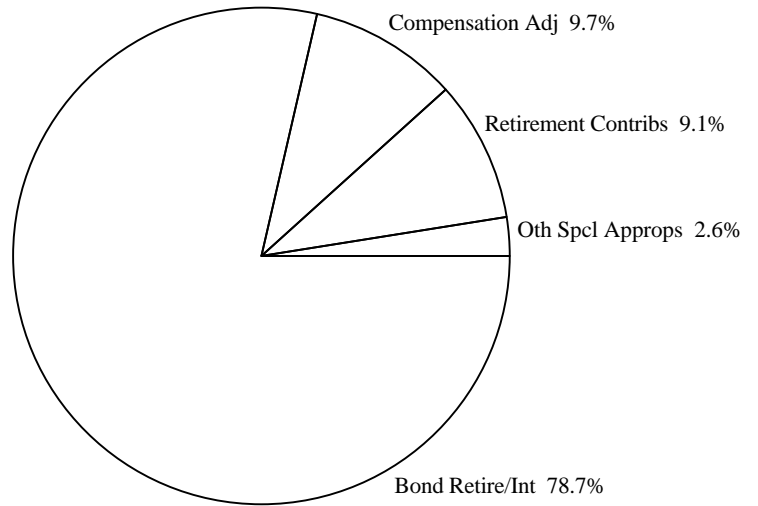
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Bond Retirement/Interest	1,386,543
State Employee Comp Adj	170,623
Retirement Contributions	159,600
Other Special Appropriations	45,119
Special Appropriations	1,761,885



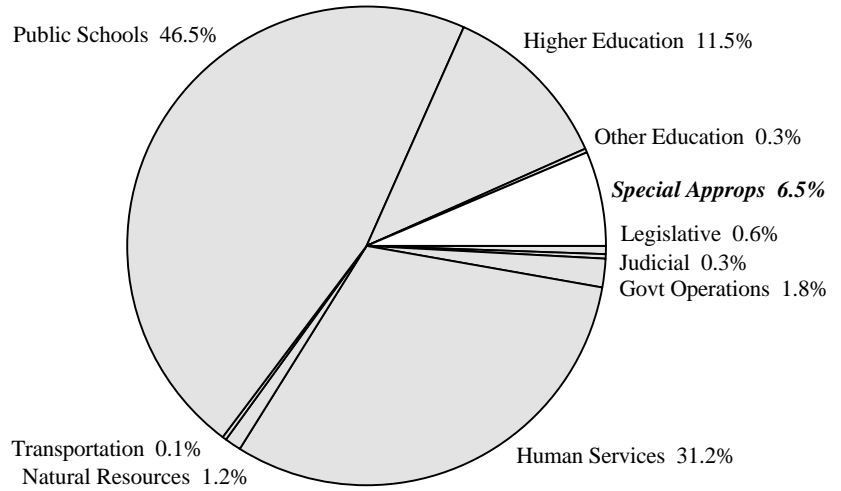
Special Appropriations

1997-99 Washington State Operating Budget

General Fund - State

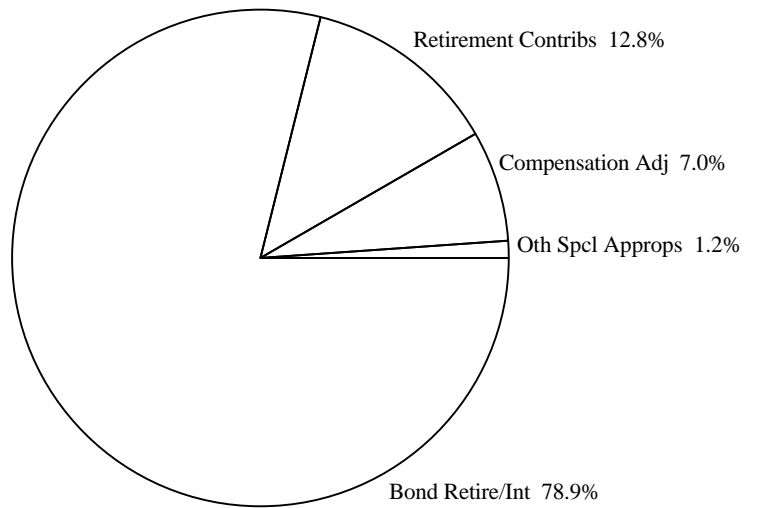
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Bond Retirement/Interest	982,009
Retirement Contributions	159,600
State Employee Comp Adj	86,963
Other Special Appropriations	15,424
Special Appropriations	1,243,996



Special Appropriations

Bond Retirement & Interest

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	861,672	109,781	971,453
1997 Supplemental *	-18,006	-37,263	-55,269
Total 1995-97 Expenditure Authority	843,666	72,518	916,184
1997-99 Maintenance Level	968,313	158,811	1,127,124
Policy Items			
1. Debt Service Fund Realignment	0	-12,473	-12,473
2. 1997-99 Capital Budget	13,415	12,342	25,757
3. Energy Efficiency Bonds	281	0	281
Total 1997-99 Biennium	982,009	158,680	1,140,689
Fiscal Year 1998 Totals	470,854	77,658	548,512
Fiscal Year 1999 Totals	511,155	81,022	592,177

Comments:

1. DEBT SERVICE FUND REALIGNMENT - The realignment of debt service funds distinguishes the various types of debt service into categories that correspond to debt service classifications in the operating budget. Many single purpose bond retirement funds will be reorganized into seven new debt service funds. (Various Debt Service Funds)
2. 1997-99 CAPITAL BUDGET - Funds are provided to pay debt service and bond sale expenses for the 1997-99 Capital program. (General Fund-State and Various Debt Service Accounts)
3. ENERGY EFFICIENCY BONDS - Funds are provided to pay debt service for energy efficiency bonds which were authorized in 1992. At the time the energy bonds were authorized, it was anticipated that the debt service would be paid by agencies from resulting energy savings. With the elimination of the State Energy Office in 1996, there is no longer a source of recovery for debt service payment. (General Fund-State)

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Bond Retirement & Interest budget is shown in the Transportation Budget section of this document.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	7,261	1,791	9,052
1997 Supplemental *	5,340	0	5,340
Total 1995-97 Expenditure Authority	12,601	1,791	14,392
1997-99 Maintenance Level	6,714	2,939	9,653
Policy Items			
1. Governor Veto - Year 2000	5,340	21,087	26,427
2. Governor Veto - Regulatory Reform	3,370	3,669	7,039
Total 1997-99 Biennium	15,424	27,695	43,119
Fiscal Year 1998 Totals	8,558	15,644	24,202
Fiscal Year 1999 Totals	6,866	12,051	18,917

Comments:

1. GOVERNOR VETO - YEAR 2000 - In the initial budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062), the Legislature appropriated \$5.34 million General Fund-State and \$9.13 million other funds for allocation to state agencies for Year 2000 computer conversions. In the second budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259), the funding was shifted to the 1995-97 supplemental budget and the appropriations contained in SSB 6062 were repealed. This repeal, however, was vetoed by the Governor. The effect of the veto was to restore the 1997-99 appropriations contained in SSB 6062. See the Department of Information Services supplemental appropriation in the 1997 Supplemental Operating Budget section of this document for additional information.
2. GOVERNOR VETO - REGULATORY REFORM - In the initial budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062), the Legislature appropriated \$3.37 million General Fund-State and \$3.669 million other funds for implementation of regulatory reform legislation. The conditions and limitations on these funds were vetoed by the Governor, who also vetoed the repeal of this appropriation in the second budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259). The Governor stated in his veto message that the effect of his veto is to reinstate the appropriation, which will be expended to implement regulatory reform.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Special Appropriations to the Governor's budget is shown in the Transportation Budget section of this document.

* Please see the 1997 Supplemental Operating Budget section for additional information.

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,262	100,858	189,120
Policy Items			
1. Salary Reclass Implementation	15,931	8,862	24,793
2. Attorney General Salary Increase	500	500	1,000
3. Health Benefits Adj (State Emp)	7,080	8,042	15,122
4. Health Benefit Reserve	1,000	0	1,000
5. State Employee Salary Increase	62,452	66,256	128,708
Total 1997-99 Biennium	86,963	83,660	170,623
Fiscal Year 1998 Totals	38,393	38,075	76,468
Fiscal Year 1999 Totals	48,570	45,585	94,155

Comments:

1. SALARY RECLASS IMPLEMENTATION - Funding is provided to grant specific salary increases to some classified state and higher education employees. These increases are attributed to implementation of Chapter 319, Laws of 1996 (SSB 6767 -- Compensation Modifications for State Employees). Salary increase recommendations reflect prioritized salary adjustment decisions made to address salary inequities, recruitment and retention issues, salary compression or inversion, and increased duties and responsibilities. These prioritized decisions were adopted by the Washington Personnel Resources Board.

Classifications receiving adjustments beginning July 1, 1997 include: various clerical classes, physicians, dental classifications, pharmacists, maintenance custodians, medical records technicians, fish/wildlife biologists, fish/wildlife enforcement, habitat technicians, and fiscal technician classifications. Classifications receiving adjustments beginning July 1, 1998 include: various safety classifications, park rangers, park aides, correctional officers/sergeants, community corrections specialists, tax information specialists, industrial relations specialists, electrical classifications (Department of Labor & Industries), fingerprint technicians, some labor relations classifications, health benefits specialists, Department of Natural Resources foresters/land managers, and liquor enforcement officers. (General Fund-State, Other Funds)

2. ATTORNEY GENERAL SALARY INCREASE - Funding is provided to implement the final phase of the Attorney General's 1994 compensation study to further address recruitment and retention problems. (General Fund-State, Other Funds)
3. HEALTH BENEFITS ADJ (STATE EMP) - Funding is adjusted to reflect the increased cost of health benefits due to medical inflation rates of 4.4 percent for FY 98 and 4.6 percent for FY 99. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99. (General Fund-State, General Fund-Federal, Other Funds)
4. HEALTH BENEFIT RESERVE - Funding is provided for deposit in the Public Employee's and Retirees' Insurance Account to increase the contingency reserve.
5. STATE EMPLOYEE SALARY INCREASE - Funding is provided for a cost-of-living adjustment of 3.0 percent effective July 1, 1997. (General Fund-State, General Fund-Federal, Other Funds)

Contributions to Retirement Systems

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	189,600	0	189,600
1997-99 Maintenance Level	159,600	0	159,600
Total 1997-99 Biennium	159,600	0	159,600
Fiscal Year 1998 Totals	77,600	0	77,600
Fiscal Year 1999 Totals	82,000	0	82,000

Comments:

No budget changes were recommended which reflect a change in statute or agency policy.

1997 Supplemental Operating Budget

1995-97 Estimated Revenues and Expenditures

General Fund-State

Dollars in Millions

RESOURCES	
Unrestricted Beginning Balance	558.9
March Revenue Forecast	17,584.9
Legislative Changes	-32.3
Changes in Reserves/Adjustments	34.6
Total Resources	18,146.1

EXPENDITURES	
1995-97 Appropriation Acts	17,612.8
Fiscal Year 1996 Reversions	-31.0
1997 Supplemental Budget	100.0
Transfer to Transportation Budget	50.0
Total Expenditures	17,681.8

BALANCES	
Unrestricted Ending Balance	464.3
Emergency Reserve Fund	0.0
Total Balances	464.3

Washington State Operating Budget
1995-97 Expenditure Authority
TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Legislative	105,076	0	105,076	112,569	0	112,569
Judicial	55,600	11	55,611	111,119	15	111,134
Governmental Operations	344,699	32,031	376,730	1,998,433	94,112	2,092,545
Dept of Social & Health Services	4,516,197	18,642	4,534,839	9,872,624	-9,043	9,863,581
Other Human Services	878,349	3,034	881,383	2,411,471	7,160	2,418,631
Natural Resources	206,144	14,645	220,789	833,657	22,204	855,861
Transportation	27,978	1,089	29,067	1,292,457	17,456	1,309,913
Total Education	10,330,327	41,981	10,372,308	13,885,115	40,909	13,926,024
Public Schools	8,316,882	38,632	8,355,514	9,039,050	38,528	9,077,578
Higher Education	1,966,658	3,349	1,970,007	4,756,544	2,374	4,758,918
Other Education	46,787	0	46,787	89,521	7	89,528
Special Appropriations	<u>1,146,957</u>	<u>-11,433</u>	<u>1,135,524</u>	<u>1,608,460</u>	<u>-70,200</u>	<u>1,538,260</u>
Statewide Total	17,611,327	100,000	17,711,327	32,125,905	102,613	32,228,518

Note: Amounts shown contain all legislative operating appropriations: Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259 Omnibus Operating Budget (Part 2); and Chapter 457, Laws of 1997 -- SSB 6061 Transportation Budget.

Washington State Operating Budget
1995-97 Expenditure Authority
LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
House of Representatives	47,547	0	47,547	47,562	0	47,562
Senate	36,695	0	36,695	36,710	0	36,710
Jt Leg Audit & Review Committee	2,928	0	2,928	2,928	0	2,928
Legislative Transportation Comm	0	0	0	2,778	0	2,778
WA Performance Partnership Council	250	0	250	250	0	250
LEAP Committee	2,324	0	2,324	2,734	0	2,734
Office of the State Actuary	0	0	0	1,573	0	1,573
Joint Legislative Systems Committee	8,900	0	8,900	8,940	0	8,940
Statute Law Committee	6,432	0	6,432	9,094	0	9,094
Total Legislative	105,076	0	105,076	112,569	0	112,569
Supreme Court	8,955	0	8,955	8,955	0	8,955
State Law Library	3,204	11	3,215	3,204	11	3,215
Court of Appeals	18,550	0	18,550	18,550	0	18,550
Commission on Judicial Conduct	1,401	0	1,401	1,401	0	1,401
Office of Administrator for Courts	23,490	0	23,490	73,204	4	73,208
Office of Public Defense	0	0	0	5,805	0	5,805
Total Judicial	55,600	11	55,611	111,119	15	111,134
Total Legislative and Judicial	160,676	11	160,687	223,688	15	223,703

Washington State Operating Budget
1995-97 Expenditure Authority
GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Office of the Governor	8,655	0	8,655	8,880	0	8,880
Office of the Lieutenant Governor	485	33	518	485	33	518
Public Disclosure Commission	2,176	132	2,308	2,177	132	2,309
Office of the Secretary of State	16,849	190	17,039	23,489	190	23,679
Governor's Office of Indian Affairs	337	0	337	337	0	337
Asian/Pacific-American Affrs	361	0	361	361	0	361
Office of the State Treasurer	0	0	0	10,698	0	10,698
Office of the State Auditor	508	0	508	37,208	-363	36,845
Comm Salaries for Elected Officials	65	0	65	65	0	65
Office of the Attorney General	6,503	0	6,503	131,355	0	131,355
Dept of Financial Institutions	0	0	0	13,764	0	13,764
Dept Community, Trade, & Econ Dev	104,313	292	104,605	297,111	501	297,612
Economic & Revenue Forecast Council	983	0	983	983	0	983
Office of Financial Management	18,870	0	18,870	42,218	1,433	43,651
Office of Administrative Hearings	0	0	0	14,532	0	14,532
Department of Personnel	720	0	720	29,820	0	29,820
Deferred Compensation Committee	0	0	0	1,614	0	1,614
State Lottery Commission	0	0	0	465,718	0	465,718
Washington State Gambling Comm	1,000	0	1,000	19,914	0	19,914
WA State Comm on Hispanic Affairs	405	0	405	405	0	405
African-American Affairs Comm	301	0	301	301	0	301
Personnel Appeals Board	0	0	0	1,593	0	1,593
Department of Retirement Systems	0	0	0	32,541	0	32,541
State Investment Board	0	0	0	8,480	0	8,480
Department of Revenue	125,712	0	125,712	133,831	0	133,831
Board of Tax Appeals	1,989	0	1,989	1,989	0	1,989
Municipal Research Council	3,230	0	3,230	3,230	0	3,230
Minority & Women's Business Enterp	0	0	0	2,121	0	2,121
Dept of General Administration	3,067	0	3,067	97,737	0	97,737
Department of Information Services	27,000	12,178	39,178	222,714	55,196	277,910
Office of Insurance Commissioner	0	0	0	20,230	105	20,335
State Board of Accountancy	0	0	0	1,293	0	1,293
Forensic Investigation Council	0	0	0	12	0	12
Washington Horse Racing Commission	0	0	0	4,733	0	4,733
WA State Liquor Control Board	0	0	0	113,604	582	114,186
Utilities and Transportation Comm	0	0	0	26,224	0	26,224
Board for Volunteer Firefighters	0	0	0	442	0	442
Military Department	15,191	19,206	34,397	194,639	36,303	230,942
Public Employment Relations Comm	3,314	0	3,314	3,314	0	3,314
Growth Management Hearings Board	2,665	0	2,665	2,665	0	2,665
State Convention and Trade Center	0	0	0	25,606	0	25,606
Total Governmental Operations	344,699	32,031	376,730	1,998,433	94,112	2,092,545

Washington State Operating Budget
1995-97 Expenditure Authority
HUMAN SERVICES
(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Dept of Social & Health Services	4,516,197	18,642	4,534,839	9,872,624	-9,043	9,863,581
WA State Health Care Authority	6,806	0	6,806	325,085	-4,000	321,085
Human Rights Commission	3,917	0	3,917	5,663	0	5,663
Bd of Industrial Insurance Appeals	0	0	0	19,633	0	19,633
Criminal Justice Training Comm	0	0	0	11,418	536	11,954
Department of Labor and Industries	10,981	0	10,981	365,878	1,093	366,971
Indeterminate Sentence Review Board	2,285	0	2,285	2,285	0	2,285
WA Health Care Policy Board	0	0	0	4,339	-316	4,023
Department of Health	88,967	1,273	90,240	442,397	6,073	448,470
Department of Veterans' Affairs	19,996	-1,490	18,506	50,640	23	50,663
Department of Corrections	735,433	3,251	738,684	741,465	3,251	744,716
Dept of Services for the Blind	2,589	0	2,589	14,178	0	14,178
Sentencing Guidelines Commission	1,262	0	1,262	1,262	0	1,262
Department of Employment Security	6,113	0	6,113	427,228	500	427,728
Total Other Human Services	878,349	3,034	881,383	2,411,471	7,160	2,418,631
Total Human Services	5,394,546	21,676	5,416,222	12,284,095	-1,883	12,282,212

Washington State Operating Budget
1995-97 Expenditure Authority
DEPT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Children and Family Services	319,913	6,783	326,696	598,411	8,835	607,246
Juvenile Rehabilitation	119,155	11,896	131,051	184,552	-7,962	176,590
Mental Health	448,668	-3,013	445,655	871,688	26,435	898,123
Developmental Disabilities	378,548	3,261	381,809	712,278	5,714	717,992
Long-Term Care Services	764,349	-8,274	756,075	1,544,737	-23,675	1,521,062
Economic Services	990,799	-5,561	985,238	1,828,963	-28,005	1,800,958
Alcohol & Substance Abuse	20,189	1,051	21,240	170,652	305	170,957
Medical Assistance Payments	1,327,503	10,385	1,337,888	3,508,623	5,783	3,514,406
Vocational Rehabilitation	15,587	7	15,594	91,671	33	91,704
Administration/Support Svcs	51,867	180	52,047	93,640	307	93,947
Child Support Services	37,839	477	38,316	209,348	1,737	211,085
Payments to Other Agencies	41,780	1,450	43,230	58,061	1,450	59,511
Total DSHS	4,516,197	18,642	4,534,839	9,872,624	-9,043	9,863,581

Washington State Operating Budget
1995-97 Expenditure Authority
NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Washington State Energy Office	508	0	508	18,543	0	18,543
Columbia River Gorge Commission	577	0	577	1,101	0	1,101
Department of Ecology	43,698	372	44,070	240,089	1,172	241,261
WA Pollution Liab Insurance Program	0	0	0	1,342	0	1,342
State Parks and Recreation Comm	36,347	3,400	39,747	66,703	1,000	67,703
Interagency Comm for Outdoor Rec	0	0	0	3,219	0	3,219
Environmental Hearings Office	1,428	25	1,453	1,428	25	1,453
State Conservation Commission	1,692	0	1,692	2,013	0	2,013
Office of Marine Safety	0	0	0	1,328	0	1,328
Dept of Fish and Wildlife	66,888	2,318	69,206	200,365	11,302	211,667
Department of Natural Resources	40,749	8,315	49,064	224,928	8,315	233,243
Department of Agriculture	14,257	215	14,472	72,598	390	72,988
Total Natural Resources	206,144	14,645	220,789	833,657	22,204	855,861

Washington State Operating Budget
1995-97 Expenditure Authority
TRANSPORTATION
(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Board of Pilotage Commissioners	0	0	0	260	0	260
Washington State Patrol	19,243	1,089	20,332	251,460	1,770	253,230
WA Traffic Safety Commission	0	0	0	6,688	0	6,688
Department of Licensing	8,735	0	8,735	191,205	219	191,424
Department of Transportation	0	0	0	841,735	15,467	857,202
Marine Employees' Commission	0	0	0	345	0	345
Transportation Commission	0	0	0	764	0	764
Total Transportation	27,978	1,089	29,067	1,292,457	17,456	1,309,913

Washington State Operating Budget
1995-97 Expenditure Authority
EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Public Schools	8,316,882	38,632	8,355,514	9,039,050	38,528	9,077,578
Higher Education Coordinating Board	151,907	5	151,912	158,829	5	158,834
University of Washington	526,995	710	527,705	2,224,901	710	2,225,611
Washington State University	309,682	476	310,158	668,882	476	669,358
Eastern Washington University	75,744	-226	75,518	143,119	-1,201	141,918
Central Washington University	69,886	96	69,982	123,791	96	123,887
The Evergreen State College	37,761	60	37,821	65,867	60	65,927
Joint Center for Higher Education	2,438	0	2,438	9,563	0	9,563
Western Washington University	88,242	118	88,360	163,781	118	163,899
Community/Technical College System	<u>704,003</u>	<u>2,110</u>	<u>706,113</u>	<u>1,197,811</u>	<u>2,110</u>	<u>1,199,921</u>
Total Higher Education	1,966,658	3,349	1,970,007	4,756,544	2,374	4,758,918
State School for the Blind	7,010	0	7,010	7,017	0	7,017
State School for the Deaf	12,547	0	12,547	12,562	0	12,562
Work Force Trng & Educ Coord Board	3,268	0	3,268	38,405	0	38,405
State Library	14,351	0	14,351	19,203	0	19,203
Washington State Arts Commission	4,233	0	4,233	5,168	7	5,175
Washington State Historical Society	4,187	0	4,187	5,975	0	5,975
East Wash State Historical Society	<u>1,191</u>	<u>0</u>	<u>1,191</u>	<u>1,191</u>	<u>0</u>	<u>1,191</u>
Total Other Education	46,787	0	46,787	89,521	7	89,528
Total Education	10,330,327	41,981	10,372,308	13,885,115	40,909	13,926,024

Washington State Operating Budget
1995-97 Expenditure Authority
PUBLIC SCHOOLS
(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
OSPI & Statewide Programs	56,110	2,325	58,435	104,352	2,325	106,677
General Apportionment	6,428,005	-8,214	6,419,791	6,428,005	-8,214	6,419,791
Pupil Transportation	328,753	-1,729	327,024	328,753	-1,729	327,024
School Food Services	6,000	0	6,000	269,619	0	269,619
Special Education	747,920	-13,038	734,882	846,604	-13,038	833,566
Traffic Safety Education	0	0	0	16,928	-104	16,824
Educational Service Districts	8,901	0	8,901	8,901	0	8,901
Levy Equalization	159,677	25	159,702	159,677	25	159,702
Elementary/Secondary School Improv	0	0	0	222,376	0	222,376
Indian Education	0	0	0	55	0	55
Institutional Education	33,726	-1,693	32,033	42,274	-1,693	40,581
Ed of Highly Capable Students	8,454	-37	8,417	8,454	-37	8,417
Education Reform	35,966	0	35,966	48,466	0	48,466
Federal Encumbrances	0	0	0	51,216	0	51,216
Transitional Bilingual Instruction	54,810	-211	54,599	54,810	-211	54,599
Learning Assistance Program (LAP)	114,627	-759	113,868	114,627	-759	113,868
Block Grants	114,969	-47	114,922	114,969	-47	114,922
Compensation Adjustments	218,964	-369	218,595	218,964	-369	218,595
Common School Construction	0	62,379	62,379	0	62,379	62,379
Total Public Schools	8,316,882	38,632	8,355,514	9,039,050	38,528	9,077,578

Washington State Operating Budget
1995-97 Expenditure Authority
SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>	<u>1995-97</u>	<u>1997 Supp</u>	<u>Rev 1995-97</u>
Bond Retirement and Interest	861,672	-18,006	843,666	1,216,545	-76,775	1,139,770
Special Approps to the Governor	7,261	5,340	12,601	13,017	5,340	18,357
Sundry Claims	162	283	445	178	285	463
State Employee Compensation Adjust	88,262	0	88,262	189,120	0	189,120
Agency Loans	0	950	950	0	950	950
Contributions to Retirement Systems	<u>189,600</u>	<u>0</u>	<u>189,600</u>	<u>189,600</u>	<u>0</u>	<u>189,600</u>
Total Special Appropriations	1,146,957	-11,433	1,135,524	1,608,460	-70,200	1,538,260

1995-97 Washington State Operating Budget
1997 Supplemental Budget
Chapter 454, Laws of 1997, Partial Veto (ESHB 2259)
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Judicial			
State Law Library			
1. Interagency Billings	11	0	11
Office of Administrator for Courts			
2. Justice and Women of Color Poster	0	4	4
Total Judicial	<u>11</u>	<u>4</u>	<u>15</u>
Governmental Operations			
Office of the Lieutenant Governor			
3. Accrued Leave for Staff Departure	12	0	12
4. Acting Governor Salary and Benefits	5	0	5
5. Vehicle Replacement	16	0	16
Total	33	0	33
Public Disclosure Commission			
6. Additional Legal Expenses	132	0	132
Office of the Secretary of State			
7. Initiative & Referendum Checks	170	0	170
8. Census Block Boundary Program	20	0	20
Total	190	0	190
Office of the State Auditor			
9. Whistleblower Workload Increase	0	350	350
10. Reinstate Audit Automation FTEs	0	-756	-756
11. Special Agency Audits	0	43	43
Total	0	-363	-363
Dept Community, Trade, & Econ Dev			
12. Increased Demand for Food	242	0	242
13. Travel Guides & Trade Mission	0	209	209
14. Veterans Memorial	50	0	50
Total	292	209	501
Office of Financial Management			
15. School to Work Grant	0	1,433	1,433
Department of Information Services			
16. Washington Educational Network	10,678	37,678	48,356
17. Capitalize Education Tech Rev Fund	1,500	0	1,500
18. Year 2000	0	14,470	14,470
19. Governor Veto	0	-9,130	-9,130
Total	12,178	43,018	55,196
Office of Insurance Commissioner			
20. Consumer Information & Counseling	0	68	68
21. Medicare Information & Counseling	0	37	37
Total	0	105	105

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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
WA State Liquor Control Board			
22. Temporary Warehouse	0	534	534
23. Storm Damage	0	48	48
Total	<u>0</u>	<u>582</u>	<u>582</u>
Military Department			
24. Prior Disasters/Floods	14,511	0	14,511
25. Fire Mobilization Support	1,200	0	1,200
26. State Costs - Spokane Ice Storm	813	5,688	6,501
27. Satellite Communications System	0	-2,000	-2,000
28. December 96 Winter Storm	2,331	16,004	18,335
29. Recognize Underexpenditure	0	-3,000	-3,000
30. March 97 Floods	351	405	756
Total	<u>19,206</u>	<u>17,097</u>	<u>36,303</u>
Total Governmental Operations	<u>32,031</u>	<u>62,081</u>	<u>94,112</u>
Dept of Social & Health Services			
Children and Family Services			
31. Social Service Block Grant	535	-535	0
32. Welfare Reform Info System Impacts	35	35	70
33. ACES Cost Recovery	81	36	117
34. SSPS Year 2000 Critical Maintenance	354	159	513
35. Secured Crisis Residential Centers	-4,000	0	-4,000
36. Foster Care/Adoption Forecast	6,600	2,297	8,897
37. SSI for Foster Children	558	206	764
38. Employment Child Care Unexpenditure	-951	0	-951
39. Title IV-E For Profit Agencies	-269	269	0
40. Title IV-E Eligibility Specialists	54	24	78
41. Child Care Quality	320	347	667
42. Unanticipated Federal Revenue	0	2,680	2,680
43. Temporary Assistance Transfer	3,466	-3,466	0
Total	<u>6,783</u>	<u>2,052</u>	<u>8,835</u>
Juvenile Rehabilitation			
44. Loss of IV-A Federal Funds	14,189	-14,189	0
45. Forecast Update	-1,613	-5,618	-7,231
46. Parole & Diagnostic Workload	-680	-51	-731
Total	<u>11,896</u>	<u>-19,858</u>	<u>-7,962</u>
Mental Health			
47. ACES Cost Recovery	6	6	12
48. Federal Funds for PHP Payments	0	41,720	41,720
49. Community Inpatient Savings	-9,300	-11,890	-21,190
50. Medicare Cross-over Payments	2,474	2,526	5,000
51. Maintain Hospital Certification	163	157	320
52. Hospital Settlements	3,071	-3,071	0
53. Special Commitment Center	573	0	573
Total	<u>-3,013</u>	<u>29,448</u>	<u>26,435</u>

1995-97 Washington State Operating Budget
1997 Supplemental Budget
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(Dollars in Thousands)

	GF-S	Other	Total
Developmental Disabilities			
54. Medicaid Personal Care Caseload	1,982	1,768	3,750
55. Background Checks-Provider Premiums	98	102	200
56. Federal Earnings Adjustment	400	-400	0
57. Community Protection Initiative	611	556	1,167
58. ACES Cost Recovery	8	4	12
59. SSPS Year 2000 Critical Maintenance	162	70	232
60. Transfer of BHP Premiums	0	353	353
Total	3,261	2,453	5,714
Long-Term Care Services			
61. ACES Cost Recovery	269	269	538
62. SSPS Year 2000 Critical Maintenance	188	155	343
63. Community Program Caseload	1,283	408	1,691
64. Nursing Home Caseload/Rate	-10,014	-10,191	-20,205
65. Transfer BHP Funding to DDD	0	-1,120	-1,120
66. BHP Premiums for Providers	0	-4,922	-4,922
Total	-8,274	-15,401	-23,675
Economic Services			
67. Welfare Reform Info System Impacts	1,361	1,364	2,725
68. ACES Cost Recovery	2,215	1,812	4,027
69. SSPS Year 2000 Critical Maintenance	281	119	400
70. Financial Services Staff/Caseload	-484	-383	-867
71. Social Service Staff/Caseload	229	79	308
72. GA-U for New Aliens	458	16	474
73. Eliminate Drug and Alcohol	7,750	391	8,141
74. \$50 Pass-Through	4,399	-4,399	0
75. Caseload Forecast	-17,243	-24,909	-42,152
76. SSI State Supplement	-1,261	0	-1,261
77. Naturalization Assistance	200	0	200
78. Temporary Assistance Transfer	-3,466	3,466	0
Total	-5,561	-22,444	-28,005
Alcohol & Substance Abuse			
79. Loss of SSI Federal Revenue	0	-746	-746
80. Persons Losing SSI/SSDI Benefits	840	0	840
81. ADATSA Shelter Increase	125	0	125
82. ACES Cost Recovery	56	0	56
83. SSPS Year 2000 Critical Maintenance	30	0	30
Total	1,051	-746	305
Medical Assistance Payments			
84. ACES Cost Recovery	463	428	891
85. GA-U for New Aliens	3	-76	-73
86. February Caseload Update	-1,107	-1,187	-2,294
87. DDDS Workload	0	196	196
88. SSI Drug Addiction and Alcohol	-417	-1,792	-2,209
89. Forecast Change	5,939	-28,154	-22,215

1995-97 Washington State Operating Budget
1997 Supplemental Budget
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(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Medical Assistance Payments (continued)			
90. Increase FFP-Other Entities	0	24,000	24,000
91. Medicare Limit for Dual Eligibles	3,086	4,509	7,595
92. Protease Inhibitors	2,418	2,788	5,206
93. Expansion Kids Underexpenditures	0	-5,314	-5,314
Total	<u>10,385</u>	<u>-4,602</u>	<u>5,783</u>
Vocational Rehabilitation			
94. ACES Cost Recovery	7	24	31
95. SSPS Year 2000 Critical Maintenance	0	2	2
Total	<u>7</u>	<u>26</u>	<u>33</u>
Administration/Support Svcs			
96. Welfare Reform Info System Impacts	5	5	10
97. ACES Cost Recovery	175	122	297
Total	<u>180</u>	<u>127</u>	<u>307</u>
Child Support Services			
98. Welfare Reform Info System Impacts	82	83	165
99. ACES Cost Recovery	71	133	204
100. Incentive Pay	-141	141	0
101. Legal Resources	465	903	1,368
Total	<u>477</u>	<u>1,260</u>	<u>1,737</u>
Payments to Other Agencies			
102. Attorney General Tort Defense	1,450	0	1,450
Total Dept of Social & Health Services	<u>18,642</u>	<u>-27,685</u>	<u>-9,043</u>
Other Human Services			
WA State Health Care Authority			
103. Health Services Account Underspend	0	-4,000	-4,000
Criminal Justice Training Comm			
104. Mandatory Workload Increase	0	536	536
Department of Labor and Industries			
105. Federal Grant for Crime Victims	0	1,022	1,022
106. OSHA Grant for equipment	0	71	71
Total	<u>0</u>	<u>1,093</u>	<u>1,093</u>
WA Health Care Policy Board			
107. Health Services Account Underspend	0	-316	-316
Department of Health			
108. HIV/AIDS Prescription Drug Program	1,273	0	1,273
109. Health Services Account Underspend	0	-1,000	-1,000
110. WIC Funding Increase	0	5,800	5,800
Total	<u>1,273</u>	<u>4,800</u>	<u>6,073</u>

1995-97 Washington State Operating Budget
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(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Department of Veterans' Affairs			
111. Relocate HQ/Field Service Office	23	0	23
112. Adjust GF-S to Fed/Local Rev-Retsil	-1,229	1,229	0
113. Adjust GF-S to Fed/Local Rev-Orting	-284	284	0
Total	<u>-1,490</u>	<u>1,513</u>	<u>23</u>
Department of Corrections			
114. Population Forecast Adjustment	3,152	0	3,152
115. Prison Expansion	813	0	813
116. Recoveries & Fees Above Projection	-578	0	-578
117. Reduction in Use-Private Vehicles	-75	0	-75
118. Field Chemical Dependency Testing	-50	0	-50
119. Shared Resources/Local Entities	-11	0	-11
Total	<u>3,251</u>	<u>0</u>	<u>3,251</u>
Department of Employment Security			
120. Job Developers	0	500	500
Total Other Human Services	<u>3,034</u>	<u>4,126</u>	<u>7,160</u>
Natural Resources			
Department of Ecology			
121. Attorney General Tort Defense Cost	222	105	327
122. Labor and Industries Refund	0	84	84
123. Flood Control	150	0	150
124. Aquatic Weed Grants to Locals	0	450	450
125. State Revolving Fund	0	161	161
Total	<u>372</u>	<u>800</u>	<u>1,172</u>
State Parks and Recreation Comm			
126. Maintain Current Park Operations	3,400	-2,400	1,000
Environmental Hearings Office			
127. Attorney General Services	25	0	25
Dept of Fish and Wildlife			
128. Employee Safety/Healthy Workplace	0	98	98
129. Rate Increases and Fixed Costs	160	220	380
130. Mitchell Act Hatcheries	506	0	506
131. Winter Feeding	1,438	0	1,438
132. Big Game Auction Funds	0	185	185
133. Technology Efficiencies	84	0	84
134. Regional Offices Bldg Modification	130	0	130
135. Increase Federal and Local Funding	0	8,081	8,081
136. Unemployment Compensation	0	400	400
Total	<u>2,318</u>	<u>8,984</u>	<u>11,302</u>

1995-97 Washington State Operating Budget
1997 Supplemental Budget
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	GF-S	Other	Total
Department of Natural Resources			
137. Fire Protection Support	4,200	0	4,200
138. Emergency Fire Suppression	4,115	0	4,115
Total	8,315	0	8,315
Department of Agriculture			
139. Asian Gypsy Moth	215	175	390
Total Natural Resources	14,645	7,559	22,204
 Transportation			
Washington State Patrol			
140. WSIN Unanticipated Receipt	0	17	17
141. HIDTA Unanticipated Receipt	0	470	470
142. DNA Unanticipated Receipt	0	145	145
143. SPI Background Checks	1,089	49	1,138
Total	1,089	681	1,770
Total Transportation	1,089	681	1,770
 Public Schools			
OSPI & Statewide Programs			
144. North Central Wash. Skills Center	2,325	0	2,325
General Apportionment			
145. Enrollment/Workload Changes	55	0	55
146. Compensation Changes	-2,427	0	-2,427
147. Other Adjustments	-5,842	0	-5,842
Total	-8,214	0	-8,214
Pupil Transportation			
148. Enrollment/Workload Changes	-1,729	0	-1,729
Special Education			
149. Enrollment/Workload Changes	-11,295	0	-11,295
150. Compensation Changes	-256	0	-256
151. Other Adjustments	-1,487	0	-1,487
Total	-13,038	0	-13,038
Traffic Safety Education			
152. Enrollment/Workload Changes	0	-104	-104
Levy Equalization			
153. Other Adjustments	25	0	25
Institutional Education			
154. Enrollment/Workload Changes	-1,571	0	-1,571
155. Compensation Changes	-122	0	-122
Total	-1,693	0	-1,693

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(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Ed of Highly Capable Students			
156. Enrollment/Workload Changes	-37	0	-37
Transitional Bilingual Instruction			
157. Enrollment/Workload Changes	-211	0	-211
Learning Assistance Program (LAP)			
158. Enrollment/Workload Changes	-759	0	-759
Block Grants			
159. Enrollment/Workload Changes	-47	0	-47
Compensation Adjustments			
160. Enrollment/Workload Changes	-248	0	-248
161. Compensation Changes	-121	0	-121
Total	<u>-369</u>	<u>0</u>	<u>-369</u>
Common School Construction			
162. Common School Const Fund	62,379	0	62,379
Total Public Schools	<u>38,632</u>	<u>-104</u>	<u>38,528</u>
Higher Education			
Higher Education Coordinating Board			
163. Restore Health Benefit Reduction	5	0	5
University of Washington			
164. Health Benefit Restoration	650	0	650
165. Correct Budget Bill Error	60	0	60
Total	<u>710</u>	<u>0</u>	<u>710</u>
Washington State University			
166. Health Benefit Restoration	384	0	384
167. PERS to LEOFF Conversion	92	0	92
Total	<u>476</u>	<u>0</u>	<u>476</u>
Eastern Washington University			
168. Reduction for Underenrollment	-335	-191	-526
169. Health Benefit Restoration	109	0	109
170. Student Enrollment Mix Adjustment	0	-784	-784
Total	<u>-226</u>	<u>-975</u>	<u>-1,201</u>
Central Washington University			
171. Health Benefit Restoration	96	0	96
The Evergreen State College			
172. Health Benefit Restoration	60	0	60
Western Washington University			
173. Health Benefit Restoration	118	0	118

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	GF-S	Other	Total
Community/Technical College System			
174. Health Benefit Restoration	940	0	940
175. Unemployment Compensation	1,170	0	1,170
Total	2,110	0	2,110
Total Higher Education	3,349	-975	2,374
 Other Education			
Washington State Arts Commission			
176. Grant (unanticipated receipt)	0	7	7
Total Other Education	0	7	7
 Special Appropriations			
Bond Retirement and Interest			
177. Reduce Debt Service	-18,006	-37,263	-55,269
 Special Approps to the Governor			
178. Year 2000 Computer Conversions	5,340	21,087	26,427
179. Governor Veto	0	-21,087	-21,087
Total	5,340	0	5,340
 Sundry Claims			
180. Self Defense Reimbursement Claims	283	0	283
181. Wildlife Crop Damage Claims	0	2	2
Total	283	2	285
 Agency Loans			
182. Agency Loan to Community Colleges	950	0	950
Total Special Appropriations	-11,433	-37,261	-48,694
Total 1997 Supplemental	100,000	8,433	108,433

Comments:

State Law Library

1. INTERAGENCY BILLINGS - A funding adjustment is made to reflect the costs of interagency billings.

Office of Administrator for Courts

2. JUSTICE AND WOMEN OF COLOR POSTER - Funding is provided for costs associated with the creation of a justice and women and color poster. (Public Safety and Education Account-Local)

Office of the Lieutenant Governor

3. ACCRUED LEAVE FOR STAFF DEPARTURE - Funding is provided for the accrued annual leave and sick leave buyout due to the departure of staff from the Lieutenant Governor's office.
4. ACTING GOVERNOR SALARY AND BENEFITS - The Lieutenant Governor is required to serve as Acting Governor if the Governor is unable to perform his/her duties, including when the Governor is out of the state. As Acting Governor, the Lieutenant Governor is compensated at the Governor's level of salary and benefits. The number of days the Lieutenant Governor will have acted as Governor in FY 97 exceeds the budgeted amount. Funding is provided to cover this mandatory function.
5. VEHICLE REPLACEMENT - Funding is provided for replacement of a 1988 automobile.

1995-97 Washington State Operating Budget
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Public Disclosure Commission

6. ADDITIONAL LEGAL EXPENSES - One-time funding is provided to the Public Disclosure Commission to pay for: (1) the services of an independent counsel who is dealing with those cases that cannot be addressed by state attorneys; and (2) extraordinary costs incurred by the Attorney General in four enforcement actions.

Office of the Secretary of State

7. INITIATIVE & REFERENDUM CHECKS - The agency experienced unanticipated expenses for random and full checks of three initiative measures for the November 1996 ballot.
8. CENSUS BLOCK BOUNDARY PROGRAM - One-time funding is provided for the state's participation in the U.S. Census Block Boundary Suggestion Program to update precinct and other geographical data to facilitate the upcoming census and redistricting process.

Office of the State Auditor

9. WHISTLEBLOWER WORKLOAD INCREASE - This item provides funding for the Whistleblower program workload increase. Pursuant to RCW 42.20, the State Auditor is responsible for the investigation of disclosures of improper governmental action made by state employees. A preliminary investigation of disclosures must be completed within 30 days and a final report must be submitted within 90 days of receiving disclosures, unless written justification for a delay is furnished to the whistleblower. From FY 95 to FY 96, there was a 57 percent increase of cases investigated (240 to 377 cases). (State Audit Services Revolving Fund)
10. REINSTATE AUDIT AUTOMATION FTES - The State Auditor received funds in the 1995-97 biennium to automate the audit process. The result was expected to be a reduction of 10 FTE staff, with a savings of \$1 million per year in the base budget. The software was pilot tested and was found not to meet the needs of the Auditor's office. The original funding for the project, \$1,256 K, is eliminated in this item, and the 10 FTE staff and funding at \$500 K are reinstated, for a net reduction of \$756 K. (State Audit Services Revolving Fund, Municipal Services Revolving Fund, Non-Appropriated)
11. SPECIAL AGENCY AUDITS - Expenditure authority is provided for unanticipated receipts for minor additional costs incurred in auditing various state agencies. (Auditing Services Revolving Fund)

Dept Community, Trade, & Econ Dev

12. INCREASED DEMAND FOR FOOD - Funding is provided for food banks to purchase additional food in response to demand resulting from recent changes in food stamp eligibility.
13. TRAVEL GUIDES & TRADE MISSION - Funding is provided to produce travel guides in conjunction with the Washington Forest Protection Association and Alaska Airlines. In addition, funding is provided to organize a trade mission to South Africa. (General Fund-Private Local)
14. VETERANS MEMORIAL - Funds are provided for the state of Washington's contribution to the construction of a women veterans memorial in Washington, DC.

Office of Financial Management

15. SCHOOL TO WORK GRANT - Additional grant funding is provided for School to Work activities. (General Fund-Federal)

Department of Information Services

16. WASHINGTON EDUCATIONAL NETWORK - Funding is provided to complete Phases I and II of the Washington Educational Network. Also, a proviso states that any remaining monies from the state building construction account appropriation in the 1996 supplemental for the network shall be deposited into the K-20 technology account on June 30, 1997. (General Fund-State, K-20 Technology Account)
17. CAPITALIZE EDUCATION TECH REV FUND - Provides funding to capitalize the Education Technology Revolving Fund created in Chapter 180, Laws of 1997 (SB 6004). This non-appropriated revolving fund is established to support the operations and maintenance of the Washington Educational Network. Also, see the note for the same item in the 1997-99 Omnibus Operating budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062) section for DIS.
18. YEAR 2000 - Funds are provided to complete Year 2000 date conversion maintenance activities. This amount was provided in the initial 1997-99 budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062) to the Office of Financial Management (OFM). In Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), the Legislature repealed the appropriations made in SSB 6062 and placed the Year 2000 funding in the supplemental budget. The supplemental budget section appropriating funds to OFM also included proviso language requiring that the funds be deposited in the data processing revolving account for expenditure. (Data Processing Revolving Account - Non Appropriated)
19. GOVERNOR VETO - The Governor vetoed both the repeal of the funds provided in Chapter 149, Laws of 1997, Partial Veto (SSB 6062) and the dedicated account appropriations in the supplemental budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259). Therefore, appropriations were approved in both budget bills. The result is that the 1997-99 operating funds provided in SSB 6062 remain intact in addition to the general fund appropriation in the supplemental budget. The Governor has committed to placing the general fund appropriation provided in SSB 6062 in reserve.

Office of Insurance Commissioner

20. CONSUMER INFORMATION & COUNSELING - During the 1995-97 and 1997-99 biennia, the Insurance Commissioner will receive \$600,000 from the Prudential Insurance Company as a result of a consent order settling an enforcement action against the company. Of this amount, \$68,000 will be received during the 1995-97 biennium. The Insurance Commissioner is authorized to expend these funds for consumer information and counseling pursuant to the consent order. (Insurance Commissioner's Regulatory Account)
21. MEDICARE INFORMATION & COUNSELING - Expenditure authority is provided for a supplemental federal grant award to provide health insurance information, counseling, and assistance to medicare beneficiaries. (General Fund-Federal)

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WA State Liquor Control Board

22. TEMPORARY WAREHOUSE - Funding is provided to make the first debt service payment on the certificate of participation that finances the construction of the new liquor distribution center (\$360,000). The new distribution center will be constructed on the same site as the old one. An additional \$174,000 is provided to operate a temporary warehouse offsite during the demolition and replacement of the liquor distribution center. (Liquor Control Board Construction and Maintenance Account)
23. STORM DAMAGE - Funds are provided to replace store fixtures and shelving that were damaged during the December winter storm. (Liquor Revolving Fund)

Military Department

24. PRIOR DISASTERS/FLOODS - General Fund-State dollars are appropriated into the Disaster Response Account for distribution for future disaster recovery activities.
25. FIRE MOBILIZATION SUPPORT - During the summer months of 1996, there were six fires that were determined to be beyond the capacity of the local fire fighting units. To address these fires, the agency activated the State Fire Mobilization Plan. Funds are provided to cover the cost of mobilized fire fighter's wages and local jurisdiction equipment expenses as specified by the Plan.
26. STATE COSTS - SPOKANE ICE STORM - Funding is provided for the Emergency Services Division disaster recovery activities associated with the Spokane ice storms last November. The General Fund-State dollars are appropriated to the Disaster Response Account to allow greater expenditure flexibility in meeting these disaster-related costs. These funds are required in order for the state to receive federal funds from the Federal Emergency Management Administration under a Presidential disaster declaration. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)
27. SATELLITE COMMUNICATIONS SYSTEM - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 Biennial budget. (General Fund-Federal)
28. DECEMBER 96 WINTER STORM - Funding is provided to the Emergency Services Division's Individual Assistance, Hazard Mitigation, and Public Assistance Programs for disaster recovery activities associated with the December winter storm. The General Fund-State dollars are appropriated to the Disaster Response Account to allow greater expenditure flexibility in meeting these disaster-related costs. These funds are required in order for the state to receive federal funds from the Federal Emergency Management Administration under a Presidential disaster declaration. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)
29. RECOGNIZE UNDEREXPENDITURE - The Military Department was unable to expend \$3.0 million in Flood Control Assistance Account for disaster recover activities in the 1995-97 biennium, and therefore, funding is reduced by this amount. (Flood Control Assistance Account)
30. MARCH 97 FLOODS - Funding is provided to the Emergency Services Division's Individual Assistance, and Public Assistance Programs for disaster recovery activities associated with the Spring 1997 floods. The General Fund-State dollars are appropriated to the Disaster Response Account to allow greater expenditure flexibility in meeting these disaster-related costs. These funds are required in order for the state to receive federal funds from the Federal Emergency Management Administration under a Presidential disaster declaration. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

Dept of Social & Health Services -- Children and Family Services

31. SOCIAL SERVICE BLOCK GRANT - For the current federal fiscal year, the U.S. Congress has reduced funding for the Social Services Block Grant. Funding is provided to replace that amount with General Fund-State dollars to maintain current services provided by DSHS. (General Fund-State, General Fund-Federal)
32. WELFARE REFORM INFO SYSTEM IMPACTS - The Personal Responsibility and Work Opportunity Act of 1996 (H.R. 3734) has significant impacts on the Department's information systems. Modifications must be made to the existing information systems to accommodate changes in eligibility, enhanced tracking requirements, and expanded reporting requirements. (General Fund-State, General Fund-Federal)
33. ACES COST RECOVERY - Funding is provided for additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to reduce problem and change request response times. (General Fund-State, General Fund-Federal)
34. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the Agency's Social Service Payment System (SSPS)-Phase 1 to ensure correct date functioning through and beyond the Year 2000. SSPS provides authorization and payment calculation for services performed for clients, and collects social service client data required for state and federal reports. (General Fund-State, General Fund-Federal)
35. SECURED CRISIS RESIDENTIAL CENTERS - Funding was provided in FY 97 totalling \$4.5 million to contract with private vendors for the operation of secured crisis residential centers for placement of at-risk youth. The appropriation is reduced to \$500,000 for FY 97 because of the slow start-up of these services.
36. FOSTER CARE/ADOPTION FORECAST - Funding is provided for the projected increase in foster care costs and caseloads through the end of the 1995-97 biennium. The budget provides for an increase of 5 percent in FY 97 in foster care costs and an increase of 2.9 percent in FY 97 in adoption support costs. (General Fund-State, General Fund-Federal)
37. SSI FOR FOSTER CHILDREN - Federal welfare reform legislation tightened eligibility for disabled children receiving Supplemental Security Income (SSI) benefits. Funding is provided to serve children in foster care who lose SSI eligibility. Funding is also provided to perform more frequent medical eligibility determinations required by the federal legislation. (General Fund-State, General Fund-Federal)
38. EMPLOYMENT CHILD CARE UNEXPENDITURE - Employment child care was expanded in FY 96 by 3,050 slots for FY 97. The Department has experienced delays in eligibility determinations and in processing the authorizations for the additional slots. Funding is reduced by the amount of the anticipated underexpenditure.

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Dept of Social & Health Services -- Children and Family Services (continued)

39. TITLE IV-E FOR PROFIT AGENCIES - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) allowed states to claim federal Foster Care funds for maintenance of a child placed in foster care by a for-profit agency. Funding is provided to allow the state to claim the federal Foster Care funding. (General Fund-State, General Fund-Federal)
40. TITLE IV-E ELIGIBILITY SPECIALISTS - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) severs the connection between Aid to Families with Dependent Children (AFDC) and federal Foster Care eligibility. The change will require all children in foster care to have their eligibility for foster care determined separately from AFDC eligibility. Funding is provided for eligibility specialists to reconstruct AFDC eligibility factors in accordance with the state AFDC program as it existed in July 1995 in order to determine a child's current federal Foster Care eligibility. (General Fund-State, General Fund-Federal)
41. CHILD CARE QUALITY - The federal Child Care Development Fund (CCDF) requires that a minimum of 4 percent of federal block grant funds be spent on improving the quality and capacity of the state's child care system. Funding is provided for additional investments in the child care system to comply with CCDF requirements and to better prepare the state to meet the child care demands related to welfare reform legislation. Funding may be used to provide grants and other services to child care providers to support the expansion of child care slots for off-hours child care, for technical assistance, to expand resource and referral networks, and to expand child care to currently unserved areas of the state. (General Fund-State, General Fund-Federal)
42. UNANTICIPATED FEDERAL REVENUE - Funding from the Department of Health and Human Services and the U.S. Department of Justice is recognized. These additional federal monies will provide resources for the following: independent living; a study of the effectiveness of decision making; child care resource and referral networks; respite care needs; family violence protection; victim assistance, prevention, reunification and adoption services for families; support to foster children; and permanency planning for child placements. (General Fund-Federal)
43. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Juvenile Rehabilitation

44. LOSS OF IV-A FEDERAL FUNDS - State funds are required to replace the loss of federal funds for basic programs in the Juvenile Rehabilitation Administration (JRA). The Social Security Administration has directed Washington State to no longer claim Emergency Assistance (Title IV-A) for juvenile justice programs. The amount provided reflects what JRA would have earned in Title IV-A in FY 97 assuming the November 1996 juvenile offender forecast. (General Fund-State, General Fund-Federal)
45. FORECAST UPDATE - The November 1996 juvenile offender forecast is lower than the population level originally funded in the budget. Funding is reduced to reflect those savings. In addition, funding is reduced because of savings achieved in the Violence Reduction and Drug Enforcement Account during FY 96. The budget fully funds 1,430 beds (1,041 institutional beds and 389 community residential beds) in FY 97. (General Fund-State, General Fund-Federal, General Fund-Local, Violence Reduction and Drug Enforcement Account)
46. PAROLE & DIAGNOSTIC WORKLOAD - The November 1996 forecast for probation, parole, and diagnostic services was lower than the funded level. Funding is reduced to reflect those savings. For FY 97, the Supplemental budget funds 977 parole slots and 1,979 diagnostic evaluations. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Mental Health

47. ACES COST RECOVERY - This item funds additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to respond more quickly to problems and change requests. The original projections in the Advanced Planning Document (APD) did not adequately maintain ACES during the conversion period. (Other Funds: General Fund-Federal)
48. FEDERAL FUNDS FOR PHP PAYMENTS - As the Mental Health Division transitioned community outpatient services into Prepaid Health Plans, more expenditures became eligible for federal match. Under fee-for-service, only specific categories of services were matched, whereas under managed care, the entire monthly premium for each Medicaid eligible person is matched. This step corrects federal appropriation authority to reflect this higher federal participation. (General Fund-Federal)
49. COMMUNITY INPATIENT SAVINGS - This step reflects lower projected expenditures for community inpatient mental health services based on adjusted Medicaid Management Information System payment information. The legislative adjustment is larger than OFM's December 1996 supplemental proposal because it reflects more recent data. (Other Funds: Health Services Account, General Fund-Federal)
50. MEDICARE CROSS-OVER PAYMENTS - Until January 1996, persons eligible for both Medicaid and Medicare were paid at 20 percent of the Medicare allowable amount, up to the Medicaid allowable amount. In 1996, a federal court determined that the Department was out of compliance with federal law in its methodology for calculating crossover payments, and ruled that payments should be made at 50 percent of the Medicare amount, regardless of Medicaid limits. These payments will be made by the state directly to service providers. (General Fund-State, General Fund-Federal)
51. MAINTAIN HOSPITAL CERTIFICATION - This step funds additional staff at Eastern State Hospital and the Child Study and Treatment Center (CSTC) in order to maintain federal certification and hospital accreditation. An additional 2.6 FTE staff are provided to Eastern State to correct deficiencies in recreation and occupational therapy services. An additional 3.1 FTE staff at CSTC are for a psychologist, plus clerical staff to ensure that direct care staff have necessary clerical support, and are not performing those functions at the expense of their direct care duties. (General Fund-State, General Fund-Federal, General Fund-Local)
52. HOSPITAL SETTLEMENTS - This step makes two adjustments. First, it corrects an assumption that a one-time settlement of \$4.4 million in the 1993-95 biennium would occur again in 1995-97. This level of federal funding cannot be earned and state funding is required to offset the federal shortfall. The second adjustment corrects for a decrease in Medicare collections at the state hospitals, and an increase in federal Disproportionate Share Hospital (DSH) funds. Medicare payments are appropriated as local funds. (Other Funds: General Fund-Local)

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Dept of Social & Health Services -- Mental Health (continued)

53. SPECIAL COMMITMENT CENTER - Funding is provided for larger-than-projected population at the Special Commitment Center in Monroe. Current funding is for 36 residents, with a projected total of 49 by the end of the biennium. This step also funds one additional conditional release (or Less Restrictive Alternative) community placement beginning January 1997.

Dept of Social & Health Services -- Developmental Disabilities

54. MEDICAID PERSONAL CARE CASELOAD - Use of the Medicaid Personal Care program by persons with developmental disabilities continues to grow more rapidly than budgeted. Expenditures for adult recipients have increased by 16 percent over the FY 96 level, rather than 6.5 percent as budgeted. Expenditures for children have increased by 38 percent over the FY 96 level, instead of the budgeted 20 percent. (Other Funds: General Fund-Federal)
55. BACKGROUND CHECKS-PROVIDER PREMIUMS - This item provides funding to cover increased insurance premiums for community residential providers serving individuals with particularly risky behaviors. The agency additionally requested funds to pay for FBI background checks for persons applying to work in jobs in which they will have unsupervised contact with persons with developmental disabilities. This item is not funded in the legislative budget because legislation requiring such checks has not been enacted. (Other Funds: General Fund-Federal)
56. FEDERAL EARNINGS ADJUSTMENT - State funding is provided to replace federal funds which are not being collected at the budgeted level in the Residential Habilitation Centers (RHCs). The current spending plan assumed 54.4 percent of RHC expenditures would be covered by federal matching funds. Actual earnings reflect a percentage of only 52.8 percent. This item also reflects a \$1.5 million settlement that offsets much of the shortfall created by the reduced federal earnings. (Other Funds: General Fund-Federal)
57. COMMUNITY PROTECTION INITIATIVE - This item provides funding to move 40 adults with developmental disabilities currently residing in community settings into more secure Intensive Tenant Support settings with 24 hour supervision. These individuals have histories of sexually and/or physically abusive behavior, or arson, and need a more intensively-supervised living arrangement in order to minimize risk to the communities where they live. The legislative increase is less than proposed by the agency because start-up has been slower and costs-per-person somewhat lower than anticipated in the original agency proposal. (Other Funds: General Fund-Federal)
58. ACES COST RECOVERY - This item funds additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to respond more quickly to problems and change requests. The original projections in the Advanced Planning Document (APD) did not adequately maintain ACES during the conversion period. (Other Funds: General Fund-Federal)
59. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the Agency's Social Service Payment System (SSPS)-Phase 1 to ensure correct date functioning through and beyond the Year 2000. This application provides authorization and payment calculation for services performed for clients, and collects social service client data required for state and federal reports. (Other Funds: General Fund- Federal)
60. TRANSFER OF BHP PREMIUMS - Funding for home care workers to enroll in the Basic Health Plan (BHP) is currently in the Long Term Care budget authority for the 1995-97 biennium. This step transfers the funding of BHP for those home care workers who are serving persons with developmental disabilities to the Division of Developmental Disabilities. (Other Funds: General Fund-Federal, Health Services Account)

Dept of Social & Health Services -- Long-Term Care Services

61. ACES COST RECOVERY - This item funds additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to respond more quickly to problems and change requests. The original projections in the Advanced Planning Document (APD) did not adequately maintain ACES during the conversion period. (Other Funds: General Fund-Federal)
62. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the Agency's Social Service Payment System (SSPS)-Phase 1 to ensure correct date functioning through and beyond the Year 2000. This application provides authorization and payment calculation for services performed for clients, and collects social service client data required for state and federal reports. (General Fund- State, General Fund-Federal)
63. COMMUNITY PROGRAM CASELOAD - The number of persons receiving community long-term care services is 4 percent lower than originally projected for FY 97, but costs per person served are 6 percent higher than budgeted, and 17 percent above the FY 96 level, necessitating this supplemental adjustment. The legislative budget also uses this step to deduct funds originally included in the Long-Term Care budget for medical services for persons transferring from the Chore to the COPES program. Those costs have now been incorporated into the Medical Assistance forecast, and are budgeted there. (Other Funds: General Fund-Federal)
64. NURSING HOME CASELOAD/RATE - Nursing home caseloads and rates were both lower than projected for this fiscal year. The nursing home average census is estimated to be 14,942 instead of the budgeted 15,508, and the average daily rate is estimated to be \$108.33 instead of \$108.68. This item reflects the savings from these trends. (Other Funds: General Fund-Federal)
65. TRANSFER BHP FUNDING TO DDD - Funding for home care workers to enroll in the Basic Health Plan (BHP) is currently in the Long Term Care budget authority for the 1995-97 biennium. This step transfers funding to the Division of Developmental Disabilities for those home care workers who are serving persons with developmental disabilities. (Other Funds: General Fund-Federal, Health Services Account)
66. BHP PREMIUMS FOR PROVIDERS - Because of delays in program implementation, the Department estimates that actual expenditures for homecare workers to enroll in the Basic Health Plan will be approximately 75 percent less than assumed in the 1996 supplemental appropriation. (Other Funds: Health Services Account)

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Dept of Social & Health Services -- Economic Services

67. WELFARE REFORM INFO SYSTEM IMPACTS - The Personal Responsibility and Work Opportunity Act of 1996 (H.R. 3734) has significant impacts on the Department's information systems. Modifications must be made to the existing information systems to accommodate changes in eligibility, enhanced tracking requirements, and expanded reporting requirements. (General Fund-State, General Fund-Federal)
68. ACES COST RECOVERY - Funding is provided for additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to reduce problems and change request response times. (General Fund-State, General Fund-Federal)
69. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the Agency's Social Service Payment System (SSPS) to ensure correct date functioning through and beyond the Year 2000. SSPS provides authorization and payment calculation for services performed for clients and collects social service client data required for state and federal reports. (General Fund-State, General Fund-Federal)
70. FINANCIAL SERVICES STAFF/CASELOAD - Staff and related funding are adjusted to reflect the workload decrease anticipated as a result of the caseload decline projected in the November 1996 forecast. (General Fund-State, General Fund-Federal)
71. SOCIAL SERVICE STAFF/CASELOAD - Staff and related funding are adjusted to reflect the workload increase anticipated as a result of the additional child care caseload projected in the November 1996 forecast. (General Fund-State, General Fund-Federal)
72. GA-U FOR NEW ALIENS - Under the new federal welfare legislation, newly-arriving legal immigrants who apply for Supplemental Security Income (SSI) benefits after August 22, 1996 (with limited exceptions), will no longer be eligible for SSI. State law provides for General Assistance-Unemployable (GA-U) benefits for this population, including cash and medical assistance. Funding is provided for the anticipated increase in the GA-U caseload. (General Fund-State, General Fund-Federal)
73. ELIMINATE DRUG AND ALCOHOL - Public Law 104-121 prohibits persons with chemical dependency as a contributing factor to their disability from receiving federal Supplemental Security Income (SSI) benefits. State law provides for General Assistance-Unemployable (GA-U) benefits for this population, including cash and medical assistance. Funding is provided for the anticipated increase in the GA-U caseload. (General Fund-State, General Fund-Federal)
74. \$50 PASS-THROUGH - Under federal welfare reform legislation, the federal government will no longer participate in the cost of the pass-through of the first \$50 of any child support paid in the month in which it is due to recipients of public assistance. Funding is provided for the federal share of the pass-through and continues the current program as mandated by state law in effect as of June 30, 1996. (General Fund-State, General Fund-Federal)
75. CASELOAD FORECAST - Funding is adjusted to reflect the cost of changes in the forecasted caseload in public assistance programs as of February 1997. The change includes the November 1996 forecast and the February 1997 forecast update. (General Fund-State, General Fund-Federal)
76. SSI STATE SUPPLEMENT - Changes in Supplemental Security Income (SSI) eligibility at the federal level will cause the caseload for SSI to decline beginning in January 1997. Funding is adjusted to reflect a change to the standard individual payment level method of paying SSI State Supplement beginning on January 1, 1997.
77. NATURALIZATION ASSISTANCE - Funding is provided to assist legal immigrants in the citizenship process that will allow them to retain or regain their Supplemental Security Income (SSI) eligibility as early as possible. The costs of naturalization include a fee for community based organizations to hold ten week bilingual citizenship training classes plus application fees charged by the Immigration and Naturalization Service (INS).
78. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Alcohol & Substance Abuse

79. LOSS OF SSI FEDERAL REVENUE - Funding is adjusted to reflect a change in federal law to discontinue funding for referral and monitoring services for Supplemental Security Income (SSI) recipients who have chemical dependency as a contributing factor to their disability. (General Fund-Federal)
80. PERSONS LOSING SSI/SSDI BENEFITS - Funds are required for Alcoholism and Drug Abuse Treatment and Support Act (ADATSA) caseloads anticipated to increase due to the elimination of Supplemental Security Income (SSI) benefits for persons who have chemical dependency as a contributing factor to their disability.
81. ADATSA SHELTER INCREASE - Funds are provided for the anticipated increase in ADATSA Shelter caseload due to elimination of federal Supplemental Security Income (SSI) eligibility for persons who have chemical dependency as a contributing factor to their disability.
82. ACES COST RECOVERY - Funding is provided for additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to reduce problems and change request response times.
83. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the agency's Social Service Payment System (SSPS) to ensure correct date functioning through and beyond the Year 2000. SSPS provides authorization and payment calculation for services performed for clients and collects social service client data required for state and federal reports.

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Dept of Social & Health Services -- Medical Assistance Payments

84. ACES COST RECOVERY - This item funds additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to respond more quickly to problems and change requests. The original projections in the Advanced Planning Document (APD) did not adequately maintain ACES during the conversion period. (Other Funds: General Fund-Federal)
85. GA-U FOR NEW ALIENS - Under the Federal Personal Responsibility and Work Opportunity Act of 1996, newly arriving aliens (after August 22, 1996) will not be eligible for SSI (Supplemental Security Income). It is estimated that approximately 10 persons per month will no longer be eligible for SSI: 10 percent of these will be children who will instead be served under the state-only children's program, and the rest will receive GA-U medical assistance. (General Fund-State, General Fund-Federal)
86. FEBRUARY CASELOAD UPDATE - In combination with the "Expansion Kids Under-Expenditures," Item 93 below, total state funding for FY 97 is reduced by approximately 0.5 percent below the level originally requested because actual costs are less than was forecast at the time the agency supplemental budget request was developed. (Other Funds: General Fund-Federal)
87. DDDS WORKLOAD - The Division of Disability Determination Services (DDS) is responsible for determining medical eligibility for Social Security Disability Insurance and Supplemental Security Income benefits under the Social Security Disability Program. Due to recent changes in federal law, DDS is required to process a significant increase in caseload for Drug Abuse and Alcoholism, Continuing Disability reviews and children's cases. The Social Security Administration funds these costs. (General Fund-Federal)
88. SSI DRUG ADDICTION AND ALCOHOL - Federal legislation has reduced eligibility for federal disability benefits for those with drug addiction and alcoholism. For FY 97, there will be a net decrease of 134 Medical Assistance eligibles as a result of this federal action. (General Fund-State, General Fund-Federal)
89. FORECAST CHANGE - This step represents other changes in Medical Assistance based on the November 1996 forecast. Changes include increased General Fund-State due to increases in General Assistance and ADATSA caseload, increased per capita in the Medically Indigent program, and increased Medicare premium payments. General Fund-Local has increased because of the ability to earn more funding through the Intergovernmental Transfers program. Other funds (Health Services Account and federal) are decreased because of underexpenditures in dental services for children, Refugee Assistance, and Family Planning. (Other Funds: General Fund-Federal, General Fund-Local, Health Services Account-State)
90. INCREASE FFP-OTHER ENTITIES - Additional federal Title XIX dollars are being earned on behalf of other governmental agencies, which use their own funds to meet the matching requirements. Most of these earnings are from Seattle/King County Health Department. (General Fund-Federal)
91. MEDICARE LIMIT FOR DUAL ELIGIBLES - In January 1996, a group of providers successfully sued to require the DSHS Medical Assistance Administration to pay the higher Medicare reimbursement for clients who are eligible for both Medicaid and Medicare. This provision was effective immediately, and required higher payment rates for bills that were paid from that date forward. (General Fund-State, General Fund-Federal)
92. PROTEASE INHIBITORS - A new class of drugs, protease inhibitors, has become available for treatment of HIV clients. The Federal Health Care Financing Administration has directed that Medicaid programs must cover the costs of these drugs. This step shows the additional cost of including protease inhibitors in drug therapy where appropriate. (General Fund-State, General Fund-Federal)
93. EXPANSION KIDS UNDEREXPENDITURES - Expenditures for children eligible as a result of the eligibility expansion to 200 percent of the federal poverty level are about 2 percent lower than forecast. (Other Funds: Health Services Account, General Fund-Federal)

Dept of Social & Health Services -- Vocational Rehabilitation

94. ACES COST RECOVERY - This item funds additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to respond more quickly to problems and change requests. The original projections in the Advanced Planning Document (APD) did not adequately maintain ACES during the conversion period. (Other Funds: General Fund-Federal)
95. SSPS YEAR 2000 CRITICAL MAINTENANCE - Funding is provided for modification of the agency's Social Service Payment System (SSPS)-Phase 1 to ensure correct date functioning through and beyond the Year 2000. This application provides authorization and payment calculation for services performed for clients and collects social service client data required for state and federal reports. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Administration/Support Svcs

96. WELFARE REFORM INFO SYSTEM IMPACTS - The Personal Responsibility and Work Opportunity Act of 1996 (H.R. 3734) has significant impacts on the Department's information systems. Modifications must be made to the existing information systems to accommodate changes in eligibility, enhanced tracking requirements, and expanded reporting requirements. (General Fund-State, General Fund-Federal)
97. ACES COST RECOVERY - Funding is provided for additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to reduce problems and change request response times. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Child Support Services

98. WELFARE REFORM INFO SYSTEM IMPACTS - The Personal Responsibility and Work Opportunity Act of 1996 (H.R. 3734) has significant impacts on the Department's information systems. Modifications must be made to the existing information systems to accommodate changes in eligibility, enhanced tracking requirements, and expanded reporting requirements. (General Fund-State, General Fund-Federal)
99. ACES COST RECOVERY - Funding is provided for additional Automated Client Eligibility System (ACES) costs associated with system operation and additional contractor and state staff required to reduce problems and change request response times. (General Fund-State, General Fund-Federal)

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Dept of Social & Health Services -- Child Support Services (continued)

- 100. INCENTIVE PAY - The child support collection incentive pay received from the federal government is projected to increase for the remainder of FY 97. (General Fund-State, General Fund-Local)
- 101. LEGAL RESOURCES - Funding is provided for increases in the workload of county prosecuting attorneys. The Attorney General has transferred much of the Division of Child Support workload to county prosecuting attorneys. (General Fund-State, General Fund-Federal)

Dept of Social & Health Services -- Payments to Other Agencies

- 102. ATTORNEY GENERAL TORT DEFENSE - Funding is provided for additional Attorney General tort defense activities due to the significant increase in lawsuits involving child welfare and child placement activities.

WA State Health Care Authority

- 103. HEALTH SERVICES ACCOUNT UNDERSPEND - The Basic Health Plan enrollment is frozen at about 131,000 enrollees. Due to the net effect of monthly disenrollments and new enrollments, the Health Care Authority expects to spend at least \$4 million less than appropriated for the 1995-97 biennium. (Other Funds: Health Services Account-State)

Criminal Justice Training Comm

- 104. MANDATORY WORKLOAD INCREASE - Funding is provided for mandatory workload increases at the Basic Law Enforcement, Correctional Officer, and Community Corrections Officer Academies. Also included is funding to offset higher than budgeted costs for the Basic Law Enforcement Academy as well as transition costs incurred by the agency. (Public Safety and Education Account-State)

Department of Labor and Industries

- 105. FEDERAL GRANT FOR CRIME VICTIMS - Available federal funds exceed the Department's estimate of the federal FY 97 award. (Public Safety and Education Account-Federal)
- 106. OSHA GRANT FOR EQUIPMENT - The Department received unanticipated federal funding to purchase equipment. (Accident Fund-Federal, Medical Aid Fund-Federal)

WA Health Care Policy Board

- 107. HEALTH SERVICES ACCOUNT UNDERSPEND - Based on actual expenditures through the first 18 months of the biennium, the Board is expected to under-expend its 1995-97 appropriation by at least 8 percent. (Health Services Account-State)

Department of Health

- 108. HIV/AIDS PRESCRIPTION DRUG PROGRAM - Funding is provided for new pharmaceutical treatments for HIV (the virus which causes AIDS). The AIDS prescription drug program (APD) provides drug treatments to low income persons infected with HIV and AIDS. Newly approved drug treatments are effective in treating the virus, causing more persons to access the APD program. The new drug therapies are also more expensive than previous drug treatments. These factors have created a funding shortfall in the APD program for FY 97.
- 109. HEALTH SERVICES ACCOUNT UNDERSPEND - The Health Services Account appropriation is adjusted to reflect an anticipated \$1.0 million underexpenditure of Health Services Account funds. (Health Services Account)
- 110. WIC FUNDING INCREASE - Funding is provided for an anticipated increase in federal funding for the Women, Infants, and Children program. (General Fund-Federal)

Department of Veterans' Affairs

- 111. RELOCATE HQ/FIELD SERVICE OFFICE - Because it considered accessibility, parking, and space at its previous location inadequate, the agency relocated its headquarters and Olympia field offices. The new office has 80 percent more square feet, and costs 36 percent more per square foot than the previous location. The increased cost of this relocation is only partially funded in the legislative budget because: (1) less expensive alternatives were not exhausted prior to the move; and (2) most of the increased costs are being covered within the total amount budgeted for FY 97 headquarters operations. This item funds the 36 percent rate increase only and not the additional space acquired as part of the move.
- 112. ADJUST GF-S TO FED/LOCAL REV-RETSIL - This item adjusts projected revenues at the Veterans Home in Retsil to reflect increased revenues from patient contributions, which reduces the needed General Fund-State subsidy. The legislative adjustment is greater than proposed by the agency because it projects revenues through the end of the biennium based upon actuals through November 1996, while the agency proposal assumed that patient contribution revenues for the last nine months of the biennium would remain at the levels originally projected, even though they have substantially exceeded that level to date. (Other Funds: General Fund-Federal, General Fund-Private/Local)
- 113. ADJUST GF-S TO FED/LOCAL REV-ORTING - This item adjusts projected revenues at the Soldiers Home in Orting to reflect lower revenues from patient revenues than originally anticipated, offset by increased federal revenues. Because of the large increase in federal revenues, the need for state funding is reduced. (Other Funds: General Fund-Federal, General Fund-Local)

Department of Corrections

- 114. POPULATION FORECAST ADJUSTMENT - Funding is adjusted to reflect the September 1996 inmate forecast. In FY 97, the forecast projects an increase of 539 average daily population (ADP) above originally budgeted levels.
- 115. PRISON EXPANSION - Funds are provided for one-time startup costs associated with expansions at the Work Ethic Camp located at McNeil Island Corrections Center and at the Washington Corrections Center for Women. Both facilities become operational in July 1997.
- 116. RECOVERIES & FEES ABOVE PROJECTION - Funding is reduced to reflect savings achieved from increased collections of debts owed by offenders to the Department.

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Department of Corrections (continued)

- 117. REDUCTION IN USE-PRIVATE VEHICLES - Funding is reduced to capture savings generated by the increased use of state owned vehicles. In some cases, using state owned vehicles results in lower costs than reimbursing employees for the use of their private vehicles.
- 118. FIELD CHEMICAL DEPENDENCY TESTING - Funding is reduced to capture savings resulting from lower than budgeted drug testing costs.
- 119. SHARED RESOURCES/LOCAL ENTITIES - Cooperative agreements with local jurisdictions regarding use of office resources has resulted in savings.

Department of Employment Security

- 120. JOB DEVELOPERS - Funding is provided to correct an omission in the carryforward cost of the program in the 1995-97 biennial budget. Full biennial funding will continue employment services to Job Opportunities and Basic Skills (JOBS) program participants. (Administrative Contingency Account)

Note: Subsection 1: The Department is granted the authority to expend more than the stated appropriation for the General Unemployment Insurance Development Effort (GUIDE) project by up to \$2.6 million. The vendor is responsible for the costs associated with any vendor-caused project delays. The Department is required to seek full recovery of any project costs in excess of the appropriation from the vendor.

Department of Ecology

- 121. ATTORNEY GENERAL TORT DEFENSE COST - Funding is provided to pay for tort attorney costs associated with two tort cases against the Department of Ecology. (General Fund-State, State Toxics Control Account)
- 122. LABOR AND INDUSTRIES REFUND - Funding is provided to the Department of Ecology from the Department of Labor and Industries refunds to continue implementing workplace safety programs. (Industrial Insurance Premium Refund Account)
- 123. FLOOD CONTROL - Funding is provided for emergency work to prevent the failure of a privately owned, recently abandoned, dam located in Pierce County.
- 124. AQUATIC WEED GRANTS TO LOCALS - Additional grants will be available for programs to control and eradicate invasive aquatic weeds. (Freshwater Aquatic Weeds Account)
- 125. STATE REVOLVING FUND - The Environmental Protection Agency (EPA) provides capitalization grants to address water quality issues. The Department of Ecology is authorized to expend 4 percent of each grant for the administration of the grants. Currently, DOE is using less than 3 percent. An increase in the federal appropriation authority is provided in order to access federal funds that are available for administration of the State Revolving Fund. (Water Pollution Control Revolving Account-State, Water Pollution Control Revolving Account-Federal)

Note: The 1996 Legislature provided \$5 million from the flood control assistance account for grants to local government for repair of dikes and levees damaged in the November 1995 and February 1996 flood events. The 1997 Supplemental budget bill expands the eligible use of these dollars to include updating and implementing local flood control plans and implementation of public awareness measures.

State Parks and Recreation Comm

- 126. MAINTAIN CURRENT PARK OPERATIONS - State parks revenue has not been growing at the rate anticipated. In order to maintain existing service levels both in the current and upcoming biennium, additional general fund dollars are provided. It is intended that State Parks will shift \$3.4 million in expenditures to the state general fund during the 1995-97 biennium in order to begin the 1997-99 biennium with an adequate beginning balance in the Parks Renewal and Stewardship Account. (General Fund-State, Parks Renewal and Stewardship Account)

Environmental Hearings Office

- 127. ATTORNEY GENERAL SERVICES - The Office requires an adjustment in funding for nondiscretionary legal services related to appeals. The budgeted amount was \$50,000 for the biennium, but actual Attorney General's Office billings for the current biennium are projected to exceed the budgeted amount by 50 percent.

Dept of Fish and Wildlife

- 128. EMPLOYEE SAFETY/HEALTHY WORKPLACE - Washington Department of Fish and Wildlife has been cited by the Department of Labor and Industries (L&I) for not providing staff the ability to communicate while working in isolated areas and for failing to provide adequate safety gear at hatcheries. Partial funding is provided from the Industrial Insurance Premium Refund Account to purchase safety and communications equipment. The agency will absorb the remaining costs for the equipment through existing dedicated funds appropriations. (Industrial Insurance Premium Refund Account)
- 129. RATE INCREASES AND FIXED COSTS - Fish food and game bird food costs have increased over 30 percent based upon the latest contract. Funding is provided to cover this additional cost. An increase in premium payments for risk management is provided from the Industrial Insurance Premium Refund Account. (General Fund-State, State Wildlife Fund, Aquatic Lands Enhancement Account, Industrial Insurance Premium Refund Account)
- 130. MITCHELL ACT HATCHERIES - The National Marine Fisheries Service has reduced available federal funding for the operation of the Mitchell Act hatcheries on the Columbia River. State funding is provided to make up for this reduction through the end of federal fiscal year 1997 (October 1, 1997).
- 131. WINTER FEEDING - Due to heavier than normal snow pack during the winter of 1996/97, the Department incurred higher than anticipated costs for winter feeding of deer and elk. This item provides funding to cover the unbudgeted winter feeding costs.

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Dept of Fish and Wildlife (continued)

132. BIG GAME AUCTION FUNDS - RCW 77.12.700 allows the Commission to authorize auctions or raffles for sheep and elk permits. These funds are dedicated to wildlife conservation purposes. This item provides authority to expend funds collected from auctions or raffles in the 1995-97 Biennium. (State Wildlife Account)
133. TECHNOLOGY EFFICIENCIES - Funding is provided to purchase a digital image scanner for processing fish tickets and personnel files. This scanner will help achieve a long term budget efficiency in the 1997-99 biennial budget by allowing the elimination of three positions.
134. REGIONAL OFFICES BLDG MODIFICATION - The Department is required to move out of its current leased facilities in Vancouver. A total of \$80,000 in one-time funding is provided to remodel the new leased facility to meet Department needs. The Department is also consolidating leased space near its Mill Creek office and moving employees from their home offices into this leased space. A total of \$50,000 is provided to modify the new leased space.
135. INCREASE FEDERAL AND LOCAL FUNDING - Additional federal and local authority is provided for unanticipated grants and projects. Specific work includes hatchery operations, habitat evaluations, and wildlife area operations. (General Fund-Federal, General Fund-Private/Local, Special Wildlife Account)
136. UNEMPLOYMENT COMPENSATION - An adjustment is made in the appropriation authority for the Wildlife Fund. The adjustment allows the Department to pay for unanticipated unemployment compensation costs with revenues that are generated from audits of license vendors. (State Wildlife Account)

Department of Natural Resources

137. FIRE PROTECTION SUPPORT - The Department's fire protection program is funded through a mix of assessments on landowners placed in the Forest Fire Protection Assessment Account (FFPA) and the state general fund. This item provides \$4.2 million in additional General Fund-State (GF-S) support in the current biennium in order to maintain an adequate fund balance in the Forest Fire Assessment Account during the 1997-99 biennium. The Department is directed to increase GF-S expenditures in the 1995-97 biennium in order to carryforward \$5.1 million in the Forest Fire Assessment Account at the beginning of the 1997-99 biennium. Of the amount provided in this item, \$2.7 million is intended to be ongoing funding included in the carryforward level for the 1999-01 biennium.
138. EMERGENCY FIRE SUPPRESSION - Funding is provided to cover unbudgeted fire suppression costs for FY 97.

Department of Agriculture

139. ASIAN GYPSY MOTH - An infestation of the Asian Gypsy Moth has been discovered in the Port of Seattle area. Additional state and federal dollars are provided to monitor and control the infestation. These efforts will be continued into the 1997-99 biennium. (General Fund-State, General Fund-Federal)

Washington State Patrol

140. WSIN UNANTICIPATED RECEIPT - Additional funding is provided for the Western States Information Network (WSIN). The network helps coordinate the narcotics enforcement efforts of several western states. (General Fund-Local)
141. HIDTA UNANTICIPATED RECEIPT - Additional federal funding is provided for narcotics enforcement. The funding is available as a result of the federal High Intensity Drug Trafficking Area (HITA) designation. (General Fund-Federal)
142. DNA UNANTICIPATED RECEIPT - Funding is provided for forensic DNA testing equipment and training. (General Fund-Federal)
143. SPI BACKGROUND CHECKS - Since 1992, new K-12 employees have been required to get a background check prior to employment. Chapter 126, Laws of 1996 (2SSB 6272) required employees hired before that date to be checked. At that time, the estimate was that 61,500 employees hired before 1992 would be checked. The State Patrol and the Office of Superintendent of Public Instruction now estimate that approximately 78,000 employees are required by the law to be checked. Funding is provided for the fingerprint and background check process for the additional 16,500 employees. (General Fund-State, Fingerprint Identification-Non-Appropriated)

Public Schools -- OSPI & Statewide Programs

144. NORTH CENTRAL WASH. SKILLS CENTER - Funds are provided for allocation to the North Central Washington Skills Center for payment of long term leases, remodeling, equipment, supplies, and materials.

Public Schools -- General Apportionment

145. ENROLLMENT/WORKLOAD CHANGES - The forecast of total full-time equivalent (FTE) student enrollment for the 1996-97 school year is reduced by 807 FTE students (from 924,426 to 923,619 FTE students) and increased for vocational secondary enrollment (up 1,306 FTE students). Small schoolbonus units are reduced due to enrollment changes (down 7 instructional staff). The effect of these various changes is to increase costs by \$55,000.
146. COMPENSATION CHANGES - Reflects lower than expected changes in the staff mix factor (a measure of experience and education of certificated staff) and minor adjustments in administrative and classified salaries.
147. OTHER ADJUSTMENTS - Higher than expected local deductible revenue receipts have reduced the need for state funds.

Public Schools -- Pupil Transportation

148. ENROLLMENT/WORKLOAD CHANGES - Workload in the transportation program is lower than initially estimated and this reduces state costs by \$1,729 K.

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Public Schools -- Special Education

- 149. ENROLLMENT/WORKLOAD CHANGES - Based on actual school district data through March 1997, estimated special education enrollment ages 0-2 is decreased by 900 students for the 1996-97 school year (from 2,600 to 1,700 students) and estimated special education enrollment ages 3-21 is decreased by 2,118 students (from 109,544 to 107,426 students).
- 150. COMPENSATION CHANGES - Adjustment in funding due to lower than expected average salaries.
- 151. OTHER ADJUSTMENTS - Adjustments due to special education enrollment updates from the previous school year and changes in Medicaid funds available to offset state costs.

Public Schools -- Traffic Safety Education

- 152. ENROLLMENT/WORKLOAD CHANGES - The estimated number of students completing traffic safety education programs in the 1996-97 school year is reduced by 1,021 students (from 54,898 to 53,877). The number of students qualifying for a low-income subsidy increases by 584 students (from 12,077 to 12,661). (Public Safety and Education Account)

Public Schools -- Levy Equalization

- 153. OTHER ADJUSTMENTS - Levy equalization payments for the 1997 calendar year are estimated to be \$25,000 higher than assumed in the 1996 supplemental budget.

Public Schools -- Institutional Education

- 154. ENROLLMENT/WORKLOAD CHANGES - Estimated enrollments in education programs in institutions for delinquent youth are reduced by 180 students (from 1,200 to 1,020 students). Estimated enrollments in education programs in county detention centers are reduced by 3 students (from 894 to 89 students). Minor adjustments are also made in enrollments in institutions for handicapped and group homes.
- 155. COMPENSATION CHANGES - Minor adjustments to correct assumptions on average salaries in the institutions.

Public Schools -- Ed of Highly Capable Students

- 156. ENROLLMENT/WORKLOAD CHANGES - Highly Capable program funding is slightly reduced because the number of districts operating approved programs is reduced. The estimated funded percent of total enrollment is reduced from 1.491 percent to 1.487 percent in the 1996-97 school year.

Public Schools -- Transitional Bilingual Instruction

- 157. ENROLLMENT/WORKLOAD CHANGES - Estimated bilingual enrollments are reduced by 307 students in the 1996-97 school year (from 46,273 to 45,966 students).

Public Schools -- Learning Assistance Program (LAP)

- 158. ENROLLMENT/WORKLOAD CHANGES - This reflects adjustments in the percentage of students scoring in the lowest quartile in the 4th and 8th grade tests. The estimated five year average percentage of students scoring in the bottom quartile on the 4th grade test is reduced 0.39 percent for the 1996-97 school year (from 23.90 percent to 23.51 percent). The estimated five year average percentage of students scoring in the bottom quartile on the 8th grade test is reduced by 0.05 percent (from 18.43 percent to 18.38 percent).

Public Schools -- Block Grants

- 159. ENROLLMENT/WORKLOAD CHANGES - Lower total K-12 enrollments reduce the amount required for local education program enhancement. See Program 021-General Apportionment for details.

Public Schools -- Compensation Adjustments

- 160. ENROLLMENT/WORKLOAD CHANGES - The amount required for the 4 percent salary COLA provided in the 1995-97 biennium is reduced due to lower estimated enrollments. See Program 021-General Apportionment for details.
- 161. COMPENSATION CHANGES - The amount provided for the 4 percent salary COLA in the 1995-97 biennium is reduced due to lower staff mix factors. See Program 021-General Apportionment for details.

Public Schools -- Common School Construction

- 162. COMMON SCHOOL CONST FUND - General Fund-State moneys are appropriated to the common school construction fund for projects in the 1997-99 biennium.

Higher Education Coordinating Board

- 163. RESTORE HEALTH BENEFIT REDUCTION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that Higher Education Coordinating Board must pay to the Health Care Authority.

University of Washington

- 164. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that the University of Washington must pay to the Health Care Authority.
- 165. CORRECT BUDGET BILL ERROR - This item corrects a transcription error in the General Fund-State appropriation for the University of Washington.

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Washington State University

- 166. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that Washington State University must pay to the Health Care Authority.
- 167. PERS TO LEOFF CONVERSION - This item adds one-time funding of \$86,000 General Fund-State for the employer portion of costs associated with Washington State University's fire fighters electing to retroactively transfer from Public Employees' Retirement System (PERS) to Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), and \$5,180 for law enforcement officers electing to transfer from PERS to LEOFF.

Eastern Washington University

- 168. REDUCTION FOR UNDERENROLLMENT - Enrollment funding and FTE staff are reduced by the 86 student FTEs provided in the 1996 supplemental budget, due to underenrollment at Eastern Washington University (EWU). (General Fund-State, Tuition and Fee Account)
- 169. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that EWU must pay to the Health Care Authority.
- 170. STUDENT ENROLLMENT MIX ADJUSTMENT - In the 1996 supplemental budget, EWU was provided a student enrollment mix adjustment for General Fund-State only; the reduction in appropriation for the Tuition and Fee Account was inadvertently omitted. (Tuition and Fee Account)

Central Washington University

- 171. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that Central Washington University must pay to the Health Care Authority.

The Evergreen State College

- 172. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that The Evergreen State College must pay to the Health Care Authority.

Western Washington University

- 173. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that Western Washington University must pay to the Health Care Authority.

Community/Technical College System

- 174. HEALTH BENEFIT RESTORATION - This item provides the General Fund-State appropriation necessary to fully fund the health benefits for employees that the community and technical colleges must pay to the Health Care Authority.
- 175. UNEMPLOYMENT COMPENSATION - This item provides the General Fund-State necessary to fully fund unemployment compensation costs due to changes in eligibility and benefit rates.

Washington State Arts Commission

- 176. GRANT (UNANTICIPATED RECEIPT) - The agency received funds from the Russell Company to support the Governor's Arts and Heritage Awards ceremony. (General Fund-Local)

Bond Retirement and Interest

- 177. REDUCE DEBT SERVICE - The appropriation for debt service is reduced to reflect the savings from bond refunding sales and lower interest rates. (Various Debt Service Funds)

Special Approps to the Governor

- 178. YEAR 2000 COMPUTER CONVERSIONS - In consultation with the Department of Information Services, the Office of Financial Management will allocate moneys from the state general fund and other sources to allow state agencies to make older computer systems compatible with calendar dates of year 2000 and beyond. Specific funding and projects have been identified in 11 agencies. No transportation agencies have been included in this combined funding.

In addition, \$10 million dollars will be set aside from existing fund balances in the Data Processing Revolving Account to provide contingency funding to address unforeseen expenses that may be encountered as computer conversions are implemented. The Data Processing Revolving Account is non-appropriated. (General Fund-State, Data Processing Revolving Account-Non-Appropriated, Other Various Accounts)

- 179. GOVERNOR VETO - In the initial budget (Chapter 149, Laws of 1997, Partial Veto SSB 6062), the Legislature appropriated \$5,340 K General Fund-State and \$9,130 K other funds for allocation to state agencies for Year 2000 computer conversions. In the second budget (Chapter 454, Laws of 1997, Partial Veto ESHB 2259), the funding was shifted to the 1995-97 supplemental budget and the appropriations contained in SSB 6062 were repealed. This repeal, however, was vetoed by the Governor. The effect of the veto was to restore the 1997-99 appropriations contained in SSB 6062.

Sundry Claims

- 180. SELF DEFENSE REIMBURSEMENT CLAIMS - On the recommendation of the Division of Risk Management, payment is proposed 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. Funding is provided for claims transmitted to the Legislature as of April 4, 1997.
- 181. WILDLIFE CROP DAMAGE CLAIMS - On the recommendation of the Division of Risk Management, payment is proposed under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account)

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Agency Loans

182. AGENCY LOAN TO COMMUNITY COLLEGES - A revenue shortfall in Community and Technical Colleges building fee revenue has resulted in a request from the Treasurer's Office for a loan from the General Fund to cover the debt service payments due in FY 97.

1997 - 99 Capital Budget

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1997-99 Capital Budget Overview

The 1997-99 Capital Budget was enacted as Chapter 235, Laws of 1997, Partial Veto (SSB 6063). Governor Locke's partial veto of the bill eliminated three sections and reduced the overall appropriation by \$10 million in state bond funds. Chapter 455, Laws 1997 (EHB 2255) amended SSB 6063, adding \$10 million in state bond funds to the overall budget level for 1997-99. The legislation authorizing the bonds to finance the bonded portion of the budget was enacted as Chapter 456, Laws of 1997 (ESSB 6064).

In addition to appropriations for capital projects, the budget authorizes state agencies to enter into financial contracts for acquisition of land and facilities and to enter into long-term lease agreements. The 17 authorized projects total over \$53 million. These authorizations are listed on page 302.

ESSB 6063	Total Funds	Debt Limit Bonds
	Actual Dollars	
1997-99 New Appropriations	1,884,125,691	906,280,779
1997 Supplemental Budget	14,823,093	5,690,107
Subtotal New Appropriations SSB 6063	1,898,948,784	911,970,886
Reappropriation Reductions in SSB 6063	(14,560,940)	(14,560,940)
Total Net New Appropriations SSB 6063	1,884,387,844	897,409,946
Governor's Partial Veto of SSB 6063	(10,000,000)	(10,000,000)
EHB 2255 (Amending SSB 6063)	10,000,000	10,000,000
HB 1019 Public Works Trust Fund	25,000,000	-0-

Of the \$1.88 billion spending plan, the 1997-99 biennial budget contains \$906 million of appropriations for new projects which are supported by state bonds subject to the statutory 7 percent debt limit. Principle and interest payments on debt limit bonds will be paid from the state general fund except for the debt attributable to \$1.6 million in bonds which will be paid from the Public Safety and Education Account.

In the new appropriation authority, \$44.3 million is supported by bonds which are exempt from the state debt limit. The debt service attributable to these exempt bonds will be paid from University of Washington federal grant funds.

The remaining appropriations of \$933 million (in SSB 6063) are supported by various cash accounts including: Common School Construction Fund (\$277 million); the Public Works Trust Fund (\$185 million); the state Water Quality Account (\$86 million); state Water Pollution Control Account (\$57 million); the Local Toxics Control Account (\$43 million); and \$122 million of federal funds distributed among several accounts.

1997-99 Capital Budget Highlights

The 1997-99 Capital Budget provides moderate growth in capital expenditures over the previous biennium while staying within the guidelines of the 7 percent statutory debt limit. An increase of 12.8 percent in new, debt limit bond appropriations includes the supplemental appropriations for the close of the 1997 fiscal year. Other fund appropriations grew by slightly over 20 percent. Other fund growth was led by an increase in federal appropriations, including \$33.8 million in new funding for drinking water assistance. State accounts experiencing large increases include the Higher Education Construction Account (\$34 million over 1995-97) and the Public Works Assistance Account (\$6 million over 1995-97). The Higher Education Account utilizes federal grant and contract funds and will support construction at the Oceanography and Fisheries Sciences facilities at the University of Washington.

Capital Budget Appropriations* Dollars in Millions

	1991-93	1993-95	1995-97	1997-99
State Bonds	1,239	940	795	897
Other Funds	670	713	843	987
Total	1,909	1,653	1,638	1,884

1997-99 total includes the 1997 supplemental budget.

** Total includes reappropriation reductions*

Preservation of Existing State Buildings

The budget provides over \$291 million for the repair and preservation of state owned facilities of which \$210 million is supported by debt limit bonds. Slightly more than 23 percent of the state debt limit bond appropriation is dedicated to preservation of existing buildings.

Public School Construction

The budget fully funds the expected K-12 construction estimates for the 1997-99 biennium by providing \$276 million for projects on the State Board of Education priority list. Timber trust revenues provide \$169 million of the construction funds. These revenues are supplemented by \$62 million of state general fund provided in Chapter 454, Laws of 1997, Section 1413 (ESHB 2259) and \$13 million of the Education Savings Account in Chapter 454, Laws 1997, Section 509. Additionally, \$31.5 million in state debt limit bond funds are deposited as revenue to the Common School Construction fund through the purchase of school trust land for wildlife and recreation purposes under the Trust Land Transfer Program, as provided in Chapter 235, Laws 1997, Partial Veto, Section 392 (SSB 6063).

The Legislature provided that up to \$7.1 million of the construction funds may be used for renovation of facilities operating as cooperative centers providing vocational skills.

Higher Education

The higher education focus in the 1997-99 budget is on increased capacity to provide access for a growing student population. State debt limit bond funds of \$433 million are part of the total \$542 million in appropriations provided for higher education capital projects. State debt limit bonds for higher education are 48 percent of all state debt limit bonds provided in the capital budget. The amount of \$128 million is provided for expansion of branch campuses.

The budget provides \$171 million in capital funding for the Community College System; an increase of 47 percent over the previous biennium. This amount includes \$43 million as the new Cascadia Community College share of the co-located Bothell Branch campus.

Prisons and Juvenile Rehabilitation

The 1997-99 biennial capital budget provides funding for the redevelopment and expansion of the state's prison system in order to accommodate the growing inmate population and new policy initiatives.

The Department of Corrections (DOC) received funds for the construction of the 1,936-bed Stafford Creek Correctional Center in Grays Harbor County and authorization to construct a new 400-bed pre-release facility on tribal lands in Tacoma. DOC also received funding to select a site for a new 1,936-bed prison, to be constructed in future biennia, and for program improvements to accommodate the increased juvenile population resulting from Chapter 338, Laws of 1997 (E3SHB 3900). The Legislature appropriated additional funding to the Department of Social and Health Services Juvenile Rehabilitation Administration for the redevelopment of Green Hill School and Maple Lane School. These juvenile facility redevelopment projects will provide infrastructure for future expansion and bring the capacity of Green Hill School to 288 beds and the capacity of Maple Lane School to 296 beds.

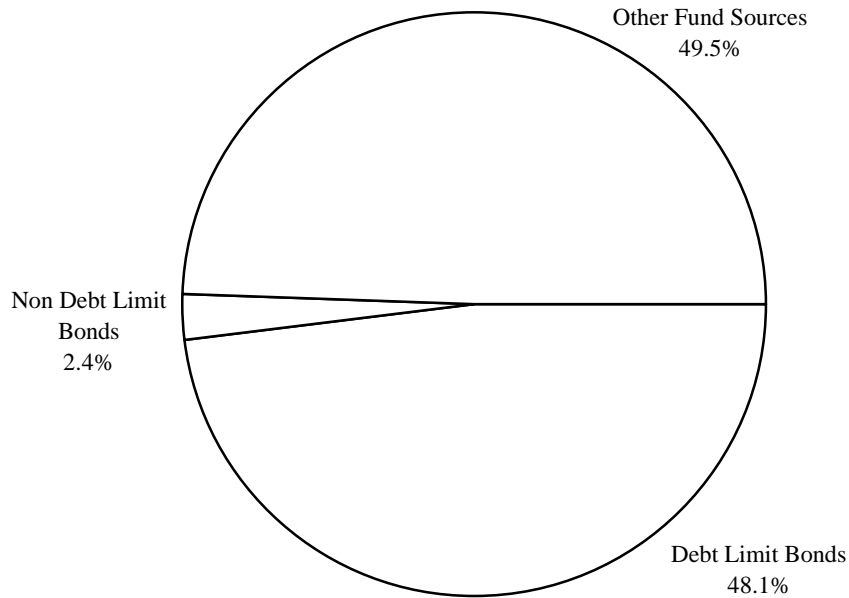
Local Government Infrastructure, Environmental Protection, and Housing Support

The capital budget provides several sources of funding to support local infrastructure, economic development, and environmental needs. The Public Works Trust Fund includes \$181 million for local infrastructure projects. The Local Toxics Control Account and the Centennial Clean Water Fund together provide \$113 million in grants for pollution control facilities and activities. The Water Pollution Control Revolving Account provides an additional \$101 million in federal and state funds for low interest loans for local water pollution control projects. Capital funding is also provided for low-income housing (\$54.7 million), community action agencies (\$2.7 million), community economic revitalization (\$10 million), and arts organizations (\$6 million).

Recreation and Wildlife Habitat

The Legislature appropriated a total of \$45 million for the Washington Wildlife and Recreation Program (WWRP) to expand local and state parks, public access to fresh and salt water bodies, trail systems, open space for wildlife habitat, and natural area preserves. The budget also includes \$16 million to repair and improve state park facilities and over \$37 million for projects to repair and enhance fish and wildlife lands and facilities.

1997-99 Washington State Capital Budget By Fund Source



	<u>Amount</u>	<u>Percentage</u>
Debt Limit Bonds	906,280,779	48.1%
Non Debt Limit Bonds	44,300,000	2.4%
Other Fund Sources	933,544,912	49.5%
Total	1,884,125,691	100.0%

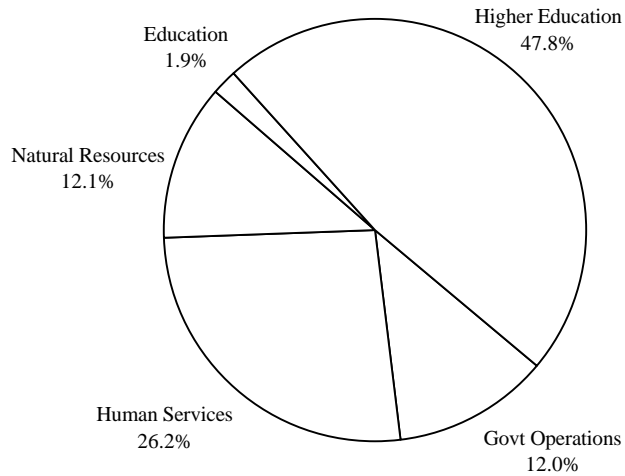
The Legislature reduced several reappropriations in the Capital Budget for projects in which funds were no longer needed, or as policy decisions to reduce the scope or eliminate previously authorized projects. These reappropriation reductions result in a net reduction in the state's general fund indebtedness. For the purpose of estimating the debt service subject to the statutory debt limit, it is assumed that the 1997 Supplemental Budget appropriations will be spent at the same rate as the new appropriations for 1997-99.

1997-99 Debt Limit Bonds	906,280,779
1997 Supplemental Budget	5,690,107
<u>Deletion of Debt Limit Appropriations</u>	<u>-14,560,940</u>
Net 1997-99 Debt Limit Appropriations	897,409,946

1997-99 Washington State Capital Budget By Functional Area

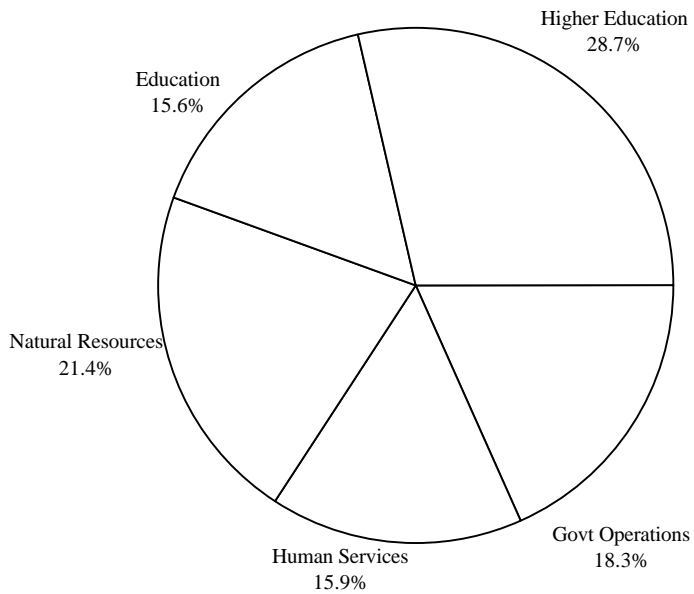
Debt Limit Bonds

Govt Operations	108,707,198
Human Services	237,484,479
Natural Resources	109,945,000
Education	17,271,600
<u>Higher Education</u>	<u>432,872,502</u>
Statewide Total	906,280,779



Total New Appropriations

Govt Operations	344,281,127
Human Services	299,630,422
Natural Resources	403,830,698
Education	294,849,033
<u>Higher Education</u>	<u>541,534,411</u>
Statewide Total	1,884,125,691



1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget Total	Legislative Budget	
		Total	Debt Limit Bonds
GOVERNMENTAL OPERATIONS			
Court of Appeals			
Spokane Division III - Remodel & Addition	2,499,980	2,499,980	2,499,980
Office of the Secretary of State			
Eastern Branch Archives Building	521,417	521,417	521,417
Birch Bay Records Storage - Asbestos Abatement	150,000	150,000	150,000
Agency Total	671,417	671,417	671,417
Dept of Community, Trade, & Economic Development			
Community Economic Revitalization	11,000,000	10,000,000	0
Public Works Trust Fund	199,977,328	180,977,328	0
* Housing Assistance, Weatherization, & Affordable Housing Development Loan Fund	50,000,000	50,000,000	50,000,000
Building for the Arts	6,600,000	6,000,000	6,000,000
* Community Services Facilities Program	4,000,000	2,000,000	2,000,000
Daybreak Star Center	650,000	650,000	650,000
Mirabeau Point Community Complex	0	1,500,000	1,500,000
* Local Toxics Public Participation Grants	0	435,000	0
Drinking Water Assistance Program	43,822,450	9,949,000	0
# Emergency Reserve	0	10,000,000	10,000,000
Clover Park Vocational-Technical Institute Settlement	0	5,000,000	5,000,000
Agency Total	321,049,778	279,511,328	75,150,000
Office of Financial Management			
Underground Storage Tank - Pool	3,000,000	3,000,000	3,000,000
Asbestos Abatement and Demolition - Pool	5,000,000	3,000,000	3,000,000
Americans With Disabilities Act - Pool	6,000,000	3,000,000	3,000,000
Capital Budget System Improvements	300,000	300,000	300,000
Agency Total	14,300,000	9,300,000	9,300,000
Department of General Administration			
Emergency, Small Repairs & Improvements - Statewide	900,000	900,000	200,000
Capitol Campus Facilities - Preservation	2,780,000	2,780,000	240,000
600 S. Franklin Building - Preservation	1,100,000	1,100,000	925,000
Dept. of Transportation Building - Preservation	734,000	734,000	0
Monumental Buildings - Cleaning & Preservation	3,000,000	3,000,000	0
Thurston County Security - Pool	1,000,000	0	0
Infrastructure - Savings	1	1	1
East Campus Plaza and Plaza Garage - Repairs	8,846,000	8,846,000	7,041,000
Northern State Multi-Service Center - Preservation	1,400,000	1,400,000	300,000
Legislative Buildings - Safety & Infrastructure	2,965,000	2,965,000	395,000
OB-2 Building - Preservation	4,250,000	4,250,000	357,000
Washington State Training & Conference Center - Preservation	1,000,000	1,000,000	1,000,000

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	<u>Legislative Budget</u>	
		<u>Total</u>	<u>Debt Limit Bonds</u>
Department of General Administration (continued)			
Wellington Hills Sale	0	-10,000,000	-10,000,000
* Heritage Park - Development	4,864,500	0	0
Washington State Training & Conference Center - Dormitory	1,600,000	1,600,000	1,600,000
Engineering & Architectural Services - Project Management	8,313,500	8,313,500	8,313,500
Agency Total	<u>42,753,001</u>	<u>26,888,501</u>	<u>10,371,501</u>
Washington State Patrol			
Seattle Crime Laboratory	1,100,000	1,100,000	1,000,000
Fire Training Academy - Dormitory	200,000	200,000	200,000
Fire Training Academy - Minor Works	220,000	220,000	220,000
Fire Training Academy - New Hazardous Material Prop	500,000	500,000	500,000
Fire Training Academy - Repair Burn Building	465,000	465,000	465,000
Fire Training Academy - Classroom Building	200,000	200,000	200,000
Agency Total	<u>2,685,000</u>	<u>2,685,000</u>	<u>2,585,000</u>
Military Department			
Yakima Nat. Guard Armory & Readiness Ctr.-Design/Util.	0	13,535,700	5,260,700
Minor Works - Federal Construction Projects	7,458,200	7,458,200	1,137,600
Minor Works - Preservation	1,000,000	1,000,000	1,000,000
Tacoma Community Center - Sprinkler System	149,000	149,000	149,000
Montesano Community Center - Renovation	582,000	582,000	582,000
Buildings & Infrastructure - Savings	1	1	0
Agency Total	<u>9,189,201</u>	<u>22,724,901</u>	<u>8,129,300</u>
TOTAL GOVERNMENTAL OPERATIONS			
	393,148,377	344,281,127	108,707,198

HUMAN SERVICES

Department of Social and Health Services

Capital Project Management	1,850,000	1,850,000	0
Minor Works - Preservation	8,720,000	8,720,000	3,720,000
Western State Hospital - South Hall HVAC Retrofit	1,000,000	1,000,000	1,000,000
Renovation of Main Building - Mission Creek	2,500,000	2,500,000	2,500,000
Medical Lake Wastewater Treatment Facility	500,000	500,000	500,000
Asbestos Abatement	200,000	200,000	200,000
Emergency Projects	250,000	250,000	250,000
Child Care Facilities for State Employees	500,000	0	0
Eastern State Hospital - Legal Offender Unit	17,583,585	17,583,585	17,583,585
Western State Hospital - Legal Offender Unit	4,215,341	4,215,341	4,215,341
Green Hill Redevelopment - 416-Bed Institution	13,000,000	6,600,000	6,600,000
Juvenile Rehabilitation Administration New 300-Bed Facility	2,000,000	0	0
Maple Lane School - 124-Bed Housing Replace/Support Svcs	9,332,641	9,332,641	9,332,641
Minor Works - Program	843,135	843,135	843,135
Naselle Youth Camp Academic School/Support Space	1,537,508	1,537,508	1,537,508

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	Legislative Budget	
		<u>Total</u>	<u>Debt Limit Bonds</u>
Department of Social and Health Services (continued)			
Echo Glen Vocational Program Addition - Predesign	100,000	100,000	100,000
Northern State Hospital - Safe Passage Program Space	329,500	329,500	329,500
Agency Total	64,461,710	55,561,710	48,711,710
Department of Health			
Public Health Laboratory - Consolidation of Facilities	660,300	660,300	660,300
Public Health Laboratory - Building 5 System Upgrades	311,040	311,040	0
Public Health Laboratory - Repairs and Improvements	774,833	774,833	774,833
Drinking Water Assistance Program	0	33,873,450	0
Agency Total	1,746,173	35,619,623	1,435,133
Department of Veterans' Affairs			
Orting - Dining Hall Remodel	1,100,000	1,100,000	0
Retsil - Replace Unsafe Electrical Distribution	850,000	850,000	0
Retsil - Minor Works Projects	755,000	755,000	0
Orting - Minor Works Projects	750,000	750,000	0
Emergency Fund	700,000	700,000	0
Orting - Activities & Training Annex	825,000	825,000	0
Retsil - Building Feasibility Study	112,000	112,000	0
Agency Total	5,092,000	5,092,000	0
Department of Corrections			
WCCW Mental Health, Special Needs, & Reception Unit	1,500,000	1,500,000	1,500,000
Stafford Creek Corrections Center - Construction	155,569,807	155,109,807	143,790,354
WA State Reformatory - Convert Medium to Close Cust.	4,375,588	4,375,588	4,375,588
Tacoma - Design 400-bed Pre-Release Facility	1,625,700	1,625,700	1,625,700
WCC - Correctional Industries Expansion	3,300,000	3,300,000	3,300,000
Special Offenders Center - Expand to 400 Beds	3,507,879	3,507,879	3,507,879
New 1,936-bed Multi-Custody Facility	1,248,453	1,248,453	1,248,453
Statewide Preservation Projects	23,300,000	18,900,000	15,700,000
Statewide Programmatic Projects	6,600,000	6,600,000	6,600,000
Statewide Asbestos Removal	572,068	572,068	572,068
Emergency Funds	1,500,001	1,500,001	1
UST/AST Program	617,593	617,593	617,593
WCC Juvenile Justice Program Improvements	0	4,500,000	4,500,000
Agency Total	203,717,089	203,357,089	187,337,636
TOTAL HUMAN SERVICES	275,016,972	299,630,422	237,484,479

NATURAL RESOURCES

Department of Ecology

Watershed Implementation Grants	20,000,000	0	0
State Owned Facilities - Repair & Upgrades	430,000	430,000	430,000

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget Total	Legislative Budget	
		Total	Debt Limit Bonds
Department of Ecology (continued)			
Water Pollution Control Revolving Account	97,194,169	101,459,441	0
Referendum 26 Waste Disposal Facilities	210,969	210,969	0
Referendum 38 Water Supply Facilities	485,495	485,495	0
Centennial Clean Water Fund	70,500,000	70,000,000	0
Local Toxics Control Account	43,479,000	43,044,000	0
Low-Level Nuclear Waste Disposal Trench Closure	6,433,381	6,433,381	0
Agency Total	238,733,014	222,063,286	430,000
State Parks and Recreation Commission			
Statewide Emergency Projects	500,000	500,000	500,000
Statewide Facilities Preservation	4,500,000	5,000,000	5,000,000
Historic Facilities Renovation	3,500,000	4,000,000	4,000,000
Statewide Natural and Historic Stewardship	2,000,000	1,500,000	1,500,000
Statewide Recreation Development	3,500,000	3,500,000	2,500,000
Statewide Park Roadways - Preservation	3,500,000	0	0
Underground Storage Tank Replacement	750,000	750,000	750,000
Boat Pumpouts - Federal Clean Vessel Act	850,000	850,000	0
Agency Total	19,100,000	16,100,000	14,250,000
Interagency Committee for Outdoor Recreation			
Boating Facilities	8,194,004	8,194,004	0
NOVA Program	5,306,848	5,306,848	0
Washington Wildlife & Recreation Program	50,000,000	45,000,000	42,500,000
Firearms Range Program	388,800	388,800	0
National Recreation Trails Act	583,000	583,000	0
Agency Total	64,472,652	59,472,652	42,500,000
State Conservation Commission			
Puget Sound Action Plan	0	830,000	0
Water Quality Grants Program	5,500,000	5,000,000	0
Dairy Waste Management Grants Program	0	3,000,000	0
Agency Total	5,500,000	8,830,000	0
Department of Fish and Wildlife			
Minor Works - Preservation	1,293,000	1,293,000	1,293,000
Underground Storage Tank Removal & Replacement	200,000	200,000	200,000
Emergency Repairs	300,000	300,000	300,000
Dam Inspection & Repair	300,000	150,000	150,000
Facilities Renovation	1,015,000	1,015,000	1,015,000
Hatchery Renovation	3,025,000	3,025,000	3,025,000
Recreational Access Redevelopment	912,000	912,000	302,000
Voights Creek Hatchery Adult Pond Renovation	400,000	0	0
Coast & Puget Sound Wild Salmonid Habitat Restoration	5,100,000	5,100,000	3,500,000

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget Total	Legislative Budget	
		Total	Debt Limit Bonds
Department of Fish and Wildlife (continued)			
Coast & Puget Sound Wildstock Restoration & Hatcheries	1,000,000	1,000,000	1,000,000
Fish Protection Facilities	700,000	700,000	500,000
Statewide Fencing Renovation/Construction	570,000	280,000	280,000
Wildlife Area Renovation	548,000	548,000	0
Crop & Orchard Protection Fencing	300,000	300,000	300,000
Game Farm Consolidation	300,000	1,200,000	900,000
Warm Water Game Fish Access Facilities	560,000	210,000	0
Recreational Fish Enhancement	1,000,000	1,000,000	0
Mitigation Projects and Dedicated Funds	6,550,000	6,550,000	0
Migratory Waterfowl Habitat Acquisition & Development	500,000	500,000	0
Columbia River Wildlife Mitigation	6,600,000	6,600,000	0
Issaquah Hatchery Improvements	3,000,000	3,000,000	3,000,000
Fish Passage and Habitat Improvement	500,000	500,000	0
Deep Water Slough Restoration	800,000	800,000	0
Clam & Oyster Beach Enhancement	300,000	0	0
Warm Water Fish Facilities	0	750,000	400,000
Replace Unproductive Habitat	1,600,000	1,220,000	0
Agency Total	37,373,000	37,153,000	16,165,000
Department of Natural Resources			
Administrative Site Preservation	938,000	938,000	300,000
Timber Trust Land Transfer	31,000,000	34,500,000	34,500,000
Irrigation Repairs and Replacements	100,000	100,000	0
Real Estate Repairs, Maintenance & Tenant Improvements	677,000	677,000	0
Communication Site Repair	150,000	150,000	0
Underground Storage Tank Removal and Upgrade	193,120	193,120	0
Statewide Emergency Repairs	98,000	98,000	30,000
Americans with Disabilities Act Compliance	34,000	34,000	0
Asbestos Removal	40,800	40,800	0
NAP/NRCA Management and Emergency Repairs	350,000	350,000	350,000
NRCA Management Plan Implementation	400,000	400,000	400,000
Hazardous Waste Cleanup	120,000	120,000	0
Emergency Repairs - Recreation Sites	120,000	120,000	120,000
Recreation Health and Safety	300,000	300,000	300,000
Americans with Disabilities Act Recreation Site Improvements	300,000	300,000	300,000
Natural Resources Real Property Replacement	25,000,000	3,000,000	0
Land Bank	15,000,000	0	0
Right of Way Acquisition	1,392,000	1,392,000	0
Communication Site Construction	560,000	560,000	0
Jobs for the Environment	11,633,000	9,133,000	0
Irrigation Development	300,000	300,000	0
Minor Works - Programmatic	1,277,840	1,277,840	300,000
Mineral Resource Testing	28,000	28,000	0

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	Legislative Budget	
		<u>Total</u>	<u>Debt Limit Bonds</u>
Department of Natural Resources (continued)			
Commercial Development - LIDs	200,000	200,000	0
Aquatic Lands Enhancement Grants	2,300,000	6,000,000	0
Agency Total	92,511,760	60,211,760	36,600,000
TOTAL NATURAL RESOURCES	457,690,426	403,830,698	109,945,000

PUBLIC SCHOOLS

State Board of Education			
Public School Building Construction	259,995,436	275,798,712	0
Superintendent of Public Instruction			
Program Management	1,778,721	1,778,721	0
TOTAL PUBLIC SCHOOLS	261,774,157	277,577,433	0

HIGHER EDUCATION

Higher Education Coordinating Board			
North Snohomish, Island, & Skagit Co. - Facility Predesign	376,000	376,000	376,000
Higher Ed. Facilities Inventory & Utilization Info. System	650,000	0	0
Underserved Rural Area Education Needs - Evaluation	150,000	0	0
Access Monitoring & Reporting for Higher Ed. Capital Proj.	200,000	0	0
Agency Total	1,376,000	376,000	376,000
University of Washington			
UW - Bothell/Cascadia CC - Phase I	42,970,000	42,970,000	42,970,000
UW - Bothell/Cascadia CC - Future Phases	3,000,000	3,000,000	3,000,000
UW - Tacoma Branch Campus	11,100,000	19,700,000	19,700,000
Minor Works - Safety	3,700,000	3,700,000	0
Minor Works - Preservation	5,346,075	5,346,075	0
Minor Works - Program	2,000,000	2,000,000	0
Utility & Data Communications Projects - Preservation	3,000,000	3,000,000	3,000,000
Fisheries/Oceanography Building - Construction	32,433,854	68,931,154	33,590,000
Suzzallo Library - Renovation	33,044,126	0	0
Law School Building - Construction	5,400,000	0	0
Harborview Research and Training Facility - Construction	53,941,000	53,941,000	41,857,625
Building Communications - Upgrade	3,000,000	3,000,000	0
Agency Total	198,935,055	205,588,229	144,117,625
Washington State University			
Teaching & Learning Center - Design & Construction	2,594,500	2,594,500	1,970,175
Thompson Hall Renovation: Construction	10,919,400	10,919,400	10,818,075
Kimbrough Hall - Addition & Remodeling	10,448,875	10,448,875	10,327,000

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget Total	Legislative Budget	
		Total	Debt Limit Bonds
Washington State University (continued)			
Bohler Gym Renovation: Construction	17,076,200	17,076,200	16,778,275
Cleveland Hall - Renovation & Addition	140,000	140,000	0
Murrow Hall - Renovation & Addition	105,000	105,000	0
Museum of Art Building - Construction	125,000	0	0
Apparel, Merch. & Int. Design & Landscape Arch. - Building	0	98,000	0
South Campus Electrical Service - Design & Construction	2,900,000	2,900,000	2,900,000
Minor Works - Safety & Environmental	3,407,800	3,407,800	1,600,000
Minor Works - Program	6,000,000	6,000,000	0
Minor Works - Preservation	5,553,000	5,553,000	0
Major Equipment - Acquisition	4,000,000	5,000,000	2,000,000
Campus Infrastructure and Road Improvements	8,292,000	8,292,000	8,292,000
WSUnet - Infrastructure	4,075,000	4,075,000	0
WSU-Tri-Cities - Science Education Center	140,000	140,000	140,000
WSU-Vancouver - Phase II	12,500,000	13,500,000	13,500,000
Agency Total	88,276,775	90,249,775	68,325,525
Eastern Washington University			
Monroe Hall - Renovation	924,000	924,000	924,000
Minor Works - Program	1,700,000	1,700,000	500,000
Water Systems - Preservation & Expansion	500,000	500,000	500,000
Infrastructure - Preservation	4,000,000	4,000,000	4,000,000
Boiler Plant - Expansion & Upgrade	753,625	753,625	618,100
Electrical Substations - Preservation	3,000,000	3,000,000	3,000,000
Roof Replacements	2,755,000	2,755,000	2,755,000
Campus Classrooms - Renewal	1,500,000	1,500,000	1,000,000
Minor Works - Preservation	5,350,000	5,350,000	619,500
Telecommunications Network & Cable - Infrastructure	1,000,000	1,000,000	1,000,000
HVAC Systems - Preservation	1,000,000	1,000,000	1,000,000
Agency Total	22,482,625	22,482,625	15,916,600
Central Washington University			
SeaTac Center Building - Renovation	662,500	662,500	662,500
Chilled Water Systems - Improvements	1,000,000	1,000,000	1,000,000
Boiler Plant - Expansion	1,450,000	1,450,000	1,450,000
Lynnwood Extended Degree Center - Facility Improvements	1,000,000	1,000,000	1,000,000
Extended Degree Centers - Planning	150,000	150,000	0
Electrical Utility - Upgrades	2,500,000	2,500,000	2,500,000
Steamline Replacement	1,450,000	1,450,000	340,000
Minor Works - Preservation	3,163,000	3,163,000	0
Minor Works - Program	2,382,000	2,382,000	0
Building Indoor Air Quality - Improvements	429,000	429,000	0
Science Facility - Design & Construction	510,000	510,000	0
Agency Total	14,696,500	14,696,500	6,952,500

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget Total	Legislative Budget	
		Total	Debt Limit Bonds
The Evergreen State College			
Minor Works - Safety & Code	2,450,000	2,450,000	2,450,000
Minor Works - Preservation	2,624,439	2,624,439	2,000,000
Emergency Repairs	559,312	559,312	0
Lecture Hall - Improvements	1,325,423	1,325,423	1,325,423
Minor Works - Program	1,800,000	1,800,000	0
Seminar Phase II - Predesign	140,000	140,000	0
Agency Total	8,899,174	8,899,174	5,775,423
Joint Center for Higher Education			
Health Sciences Building	375,375	1,375,375	1,375,375
Property - Acquisition	1,600,000	0	0
Infrastructure Projects - Savings	1	1	1
Minor Works - Program	161,500	161,500	161,500
Agency Total	2,136,876	1,536,876	1,536,876
Western Washington University			
Integrated Signal Distribution - Construction	8,262,500	8,262,500	8,262,500
Communications Facility - Predesign	204,400	204,400	204,400
Campus Services Facility - Design	1,191,800	1,191,800	987,050
Facility & Property Acquisition	4,000,000	4,000,000	4,000,000
Campus Infrastructure - Development	450,000	450,000	450,000
Minor Works - Program	5,628,529	5,628,529	0
Minor Works - Preservation	6,700,000	6,700,000	4,700,000
Agency Total	26,437,229	26,437,229	18,603,950
Community & Technical College System			
Roof Repairs	11,580,400	11,580,400	11,580,400
Heating, Ventilation, & Air Conditioning Repairs	10,350,000	10,350,000	10,350,000
Mechanical Repairs	2,632,300	2,632,300	2,632,300
Electrical Repairs	4,049,400	4,049,400	4,049,400
Exterior Repairs	4,124,200	4,124,200	4,124,200
Interior Repairs	2,386,500	2,386,500	2,386,500
Site Repairs	1,175,400	1,175,400	1,175,400
Repair and Minor Improvement	11,000,000	11,000,000	11,000,000
Bates Technical College - Renovation	4,813,100	4,813,100	4,813,100
Bellingham Technical College - Renovation	0	1,398,000	1,398,000
Clover Park Technical College - Renovation	0	3,796,000	3,796,000
Seattle Central CC - Renovation	0	4,851,300	4,851,300
Matching Funds	2,000,000	0	0
Minor Improvements	12,213,700	12,918,900	12,918,900
North Seattle CC - Vocational & Child Care Buildings	14,390,847	14,390,847	14,390,847
Everett CC - Instructional Technology Center	16,421,773	16,421,773	16,421,773
So. Seattle CC - Integrated Learning Assist. Resource Center	8,255,584	8,255,584	8,255,584

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	Legislative Budget	
		<u>Total</u>	<u>Debt Limit Bonds</u>
Community & Technical College System (continued)			
Bellevue Community College - Classrooms & Laboratories	9,670,882	9,670,882	9,670,882
Highline CC - Classroom & Laboratory Building	390,700	390,700	390,700
Spokane CC - Health Science Addition	692,717	692,717	692,717
Major Projects - Predesign	400,000	400,000	400,000
Cascadia CC/UW - Bothell: Construction	42,970,000	45,970,000	45,970,000
Cascadia CC/UW - Bothell: Future Phases	3,000,000	0	0
Agency Total	<u>162,517,503</u>	<u>171,268,003</u>	<u>171,268,003</u>
TOTAL HIGHER EDUCATION	<u>525,757,737</u>	<u>541,534,411</u>	<u>432,872,502</u>

OTHER EDUCATION

State School for the Blind

Seismic Stabilization & Preservation	1,700,000	1,700,000	1,700,000
Minor Works - Preservation	500,000	500,000	500,000
Agency Total	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>

State School for the Deaf

New Cottages - Design & Construction	4,606,600	4,606,600	4,606,600
Minor Works - Preservation	1,000,000	1,000,000	1,000,000
Agency Total	<u>5,606,600</u>	<u>5,606,600</u>	<u>5,606,600</u>

Washington State Historical Society

Washington Heritage Projects	2,213,500	4,100,000	4,100,000
Stadium Way Facility - Seismic & Infrastructure Repair	2,920,000	2,920,000	2,920,000
State Capital Museum - Preservation	200,000	200,000	200,000
Minor Works	83,000	145,000	145,000
Agency Total	<u>5,416,500</u>	<u>7,365,000</u>	<u>7,365,000</u>

Eastern Washington State Historical Society

Cheney Cowles Museum - Addition Design	1,200,000	1,900,000	1,900,000
Minor Works - Preservation	200,000	200,000	200,000
Agency Total	<u>1,400,000</u>	<u>2,100,000</u>	<u>2,100,000</u>

TOTAL OTHER EDUCATION	<u>14,623,100</u>	<u>17,271,600</u>	<u>17,271,600</u>
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New Projects Statewide Total

<u><u>1,928,010,769</u></u>	<u><u>1,884,125,691</u></u>	<u><u>906,280,779</u></u>
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GOVERNOR VETO

Department of Community Trade and Economic Development

Emergency Reserve	0	-10,000,000	-10,000,000
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* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	<u>Legislative Budget</u>	
		<u>Total</u>	<u>Debt Limit Bonds</u>
PROJECTS AMENDED BY CHAPTER 455, LAWS OF 1997 (EHB 2255)			
Department of Community Trade and Economic Development			
Housing Assist., Weatherization, & Affordable Housing Pgm.	0	4,700,000	4,700,000
Community Services Facilities Program	0	700,000	700,000
Local Toxics Public Participation Grants	0	-435,000	0
Agency Total	<u>0</u>	<u>4,965,000</u>	<u>5,400,000</u>
Department of General Administration			
Heritage Park - Development	0	4,600,000	4,600,000
Department of Ecology			
Local Toxics Public Participation Grants	0	435,000	0
<hr/>			
Total New Appropriations -- EHB 2255	<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>
<hr/>			
Total New Appropriations (SSB 6063 and EHB 2255)	<u><u>1,928,010,769</u></u>	<u><u>1,884,125,691</u></u>	<u><u>906,280,779</u></u>

REAPPROPRIATION REDUCTIONS

Dept of Community, Trade & Economic Development

Resource Center for the Handicapped	-387,762	-387,762	-387,762
Grays Harbor Dredging	-4,700,000	-4,700,000	-4,700,000
Columbia Gorge Intrepretive Center	-2,414	-2,414	-2,414
Emergency Management Building Minor Works	-45,969	-45,969	-45,969
Emergency Management Building Preservation	-64,775	-64,775	-64,775
Yakima Criminal Justice Center	-20	-20	-20
Agency Total	<u>-5,200,940</u>	<u>-5,200,940</u>	<u>-5,200,940</u>

Department of Social and Health Services

WSH Security Improvements	-70,000	-70,000	-70,000
WSH Phase 7 Predesign	-150,000	-150,000	-150,000
Echo Glen 48 Bed Unit	0	-2,800,000	-2,800,000
WSH LOU Predesign	-50,000	-50,000	-50,000
Echo Glen Perimeter Fence	-40,000	-40,000	-40,000
Agency Total	<u>-310,000</u>	<u>-3,110,000</u>	<u>-3,110,000</u>

University of Washington

Tacoma Branch Campus	0	-5,700,000	-5,700,000
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* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Capital Budget

New Appropriations Project List

Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

	Governor Budget <u>Total</u>	<u>Legislative Budget</u>	
		<u>Total</u>	<u>Debt Limit Bonds</u>
School For the Deaf			
MacDonald & Deer Halls: Elevators	-550,155	-550,000	-550,000
Total Reappropriation Reductions	<u>-6,061,095</u>	<u>-14,560,940</u>	<u>-14,560,940</u>
Net New Appropriations with Reappropriation Reductions	<u>1,921,949,674</u>	<u>1,869,564,751</u>	<u>891,719,839</u>
1997 SUPPLEMENTAL BUDGET ITEMS			
Community and Technical College System			
Yakima VC - Replace Pedestrian Street Crossing	1,226,000	100,000	100,000
Everett CC Land / Relocation Costs	1,510,544	1,510,544	1,510,544
Olympic College Central Heating Repairs	2,410,000	2,410,000	2,410,000
Olympic College Library Replacement	6,678,249	6,678,249	1,669,563
Agency Total	<u>11,824,793</u>	<u>10,698,793</u>	<u>5,690,107</u>
Military Department			
Federal Construction Projects	0	3,644,300	0
State Parks and Recreation Commission			
Riverside State Park Renovations	0	30,000	0
Department of Natural Resources			
Trout Lake Wetlands Acquisition	<u>0</u>	<u>450,000</u>	<u>0</u>
Total Supplemental Budget	<u>11,824,793</u>	<u>14,823,093</u>	<u>5,690,107</u>
Total Net New Appropriations Including 1997 Supplemental Budget			
	1,933,774,467	1,884,387,844	897,409,946

* Amended by EHB 2255 (see page 300)

Vetoed

1997-99 Washington State Capital Budget
Alternative Financing Authorizations
Chapter 235, Laws of 1997, Partial Veto, Section 702 (SSB 6063)

	Contract Authority	Other Conditions
Department of General Administration		
SS Purchase Existing Yakima Office Building Used by DSHS	8,804,000	
SS Purchase Riverpoint One Building for Joint Center for Higher Education	8,500,000	
Total	17,304,000	
Liquor Control Board		
OP Thurston County Headquarters Building		46,000 sq. ft.
Department of Corrections		
OP Purchase and/or Construct 100 Work-Release Beds - Statewide	5,000,000	
OP Long-Term Ground Lease on Tacoma Tide Flats for Tacoma Pre-Release		\$360,000 / yr.
OP Design and Construct New 400-Bed Tacoma Pre-Release	14,736,900	
OP Transportation Services Warehouse for Correctional Industries	2,100,000	
SS Purchase and Install Dairy Loafing Barn at the Monroe Honor Farm	396,369	
Total	22,233,269	
State Parks and Recreation Commission		
SS Install New Campsite Electrical Hookups (Statewide); Develop New Campsites at Ocean Beach and Grayland; and Install Lodge and Cabins at Cama Beach	2,012,000	
Central Washington University		
SS Purchase and Renovate Sno-King Building at Lynnwood Extended Degree Center	3,000,000	
State Patrol		
SS Port Angles Detachment Office	600,000	
Community & Technical College System		
PL Bellingham Technical College - Classrooms for Diesel/Heavy Equipment Program	350,000	
PL Green River CC - Remodel Lindbloom Student Center	1,526,150	
PL Pierce College - Construct Classroom Building to Replace Portables	750,000	
PL Whatcom CC - Construct On-Campus Child Care Center	800,000	
SS Edmonds CC - Purchase and Remodel Adjacent City-Owned Property	2,787,950	
SS Highline CC - Purchase Federal Way Center (Currently Leased by the College)	2,070,613	
Total	8,284,713	
Statewide Total	53,433,982	

SS *Self Supporting - Project generates revenue or converts existing rent streams to ownership*
 PL *Private or local funds pay debt service*
 OP *Debt service is expected to be included in operating budget.*

Washington Wildlife and Recreation Program
Fiscal Year 1998 Capital Projects -- LEAP Capital Document No. 98-6

Rank	IAC Number	Project Name	Sponsor	Request to IAC	Estimated WWRP Grant @ \$45 million Funding Level
Local Parks Projects -- Development Projects					
1	96-1170 D	Evergreen Park Renovation - Phase 1	Bremerton, City of	298,150	298,150
2	96-1150 D	Angle Lake Park, Phase I	SeaTac, City of	300,000	300,000
3	96-1218 D	Lake Boren Park	Newcastle, City of	268,063	268,063
4	96-1233 D	Kennewick Youth Skate Park	Kennewick, City of	50,000	50,000
5	96-1212 D	Pavillion Park PH 2	Spokane, County of	200,000	200,000
6	96-1178 D	Frank Geri Complex - Field 4	Bellingham, City of	250,000	250,000
7	96-1223 D	Plantes Ferry Park Phase 1 Development	Spokane, County of	300,000	300,000
8	96-1191 D	Last Open Space in Lake City	Seattle, City of	177,203	177,203
8	96-1224 D	East Hill Park Expansion Development	Kent, City of	300,000	300,000
10	96-1158 D	The Park at 92nd Street	Mukilteo, City of	300,000	300,000
11	96-1091 D	Wilmot Park	Woodinville, City of	300,000	87,834
12	96-1215 D	Sandhill Park	Mason, County of	210,909	Alternate
13	96-1168 D	Puyallup Sports Field Complex, Phase 3	Puyallup, City of	294,055	Alternate
14	96-1153 D	Smallwood Park Improvements	Eatonville, Town of	89,220	Alternate
15	96-1210 D	West Valley Community Park, Ph 2	Yakima County Parks	214,000	Alternate
16	96-1160 D	Garfield Ballfields	Seattle, City of	300,000	Alternate
18	96-1208 D	Loutsis Park	Carnation, City of	67,097	Alternate
20	96-1087 C	McDonald Recreation Field, Phase I	Colfax, City of	94,669	Alternate
Total Local Parks -- Development Projects				4,013,366	2,531,250
Local Parks Projects -- Acquisition Projects					
17	96-1188 A	Southwest Park	Quincy, City of	67,500	67,500
19	96-1200 A	Orchards Highlands	Clark, County of	66,117	66,117
20	96-1087 C	McDonald Recreation Field, Phase I	Colfax, City of	15,871	15,871
26	96-1222 A	DOT Property	Newcastle, City of	313,025	313,025
27	96-1198 A	Tenny Creek Park	Clark, County of	272,600	272,600
28	96-1174 A	Railroad Bridge Park Expansion	Jamestown S'Klallam Tribe	75,000	75,000
29	96-1085 A	Betz North Park	Cheney, City of	137,500	137,500
31	96-1221 C	Birchwood Neighborhood Park	Bellingham, City of	159,184	159,184
33	96-1180 C	Highlands Grange Park	Kennewick, City of	5,000	5,000
34	96-1201 A	Nelson Property	Poulsbo, City of	253,050	253,050
34	96-1216 A	Henderson Inlet Park	Thurston, County of	500,000	41,403
36	96-1096 A	Peltola Property Acquisition-South I-90	Bellevue, City of	500,000	Alternate
38	96-1203 A	Pacific Community park	Clark, County of	500,000	Alternate
44	96-1086 A	Bender Recreation Facility Expansion	Lynden, City of	500,000	Alternate
46	96-1114 A	Issaquah Creek Greenway Acquisition	Issaquah, City of	311,000	Alternate
47	96-1231 A	McDonalds Barn Park	Marysville Parks/Rec, City of	364,125	Alternate
50	96-1151 A	Edgewater Park Extension, Phase 2	Mount Vernon, City of	500,000	Alternate
Total Local Parks -- Acquisition Projects				4,539,972	1,406,250

Washington Wildlife and Recreation Program
Fiscal Year 1998 Capital Projects -- LEAP Capital Document No. 98-6

Rank	IAC Number	Project Name	Sponsor	Request to IAC	Estimated WWRP Grant @ \$45 million Funding Level
State Parks Projects					
1	96-1079 A	Camano Island - Cama Beach, Phase 3 Acq.	State Parks	1,434,545	1,434,545
2	96-1078 A	Moran State Park-Cascade Lake Acq.	State Parks	700,000	700,000
3	96-1122 A	Statewide Acq. of Inholdings & Matching	State Parks	500,000	500,000
4	96-1081 D	Beacon Rock - Doetsch Campground Dev.	State Parks	1,392,705	1,392,705
5	96-1084 A	Deception Pass - Ben Ure Island, Acq.	State Parks	800,000	800,000
6	96-1144 D	Lime Kiln Point - Ph. 2 Development	State Parks	184,606	184,606
7	96-1077 A	Nisqually/Mashel - Ph. 4 Acquisition	State Parks	2,416,681	277,955
8	96-1024 D	Kanaskat-Palmer - 50 Unit Campground	State Parks	988,000	897,689
9	96-1118 A	Sun Lakes - Park Lake Ph. 1	State Parks	1,090,025	Alternate
10	96-1073 A	Green River - Ph. 6	State Parks	1,585,925	Alternate
11	96-1071 A	Grayland Beach - Ticor	State Parks	264,425	Alternate
12	96-1133 D	Maryhill Day Use Expansion	State Parks	639,000	Alternate
13	96-1072 A	Sucia Island - North Finger Island	State Parks	1,250,000	Alternate
14	96-1099 A	McMicken/Hartstene Island - Scott Proper	State Parks	820,000	Alternate
Total State Parks Projects				14,065,912	6,187,500
Trails Projects					
1	96-1163 A	South Ship Canal Trail Acquisition, Ph. 2	Seattle, City Engineering	300,000	300,000
2	96-1197 C	Frenchman's Bar Trail	Clark, County of	461,054	461,054
3	96-1205 A	Chehalis Western Trail 'Missing Link'	Thurston, County of	300,000	300,000
4	96-1140 D	Foothills Trail - Orting to S. Prairie	Pierce, County of	281,492	281,492
5	96-1131 C	Rocky Reach Trailway	State Parks	225,000	225,000
6	96-1219 D	Centennial Trail Development Ph. 2	Snohomish, County of	1,532,100	1,532,100
7	96-1157 C	Lewis River Tr. (Bells Mountain Trail)	Clark, County of	1,223,568	725,354
9	96-1162 C	Larry Scott Memorial Park	Jefferson, County of	143,500	Alternate
10	96-1220 D	Whatcom Creek Trail Dev. Ph. 2	Bellingham, City of	253,200	Alternate
11	96-1149 D	Clear Creek Trail	Kitsap, County of	164,000	Alternate
12	96-1206 D	Palouse Path	Whitman, County of	560,000	Alternate
13	96-1179 D	Zintel Canyon Greenway	Kennewick, City of	80,000	Alternate
Total Trails Projects				5,523,914	3,825,000
Natural Area Projects					
2	96-1009 C	Puget Trough Estuarine NAPs	Natural Resources, Dept of	989,400	989,400
3	96-1002 C	Cypress Island NRCA	Natural Resources, Dept of	2,500,000	2,500,000
5	96-1016 A	Puget Trough Freshwater NAPs	Natural Resources, Dept of	3,000,000	1,743,933
6	96-1094 A	South Puget Prairie	Fish and Wildlife, Dept. of	1,000,000	Alternate
7	96-1075 C	Mima Mounds NAP	Natural Resources, Dept of	450,000	Alternate
Total Natural Area Projects				7,939,400	5,233,333

Washington Wildlife and Recreation Program
Fiscal Year 1998 Capital Projects -- LEAP Capital Document No. 98-6

Rank	IAC Number	Project Name	Sponsor	Request to IAC	Estimated WWRP Grant @ \$45 million Funding Level
Water Access Projects					
1	96-1117 A	Deadman Bay	San Juan County Land Bank	438,912	438,912
2	96-1080 D	Camano Island - Cama Beach, Initial Dev.	State Parks	750,265	750,265
3	96-1248 D	Fairview Olmsted Park	Seattle, City of	300,000	300,000
4	96-1214 A	Smith Cove Park	Seattle, City of	1,000,000	1,000,000
6	96-1194 A	Lake Goodwin County Park	Snohomish, County of	1,005,575	435,823
7	96-1098 D	Dickman Mill Development, Ph. I	Tacoma MPD	554,530	Alternate
8	96-1027 D	Fox Island Fishing Pier	Fish and Wildlife, Dept. of	405,000	Alternate
8	96-1182 A	Old Mill Site Acquisition	Kitsap, County of	756,650	Alternate
10	96-1058 A	Utsalady Beach Acquisition	Fish and Wildlife, Dept. of	250,000	Alternate
11	96-1207 A	Deep Lake Park Acquisition	Thurston, County of	600,000	Alternate
Total Water Access Projects				6,060,932	2,925,000
Critical Habitat Projects					
1	96-1005 A	Table Mountain NRCA	Natural Resources, Dept of	3,000,000	3,000,000
2	96-1004 C	Trout Lake Wetlands NAP	Natural Resources, Dept of	3,053,700	3,053,700
3	96-1046 A	Methow Wildlife Corridors, Ph. 3	Fish and Wildlife, Dept. of	2,480,000	2,480,000
4	96-1045 A	Asotin Creek	Fish and Wildlife, Dept. of	1,115,000	624,633
6	96-1007 C	Mount Si NRCA	Natural Resources, Dept of	2,850,000	Alternate
7	96-1006 A	Teal Slough NRCA	Natural Resources, Dept of	1,600,000	Alternate
7	96-1056 A	East Hood Canal/Riparian Corr., Ph. 2	Fish and Wildlife, Dept. of	1,000,000	Alternate
9	96-1054 A	Dungeness River	Fish and Wildlife, Dept. of	1,600,000	Alternate
10	96-1055 A	Tarboo Creek	Fish and Wildlife, Dept. of	1,000,000	Alternate
Total Critical Habitat Projects				17,698,700	9,158,333
Urban Wildlife Projects					
1	96-1014 C	West Tiger Mountain NRCA	Natural Resources, Dept of	1,750,000	1,750,000
2	96-1143 A	Lewis River Lowlands	Clark, County of	1,174,981	1,008,333
3	96-1155 A	O'Grady Connection	King County Parks Dept.	300,000	Alternate
4	96-1013 A	Kitsap Forest NAP	Natural Resources, Dept of	825,000	Alternate
5	96-1012 C	Woodard Bay NRCA	Natural Resources, Dept of	800,000	Alternate
6	96-1146 A	Port Townsend Urban Wildlife Corridor	Port Townsend, City of	185,701	Alternate
7	96-1053 A	Central Kitsap Riparian Corridor, Ph. 2	Fish and Wildlife, Dept. of	1,000,000	Alternate
8	96-1126 A	Morse Creek	Fish and Wildlife, Dept. of	950,000	Alternate
9	96-1112 A	South Issaquah Creek Greenway Project	Issaquah, City of	367,500	Alternate
10	96-1192 A	Woodway Reserve	Woodway, Town of	900,000	Alternate
Total Urban Wildlife Projects				8,253,182	2,758,333

Washington State Historical Society
Approved 1997-99 Heritage Capital Projects
LEAP Capital Document No. H-3

Project	Total Project Cost	State Assistance	Estimated State Grant
Loon Lake Historical Society - Old Schoolhouse	74,968	24,873	24,873
City of Vancouver - O.O. Howard House	1,784,245	345,000	345,000
Cutter Theater (Metaline Falls)	866,655	40,685	40,685
Southwest Seattle Historical Society - Log House Museum	843,623	191,596	191,596
City of Kent - Neely Soames Historic Home	229,638	76,366	76,366
Pearson Field Historical Society (Vancouver)	29,000	9,659	9,659
City of Tacoma/Tacoma Fire Department - Fire Station #13	333,450	100,000	100,000
Filipino American Community Hall (Bainbridge Island)	144,125	48,041	48,041
Whatcom Museum of History and Art (Bellingham)	1,875,000	500,000	500,000
Kettle Falls Historical Center	8,248	2,745	2,745
Steamer Virginia V Foundation	2,377,656	500,000	500,000
City of Tumwater - Old Olympia Brewery	1,306,623	250,000	250,000
Ferry Co. Fair Association - Carousel Restoration	306,000	100,000	100,000
Volunteers for Outdoor Washington - Iron Goat Trail	1,036,800	99,315	99,315
Nordic Heritage Museum - Rehabilitation (Ballard)	203,000	65,000	65,000
City of Raymond - Willapa Seaport Museum	358,600	119,500	119,500
White River Valley Museum (Auburn)	507,035	153,687	153,687
Col. River Exhibition of History, Science & Tech. (Richland)	8,903,261	380,000	380,000
City of Hoquiam - Polson Museum Restoration	135,200	44,180	44,180
Fort Nisqually Historic Site - Men's Dwelling House	87,565	29,000	29,000
Wing Luke Asian Museum - Property Acquisition	7,500,000	100,000	100,000
Squaxin Island Tribe - Tu ha' but's Cultural Center	1,513,252	225,000	225,000
Northwest Seaport - Repair "Wawona" Schooner	169,350	35,500	35,500
City of Centralia - Restore Union Depot	533,000	133,000	133,000
Maryhill Museum of Art - Renovation	2,695,890	500,000	500,000
Kitsap County Historical Society Museum	617,481	205,796	26,853
Yakima Area Arboretum - Construction	181,904	60,611	Alternate
Steilacoom Historical Museum - Nathaniel Orr Home	471,578	156,906	Alternate
Everett Theatre Society - Renovate Theater	842,720	280,900	Alternate
Douglas County Historical Society - Museum Improvements	31,811	10,305	Alternate
Lopez Island Historical Society - Port Stanley School	264,584	87,638	Alternate
North Clark Historical Museum - Renovate Amboy Church	380,072	123,412	Alternate
Seattle Pres. & Dvlp Auth. - Good Shepherd Center	4,166,085	500,000	Alternate
Kalispel Tribe of Indians - Construct Interpretive Facility	1,531,955	308,000	Alternate
Total	42,310,374	5,806,715	4,100,000

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Community, Trade, & Economic Development

Community Economic Revitalization

Ch 235, L97 PV, Sec 105

	<u>Reappropriation</u>	<u>Appropriation</u>
Public Facilities Construction Loan Revolving Acct	\$70,508	\$6,000,000
Public Works Assistance Account	4,481,071	4,000,000
State Building Construction Account	222,039	0
Total	\$4,773,618	\$10,000,000

Description: For grants and loans to assist local governments in constructing infrastructure needed to create or retain jobs.

Provisos: The new appropriation from the public works assistance account is provided solely for loans under chapter RCW 43.160. The Department must ensure that all principal and interest payments from loans made from this appropriation are paid into the public works assistance account.

Comments: Governor Locke's proposed budget appropriated a total of \$11 million to Community Economic Revitalization Board (CERB), including \$4 million from the Public Facilities Construction Loan Revolving Fund and \$7 million from the Public Works Assistance Account (through a transfer in the Operating Budget). The Legislature increased the appropriation from the Public Facilities Construction Loan Revolving Account by utilizing more of the account's fund balance, reduced the appropriation from the Public Works Assistance Account, and required that loan moneys originating from the Public Works Assistance Account be paid back into that account.

Department of Community, Trade, & Economic Development

Housing Assistance, Weatherization and Affordable Housing Programs

Ch 235, L97 PV, Sec 108

Ch 455, L97, Sec 2

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$25,000,000	\$54,700,000
Washington Housing Trust Account-State	400,000	0
Total	\$25,400,000	\$54,700,000

Description: For grants and loans for the development of low income housing.

Provisos: The amount of \$3 million of the new appropriation and \$2 million of the reappropriation are provided solely to promote development of safe and affordable housing for persons with developmental disabilities.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Community, Trade, & Economic Development (continued)

Comments: The sum of \$4.7 million of the new appropriation was provided through Chapter 455, Laws of 1997 (EHB 2255). The \$2 million developmental disabilities housing reappropriation is the amount remaining from the \$5.5 million appropriation provided for this purpose in the 1995-97 Capital Budget.

Department of Community, Trade, & Economic Development

Building for the Arts

Ch 235, L97 PV, Sec 111

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$2,162,297	\$6,000,000

Description: Grants to local performing arts and art museum organizations for facility improvements, additions, and construction.

Provisos: The amount of \$3 million of the appropriation is provided solely for the Wenatchee Civic Center project. The remaining reappropriation and new appropriation are available for all other projects in Phases 1 through 4. Phase 4 projects are listed in the budget bill. Projects in phases 1 through 3 are listed in the 1995-97 Capital Budget (Chapter 16, Laws of 1995, 2nd Special Session). For all projects except the Wenatchee Civic Center, the state grant may provide no more than 15 percent of the cost of the project; the remaining portions of the project must come from non-state sources and may include cash and land value; and state funding must be distributed to projects in the order in which matching requirements are met. The Department may require projects to re-compete for funding, and may set matching requirements for individual projects. Except for the Wenatchee Civic Center, no single project may receive more than \$1.0 million unless there are uncommitted funds after January 1, 1999. The Department must report on the progress of the program and submit a list of funded projects to the Legislature by December 15, 1997. The Department must submit a list of recommended projects resulting from a competitive process for funding in the 1999-2001 biennium.

Comments: The Legislature increased the funding amount for the Wenatchee Civic Center from \$1 million to \$3 million and exempted the project from the 85 percent match and funding distribution requirements. The Legislature also deleted the Seattle Symphony project from the Phase 4 list proposed by the Governor, though the Symphony is still eligible to receive funding up to the original amount originally authorized in Phase 1.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Community, Trade, & Economic Development

Public Works Trust Fund Loans

Ch 235, L97 PV, Sec 113

	<u>Reappropriation</u>	<u>Appropriation</u>
Public Works Assistance Account	\$108,746,982	\$180,977,328

Description: Loans for local government infrastructure projects eligible for funding under Chapter 43.155 RCW.

Provisos: The sum of \$15,646,000 of the reappropriation is provided for preconstruction activity loans.

Comments: The Governor's budget proposal appropriated \$199,977,328 from the public works assistance account, \$63.5 million of which was to come from the previously committed cash balance in the account. The Legislature reduced the new appropriation to \$180,977,328, using \$40.5 million of the cash balance in order to maintain a larger cash reserve in the account. The preconstruction loan reappropriation is the amount remaining from the original \$20 million appropriated for the program in the 1995-97 Capital Budget.

Department of Community, Trade, & Economic Development

Emergency Projects Declared and Specifically Enacted by the Legislature

Ch 235, L97 PV, Sec 121

	<u>Reappropriation</u>	<u>Appropriation</u>
<i>State Building Construction Account (vetoed)</i>	\$0	\$10,000,000

Description: For emergency projects, including supplemental budget projects anticipated to be enacted in the 1988 session by the Legislature.

Comment: Chapter 235, Laws of 1997, Partial Veto (SSB 6063) appropriated \$10 million from the state building construction account to reserve capacity for future emergency and supplemental budget appropriations under the debt limit. This appropriation was vetoed by the Governor. The \$10 million was subsequently redirected to the four projects included in Chapter 455, Laws of 1997 (EHB 2255: Housing Programs (\$4.7 million), Heritage Park (\$4.6 million), and Community Services Agencies (\$0.7 million).

Legislative Additions & Changes to the Governor's Capital Budget Request

New Projects

Department of Community, Trade, & Economic Development

Community Services Facilities Program

Ch 235, L97 PV, Sec 122

Ch 455, L97, Sec 3

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$1,901,449	\$2,700,000

Description: For grants to community services agencies to assist in acquiring, developing, or rehabilitating buildings for the purpose of providing community based family services.

- Provisos:**
- 1) The state grant may fund up to 25 percent of the total cost of a project. Grants must be distributed to projects in the order in which matching requirements are met.
 - 2) Projects eligible for funding under Phases 1 and 2 of the program are listed in the budget bill.
 - 3) Of the reappropriation amount, \$10,000 is provided solely for the Wapato community center.

Comment: Of the new appropriation, \$700,000 is provided through Chapter 455, Laws of 1997 (EHB 2255). The list of Phase 2 projects provides additional funding to several projects that were originally authorized on the 1995-97 Phase 1 list and subsequently requested additional funding from the State. The Legislature added the Wapato community center project to the list of eligible projects.

Department of Community, Trade, & Economic Development

Public Participation Grants

Ch 235, L97 PV, Sec 123

	<u>Reappropriation</u>	<u>Appropriation</u>
<i>Local Toxics Control Account (amended by EHB 2255)</i>	\$0	\$435,000

Description: Grants to foster public participation in hazardous waste cleanup projects under the Model Toxics Control Act (RCW 70.105D.070).

Provisos: The Department must award grants based on a statewide competitive process each year. Priority is to be given to applicants that demonstrate the ability to provide accurate technical information on complex waste management issues. Amounts provided may not be spent on lobbying activities.

Comment: Chapter 235, Laws of 1997, Partial Veto (SSB 6063) originally appropriated \$435,000 to the Department of Community, Trade, and Economic Development (CTED), rather than the Department of Ecology where previous appropriations had been made. The Legislature subsequently returned the appropriation to the Department of Ecology through Chapter 455, Laws of 1997 (EHB 2255).

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Community, Trade, & Economic Development

Clover Park Vocational-Technical Institute Settlement

Ch 235, L97 PV, Sec 124

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$5,000,000

Description: To complete the State's obligation for facility costs related to the transfer of the Vocational Technical Institute (VTI) property from Clover Park School District to Clover Park Technical College.

Proviso: The appropriation completes the State's obligation for facility costs related to the transfer of the VTI property from Clover Park School District to Clover Park Technical College.

Comments: As a result of the 1991 legislation that merged the vocational-technical institutes into the community and technical college system, the Clover Parks School District and Clover Park Technical College reached an agreement for the allocation of facilities. One of the elements of the agreement was that the college would move its aviation program off-campus and the vacated aviation program building would be renovated and given to the school district as a transportation facility. The 1995 legislature appropriated \$2.1 million to the college for property acquisition for the new aviation facility and approved a \$5.6 million lease purchase authority for a new facility (section 709 and 802 (4)(c) of the 1995-97 capital budget). The 1995 Legislature also appropriated \$300,000 to the Clover Park school district for design and renovation of the transportation facility. A proviso accompanied the school district appropriations in Section 150, Chapter 16, Laws of 1995 2nd Special Session, stated that future appropriations would be matched by an equal amount from local sources. The college requested \$8.9 million in the 1997-99 capital budget for construction of the new aviation trades facility with the expectation of a second appropriation to the school district in the future to pay the costs of renovating the vacated building for school district use. The Governor and Legislature did not include the new aviation trades building in the 1997-99 Capital Budget. However, the Legislature provided \$5 million to Clover Park School District to fulfill the state's obligation to the school district under the agreement. The matching requirement was intentionally not included in the 1997 budget language and the proviso on fulfilling the state's obligation was made with the awareness that the renovation of the transportation facility cannot occur until the technical college relocates programs currently occupying the facility.

Department of Community, Trade, & Economic Development

Drinking Water Assistance Program

Ch 235, L97 PV, Sec 125

	<u>Reappropriation</u>	<u>Appropriation</u>
Drinking Water Assistance Account-State	\$0	\$9,949,000

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Community, Trade, & Economic Development (continued)

Description: Provides 20 percent state match funding for a new, federally-capitalized revolving loan program to assist water systems in financing capital improvements for public health protection to achieve the goals of the federal safe drinking water act.

Provisos: The Department is required to report to the appropriate committees of the Legislature by January 1, 1998 on the progress of the program.

Comments: The state match funds provided in this section originate in the public works assistance account and are transferred to the drinking water assistance account in the Operating Budget, Section 803, Chapter 149, Laws of 1997, Partial Veto (SSB 6062). The federal funds are appropriated separately to the Department of Health in the Capital Budget, Section 240, Chapter 235, Laws of 1997, Partial Veto (SSB 6063). Governor Locke's original budget proposal appropriated both the state match and the new federal dollars to CTED. The Legislature moved the federal portion of the appropriation to the Department of Health to conform to federal requirements. CTED will administer the loan program, and the Department of Health will provide technical assistance to water purveyors. In conformance with RCW 70.119A.170, loan repayments will be deposited into the Drinking Water Assistance Account.

Department of Community, Trade, & Economic Development

Mirabeau Point Community Complex

Ch 235, L97 PV, Sec 126

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$1,500,000

Description: For design and development of a community complex in Spokane County.

Provisos: The amount provided represents the entire state contribution to the project and must be matched by \$8.5 million in non-state contributions.

Department of General Administration

Heritage Park

Ch 455, L97, Sec 5

	<u>Reappropriation</u>	<u>Appropriation</u>
Capitol Building Construction Account	\$275,000*	\$0
State Building Construction Account	0	4,600,000
Total	\$275,000	\$4,600,000

Description: To complete the construction work necessary to establish the arc of statehood and related in-water work on Capitol Lake.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of General Administration (continued)

Provisos: None.

Comments: Funding was provided for this project within the \$10 million made available by the Governor's veto of the emergency projects appropriation to the Department of Community, Trade, and Economic Development.

* Note: A separate reappropriation is included in Section 133, Chapter 235, Laws of 1997, Partial Veto (SSB 6063).

Department of General Administration

Wellington Hills

Ch 235, L97 PV, Sec 152

Description: Transfers control and management of the Wellington Hills property from the University of Washington (UW) to the Department of General Administration (GA) and directs GA to sell the property.

Provisos: Control and management of the Wellington Hills property, which had been purchased by the State as a potential site for the UW Bothell branch campus, is transferred to GA. GA must sell the property and deposit the proceeds into the State Building Construction Account. GA may retain moneys from the sale to cover expenses approved by the Office of Financial Management. UW must continue to pay the pertinent fees and assessments on the property until it is sold.

Comments: The sale of the Wellington Hills property is also referenced in Section 526 Chapter 235, Laws of 1997, Partial Veto (SSB 6063) of the Capital Budget, which states that GA must sell the property to partially offset the cost of the University of Washington Fisheries Science/Oceanography building construction project. The Legislature had directed the University of Washington to dispose of the property in Section 545, Chapter 16, Laws 1995, 2nd sp. Sess. This provision transfers that activity to the Department of General Administration.

Military Department

Yakima Armory: Replacement

Ch 235, L97 PV, Sec 157

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$5,260,700
General Fund-Federal	0	8,275,000
Total	\$0	\$13,535,700

Description: To design and construct a new Yakima Armory and Readiness Center and associated utilities.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Military Department (continued)

Provisos: Funds expended on off-site utility infrastructure shall be for the benefit of the State. If subsequent private or other governmental entities connect or use this off-site infrastructure, they shall reimburse the State. The Military Department shall develop procedures to implement this requirement.

Department of Social and Health Services

Green Hill Redevelopment

Ch 235, L97 PV, Sec 219

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$37,234,448	\$6,600,000

Description: The project includes the demolition of seven antiquated 16-bed cottages, the construction of new 64-bed residential buildings, and the construction of associated facilities and infrastructure to support increasing the institutional capacity to 416-beds.

Provisos: Two provisos are included: (1) the project is subject to the Office of Financial Management (OFM) review and allotment of funds; (2) a lapse clause making \$3.8 million contingent upon the enactment of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions).

Comments: The final budget did not include an additional \$6.4 million requested by the Governor for two additional 64-bed residential units. The funding provided is sufficient to bring the institutions' rated capacity to 288-beds.

Department of Corrections

Statewide Preservation Projects

Ch 235, L97 PV, Sec 259

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$15,804,257	\$15,700,000
CEP&RI Account	0	3,200,000
Total	\$15,804,257	\$18,900,000

Description: For facility repairs to address health and safety problems, code compliance conditions, and to prevent continued facility deterioration.

Provisos: The appropriation shall support the detailed list of projects maintained by OFM.

Comments: The Legislature specifically deleted the replacement of the McNeil Island Still Harbor dock (\$4,470,677) from the list of projects funded in the Governor's budget. In addition,

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Corrections (continued)

the Legislature transferred \$3,200,000 in funding from the State Building and Construction Account to the Charitable, Educational, Penal, and Reformatory (CEP&RI) Account. .

Department of Corrections

Stafford Creek Corrections Center

Ch 235, L97 PV, Sec 264

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$14,744,552	\$143,790,354
General Fund-Federal	0	11,319,453
Total	\$14,744,552	\$155,109,807

Description: For the design and construction a new 1,936-bed multi-custody facility in Grays Harbor County.

Provisos: The project is subject to OFM review and allotment of funds.

Comments: A total of \$460,000 for artwork was removed from the project, anticipating the enactment of SHB 1280 (public art and educational displays). However, SHB 1280 did not pass the Legislature. In addition, the Legislature transferred \$11,319,000 in funding from the State Building and Construction Account to General Fund-Federal.

Department of Corrections

Washington Corrections Center: Juvenile Justice Program Improvements

Ch 235, L97 PV, Sec 268

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$4,500,000

Description: For program improvements to accommodate the expanded juvenile population pursuant to Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions).

Provisos: Two provisos are included: (1) the project is subject to OFM review and allotment of funds; (2) a lapse clause making the funding contingent upon the enactment of E3SHB 3900.

Comments: This project encompasses program improvements in order to accommodate the expected increase in the juvenile population and fulfill the separate housing and educational requirements of E3SHB 3900. Items funded include: school and office space construction; additional fencing; and housing and support space improvements.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Ecology

Referendum 26 Waste Disposal Facilities

Ch 235, L97 PV, Sec 301

	<u>Reappropriation</u>	<u>Appropriation</u>
LIRA-State	\$4,028,749	\$210,969

Description: Grants to local governments for solid and hazardous waste facilities, wastewater disposal facilities, agricultural pollution abatement, lake restoration, and waste reduction and recycling activities.

Provisos: The reappropriation provided is solely for projects under contract on or before June 30, 1997. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1997. The Office of Financial Management may grant waivers from this requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the House Capital Budget Committee and the Senate Ways and Means Committee. The Department of Ecology is required to submit a report listing all projects funded from the reappropriation.

Comment: The Legislature added the proviso requiring the lapse of reappropriated funds not associated with specific contracts.

Department of Ecology

Referendum 38 Water Supply Facilities

Ch 235, L97 PV, Sec 302

	<u>Reappropriation</u>	<u>Appropriation</u>
LIRA, Water Supply Facilities-State	\$6,763,571	\$485,495

Description: To assist local governments in the planning, construction, and improvement of domestic, municipal, industrial, and agricultural water supply or distribution systems.

Provisos:

- 1) The sum of \$2.5 million of the reappropriation is provided solely for funding the State's cost share in the water conservation demonstration project -- Yakima river re-regulation reservoir.
- 2) The reappropriation provided is solely for projects under contract on or before June 30, 1997. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1997. The Office of Financial Management may grant waivers from this requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the House Capital Budget Committee and the Senate Ways and Means Committee. The Department of Ecology is required to submit a report listing all projects funded from the reappropriation.

Comment: The Legislature added the proviso requiring the lapse of reappropriated funds not associated with specific contracts.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Ecology

Referendum 39 Waste Disposal Facilities

Ch 235, L97 PV, Sec 304

	<u>Reappropriation</u>	<u>Appropriation</u>
LIRA, Waste Facilities 1980	\$13,961,094	\$0

Description: To provide funding for solid and hazardous waste facilities, waste water disposal facilities, storm water management, agricultural pollution abatement, shellfish protection, lakes restoration, and waste reduction and recycling.

Provisos:

- 1) No grants over \$50 million may be made to a city or county unless the city or county complies with the grant agreement, implements curbside collection of recyclable materials, and obtains a permit for the prevention of significant deterioration under the Federal Clean Air Act.
- 2) The reappropriation provided is solely for projects under contract on or before June 30, 1997. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1997. The Office of Financial Management may grant waivers from this requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the House Capital Budget Committee and the Senate Ways and Means Committee. The Department of Ecology is required to submit a report listing all projects funded from the reappropriation.

Comment: The Legislature added the proviso requiring the lapse of reappropriated funds not associated with specific contracts.

Department of Ecology

Centennial Clean Water Fund

Ch 235, L97 PV, Sec 305

	<u>Reappropriation</u>	<u>Appropriation</u>
Water Quality Account	\$38,653,000	\$70,000,000

Description: To provide funds for water pollution control facilities and activities.

Provisos:

- 1) The amount of \$25 million is provided for an extended grant payment to Metro/King County and \$10 million is provided for an extended grant payment to Spokane for the Spokane-Rathdrum Prairie aquifer.
- 2) Funding of \$1.85 million is provided solely for on-site sewage system projects or programs identified in local watershed plans. Of this amount, \$25,000 is provided for the Puyallup Washington State University research center for on-site septic systems, and \$25,000 is provided for the work group making recommendations on the development of an on-site septic system certification program pursuant to Chapter 447, Laws of 1997 (SSB 5838).

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Ecology (continued)

- 3) Of the appropriation, \$10 million is provided solely for the Department to establish and administer a reclaimed water demonstration program to provide grants to five demonstration projects consistent with Chapter 355, Laws of 1997 (2SHB 1817). The five projects and grant amounts are listed in the bill. The jurisdictions include: (1) City of Ephrata; (2) Royal City; (3) City of Sequim; (4) City of Yelm; and (5) Lincoln County.
- 4) The remaining appropriation is to be used for a statewide competitive grant and loan program. At least 80 percent of these funds shall be allocated to water quality implementation activities. No more than 20 percent shall be allocated to water quality planning activities. Priority is to be given to: a) proposals submitted by communities with populations less than 2,500 who are experiencing economic hardship; and b) projects located in basins with critical or depressed salmonid stocks. See the budget bill for additional details.
- 5) The reappropriation is provided solely for projects under contract on or before June 30, 1997. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1997. The Office of Financial Management may grant waivers from this requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the House Capital Budget Committee and the Senate Ways and Means Committee. The Department of Ecology is required to submit a report listing all projects funded from the reappropriation.

Comment: Of the \$1.85 million provided for on-site sewage system projects, \$850,000 is a reappropriation of unspent funding from a \$1 million appropriation in Chapter 138, Laws of 1996 (ESHB 2875) creating the Puget Sound Action Team. The Legislature added the provisos earmarking \$10 million for the reclaimed water demonstration program and requiring the lapse of reappropriated funds not associated with specific contracts.

Department of Ecology

Local Toxics Control Account

Ch 235, L97 PV, Sec 306

	<u>Reappropriation</u>	<u>Appropriation</u>
Local Toxics Control Account	\$20,780,149	\$43,044,000

Description: Funds for local governments for remedial action, safe drinking water, and coordinated prevention grants related to solid and hazardous waste.

- Provisos:**
- 1) Of the appropriation, \$1 million is provided for grants to local governments to develop and implement strategies for the cleanup and reuse of industrial lands (brown fields). Priority must be given to projects with active local participation that address highly ranked sites under the State's hazard ranking system.
 - 2) The reappropriation provided is solely for projects under contract on or before June 30, 1997. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1997. The Office of Financial Management may grant waivers from this

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Ecology (continued)

requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the House Capital Budget Committee and the Senate Ways and Means Committee. The Department of Ecology is required to submit a report listing all projects funded from the reappropriation.

Comment: The Legislature added the proviso requiring the lapse of reappropriated funds not associated with specific contracts.

Department of Ecology

Public Participation Grants

Ch 455, L97, Sec 4

	<u>Reappropriation</u>	<u>Appropriation</u>
Local Toxics Control Account (amended by EHB 2255)	\$0	\$435,000

Description: Grants to foster public participation in hazardous waste cleanup projects under the Model Toxics Control Act (RCW 70.105D.070).

Provisos: The Department must award grants based on a statewide competitive process each year. Priority is to be given to applicants that demonstrate the ability to provide accurate technical information on complex waste management issues. Amounts provided may not be spent on lobbying activities.

Comment: Chapter 235, Laws of 1997, Partial Veto (SSB 6063) originally appropriated these funds to the Department of Community, Trade, and Economic Development, rather than the Department of Ecology where previous appropriations had been made. The Legislature subsequently returned the appropriation to the Department of Ecology in Chapter 455, Laws of 1997 (EHB 2255) with the condition that the money not be spent for lobbying activities.

State Parks and Recreation Commission

Facilities Preservation: Statewide

Ch 235, L97 PV, Sec 322

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$2,145,977	\$5,000,000

Description: Funding to repair and upgrade park buildings and facilities.

Provisos: The appropriation supports the detailed list of projects maintained by the Office of Financial Management. The State Parks and Recreation Commission is directed to conduct a comprehensive condition survey and develop recommendations regarding the

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

State Parks and Recreation Commission (continued)

maintenance, repair, and capital renovation needs of the state park system. The commission must report their findings to the appropriate committees of the Legislature by January 1, 1998.

Comment: The Legislature added the proviso requiring the condition survey and development of maintenance and repair recommendations. The operating and transportation budgets also require studies of the State Park and Recreation Commission's revenue generating capabilities and funding needs.

Interagency Committee for Outdoor Recreation

Washington Wildlife and Recreation Program (WWRP)

Ch 235, L97 PV, Sec 329

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$14,264,419	\$42,500,000
Aquatic Lands Enhancement Account	33,335	2,500,000
Wildlife Account	1,398,996	0
Habitat Conservation Account	18,700,633	0
ORA	21,985,067	0
Total	\$56,382,450	\$45,000,000

Description: For grants to state agencies and local governments under Chapter 43.98A RCW.

- Provisos:
- 1) Of the state building construction account appropriation, \$22.5 million is deposited into and appropriated from the Habitat Conservation Account for the WWRP. The amount of \$20 million of the State Building Construction Account appropriation and \$2.5 million of the Aquatic Lands Enhancement Account appropriation is deposited into and appropriated from the Outdoor Recreation Account for the WWRP.
 - 2) The new appropriations are provided for the approved list of projects in LEAP Capital Document No. 98-6 (see pages 303 through 305 of this document).
 - 3) All land acquired by state agencies under this appropriation must comply with weed control provisions under Chapter 17.10 RCW.
 - 4) No moneys may be spent on the Rocky Reach trailway project until an agreement with affected landowners is reached.
 - 5) At least 40 percent of the new funding provided for State Parks and Recreation Commission projects must be allocated to development projects.
 - 6) The Interagency Committee for Outdoor Recreation (IAC) must develop a pilot watershed plan implementation program to be administered as part of the WWRP. The sum of \$4 million of the Habitat Conservation Account appropriation is provided solely for the pilot program. The funds are to be used as matching grants for riparian zone habitat protection projects that implement watershed plans. The IAC must report to the Legislature by January 1, 1998, and January 1, 1999, on implementation

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Interagency Committee for Outdoor Recreation (continued)

of the program. See the budget bill for additional detail on projects eligible for funding through the pilot program as well as administrative requirements.

- 7) Of the reappropriation, \$400,000 is provided to develop an inventory of all lands in the state owned by federal agencies, state agencies, local governments, and Indian tribes. The IAC is required to submit a preliminary report to the Legislature on the inventory project by January 1, 1999, and a final report by January 1, 2000.

Comments: LEAP Capital Document No. 98-6 is the formal legislative adoption of the specific list of projects for fiscal year 1998 required under RCW 43.98A.080. The list on page 303 identifies the estimated grant amount for projects in each category at the \$45 million program funding level. The Legislature added the provisos requiring the development of the pilot watershed plan implementation program and public lands inventory. Sections 718-720, Chapter 235, Laws of 1997, Partial Veto (SSB 6063) provide the statutory authority to implement and administer these two new projects.

State Conservation Commission

Dairy Waste Management Grants Program

Ch 235, L97 PV, Sec 334

	<u>Reappropriation</u>	<u>Appropriation</u>
Water Quality Account	\$0	\$3,000,000

Description: Financial and technical assistance for dairy operators to implement dairy waste management systems.

Provisos: Of the appropriation, \$1.5 million is provided solely for a statewide grant program to assist dairy operators in implementing dairy waste management systems. The remaining \$1.5 million is provided solely for a statewide grant program to provide technical assistance to dairy operators.

State Conservation Commission

Puget Sound Action Plan

Ch 235, L97 PV, Sec 335

	<u>Reappropriation</u>	<u>Appropriation</u>
Water Quality Account	\$0	\$830,000

Description: For grants to local conservation districts for water quality projects and programs contained in the Puget Sound work plan.

Provisos: The appropriation is provided solely for grants to conservation districts for water quality projects and programs contained in the Puget Sound work plan. These grants are in

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

State Conservation Commission (continued)

addition to other grant dollars available from the water quality account and the basic fund grant program administered by the Commission.

Comment: This appropriation was recommended in the 1997-99 Puget Sound Water Quality Work Plan as action item CC-01.

Department of Fish and Wildlife

Warmwater Fish Facilities

Ch 235, L97 PV, Sec 338

	<u>Reappropriation</u>	<u>Appropriation</u>
Warmwater Gamefish Account-State	\$0	\$350,000
State Building Construction Account-State	1,030,998	400,000
Total	\$1,030,998	\$750,000

Description: Construction of a warmwater fish hatchery.

Provisos: None.

Comments: This new facility is located adjacent to the existing Ringold Springs hatchery. The Department originally received \$1.3 million in the 1993-95 Capital Budget to construct the hatchery at Gloyd Seeps (near Moses Lake). The Department subsequently relocated the facility to Ringold Springs. In March 1997, the Department notified the Legislature that construction bids exceeded the budget for the facility. The Legislature re-directed funds from two other projects (warmwater game fish access facilities, and Voights creek adult pond renovation) identified by the Department as lower priorities to pay for the higher costs.

Department of Fish and Wildlife

Warmwater Gamefish Access Facilities

Ch 235, L97 PV, Sec 339

	<u>Reappropriation</u>	<u>Appropriation</u>
Warmwater Gamefish Account-State	\$0	\$210,000

Description: Construction of warmwater gamefish access facilities.

Provisos: None.

Comments: The Legislature reduced funding for this item in order to fund the higher costs identified for the warmwater fish hatchery in Section 338, Chapter 235, Laws of 1997, Partial Veto (SSB 6063).

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Fish and Wildlife

Issaquah Hatchery Improvements

Ch 235, L97 PV, Sec 357

	<u>Reappropriation</u>	<u>Appropriation</u>
General Fund-Private/Local	\$60,097	\$0
State Building Construction Account-State	211,217	3,000,000
Total	\$271,314	\$3,000,000

Description: Funding for portions of Phase 2 improvements described in the facilities master plan.

Provisos: The Department must provide a progress report on the project to the Governor and the Legislature by October 1, 1998.

Comments: The Governor's budget funded this project using \$2.5 million from the state general fund and \$0.5 million from local contributions. In the Governor's plan the state general fund moneys were transferred to the Recreational Fisheries Enhancement Account in the 1997 Supplemental Operating Budget and subsequently appropriated in the Governor's proposed 1997-99 Capital Budget. The Legislature funded the project at the same level using bonds.

Department of Fish and Wildlife

Game Farm Consolidation

Ch 235, L97 PV, Sec 359

	<u>Reappropriation</u>	<u>Appropriation</u>
Wildlife Account-State	\$231,470	\$300,000
State Building Construction Account-State	0	900,000
Total	\$231,470	\$1,200,000

Description: Consolidation of game bird farm facilities

Provisos: None.

Comments: The Governor's budget included \$0.3 million from the State Wildlife Account for this project. This project closes the Whidbey Island game farm and is part of the continuing efforts to consolidate operations into one location in Lewis County. The Legislature added \$0.9 million in order to maintain current game bird production levels.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Fish and Wildlife

Replace Unproductive Habitat

Ch 235, L97 PV, Sec 367

	<u>Reappropriation</u>	<u>Appropriation</u>
Wildlife Account-State	\$0	\$1,220,000

Description: Appropriation authority to replace unproductive habitat

Provisos: The Department is authorized to convey to a qualified purchaser by either sale or exchange approximately 1,120 acres in or near the Mission Ridge ski area. The conveyance of the lands must proceed pursuant to the provisions in RCW 77.12 regarding Department property. The Department is authorized to use the appropriation provided to purchase replacement lands providing similar benefits to wildlife. Of the appropriation, \$20,000 is provided solely to purchase property that is inaccessible to its current owner as a result of a previous transaction with the Department that provided access to a lake.

Comment: The Governor's budget proposal included \$1.6 million to replace habitat statewide. The Legislature reduced funding for the program and restricted its use to the two specific projects listed in the proviso.

Department of Natural Resources

Natural Resources Real Property Replacement

Ch 235, L97 PV, Sec 383

	<u>Reappropriation</u>	<u>Appropriation</u>
Natural Resources Real Property Replacement Acct	\$0	\$3,000,000

Description: Funds to replace lands transferred from trust land status.

Provisos: The appropriation is provided solely for the acquisition of timber lands for the common school trust to replace lands transferred from trust land status under the Trust Land Transfer Program and for the reasonable costs incurred by the Department in acquiring the lands.

Comment: The Governor's budget proposal included \$25 million for the natural resources real property replacement program. The Legislature reduced the appropriation to \$3 million and directed that it be used solely for purchase of timber lands to replace lands transferred out of trust land status under Section 392, Chapter 235, Laws of 1997, Partial Veto (SSB 6063). Section 384, Chapter 235, Laws of 1997, Partial Veto (SSB 6063) requires the Department to submit an acquisition plan for properties proposed for purchase under both the land bank program and natural resources real property replacement programs when submitting future requests for appropriation authority for the programs.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Natural Resources

Aquatic Lands Enhancement Grants

Ch 235, L97 PV, Sec 391

	<u>Reappropriation</u>	<u>Appropriation</u>
Aquatic Lands Enhancement Account	\$3,756,817	\$6,000,000

Description: For grants to public agencies and tribes to acquire, design, and construct public access and interpretive facilities related to state-owned aquatic lands.

Provisos: The new appropriation is provided for 28 specific projects listed in the budget bill. (See the bill for detail.) Grant funding must be distributed based on the order in which projects are ready to proceed and the availability of funds.

The Department must submit a list of recommended projects for funding in the 1999-2001 biennium resulting from a competitive grant program. The competitive program must include uniform selection criteria for the awarding of grants for up to 50 percent of the total project cost, require a demonstration of local community support, and utilize a statewide geographic distribution of projects.

Comment: Based on a higher revenue forecast that was released after the Governor's budget was submitted to the Legislature, the appropriation for Aquatic Lands Enhancement Account (ALEA) grants was increased from \$2.3 million to \$6 million. The Legislature added two additional projects to the list of projects eligible for funding: the Odyssey Maritime Museum in Seattle, and the Narbeck Wetland Park in the City of Everett. The Governor vetoed a proviso prohibiting any ALEA funds from being used on the Rocky Reach trailway project until an agreement with affected property owners was reached.

Department of Natural Resources

Special Land Purchases and Common School Construction

Ch 235, L97 PV, Sec 392

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account-State	\$0	\$34,500,000

Description: For state trust land acquisitions for parks, wildlife habitat, and natural area preservation.

Provisos: The appropriation is provided solely for the purpose of transferring from trust status certain trust lands of statewide significance to protected status as state park, wildlife habitat, natural area preserve, or natural resource conservation areas. Four properties are approved to be transferred: 1) Iron Horse/Bandera (King County) to the State Parks and Recreation Commission; 2) Kitsap Forest (Kitsap County) to the Department of Natural Resources (DNR) for natural area preserve purposes; 3) Upper Sultan Basin (Snohomish County) to the DNR for natural resource conservation area purposes; and 4) West Tiger Mountain (King County) to the DNR for natural resource conservation area purposes. The Department must transfer the Iron Horse/Bandera property first and then

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Department of Natural Resources (continued)

allocate the remaining funds to the remaining properties in roughly equal shares. The Department must attempt to maintain a minimum aggregate ratio of 85:15 timber-to-land value in the transfer transactions. The timber value must be deposited in the Common School Construction Fund, and the proceeds from the sale of land, not to exceed \$3 million, shall be deposited in the Natural Resources Real Property Replacement Account. See the budget bill for additional requirements that apply to administration of the program.

Comment: The Legislature selected the four trust properties for transfer from a list of 35 properties proposed by the Department. The proviso was drafted to ensure that, at a minimum, a portion of each parcel would be transferred out of trust status. A separate appropriation to purchase replacement timber lands is included in Section 383, Chapter 235, Laws of 1997, Partial Veto (SSB 6063). Legislative intent that a minimum of \$31.5 million be deposited into the Common School Construction Account is evidenced by the appropriation in Section 383 and the appropriation in Section 501 for school construction which is based, in part, on the transfer of those funds. See note for section 501.

Department of Natural Resources

Jobs for the Environment Program

Ch 235, L97 PV, Sec 393

	<u>Reappropriation</u>	<u>Appropriation</u>
Forest Development Account-State	\$0	\$500,000
Resource Management Cost Account-State	0	1,500,000
Water Quality Account-State	0	7,133,000
Total	\$0	\$9,133,000

Description: Funds for watershed restoration projects employing displaced natural resource workers.

Provisos: The funds are provided solely for watershed restoration projects that create market wage jobs for displaced workers in natural resource impact areas. Criteria are provided for ranking and approving projects. Eligible activities are described in the bill. The Department of Natural Resources and the Department of Fish and Wildlife must report to the Legislature by January 1, 1998, and annually thereafter, on expenditures made from these appropriations. Of the appropriation, \$800,000 is provided solely for watershed restoration programs to be completed by the Department of Ecology's Washington Conservation Corps crews. See budget bill for additional detail.

Comment: In previous biennia funding for Jobs for the Environment had been provided in the Operating Budget. The sum of \$1,133,000 of the Water Quality Account appropriation represents a reappropriation of previous spending authority for existing projects that are not expected to be completed during the 1995-97 biennium.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

State Board of Education

Public School Building Construction

Ch 235, L97 PV, Sec 501

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$18,329,671	\$0
Common School Construction Fund	109,115,719	275,798,712
Total	\$127,445,390	\$275,798,712

Description: For new public school construction and remodeling projects during the 1997-99 biennium.

- Provisos:
- 1) From the appropriation, 100 percent of the cost of value engineering studies shall be funded for projects exceeding 50,000 square feet.
 - 2) Not more than \$138 million of the appropriation may be obligated in fiscal year 1998.
 - 3) Total cash disbursed from the Common School Construction Fund may not exceed the available cash balance.
 - 4) The reappropriation from the State Building Construction Account serves as full compensation to the common school trust for the transfer of land to the Washington State University Lind Dryland Research Unit under Chapter 45, Laws of 1997 (SHB 1016).
 - 5) No more than \$7.1 million of the appropriation may be allocated to provide up to 90 percent of the project cost for the renovation of Skills Centers. To receive any renovation funds, each Skills Center is required to maintain a separate capital account, into which participating districts make deposits, to pay for all future minor repair and renovation costs.

- Comments:
- 1) The source of funds for the Common School Construction Appropriation is composed of: \$169.3 million from the Common School Trust Fund from trust timber revenues; a \$62.4 million General Fund-State appropriation provided in Section 1413 Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), the 1997 Supplemental Operating Budget; a \$12.6 million appropriation from the Education Savings Account provided in Section 509, Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), the 1997-99 Operating Budget; and a \$34.5 million appropriation from the State Building Construction Account for the trust land transfer program. Note: The value of the land is \$3.0 million, leaving \$31.5 million to be deposited in the Common School Construction fund. (Section 392, Chapter 235, Laws of 1997, Partial Veto (SSB 6063), 1997-99 Capital Budget)
 - 2) An amount of \$2.3 million was appropriated from the General Fund-State to the North Central Washington Skills Center for long-term leases, remodeling, equipment, and materials. (Section 1401 (2) (u), Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), 1997 Supplemental Operating Budget).

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Higher Education Coordinating Board

North Snohomish, Island, and Skagit Counties Higher Education Consortium Facility Predesign
Ch 235, L97 PV, Sec 507

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$376,000

Description: To prepare a space program, master plan, and predesign for the facility; to conduct a comparative site evaluation for the initial facility; and develop a schedule and budget for the use of facilities at Everett, Edmonds, and Skagit Valley Community Colleges.

Provisos: None.

Comments: Funding of \$1.0 million for other Higher Education Coordinating Board (HECB) facilities related activities including a facilities inventory and utilization information system, an evaluation of educational needs in rural areas, and monitoring and reporting for higher education capital projects was provided in the Operating Budget in Section 610, Chapter 149, Laws of 1997, Partial Veto (SSB 6062).

University of Washington

Tacoma Branch Campus *Ch 235, L97 PV, Sec 520*

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$12,636,619	\$19,700,000

Description: To complete Phase Ib, conduct predesign and design of Phase II, to acquire property, and to remediate unknown site conditions.

Provisos: Activities must be consistent with recommendations of the Higher Education Coordinating Board (HECB) and meet Office of Financial Management (OFM) predesign and design guidelines. Predesign of Phase II shall accommodate at least 1,200 FTE students. Design of Phase IIa shall serve at least 600 FTE students and shall not proceed until predesign documents have been approved by OFM. Up to \$5.7 million of the appropriation is provided to expand capacity of Phase Ib by at least 122 additional FTE students. The \$5.7 million is the remainder of an appropriation made in Section 533, Chapter 16, Laws of 1995 2nd sp. Sess. OFM shall limit the expenditures of these funds to the unexpended balance of the original appropriation.

Comments: The budget notes for the \$5.7 million appropriation provided in 1995 indicated that the Legislature intended that the funds would provide facilities for an additional 300 FTE students above the previously planned capacity. The language in this section modifies the Legislative intent and reduces the expected additional capacity to 122 additional FTE.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

University of Washington (continued)

students. The \$2.9 million added by the Legislature is to design Phase II (IIa and IIb); however, there was not an expressed intent to accelerate construction of Phase IIb which is scheduled in the Governor's ten year plan for construction in 1999-2001.

University of Washington

Fisheries Science -- Oceanography Science Buildings

Ch 235, L97 PV, Sec 526

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$3,449,850	\$33,590,000
University of Washington Building Account	1,548,150	2,834,154
Higher Education Construction Account	0	32,507,000
Total	\$4,998,000	\$68,931,154

Description: For construction of the Fisheries Science and Oceanography Science Buildings.

Provisos: The appropriation is subject to the Office of Financial Management (OFM) review and allotment procedures. The Department of General Administration, in keeping with the intent of Section 152 Chapter 235, Laws of 1997, Partial Veto (SSB 6063), shall sell the Wellington Hills property and deposit the proceeds of the sale into the State Building Construction Account as a means of partially offsetting the cost of this project.

Comment: The Governor's budget included the Oceanography Science building funded by \$30 million of Federal indirect cost recovery money and delayed the Fisheries building to the 1999-2001 biennium. The Legislature added \$33.5 million for the Fisheries building to allow both buildings to be constructed simultaneously.

Washington State University

Major Equipment: Acquisition

Ch 235, L97 PV, Sec 571

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$2,000,000
Washington State University Building Acct	0	3,000,000
Total	\$0	\$5,000,000

Description: To purchase major equipment and building apparatuses through out the University.

Provisos: The State Building Construction Account appropriation is provided solely for agricultural equipment including \$1.5 million for the agricultural research center and \$0.5 million for teaching and extension equipment.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Washington State University (continued)

Comments: The provision of \$2 million of state bonds for agricultural equipment was based on the anticipation that the University would receive substantial contributions for similar purposes from the agricultural industry.

Washington State University

Apparel, Merchandising, and Interior Design and Landscape Architecture Building: Predesign
Ch 235, L97 PV, Sec 576

	<u>Reappropriation</u>	<u>Appropriation</u>
Washington State University Building Account	\$0	\$98,000

Description: Predesign of a new building to house programs of Apparel, Merchandising, and Interior Design and Landscape Architecture as well as provide additional classroom space on the east campus.

Provisos: None.

Comments: None.

Washington State University

WSU Vancouver: Phase II Ch 235, L97 PV, Sec 579

	<u>Reappropriation</u>	<u>Appropriation</u>
Washington State University Building Account	\$0	\$13,500,000

Description: Design of the Engineering/Life Sciences and Multi-Media buildings, infrastructure, and physical plant additions.

Provisos: Expenditures must be consistent with the recommendations of the Higher Education Coordinating Board (HECB); appropriations are subject to Office of Financial Management (OFM) review and allotment procedures; and the engineering and multimedia buildings will be designed to serve at least 950 FTE students. Funding is also provided for infrastructure and physical plant shops.

Comments: The Legislature provided \$1.0 million above the Governor's recommendation to mitigate traffic impacts requested by the county.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Western Washington University

Campus Service Facility: Design

Ch 235, L97 PV, Sec 637

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$987,050
Western Washington University Capital Project Acct	0	204,750
Total	\$0	\$1,191,800

Description: Design of a facility for Public Safety, Parking and Transportation Services, and Student Health Center

Provisos: The appropriation is subject to Office of Financial Management (OFM) review and allotment procedures. The University shall comply with local land use laws and regulations. Funds provided in this section shall not be expended until neighborhood impact analysis and the transportation planning and review activities funded under Section 639, Chapter 235, Laws of 1997, Partial Veto (SSB 6063) are substantially completed.

Comments: The provisions related to land use laws and sequence of activities were added by the Legislature to ensure the integration of city and university planning and to allow more public input to the University planning process.

Western Washington University

Facility and Property Acquisition

Ch 235, L97 PV, Sec 638

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$4,000,000

Description: Acquisition of facilities and properties within the master planning boundaries for future campus expansion.

Provisos: The University shall comply with local land use laws and regulations.

Comments: The provision related to land use was added by the Legislature to ensure the integration of city and university planning and to allow more public input to the University planning process.

Western Washington University

Campus Infrastructure: Development

Ch 235, L97 PV, Sec 639

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$450,000

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Western Washington University (continued)

Description: Provides for roadway and utility infrastructure improvements. This project will focus primarily on the southern campus access routes.

Provisos: The University shall comply with local land use laws and regulations.

Comments: The provision related to land use laws and sequence of activities was added by the Legislature to ensure the integration of city and university planning and to allow more public input to the University planning process. Activities referred to in the proviso in Section 637, Chapter 235, Laws of 1997, Partial Veto (SSB 6063) are activities normally associated with campus transportation and infrastructure development.

State Board for Community and Technical Colleges

Minor Improvements

Ch 235, L97 PV, Sec 688

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$12,918,900

Description: Facility repairs at the various campuses.

Provisos: None.

Comments: The Legislature increased the appropriation by \$705,200 to add four projects that were deleted in the Governor's recommendation. The four projects were: North Seattle multipurpose sports field, Clark College food service area, Tacoma classroom addition to the gym, and Lake Washington relocation of the student services area.

State Board for Community and Technical Colleges

Bates Technical College Renovation

Ch 235, L97 PV, Sec 689

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$4,813,100

Description: Provides for renovation of the east wing of the college including electrical and Heating, Ventilation, and Air Conditioning (HVAC); water supply; roofing; asbestos removal as needed; interior coverings; and code upgrades as required.

Provisos: None.

Comments: The renovation category of projects combines the need for repairs and programmatic expansion in a single project. The 1997-99 biennial budget provides the first funding for

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

State Board for Community and Technical Colleges (continued)

this category. In prior budgets, the repair portion of the project was in the repairs category and the programmatic enhancements would have been requested separately, and without coordination, in the programmatic minor works category.

State Board for Community and Technical Colleges

Seattle Central Community College Renovation

Ch 235, L97 PV, Sec 692

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$4,851,300

Description: The former Masonic Hall requires seismic improvements, roof and cornice repair, exterior sealing, window and stairway improvements, Americans with Disabilities Act (ADA) accommodations, electrical, and fire safety improvements. Programmatic upgrades will be made to accommodate the fine arts program (art, painting, sculpture, ceramics, drama, and dance) and the video technology program.

Provisos: None.

Comments: The renovation category of projects combines the need for repairs and programmatic expansion in a single project. The 1997-99 biennial budget provides the first funding for this category. The Masonic Hall building was acquired through a Certificate of Participation (COP) authorization which was approved by the Legislature. COP authorizations subsequently have required facility assessments and cost estimates of future repairs and programmatic improvements to disclose the full cost of a facility.

State Board for Community and Technical Colleges

Bellingham Technical College Renovation

Ch 235, L97 PV, Sec 690

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$1,398,000

Description: Provides for renovation of the building T and U including roof, lighting, mechanical, vocational equipment, wiring, exhaust and drain repair, as well as seismic upgrade and code compliance. Programmatic additions include additional computer lab space, access for large vehicles, office additions, and refrigeration lab.

Provisos: None.

Comments: The renovation category of projects combines the need for repairs and programmatic expansion in a single project. The 1997-99 biennial budget provides the first funding for

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

State Board for Community and Technical Colleges (continued)

this category. In prior budgets, the repair portion of the project was in the repairs category and the programmatic enhancements would have been requested separately, and without coordination, in the programmatic minor works category.

State Board for Community and Technical Colleges

Clover Park Technical College Renovation

Ch 235, L97 PV, Sec 691

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$3,796,000

Description: Building 11 renovation includes expansion of classroom and rest rooms, seismic upgrade, Heating, Ventilation, and Air Conditioning (HVAC) and electrical upgrade, replacement of doors and windows, as well as interior repairs, covering, and paint as required.

Provisos: None.

Comments: The renovation category of projects combines the need for repairs and programmatic expansion in a single project. These projects cost less than \$1 million each, but represent a more coordinated approach to continuous incremental repairs and program improvements. The 1997-99 biennial budget provides the first funding for this category. In prior budgets, the repair portion of the project was in the repairs category and the programmatic enhancements would have been requested separately, and without coordination, in the programmatic minor works category.

Washington State Historical Society

Minor Works

Ch 235, L97 PV, Sec 642

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$145,000

Description: Funds emergency repairs at the Society's Stadium Way and Pacific Avenue buildings and historical exhibits in the Legislative Building on the Capitol Campus.

Provisos: The amount of \$62,000 is provided solely for exhibits in the legislative building.

Comments: The Legislature added the funding for exhibits in the Legislative building.

Legislative Additions & Changes to the Governor's Capital Budget Request New Projects

Washington State Historical Society

Washington Heritage Projects

Ch 235, L97 PV, Sec 643

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$4,100,000

Description: Provides funding for a new program that provides 33 percent matching grants for heritage projects throughout the State.

Provisos: The appropriations are provided for the approved list of projects included in LEAP Capital Document No. H-3. The state grant may provide no more than one-third of the actual total capital cost of the project or the amount listed in the LEAP Capital Document, whichever is less. The Society must report on the heritage program's progress by December 15, 1997.

Comments: The Governor recommended \$2.2 million to fund the first 13 of the Society's recommended list of 34 projects. The higher level of funding provided by the Legislature will allow 26 projects on the list to receive funds. The Legislature reduced funding for the Iron Goat Trail (Volunteers for Outdoor Washington) project compared to the amount recommended by the Historical Society. LEAP Capital Document No. H-3, the approved list of projects, may be found on page 306 of this document.

Eastern Washington State Historical Society

Cheney Cowles Museum

Ch 235, L97 PV, Sec 645

	<u>Reappropriation</u>	<u>Appropriation</u>
State Building Construction Account	\$0	\$1,900,000

Description: Provides design funding for an addition to the Cheney Cowles Museum including exhibit space, and collection storage and care space.

Provisos: This appropriation must be matched by at least 20 percent from non-state sources.

Comments: The Legislature added \$700,000 to the \$1.2 million recommended by the Governor for design of the addition. The additional \$700,000 is provided for exhibit design and planning. The Society also received \$275,000 in the 1997-99 Omnibus Operating Budget for exhibit design and planning. The Office of Financial Management will adjust any future funding provided for the museum project to reflect this double appropriation.

Legislative Additions & Changes to the Governor's Capital Budget Request Reappropriations

This section describes changes in reappropriation authorizations which differ from the Governor's 1997-2007 Capital Plan.

Department of Social and Health Services

Echo Glen New Beds and Infrastructure

Ch 235, L97 PV, Sec 218

	<u>Reappropriation</u>
State Building Construction Account:	
Original 1995-97 Appropriation	\$6,484,300
Less 1995-97 Expenditures	1,156,548
Less 1997-99 Reappropriation	2,527,752
Net Reappropriation Reduction	\$2,800,000

Comments: The 1995-97 Capital Budget appropriated \$6.5 million for infrastructure upgrades, an emergency generator, and two new work camp housing units (48 beds) at Echo Glen. Due to community and programmatic concerns, the work camp housing units were not constructed. Funding for this component of the project is removed.

University of Washington

Tacoma Branch Campus

Ch 235, L97 PV, Sec 520

	<u>Reappropriation</u>
State Building Construction Account:	
Original 1995-97 Appropriation	\$5,700,000
Less 1997-99 Reappropriation	0
Net Reappropriation Reduction	\$5,700,000

Comments: The 1995-97 Capital Budget appropriated \$5.7 million in Section 534, Chapter 16, Laws 1995, 2nd Sp. Sess. under the title Phase II: Predesign. The capital budget notes described the project as "predesign, design and remodeling of buildings on campus" and indicated that the \$5.7 million appropriation was intended for the remodel of 30,000 sq. ft. of space for classrooms and offices to accommodate an additional 300 FTE students. The 1997 budget provided unexpended portion of these funds as new appropriation authority and revised the intent to the expenditures to accommodate 122 additional FTE students.

Legislative Additions & Changes to the Governor's Capital Budget Request Alternative Financing Authorizations

This section describes authorizations which differ from the Governor's 1997-2007 Capital Plan.

Department of Corrections

Long-Term Ground Lease for the New 400-bed Tacoma Pre-Release *Ch 235, L97 PV, Sec 702 (a)*

Authorization
\$360,00 per year

Comments: The Legislature did not change the authorization level but included language requiring the Department of Corrections, before entering into a lease with the Puyallup Nation, to obtain written confirmation from the City of Tacoma and Pierce County that the facility complies with all land use, environmental protection and community notification requirements that would apply to the facility if the land was not owned by the Puyallup Nation.

Department of Corrections

Design and Construct New 400-bed Tacoma Pre-Release *Ch 235, L97 PV, Sec 702 (b)*

Authorization
\$14,736,000

Comments: The Legislature did not change the authorization level but included language requiring the Department of Corrections to comply with all land use, environmental protection, and community notification statutes, regulations, and ordinances in the construction and operation of the Tacoma Pre-Release.

Department of Corrections

Purchase and/or Construct 100 Work-Release Beds *Ch 235, L97 PV, Sec 702 (c)*

Authorization
\$5,000,000

Comments: The budget reduced the lease-development authorization level by \$5 million from the Governor's recommended level. This reduced authorization level more closely reflects historical expenditures for the acquisition of work-release beds.

Legislative Additions & Changes to the Governor's Capital Budget Request Alternative Financing Authorizations

State Parks and Recreation Commission

Cama Beach Facilities, State-wide Campsite Hookups, and new campsites at Ocean Beach/Grayland
Ch 235 L 97 PV Sec 702 (5)

Authorization

\$2,012,000

Comments: The State Parks and Recreation Commission is authorized to use certificates of participation for financing the construction of new facilities at Cama Beach State Park, installation of campsite hookups state-wide, and expanding campsites at Ocean Beach/Grayland. The Legislature reduced the authorization level from \$3,778,000 to \$2,012,000, but approved the same three projects that were identified in the Governor's budget.

Governor's Vetoes

The following sections or subsections of Chapter 235, Laws of 1997, Partial Veto (SSB 6063) were vetoed.

Section 121, Department of Community, Trade, and Economic Development - Emergency Projects: The Governor vetoed a \$10 million appropriation for projects enacted by the Legislature. The intent of the appropriation was to reserve capacity for future emergencies and supplemental budget items within the current estimate of debt capacity under the statutory debt limit.

Section 391(4), Department of Natural Resources - Aquatic Lands Enhancement Grants: The Governor vetoed a proviso which restricted expenditures on the Rocky Reach trailway project until an agreement with affected property owners has been reached.

Section 717, Department of Ecology - Well Regulation Fees: The Governor vetoed language which would have required the Department to transmit 75 percent of well construction fees to a county or health district which has been delegated the responsibility for well tagging, sealing, and decommissioning.

1997 Supplemental Capital Budget Overview

The 1997 supplemental appropriations for the 1995-97 biennium can be found in Chapter 235, Laws of 1997, Partial Veto, Part 7 (SSB 6063). The bill contains an emergency clause which allows the expenditure adjustments to take place before the end of the 1995-97 biennium. Reappropriations are provided for these projects in the 1997-99 budget so that activity may proceed across the biennial boundary.

The project amounts are listed at the end of the New Appropriations Project List. The amounts do not differ from the Governor Locke proposed supplemental capital budget except that 1) the state contribution for replacement of a pedestrian overpass near Yakima Valley Community College was reduced from \$1.2 million to \$100,000, focusing on a street level solution rather than enhancement of the overpass, and 2) several projects were included to recognize the receipt of federal funds during the period. The total appropriations added in the 1997 supplemental budget were \$10.7 million, with \$5.7 million of this amount supported by bonds.

In addition to the supplemental appropriations in SSB 6063, Chapter 292, Laws of 1997, Partial Veto (HB 1019) provided a \$25 million supplemental appropriation from the Public Works Assistance Account to the Department of Community, Trade, and Economic Development for the Public Works Trust Fund Program. This supplemental appropriation provides funds for loans to local governments for 19 infrastructure projects.

1997-99 Transportation Budget

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1997-99 Washington State Transportation Budget

Agency Summary

TOTAL OPERATING AND CAPITAL BUDGET

Total Appropriated Funds

(Dollars in Thousands)

	<u>Enacted</u>
Joint Legislative Audit & Review Committee	1,500
Legislative Transportation Committee	3,022
Legislative Evaluation & Accountability Program	420
Joint Legislative Systems Committee	111
Special Approps to the Governor	2,000
Dept of Community, Trade, & Economic Development	252
Office of Financial Management	116
Board of Pilotage Commissioners	275
Utilities and Transportation Commission	222
Washington Traffic Safety Commission	6,657
County Road Administration Board	87,268
Transportation Improvement Board	221,031
Marine Employees' Commission	354
Transportation Commission	804
State Parks and Recreation Commission	4,431
Department of Agriculture	304
Washington State Patrol	251,035
Field Operations Bureau	172,613
Investigative Services Bureau	6,317
Support Services Bureau	61,030
Capital	11,075
Department of Licensing	140,893
Management and Support Services	11,073
Information Systems	11,569
Vehicle Services	53,522
Driver Services	64,729
Department of Transportation	2,175,348
Program D - Hwy Management & Facilities-Operating	71,137
Program F - Aviation	3,722
Program I1 - Improvements - Mobility	354,984
Program I2 - Improvements - Safety	107,757
Program I3 - Improvements - Economic Initiatives	63,452
Program I4 - Improvements - Environmental Retrofit	4,701
Program K - Transpo Economic Partnership-Operating	17,515
Program M - Highway Maintenance	242,000
Program P1 - Preservation - Roadway	332,293
Program P2 - Preservation - Structures	149,895
Program P3 - Preservation - Other Facilities	84,248
Program Q - Traffic Operations	29,140
Program S - Transportation Management	60,490
Program T - Transpo Planning, Data & Research	27,948
Program U - Charges from Other Agencies	25,690
Program W - Washington State Ferries - Capital	224,738
Program X - Washington State Ferries	267,358
Program Y - Transit & Rail - Operating	65,602
Program Z - Financial Assistance - Operating	42,678
Bond Retirement & Interest	245,854
Total	3,141,897

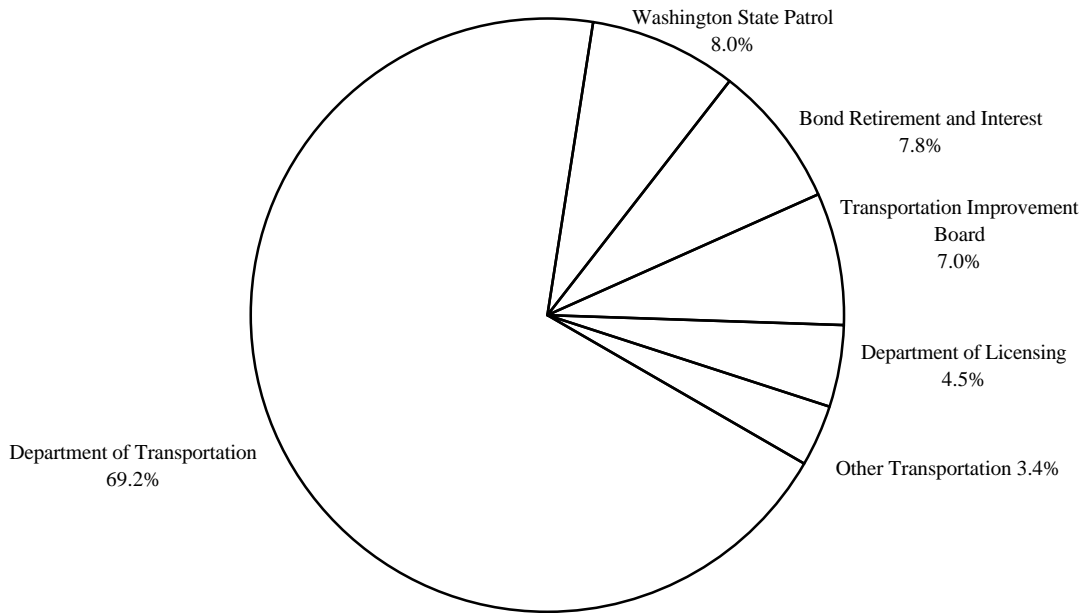
1997-99 Washington State Transportation Budget

Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY AGENCY

Total Operating and Capital Budget



Major Transportation Agencies	
Department of Transportation	2,175,348
Washington State Patrol	251,035
Bond Retirement and Interest	245,854
Transportation Improvement Board	221,031
Department of Licensing	140,893
Other Transportation	107,736
1997-99 Transportation Budget	3,141,897

1997-99 Washington State Transportation Budget Highlights

Transportation Budget Comparisons

(Dollars in Millions)

	<u>Bond Retirement/ Interest *</u>	<u>Other Transpo Agencies</u>	<u>Total</u>
<u>1995-97 Transportation Funding</u>			
1995-97 Funding	245.1	3,287.9	3,533.0
1997 Supplemental Budget	<u>-21.5</u>	<u>32.3</u>	<u>10.8</u>
Total 1995-97 Funding	223.6	3,320.2	3,543.8
<u>1997-99 Budget as Enacted **</u>	245.9	2,896.0	3,141.9

* *The Transportation Budget section of the 1997 Legislative Budget Notes includes Bond Retirement & Interest appropriations for the first time*

** *Excludes \$271.1 million of federal and local appropriations with the implementation of Chapter 94, Laws of 1997 (SHB 1010).*

Department of Transportation

- Includes funding for critical safety improvement projects.
- Fully funds the highway preservation program and provides funding where needed for aging Department facilities.
- Provides essential funding for highway maintenance and traffic operations.
- The sum of \$100 million from the General Fund-State was provided for highway improvement projects addressing freight mobility and economic development. This section was vetoed by the Governor.
- Provides funding for the acquisition of the second passenger-only vessel and completion of the second and third Jumbo Mark II vessels.
- Funds additional weekend service on the Fauntleroy-Vashon-Southworth ferry route and provides funding for continuation of Anacortes-Sidney, B.C. ferry service.
- Provides \$42.7 million for intercity passenger rail to complete acquisition of the two Talgo trainsets, add one additional round trip between Seattle and Portland, and begin design and preliminary engineering on King Street Station.
- Replaces the loss of federal freight rail assistance funds with the addition of \$750,000 from the High Capacity Transportation Account.
- Funds the Rural Mobility Program at \$2.5 million.
- Provides \$1.0 million for the Agency Coordinating Council on Transportation to better integrate special needs services and transit services.
- Provides funding for continuation of Freight Mobility Advisory Committee activities including a study of freight mobility issues in eastern and southeastern Washington.
- Requires a thorough evaluation and audit of the transportation programs of the Department and other transportation agencies.

1997-99 Washington State Transportation Budget Highlights

Washington State Patrol

- Adds 66 new troopers during the biennium to improve the availability and response level for motorist assistance and traffic enforcement.
- Upgrades the weigh scale at the SeaTac weigh station and moves the SeaTac scale to the Othello weigh station.
- Completes the Microwave Migration Phase 2 (existing sites) and the Yakima District 3 Headquarters Office started in the 1995-97 biennium and provides funding for maintenance of existing facilities. No new capital projects are funded.
- Provides funding for the Year 2000 data processing conversion.
- Provides for an equalization salary adjustment of 3 percent on July 1, 1997 and 6 percent on July 1, 1998 for commissioned officers, commercial vehicle enforcement officers, and communication officers. This increase brings the trooper pay levels up to the 50th percentile of other Washington State law enforcement compensation plans. This is in addition to the pay increase in the Omnibus Budget. Total increases may not exceed 12 percent.

Department of Licensing

- Funding is provided to cover the increased costs of doing business. Examples include: increase in the price of film; increased costs for plates and tabs; costs of implementing 1996 drivers under the influence of alcohol legislation; mail and postage increases; Department of General Administration motorpool cost increases; etc.
- No funding is provided for the Licensing Application Migration Project (LAMP).
- The sum of \$3.3 million is provided for the following information systems activities:
 - (a) identify business objectives and needs relating to technology improvements and integration of the drivers licensing and vehicle title and registrations systems and report to the 1998 Legislature;
 - (b) convert the drivers licensing software applications to achieve Year 2000 compliance;
 - (c) convert the drivers field network from a uniscope to a frame-relay network;
 - (d) develop an interface between the Unisys system and the Collision Reporting and Statistical History (CRASH) system; and
 - (e) operate and maintain the highways licensing building network and the drivers field network.
- Funding is provided to complete and occupy three capital facilities projects in Vancouver, Union Gap, and Lacey initiated in the 1995-97 biennium. Two previously authorized projects, Wenatchee and West Spokane, are not funded. No new capital projects are started.

Other Agencies

- **Legislative Transportation Committee**
Funding is provided for: (1) consolidation of the Transportation Improvement Board (TIB), the County Road Administration Board (CRAB), and the Department of Transportation's TransAid Division; (2) Motor Vehicle Excise Tax (MVET) collection evaluation; and (3) Freight Mobility Advisory Committee (FMAC) study in eastern and southeastern Washington.
- **Transportation Improvement Board**
Provides approximately \$221 million for projects.

1997-99 Washington State Transportation Budget Highlights

- **County Road Administration Board**
Provides approximately \$87 million for projects.
- **Special Appropriations to the Governor**
Provides \$2 million for claims prior to 1990.
- **State Parks and Recreation Commission - Capital**
Provides funding for roadway preservation in six Washington State parks.
- Traffic Safety Commission, Board of Pilotage Commissioners, Utilities and Transportation Commission, Marine Employees Commission, Transportation Commission, Community, Trade, and Economic Development, Office of Financial Management, Department of Agriculture, State Parks and Recreation Commission - Operating, and Legislative Agencies except the Legislative Transportation Committee are all funded at current level.

1997-99 Washington State Transportation Budget

Fund Balances for Selected Funds

(Dollars in Thousands)

	<u>Beginning Balance (1)</u>	<u>Revenue (2)</u>	<u>Expend (3)</u>	<u>Ending Balance</u>
Motor Vehicle Fund	87,742	1,311,732	1,373,110	26,364
Transportation Fund	60,921	264,757	300,563	25,115
State Patrol Highway Account	11,102	223,814	231,192	3,724
Highway Safety Fund	2,431	83,226	75,975	9,682
Puget Sound Capital Construction Account	194	231,787	225,436	6,545
Puget Sound Ferry Operations Account	87,241	6,049	4,383	88,907

(1) The beginning fund balance reflects the July 1, 1997 estimate.

(2) Revenues reflect the March 1997 Revenue Forecast.

(3) Expenditure numbers reflect adjustments made in LTC's TEIS Fund Balance System such as compensation allocations, reserves for second year funding, etc.

1995-97 Appropriation Authority vs. 1997-99 Transportation Budget

Total Appropriated Funds

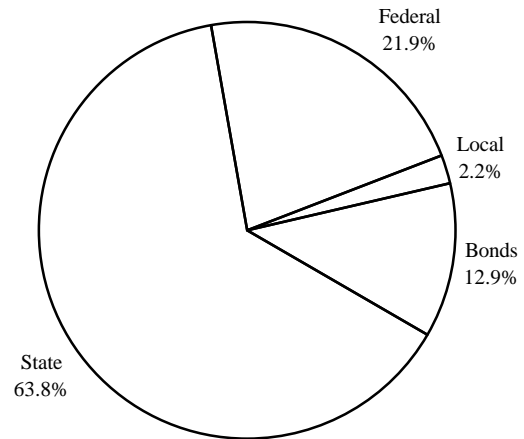
(Dollars in Thousands)

MAJOR COMPONENTS BY FUND TYPE

Total Operating and Capital Budget

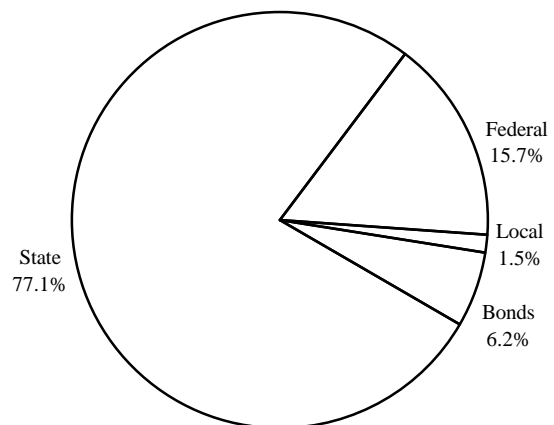
1995-97 Transportation Budget

State	2,262,663
Federal	774,341
Local	79,618
Bonds	427,130
1995-97 Appropriation Authority	3,543,752



1997-99 Transportation Budget *

State	2,421,650
Federal	493,608
Local	47,358
Bonds	179,281
1997-99 Budget	3,141,897



* The 1997-99 Transportation Budget excludes \$271.7 million of federal and local appropriations with the implementation of Chapter 94, Laws of 1997 (SHB 1010). If these appropriations were still included, the total would be \$3.2 billion and would breakdown as follows: State 68.7 percent, Federal 23.6 percent, Local 2.0 percent, and Bond 5.7 percent.

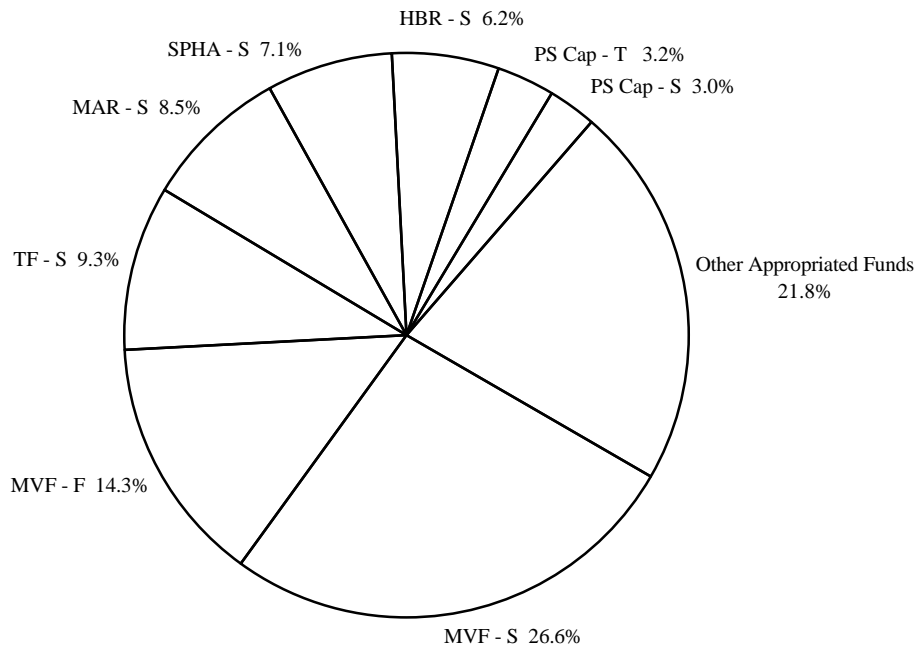
1997-99 Washington State Transportation Budget

Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY FUND SOURCE AND TYPE

Total Operating and Capital Budget



Major Fund Sources

Motor Vehicle Fund - State (MVF - S)	835,161
Motor Vehicle Fund - Federal (MVF - F)	449,801
Transportation Fund - State (TF - S)	290,919
Marine Operating Account - State (MAR - S)	268,358
State Patrol Highway Account - State (SPHA - S)	222,144
Highway Bond Retirement Account - State (HWY Bond - S)	195,062
* Puget Sound Capital Construction - Bonds (PS Cap - T)	100,000
* Puget Sound Capital Construction - State (PS Cap - S)	94,506
Other Appropriated Funds	685,946
1997-99 Transportation Budget	3,141,897

* Puget Sound Capital Construction Account supports ferry-related construction and renovation.

1997-99 Washington State Transportation Budget

Fund Summary

TOTAL OPERATING AND CAPITAL BUDGET

(Dollars in Thousands)

	MVF State	Transpo Acct State	Transpo Improve State	Rural Arterial State	St Patrol Hwy Acct State	Hwy Sfty Fund State	Other Approp	Total Approp
Jt Leg Audit & Review Committee	0	1,500	0	0	0	0	0	1,500
Legislative Transportation Comm	2,822	200	0	0	0	0	0	3,022
LEAP Committee	420	0	0	0	0	0	0	420
Joint Legislative Systems Comm	111	0	0	0	0	0	0	111
Special Approps to the Governor	1,000	0	0	0	0	0	1,000	2,000
Dept Community, Trade, Econ Dev	252	0	0	0	0	0	0	252
Office of Financial Management	116	0	0	0	0	0	0	116
Board of Pilotage Commissioners	0	0	0	0	0	0	275	275
Utilities and Transportation Comm	0	0	0	0	0	0	222	222
WA Traffic Safety Commission	0	950	0	0	0	491	5,216	6,657
County Road Administration Board	1,548	0	0	57,397	0	0	28,323	87,268
Transportation Improvement Board	0	0	122,014	0	0	0	99,017	221,031
Marine Employees' Commission	0	0	0	0	0	0	354	354
Transportation Commission	0	804	0	0	0	0	0	804
State Parks and Recreation Comm	4,431	0	0	0	0	0	0	4,431
Department of Agriculture	304	0	0	0	0	0	0	304
Washington State Patrol	0	24,243	0	0	222,144	0	4,648	251,035
Field Operations Bureau	0	8,961	0	0	159,108	0	4,544	172,613
Investigative Services Bureau	0	6,317	0	0	0	0	0	6,317
Support Services Bureau	0	4,965	0	0	55,961	0	104	61,030
Capital	0	4,000	0	0	7,075	0	0	11,075
Department of Licensing	60,362	7,075	0	0	0	68,518	4,938	140,893
Management & Support Services	4,501	900	0	0	0	5,538	134	11,073
Information Systems	5,858	1,190	0	0	0	4,396	125	11,569
Vehicle Services	50,003	0	0	0	0	0	3,519	53,522
Driver Services	0	4,985	0	0	0	58,584	1,160	64,729
Department of Transportation	791,170	256,147	0	0	0	0	1,128,031	2,175,348
Pgm D - Hwy Mgmt/Facility-Op	24,703	0	0	0	0	0	46,434	71,137
Pgm F - Aviation	0	250	0	0	0	0	3,472	3,722
Pgm I1 - Improvements - Mobility	31,960	203,546	0	0	0	0	119,478	354,984
Pgm I2 - Improvements - Safety	35,416	0	0	0	0	0	72,341	107,757
Pgm I3 - Improvements - Econ Init	16,264	0	0	0	0	0	47,188	63,452
Pgm I4 - Improvements - Env Retro	4,701	0	0	0	0	0	0	4,701
Pgm K - Transpo Economic Part-Op	16,235	1,280	0	0	0	0	0	17,515
Pgm M - Highway Maintenance	238,200	0	0	0	0	0	3,800	242,000
Pgm P1 - Preservation - Roadway	142,900	0	0	0	0	0	189,393	332,293
Pgm P2 - Preservation - Structures	73,077	0	0	0	0	0	76,818	149,895
Pgm P3 - Preservation - Other Facil	73,800	0	0	0	0	0	10,448	84,248
Pgm Q - Traffic Operations	29,140	0	0	0	0	0	0	29,140
Pgm S - Transportation Management	57,462	1,158	0	0	0	0	1,870	60,490
Pgm T - Transpo Plan, Data & Resch	16,098	1,384	0	0	0	0	10,466	27,948
Pgm U - Charges from Other Agys	22,762	0	0	0	0	0	2,928	25,690
Pgm W - WA State Ferries-Cap	0	0	0	0	0	0	224,738	224,738
Pgm X - WA State Ferries	0	0	0	0	0	0	267,358	267,358
Pgm Y - Transit & Rail-Op	0	48,529	0	0	0	0	17,073	65,602
Pgm Z - Financial Assistance-Op	8,452	0	0	0	0	0	34,226	42,678
Bond Retirement and Interest	130	0	200	0	0	0	245,524	245,854
Total	862,666	290,919	122,214	57,397	222,144	69,009	1,517,548	3,141,897

1997-99 Washington State Transportation Budget

Version Comparison

TOTAL OPERATING AND CAPITAL BUDGET

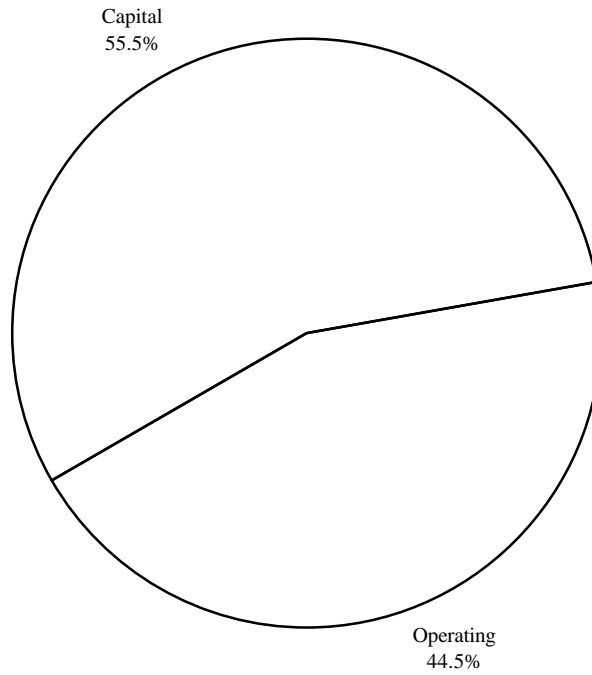
Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Conference	Enacted
Jt Leg Audit & Review Committee	514	0	1,500	1,500
Legislative Transportation Comm	3,072	4,022	3,022	3,022
LEAP Committee	420	420	420	420
Joint Legislative Systems Comm	111	111	111	111
Special Approps to the Governor	2,000	2,000	2,000	2,000
Dept Community, Trade, Econ Dev	252	0	252	252
Office of Financial Management	493	0	116	116
Board of Pilotage Commissioners	275	275	275	275
Utilities and Transportation Comm	222	222	222	222
WA Traffic Safety Commission	6,807	6,602	6,657	6,657
County Road Administration Board	87,614	87,268	87,268	87,268
Transportation Improvement Board	222,495	219,581	221,031	221,031
Marine Employees' Commission	354	354	354	354
Transportation Commission	804	804	804	804
State Parks and Recreation Comm	4,431	0	4,431	4,431
Department of Agriculture	304	304	304	304
Washington State Patrol	233,052	223,990	251,035	251,035
Field Operations Bureau	165,367	163,550	172,613	172,613
Investigative Services Bureau	0	0	6,317	6,317
Support Services Bureau	56,065	55,065	61,030	61,030
Capital	11,620	5,375	11,075	11,075
Department of Licensing	137,906	151,277	143,396	140,893
Management & Support Services	11,023	11,073	11,073	11,073
Information Systems	8,278	19,450	11,569	11,569
Vehicle Services	53,589	53,522	53,522	53,522
Driver Services	65,016	67,232	67,232	64,729
Department of Transportation	2,476,934	2,451,699	2,344,348	2,175,348
Pgm D - Hwy Mgmt/Facility-Op	75,956	55,645	71,137	71,137
Pgm F - Aviation	3,722	3,768	3,722	3,722
Pgm I1 - Improvements - Mobility	357,685	355,134	454,984	354,984
Pgm I2 - Improvements - Safety	107,757	107,757	107,757	107,757
Pgm I3 - Improvements - Econ Init	82,452	82,452	82,452	63,452
Pgm I4 - Improvements - Env Retro	4,701	4,225	4,701	4,701
Pgm K - Transpo Economic Part-Op	17,515	17,515	17,515	17,515
Pgm M - Highway Maintenance	245,369	229,040	242,000	242,000
Pgm P1 - Preservation - Roadway	347,293	322,293	332,293	332,293
Pgm P2 - Preservation - Structures	149,895	141,895	149,895	149,895
Pgm P3 - Preservation - Other Facil	84,248	84,248	84,248	84,248
Pgm Q - Traffic Operations	30,140	22,388	29,140	29,140
Pgm R - Sales & Services to Others	13,132	13,132	0	0
Pgm S - Transportation Management	59,722	60,074	60,490	60,490
Pgm T - Transpo Plan, Data & Resch	33,705	32,666	27,948	27,948
Pgm U - Charges from Other Agys	26,302	25,690	25,690	25,690
Pgm W - WA State Ferries-Cap	208,818	274,738	274,738	224,738
Pgm X - WA State Ferries	271,116	256,785	267,358	267,358
Pgm Y - Transit & Rail-Op	71,602	74,975	65,602	65,602
Pgm Z - Financial Assistance-Op	285,804	287,279	42,678	42,678
Bond Retirement and Interest	245,854	245,854	245,854	245,854
Total	3,423,914	3,394,783	3,313,400	3,141,897

1997-99 Washington State Transportation Budget
Total Appropriated Funds
(Dollars in Thousands)

OPERATING AND CAPITAL COMPARISON



1997-99 Transportation Budget	
Operating	1,396,656
Capital	1,745,241
Total	3,141,897

Transportation Budget - Agency Detail

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How to Use the Agency Detail Reports

For most policy items in each agency detail report, there is a corresponding comment with the same number. Each comment includes a description of the policy item and a chronology of the decisions that occurred throughout the budget process for that item.

The steps of the chronology are as follows:

AGY VER Agency Version

GOV VER Governor Recommendation

STC VER As passed Senate Transportation Committee

SEN FLR As passed full Senate

HSE VER As passed full House

CNF VER As passed by House and Senate

ENACTED As signed by Governor, including vetoes

Appropriation amounts are abbreviated using “M” for millions and “K” for thousands. Not all steps are represented for each policy item; if not identified, the decision did not change from the previous step.

Legislative intent is expressed in both budget notes and budget provisos. Refer to the Transportation Budget, Chapter 457, Laws of 1997, Partial Veto (ESSB 6061), for provisos not described in these budget notes.

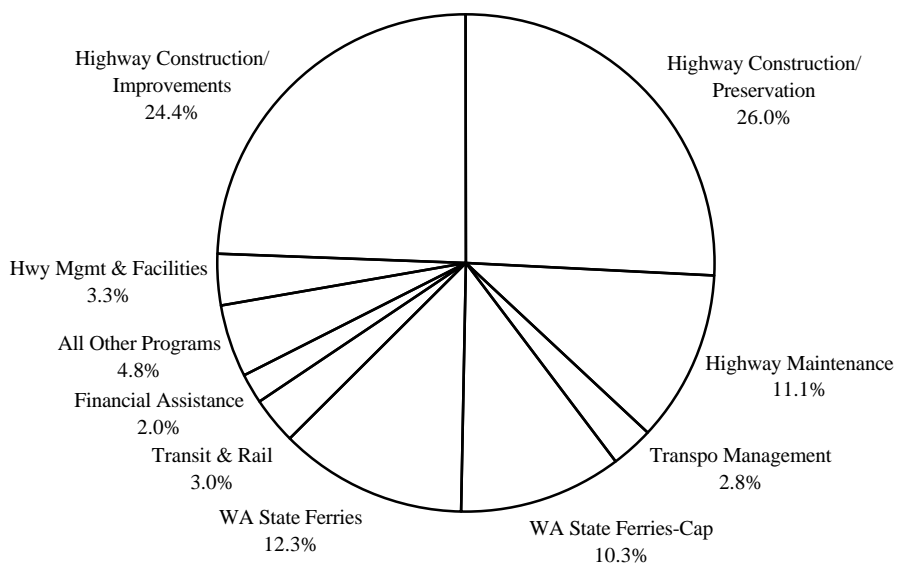
1997-99 Washington State Transportation Budget

Total Appropriated Funds

(Dollars in Thousands)

DEPARTMENT OF TRANSPORTATION

Total Operating and Capital



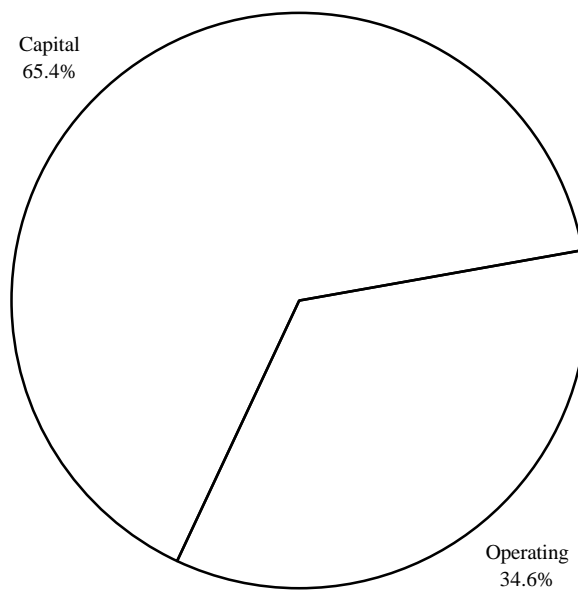
Department of Transportation

Pgm D - Highway Management & Facilities	71,137
Pgm I - Highway Construction / Improvements	530,894
Pgm P - Highway Construction / Preservation	566,436
Pgm M - Highway Maintenance	242,000
Pgm S - Transportation Management	60,490
Pgm W - Washington State Ferries - Capital	224,738
Pgm X - Washington State Ferries - Operating	267,358
Pgm Y - Transit & Rail	65,602
Pgm Z - Financial Assistance	42,678
All Other Programs *	104,015
Total	2,175,348

* All Other Programs includes: Pgm F (\$3.7 M), Pgm K (\$17.5 M), Pgm Q (\$29.1 M), Pgm T (\$28.0 M), and Pgm U (\$25.7 M)

1997-99 Washington State Transportation Budget
Total Appropriated Funds
(Dollars in Thousands)

DEPARTMENT OF TRANSPORTATION
Operating and Capital Comparison



Department of Transportation	
Operating	752,981
Capital	1,422,367
Total	2,175,348

Department of Transportation
Program D - Highway Management and Facilities - Operating
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	47,545	47,545	47,545	47,545
1997-99 Maintenance Level	49,033	49,033	49,033	49,033
Policy Items				
1. Facility Renovation Backlog	1,024	0	1,024	1,024
2. Facility Square Footage Additions	770	0	770	770
3. Program Management Office	291	0	0	0
4. General Inflation	-1,386	-1,386	-1,386	-1,386
Total 1997-99 Biennium	49,732	47,647	49,441	49,441

Comments:

1. FACILITY RENOVATION BACKLOG - Funding is provided toward major renovation projects that have been backlogged in previous years due to budget constraints. The Department estimates a backlog of \$7.3 million in deferred renovation. This is an ongoing cost. (Transportation Capital Facilities Account-State)

AGY VER: 1.0 M
 STC VER: 1.0 M
 HSE VER: 0 M
 CNF VER: 1.0 M
 ENACTED: 1.0 M

2. FACILITY SQUARE FOOTAGE ADDITIONS - Funding is provided for maintenance of building space added in 1993-95 and 1995-97. This is an ongoing cost. (Transportation Capital Facilities Account-State)

AGY VER: 0.8 M
 STC VER: 0.8 M
 HSE VER: 0 M
 CNF VER: 0.8 M
 ENACTED: 0.8 M

3. PROGRAM MANAGEMENT OFFICE - This item would provide 2.2 FTEs for the Program Management Office which is responsible for the programming of highway construction projects. One position would provide more timely information on project status to customers such as LTC. The second position would coordinate the tracking and management of federal obligation authority. (Motor Vehicle Fund-State)

AGY VER: 291 K
 STC VER: 291 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

4. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Transportation Capital Facilities Account-State)

AGY VER: 1.4 M Provided in Maintenance Level.
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M
 ENACTED: 0 M

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Transportation
Program D - Plant Construction & Supervision - Capital
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	20,151	20,151	20,151	20,151
1997-99 Maintenance Level	9,000	9,000	9,000	9,000
Policy Items				
1. Reappropriations-Capital Facilities	-1,281	-1,281	-1,281	-1,281
2. Regional Headquarters Complexes	5,908	0	5,908	5,908
3. Area Maintenance Facilities	2,521	0	850	850
4. Section Maintenance Facilities	3,002	0	2,804	2,804
5. Major Upgrade Projects	3,759	279	2,045	2,045
6. Admin/Minor Regional Projects	3,315	0	2,370	2,370
Total 1997-99 Biennium	26,224	7,998	21,696	21,696

Comments:

- REAPPROPRIATIONS-CAPITAL FACILITIES - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Transportation Capital Facilities Account-State)

HSE VER: 0 M
CNF VER: 2.8 M Funds Connell (\$1.484 M) and Ballinger (\$1.320 M) projects only.
ENACTED: 2.8 M Same as CNF VER.

AGY VER: 9.0 M Reflects Transportation Commission January update (in maintenance level).
STC VER: 7.7 M Reflects Transportation Commission March update.
HSE VER: 7.7 M
CNF VER: 7.7 M
ENACTED: 7.7 M
- REGIONAL HEADQUARTERS COMPLEXES - This category includes construction projects at the regional headquarters facilities of the six WSDOT regions, the materials lab in Olympia, and the transportation data office in Olympia. The Department has requested funding for the following projects: the Spokane consolidated engineering office, design/construct (\$5.153 million); and the Union Gap vehicle maintenance facility, design/start construction (\$755,000). (Transportation Capital Facilities Account-State)

AGY VER: 5.9 M
STC VER: 5.9 M
HSE VER: 0 M
CNF VER: 5.9 M
ENACTED: 5.9 M
- AREA MAINTENANCE FACILITIES - These facilities serve as the administrative, supervisory, and resource centers in support of the highway maintenance program in each of the 25 maintenance areas designated within the State. The Department has requested funding for the following projects: Everett site expansion, land acquisition (\$850,000); Ephrata, design/start construction (\$831,000); and Pasco, land acquisition (\$840,000). (Transportation Capital Facilities Account-State)

AGY VER: 2.5 M
STC VER: 2.5 M
HSE VER: 0 M
CNF VER: 0.9 M Funds Everett site expansion (\$850,000) only.
ENACTED: 0.9 M Same as CNF VER.
- SECTION MAINTENANCE FACILITIES - There are 108 section maintenance facilities that serve as home base for daily roadway maintenance crews. The Department has requested funding for the following projects: Connell, construct (\$1.484 million); Ballinger, design/construct (\$1.320 million); Washougal/Fargher Lake, design (\$198,000). (Transportation Capital Facilities Account-State)

AGY VER: 3.0 M
STC VER: 3.0 M
- MAJOR UPGRADE PROJECTS - Major upgrades include additions to existing facilities to meet current operational requirements and provide necessary environmental components. The Department is requesting funding for the following projects: Mt. Rainier vehicle storage, design/construct/lease (\$279,000); Mt. Vernon maintenance/equipment/signals/facilities, design/construct (\$1.766 million); statewide sand storage, design/construct (\$880,000); Colville office addition, design/construct (\$264,000); Lake Geneva maintenance section facility addition, design/construct (\$510,000); Kelso engineering office upgrade, design (\$60,000). (Transportation Capital Facilities Account-State)

AGY VER: 3.8 M
STC VER: 3.8 M
HSE VER: 0.3 M Funds Mt. Rainier facility only; proviso makes funding dependent on U.S. Forest Service participation.
CNF VER: 2.0 M Funds Mt. Rainier (\$279,000) and Mt. Vernon (\$1.766 M) projects only; proviso makes funding of Mt. Rainier project dependent on U.S. Forest Service participation.
ENACTED: 2.0 M Same as CNF VER
- ADMIN/MINOR REGIONAL PROJECTS - This item funds administrative personnel and associated costs in the Olympia and regional offices to support the Capital Facilities Program and building additions and upgrades costing under \$50,000. (Transportation Capital Facilities Account-State)

AGY VER: 3.3 M
STC VER: 3.3 M
HSE VER: 0 M
CNF VER: 2.4 M Provides requested amount for radio communications and emergency power projects; reduces funding for region minor projects to \$800,000; remaining reduction is from administrative support.
ENACTED: 2.4 M Same as CNF VER.

Department of Transportation
Program F - Aviation
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	5,879	5,879	5,879	5,879
1997-99 Maintenance Level	2,876	2,876	2,876	2,876
Policy Items				
1. Aviation Technical Assistance	250	250	250	250
2. Local Airport Improvement Grants	700	700	700	700
3. General Inflation	-108	-108	-108	-108
4. Year 2000 Conversion Costs	50	50	50	50
5. Reduction To Match Available Funds	-46	0	-46	-46
Total 1997-99 Biennium	3,722	3,768	3,722	3,722

Comments:

1. AVIATION TECHNICAL ASSISTANCE - Legislation passed in the 1996 Session requires that the Aviation Division provide technical assistance to local airports as they develop local aviation system and policy plans and to meet Federal Aviation Administration (FAA) regulations. The technical assistance program will establish guidelines to protect Washington airports from encroachment by incompatible land uses. The funding provided in this item supports one additional FTE for technical expertise as well as contractual consultants and administrative costs. (Transportation Fund-State)

AGY VER: 500 K
STC VER: 250 K Provides funding to meet statutory requirements.
HSE VER: 250 K Provided from Aeronautics Account-State.
CNF VER: 250 K Provided from Transportation Fund-State.
ENACTED: 250 K Provided from Transportation Fund-State; \$3,000 of this cost is one-time, the remainder is ongoing.
2. LOCAL AIRPORT IMPROVEMENT GRANTS - State aeronautics funds are used for grants to local jurisdictions for maintenance and preservation of airports. A higher than previously projected fund balance allows for additional grants to be awarded. There is \$1.241 million for this purpose in the budget base. (Aeronautics Account-State)

AGY VER: 0.7 M
STC VER: 0.7 M
HSE VER: 0.7 M
CNF VER: 0.7 M
ENACTED: 0.7 M
3. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Aeronautics Account-State)

AGY VER: 46 K Provided in Maintenance Level.
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K
4. YEAR 2000 CONVERSION COSTS - The Department is programming several of its systems that are not equipped to handle the changeover from the year 1999 to the year 2000. This is a one-time cost. (Aeronautics Account-State)

AGY VER: 50 K
STC VER: 50 K
HSE VER: 50 K
CNF VER: 50 K
ENACTED: 50 K
5. REDUCTION TO MATCH AVAILABLE FUNDS - The Air Search and Rescue Account appropriation is reduced to reflect the latest fund balance estimate. (Air Search and Rescue Account-State)

STC VER: -46 K
HSE VER: 0 K
CNF VER: -46 K
ENACTED: -46 K

Department of Transportation
Program I1 - Improvements - Mobility
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	686,691	686,691	686,691	686,691
1997-99 Maintenance Level	358,666	358,666	358,666	358,666
Policy Items				
1. Reappropriation-Improvements	-3,681	-3,682	-3,682	-3,682
2. Blaine Border Crossing	2,700	0	0	0
3. Corridor Analysis-NE 44th St. I/C	0	150	0	0
4. Freight Mobility/Econ Dev Projects	0	0	100,000	0
Total 1997-99 Biennium	357,685	355,134	454,984	354,984

Comments:

- REAPPROPRIATION-IMPROVEMENTS** - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local; High Capacity Transportation Account-State; Special Category C Account-State; Puyallup Tribal Settlement Account-State)

AGY VER: 49.5 M Reflects Transportation Commission January update (in maintenance level).
 STC VER: 45.8 M Reflects Transportation Commission March update.
 HSE VER: 45.8 M
 CNF VER: 45.8 M
 ENACTED: 45.8 M

ENACTED: 0 K The Governor vetoed the proviso (Section 217(1)(a)) that cited the NE 44th St. Interchange as a project the could be funded under the "Freight Mobility/Economic Development Projects" item; however, the Governor's veto message says he will ask the Transportation Commission to develop a project list using the criteria identified in the vetoed section; the list would allocate \$50 M of the \$100 M that was identified in the vetoed proviso.
- BLAINE BORDER CROSSING** - Funding is provided to fully fund preliminary engineering and right-of-way for the SR 543: I-5 to International Boundary Stage 1; D Street to International Border project in Blaine. The cost of these activities is estimated at \$2.1 million. Remaining funds may be used to partner with the U.S. General Services Administration (GSA) on parking and related facilities associated with the GSA customs immigration project at the Blaine border crossing. This item reappropriates funding provided in the 1995-97 Transportation Budget. The cost of construction for the project, which is not committed by this appropriation, is estimated at \$11.4 million. (Motor Vehicle Fund-State)

STC VER: 2.7 M
 HSE VER: 0 M
 CNF VER: 0 M

Cited as a potential project under the "Freight Mobility/Economic Development Projects" item in this subprogram.

ENACTED: 0 M The Governor vetoed the proviso (Section 217(1)(a)) that cited the Blaine Border Crossing as a project the could be funded under the "Freight Mobility/Economic Development Projects" item; however, in his veto message, the Governor stated that he will ask the Transportation Commission to develop a project list using the criteria identified in the vetoed section; the project list would allocate \$50 M of the \$100 M that was identified in the vetoed proviso.
- CORRIDOR ANALYSIS-NE 44TH ST. I/C** - Funding is provided for the state share of conducting a six-point access corridor analysis required by the Federal Highway Administration before implementing improvements to the NE 44th St. interchange on SR 405.

HSE VER: 150 K
 CNF VER: 0 K

Mentioned as a potential project under the "Freight Mobility/Economic Development Projects" item in this subprogram.
- FREIGHT MOBILITY/ECON DEV PROJECTS** - Funding of \$100 million (\$75 million from the Transportation Fund-State; \$25 million from Motor Vehicle Fund-State) is provided for highway improvement projects to be selected by the Transportation Commission. The Commission is to give priority consideration to projects supporting freight mobility, economic development, and partnerships, and shall consider geographic distribution in the selection. The proviso laying out these criteria specifically mentions, but does not require the funding of, the following projects: SR 543 Blaine border crossing, SR 405 NE 44th Street, and SR 520 Trans-Lake study. The funding for these projects is primarily from \$100 million provided on a "one-time basis" from the General Fund to the Transportation Fund, including \$50 million appropriated to the Transportation Fund in FY 97 and \$50 million transferred to the Transportation Fund in FY 99. (Transportation Fund-State; Motor Vehicle Fund-State)

CNF VER: 100 M
 ENACTED: 0 M

The Governor vetoed Section 409 which transferred \$50 M General Fund to the Transportation Fund-State in FY 99. To keep the Transportation Fund-State in balance, it was necessary to veto the proviso (Section 217(1)(a)) that allocated \$100 M for highway projects to be selected by the Transportation Commission (see above). Vetoing this section causes the \$100 M appropriation to lapse. The Governor's veto message directs the Commission to use the criteria in the vetoed section to develop a project list that allocates the \$50 M of funding still available (but no longer appropriated) for this purpose. The Governor indicated he will ask the Legislature to expedite appropriation of the remaining \$50 M in the 1998 Legislative Session.

Department of Transportation
Program I2 - Improvements - Safety
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	73,225	73,225	73,225	73,225
1997-99 Maintenance Level	95,082	95,082	95,082	95,082
Policy Items				
1. Reappropriation-Improvements	12,675	12,675	12,675	12,675
Total 1997-99 Biennium	107,757	107,757	107,757	107,757

Comments:

1. REAPPROPRIATION-IMPROVEMENTS - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local)

AGY VER: 1.8 M Reflects Transportation Commission January update (in maintenance level).
 STC VER: 14.5 M Reflects Transportation Commission March update.
 HSE VER: 14.5 M
 CNF VER: 14.5 M
 ENACTED: 14.5 M

Department of Transportation
Program I3 - Improvements - Economic Initiatives
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	137,592	137,592	137,592	137,592
1997-99 Maintenance Level	81,799	81,799	81,799	81,799
Policy Items				
1. Reappropriation-Improvements	653	653	653	653
2. Reduction--Special C Bonds	0	0	0	-19,000
Total 1997-99 Biennium	82,452	82,452	82,452	63,452

Comments:

NOTE: A proviso in the House and Legislature versions would have precluded the funding of the Washington coastal corridor study that would establish a corridor management plan for SR 105 and SR 112. The estimated cost of the plan for the 1997-99 biennium is \$323,000, including \$263,000 Motor Vehicle Fund-Federal and \$60,000 Motor Vehicle Fund-State. The Department would not have been precluded from providing pass-through federal dollars to Oregon and California under the Tri-State design study. This proviso was vetoed by the Governor.

1. REAPPROPRIATION-IMPROVEMENTS - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Special Category C Account-Bonds, Economic Development Account-State)

AGY VER: -1.8 M Reflects Transportation Commission
 January update (in maintenance level).
 STC VER: -1.1 M Reflects Transportation Commission
 March update.
 HSE VER: -1.1 M
 CNF VER: -1.1 M
 ENACTED: -1.1 M

2. REDUCTION--SPECIAL C BONDS - Of the appropriations in Programs I1 and I3, \$78.6 million is provided for the Special Category C program, including \$26 million in Special Category C bonds. Per a budget proviso, \$19 million of the Special Category C bonds appropriation in this section lapses because HB 1012, which would have provided additional bonding authority for the Special Category C program, did not pass. In conjunction with the decreased appropriation, the number of FTEs for this program is reduced by 19.0.

ENACTED: -19.0 M

Department of Transportation
Program I4 - Improvements - Environmental Retrofit
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	3,354	3,354	3,354	3,354
1997-99 Maintenance Level	3,775	3,775	3,775	3,775
Policy Items				
1. Stormwater Treatment Systems	200	100	200	200
2. Snohomish Watershed Project	200	200	200	200
3. Wetland Mitigation Pilot Project	250	150	250	250
4. Apply Stormwater Research Findings	276	0	276	276
Total 1997-99 Biennium	4,701	4,225	4,701	4,701

Comments:

1. STORMWATER TREATMENT SYSTEMS - Four experimental stormwater treatment systems will be constructed by the end of 1997. This item funds the costs of performance monitoring until final approval of the experimental systems has been awarded by the Department of Ecology (DOE). Funding may be requested in future biennia to construct additional storm water treatment systems and to monitor their performance. (Motor Vehicle Fund-State)
 - AGY VER: 200 K
 - STC VER: 200 K
 - HSE VER: 100 K
 - CNF VER: 200 K
 - ENACTED: 200 K

2. SNOHOMISH WATERSHED PROJECT - The Department of Transportation (WSDOT) has committed to participate in the Snohomish Watershed Demonstration project selected by the State Watershed Coordination Council. Although no specific highway projects have been identified at this time, it is expected that the WSDOT will be the largest developer and responsible for the greatest mitigation effort in the watershed. This pilot project provides a forum for WSDOT to work cooperatively with other jurisdictions to provide proactive solutions. This decision package funds required WSDOT activities including: staff representation at local water shed council meetings; data collection from local, state, and federal environmental water quality reports; documentation of construction project impacts, mitigation, and environmental benefits on a project basis; and permits and compliance evaluation. This is a one-time cost. (Motor Vehicle Fund-State)
 - AGY VER: 200 K
 - STC VER: 200 K
 - HSE VER: 200 K
 - CNF VER: 200 K
 - ENACTED: 200 K

3. WETLAND MITIGATION PILOT PROJECT - This item funds staff to do the preparatory work for establishing a pilot wetland mitigation project. The wetland would be used to mitigate Department construction projects within the same watershed. This is a one-time cost. (Motor Vehicle Fund-State)
 - AGY VER: 250 K
 - STC VER: 250 K
 - HSE VER: 150 K
 Reduces scope of project; includes proviso described below.

4. APPLY STORMWATER RESEARCH FINDINGS - This item funds application of research that has been completed on storm water best management practices (BMPs). Storm water BMPs will applied at sites throughout Western Washington. Funding may be requested in future biennia to update existing BMPs and develop new BMPs. (Motor Vehicle Fund-State)
 - AGY VER: 276 K
 - STC VER: 276 K
 - HSE VER: 0 K
 - CNF VER: 276 K
 - ENACTED: 276 K

CNF VER: 250 K Proviso requires that in order to expend this appropriation the Department must establish a technical committee of state and federal agencies, cities, counties, tribes, and environmental and business groups to oversee implementation of the Department's wetland strategic plan.

ENACTED: 250 K Same as CNF VER.

Department of Transportation
Program K - Transportation Economic Partnership - Operating
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	1,278	1,278	1,278	1,278
1997-99 Maintenance Level	1,292	1,292	1,292	1,292
Policy Items				
1. General Inflation	<u>-12</u>	<u>-12</u>	<u>-12</u>	<u>-12</u>
Total 1997-99 Biennium	1,280	1,280	1,280	1,280

Comments:

1. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Transportation Fund-State)

AGY VER: 12 K Provided in Maintenance Level.
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

Department of Transportation
Program K - Transportation Economic Partnership - Capital
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	17,442	17,442	17,442	17,442
1997-99 Maintenance Level	16,026	16,026	16,026	16,026
Policy Items				
1. Reappropriations--Econ Partnerships	209	209	209	209
Total 1997-99 Biennium	16,235	16,235	16,235	16,235

Comments:

This program supports the Public-Private Initiatives in Transportation Program (PPI). The WSDOT current law budget request includes \$16.026 million in bond funding. A budget proviso states that this funding may be used for all forms of cash contributions, or the payment of other costs incident to the location, development, design, right of way, and construction of only the SR 16 corridor improvements and park and ride projects selected under the PPI program; and support costs of the PPI program. (Motor Vehicle Fund-Bonds)

AGY VER: 16.0 M
 STC VER: 16.0 M
 HSE VER: 16.0 M
 CNF VER: 16.0 M
 ENACTED: 16.0 M

1. REAPPROPRIATIONS--ECON PARTNERSHIPS - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-Bonds)

STC VER: 209 K Reflects Transportation Commission
 March update.
 HSE VER: 209 K
 CNF VER: 209 K
 ENACTED: 209 K

Department of Transportation
Program M - Highway Maintenance
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures *	250,720	250,720	250,720	250,720
1997-99 Maintenance Level	234,986	234,986	234,986	234,986
Policy Items				
1. Highway Inventory Additions	3,233	0	3,233	3,233
2. Service Delivery Cost Increases	1,270	0	1,270	1,270
3. General Inflation	0	-5,946	0	0
4. Enhanced Maintenance	5,800	0	2,511	2,511
5. Increase for Avalanche Center	80	0	0	0
Total 1997-99 Biennium	245,369	229,040	242,000	242,000

Comments:

1. HIGHWAY INVENTORY ADDITIONS - New highway construction work completed in the 1995-97 biennium will add 231 lane miles, 4 park and ride lots, 2 rest areas, 60 detention/retention ponds, 13 detention vaults, 82 acres of wetlands, 3,800 linear feet of grassland swales, 74,000 linear feet of storm drainage, 62 linear feet of culverts, 270 catch basins, 1 fish passage structure, 56 variable message signs, 145 flow and ramp meters, 120 new traffic signals, 27,500 linear feet of guardrail, 410 luminaires, 100 acres of landscaping, and 7 new bridges. This item funds the maintenance costs of these additions. These are ongoing costs. (Motor Vehicle Fund-State)

AGY VER: 3.2 M
STC VER: 3.2 M
HSE VER: 0 M
CNF VER: 3.2 M
ENACTED: 3.2 M

2. SERVICE DELIVERY COST INCREASES - This item provides additional funding to cover increases in work zone safety costs (\$1.1 million); utility cost increases (\$85,000); the increase in Washington's share of maintenance activities on the I-5 and I-205 bridges that cross the Columbia River into Oregon (\$70,000); and expenditure authority for bank card fees paid to bank card service providers when motor carrier permits are purchased with credit cards (\$72,000). These are ongoing costs. (Motor Vehicle Fund-State)

AGY VER: 1.3 M
STC VER: 1.3 M
HSE VER: 0 M
CNF VER: 1.3 M
ENACTED: 1.3 M

3. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded.

AGY VER: 5.9 M Provided in Maintenance Level.
STC VER: 5.9 M
HSE VER: 0 M
CNF VER: 5.9 M
ENACTED: 5.9 M

4. ENHANCED MAINTENANCE - The STC Version adds funding to increase the maintenance service levels in the following areas: maintaining culverts and storm drainage systems; noxious weed control and control of vegetation obstructions; bridge deck repair; and maintaining pavement striping, raised pavement markers, and advisory signs. (Motor Vehicle Fund-State)

STC VER: 5.8 M
HSE VER: 0 M

CNF VER: 2.5 M To be used to maintain culverts, maintain storm drainage systems, repair bridge decks, restore pavement striping, and replace raised pavement markers; this is an ongoing cost that should allow the improved service levels to be sustained in future biennia.

ENACTED: 2.5 M Same as CNF VER.

5. INCREASE FOR AVALANCHE CENTER - Funding is provided to increase support of the Northwest Avalanche Center from the proposed agency level of \$40,000 per year to \$80,000 per year, the amount requested by the avalanche center. (Motor Vehicle Fund-State)

STC VER: 80 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Transportation
Program P1 - Preservation - Roadway
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	269,699	269,699	269,699	269,699
1997-99 Maintenance Level	310,038	310,038	310,038	310,038
Policy Items				
1. Additional Roadway Preservation	25,000	0	10,000	10,000
2. Reappropriation-Preservation	12,255	12,255	12,255	12,255
Total 1997-99 Biennium	347,293	322,293	332,293	332,293

Comments:

1. ADDITIONAL ROADWAY PRESERVATION - Additional funding is provided to the roadway preservation program. (Motor Vehicle Fund-State)

STC VER: 25 M
 HSE VER: 0 M
 CNF VER: 10 M
 ENACTED: 10 M

2. REAPPROPRIATION-PRESERVATION - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local)

AGY VER: 87 K Reflects Transportation Commission January update (in maintenance level).
 STC VER: 12.3 M Reflects Transportation Commission March update.
 HSE VER: 12.3 M
 CNF VER: 12.3 M
 ENACTED: 12.3 M

Department of Transportation
Program P2 - Preservation - Structures
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	107,146	107,146	107,146	107,146
1997-99 Maintenance Level	141,200	141,200	141,200	141,200
Policy Items				
1. Reappropriation-Preservation	695	695	695	695
2. Additional Bridge Preservation	5,000	0	5,000	5,000
3. Lewis and Clark Bridge	3,000	0	3,000	3,000
Total 1997-99 Biennium	149,895	141,895	149,895	149,895

Comments:

- REAPPROPRIATION-PRESERVATION - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local)

AGY VER: -1.8 M Reflects Transportation Commission January update (in maintenance level).
 STC VER: -1.1 M Reflects Transportation Commission March update.
 HSE VER: -1.1 M
 CNF VER: -1.1 M
 ENACTED: -1.1 M
- ADDITIONAL BRIDGE PRESERVATION - Funding is provided to pay Washington's share of costs for preservation work to be done this biennium on the I-5 Columbia River bridges which are the shared responsibility of Washington and Oregon. Work will include trunion repair, painting, and other work as determined in cooperation with the Oregon Department of Transportation. (Motor Vehicle Fund-State)

STC VER: 5.0 M
 HSE VER: 0 M
 CNF VER: 5.0 M
 ENACTED: 5.0 M
- LEWIS AND CLARK BRIDGE - Funding is provided as Washington's share of design costs for 1997-99 for the Lewis and Clark Bridge in Longview if Oregon enacts a public-private partnership program and the Transportation Commission, in consultation with the Legislative Transportation Committee, enters into an agreement between Washington and Oregon to place the bridge project into Oregon's public-private partnership program. (Motor Vehicle Fund-State)

STC VER: 3.0 M
 HSE VER: 0 M
 CNF VER: 3.0 M
 ENACTED: 3.0 M

Department of Transportation
Program P3 - Preservation - Other Facilities
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	77,116	77,116	77,116	77,116
1997-99 Maintenance Level	84,648	84,648	84,648	84,648
Policy Items				
1. Reappropriation-Preservation	-400	-400	-400	-400
Total 1997-99 Biennium	84,248	84,248	84,248	84,248

Comments:

1. REAPPROPRIATION-PRESERVATION - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local, Motor Vehicle Fund-Bonds)

AGY VER: 4.9 M Reflects Transportation Commission
 January update (in maintenance level).
 STC VER: 4.5 M Reflects Transportation Commission
 March update.
 HSE VER: 4.5 M
 CNF VER: 4.5 M
 ENACTED: 4.5 M

Department of Transportation
Program Q - Traffic Operations
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	22,388	22,388	22,388	22,388
1997-99 Maintenance Level	22,758	22,758	22,758	22,758
Policy Items				
1. New Inventory & Traffic Demands	2,752	0	2,252	2,252
2. General Inflation	-370	-370	-370	-370
3. Traffic Flow Ctrl/Incident Response	1,400	0	900	900
4. Low Cost Enhancements	3,600	0	3,600	3,600
Total 1997-99 Biennium	30,140	22,388	29,140	29,140

Comments:

- NEW INVENTORY & TRAFFIC DEMANDS** - Funding is provided to: (1) operate the new traffic control devices, including traffic signals, ramp meters, changeable message signs, etc., installed in highway construction projects in 1995-97; (2) increase contract tow services on Puget Sound freeways and enhance incident response in Tacoma and Southwest Washington; and (3) add more small cost safety and efficiency enhancements. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 2.8 M
 STC VER: 2.8 M
 HSE VER: 0 M
 CNF VER: 2.3 M

Deletes contract tow services; proviso requires Department to develop a recommendation, in cooperation with the State Patrol and the tow truck industry, for implementing contract tow services during peak hours on Puget Sound freeways.

ENACTED: 2.3 M Same as CNF VER.
- GENERAL INFLATION** - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State)

AGY VER: 0.4 M Provided in Maintenance Level.
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M
 ENACTED: 0 M
- TRAFFIC FLOW CTRL/INCIDENT RESPONSE** - Funding is provided to expand and improve the use of traffic devices, such as traffic signals, ramp meters, and changeable message signs, that were installed previously by the Department; implement traffic flow improvements, such as improved work zone traffic control, transit priority treatments along signalized arterials, and real time traffic information systems; and providing four additional tow truck coverage zones in the central Puget Sound to reduce traffic congestion caused by accidents and stalled vehicles. This is a one-time appropriation. (Motor Vehicle Fund-State)

STC VER: 1.4 M
 HSE VER: 0 M
 CNF VER: 0.9 M

Deletes contract tow services; proviso requires Department to develop a recommendation, in cooperation with the State Patrol and the tow truck industry, for implementing contract tow services during peak hours on Puget Sound freeways.

ENACTED: 0.9 M Same as CNF VER.
- LOW COST ENHANCEMENTS** - Funding is provided for low cost projects that help optimize traffic flow and enhance traffic safety. Enhancements include signal and ramp meter upgrades, intersection striping and lighting modifications, signing additions and upgrades, improving pedestrian crossings, advance warning devices, cameras, etc. This is a one-time appropriation. (Motor Vehicle Fund-State)

STC VER: 3.6 M
 HSE VER: 0 M
 CNF VER: 3.6 M
 ENACTED: 3.6 M

Department of Transportation
Program R - Sales & Services to Others
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	11,222	11,222	11,222	11,222
1997-99 Maintenance Level	13,564	13,564	13,564	13,564
Policy Items				
1. General Inflation	-432	-432	-432	-432
2. Fed/Local Approps to Fiduciary Fund	0	0	-12,733	-12,733
3. Transfer Wahkiakum Ferry to Pgm Z	0	0	-399	-399
Total 1997-99 Biennium	13,132	13,132	0	0

Comments:

1. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Motor Vehicle Fund-Local)

AGY VER: 0.4 M Provided in Maintenance Level.
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M
 ENACTED: 0 M

2. FED/LOCAL APPROPS TO FIDUCIARY FUND - Chapter 94, Laws of 1997 (SHB 1010) created a non-appropriated fiduciary fund for federal pass-through dollars and 100 percent reimbursable sales and services to others. This item deducts such appropriations from the transportation budget. In total, \$271.685 million of appropriations are deducted from the budget and will be processed through the new account. (Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local)

CNF VER: -12.7 M Deducts \$12.3 million of MVF-Local and \$0.4 million of MVF-Federal.
 ENACTED: -12.7 M Same as CNF VER.

3. TRANSFER WAHKIAKUM FERRY TO PGM Z - The state subsidy for the Wahkiakum County Puget Island ferry is transferred from Program R to Program Z-Operating. (Motor Vehicle Fund-State)

CNF VER: -0.4 M
 ENACTED: -0.4 M

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Transportation
Program S - Transportation Management
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	56,763	56,763	56,763	56,763
1997-99 Maintenance Level	57,172	57,172	57,172	57,172
Policy Items				
1. Base System Upgrade and Maintenance	1,126	0	1,126	1,126
2. Major Accident Investigation Team	82	0	0	0
3. Risk Management Tort Investigator	82	82	82	82
4. Geographic Information Systems	290	0	290	290
5. Interjurisdictional Studies	500	1,500	500	500
6. Contractor Payment System	170	170	170	170
7. General Inflation	-1,500	-1,500	-1,500	-1,500
8. Year 2000 Compliance	1,000	2,650	2,650	2,650
9. Manager Training	800	0	0	0
Total 1997-99 Biennium	59,722	60,074	60,490	60,490

Comments:

- BASE SYSTEM UPGRADE AND MAINTENANCE** - This item funds minor system modifications and maintenance of existing systems. System development appropriations are zero-based, i.e., expenditures from the previous biennium are not included in the budget base. The agency's appropriation request included the following items: (Motor Vehicle Fund-State)

Year 2000 modifications	\$488,000	
Real Estate Information System (cont.)	\$307,000	
Motor Carrier Permits	\$494,000	
Transportation Information Planning and Support System (TRIPS-cont.)	\$277,000	
Estimate Bid Analysis System (EBASE-cont.)	\$54,000	
Electronic Forms with Secured Signatures Systems Modifications	\$177,000	
Inflation on Base System Development	\$63,000	

AGY VER: 1.9 M
STC VER: 1.1 M Removes funding for Motor Carrier Permits (\$494,000); Electronic Forms (\$177,000); and inflation (\$63,000).

HSE VER: 0 M
CNF VER: 1.1 M Removes funding for Motor Carrier Permits, Electronic Forms, and inflation; includes funding for Year 2000 modifications (\$488,000); Real Estate Information System (\$307,000); TRIPS (\$277,000); and EBASE (\$54,000).

ENACTED: 1.1 M Same as CNF VER.
- MAJOR ACCIDENT INVESTIGATION TEAM** - This item funds administrative and backup support to the State Patrol/WSDOT Major Accident Investigation Team (MAIT). The program is intended to develop a full and accurate evidentiary analysis to assist in the determination of legal responsibility in serious collisions. These accidents often involve criminal or civil litigation against the State. The request covers one administrative position and funding for coverage when one of the two WSDOT investigators are on leave. (Motor Vehicle Fund-State)

AGY VER:	82 K	
STC VER:	82 K	
HSE VER:	0 K	Position is funded in State Patrol budget.
CNF VER:	0 K	Position is funded in State Patrol budget.
ENACTED:	0 K	Position is funded in State Patrol budget.
- RISK MANAGEMENT TORT INVESTIGATOR** - An additional tort investigator position is created to investigate general liability tort claims against the Department and vehicle liability tort claims against all state agencies. Currently, there are four tort claim investigators and one claims representative. The office is unable to keep up with the increased number of claims being filed. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER:	82 K
STC VER:	82 K
HSE VER:	82 K
CNF VER:	82 K
ENACTED:	82 K
- GEOGRAPHIC INFORMATION SYSTEMS** - One technical support staff position, funded through the 1995-97 biennium for development of the Geographic Information System (GIS), is continued to train and support agency staff, help develop prototype applications, and assist with links to non-GIS users. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER:	290 K
STC VER:	290 K
HSE VER:	0 K
CNF VER:	290 K
ENACTED:	290 K
- INTERJURISDICTIONAL STUDIES** - This item provides funding for interjurisdictional studies as identified by the Legislature. Funding used for this purpose includes 70 percent state dollars, 20 percent from the counties' fuel tax distribution, and 10 percent from the cities' fuel tax distribution. This is a one-time cost. (Motor Vehicle Fund-State)

AGY VER:	1.0 M	
STC VER:	0.5 M	To be used to analyze freight mobility issues affecting eastern and southeastern Washington, as recommended by the Freight Mobility Advisory Committee (FMAC).
HSE VER:	1.5 M	To be used for Legislative Transportation Committee (LTC) audits of transportation agencies.
CNF VER:	0.5 M	To be used by LTC to analyze freight mobility issues affecting eastern and southeastern Washington, as recommended by FMAC.
ENACTED:	0.5 M	Same as CNF VER.

Department of Transportation Program S - Transportation Management

6. CONTRACTOR PAYMENT SYSTEM - In order to be responsive to a change in business practices mandated by the Department of Revenue, the agency must reconfigure the contractor payment system. The modification would account for tax on materials at the time of purchase rather than when materials are installed on a construction project as is current practice. This is a one-time cost. (Motor Vehicle Fund-State)

STC VER: 170 K
HSE VER: 170 K
CNF VER: 170 K
ENACTED: 170 K

7. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Transportation Fund-State, Puget Sound Capital Construction Account-State, Puget Sound Ferry Operations Account-State)

AGY VER: 1.5 M Provided in Maintenance Level.
STC VER: 0 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M

8. YEAR 2000 COMPLIANCE - Funding is provided for converting applications to be compatible with new software releases of operating systems the agency needs to purchase in order to achieve Year 2000 compliance. The total cost of these conversions is estimated at \$6.6 million based on an estimated contractor cost of \$100 per hour. Of this amount, the Department estimates that \$3.95 million could be covered by deferring other systems work. The remaining amount of \$2.65 million would need to be addressed through an appropriation. This is a one-time cost. (Motor Vehicle Fund-State)

STC VER: 1.0 M Based on an estimated contractor cost of \$75 per hour.
HSE VER: 2.7 M Based on an estimated contractor cost of \$100 per hour.
CNF VER: 2.7 M A proviso requires the Department to spend the moneys internally reallocated for this purpose before expending from this appropriation and to provide quarterly progress reports beginning October 1, 1997.
ENACTED: 2.7 M Same as CNF VER.

9. MANAGER TRAINING - Funding is provided to train half of the Department's 1,400 managers during the 1997-99 biennium. Additional funding will be needed in the following biennium to train the remaining managers. Training will be provided to supervisors, mid-level managers, and senior-level managers. Different training methods will be used, including classroom, books, videotapes, and supplemental college courses. (Motor Vehicle Fund-State)

STC VER: 0.8 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M

Department of Transportation
Program T - Transportation Planning, Data, & Research
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	32,883	32,883	32,883	32,883
1997-99 Maintenance Level	32,961	32,961	32,961	32,961
Policy Items				
1. General Inflation	-614	-614	-614	-614
2. Permanent Traffic Counters	724	0	500	500
3. Transportation Data System	83	50	50	50
4. Annual Pavement Condition Rating	90	0	90	90
5. Biennial Highway Video Logging	269	269	269	269
6. Geographic Base Map System	192	0	192	192
7. Fed/Local Approps to Fiduciary Fund	0	0	-5,500	-5,500
Total 1997-99 Biennium	33,705	32,666	27,948	27,948

Comments:

- GENERAL INFLATION** - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal; Transportation Fund-State)

AGY VER: 0.6 M Provided in Maintenance Level.
STC VER: 0 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M

highways. In order to provide more timely and accurate survey results, this item provides additional staff so an annual pavement condition survey can be performed. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 90 K
STC VER: 90 K
HSE VER: 0 K
CNF VER: 90 K
ENACTED: 90 K
- PERMANENT TRAFFIC COUNTERS** - The Department currently has 159 sites statewide that collect traffic data as required by the Federal Highway Administration (FHWA). Washington and FHWA gain information about the types of vehicles using the roads, their weights, and their speed. The current staff of 2.5 FTEs cannot keep up with the workload thereby causing a backlog in data collection. In addition, many of the sites are non-operational. This raises concerns from the FHWA about the quality of the data collected. This item provides 3 technical FTEs to maintain and repair the traffic counters and adds 2 FTEs to analyze, process, and edit the data collected. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 0.7 M
STC VER: 0.7 M
HSE VER: 0 M
CNF VER: 0.5 M Funds 3 technical FTEs for maintenance of traffic counters.
ENACTED: 0.5 M Same as CNF VER.
- TRANSPORTATION DATA SYSTEM** - This item funds programming services to eliminate the backlog of data entry in order to maintain data on travel, accidents, and roadway geometrics. The backlog as of May 1996 was estimated at 3,118 hours. Without update, reports have inadequate or erroneous data and require manual adjustment before they are provided to consultants, attorneys, and the public. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 166 K
STC VER: 83 K
HSE VER: 50 K
CNF VER: 50 K
ENACTED: 50 K
- ANNUAL PAVEMENT CONDITION RATING** - The Department needs to know the condition of the highway pavement to determine the best time to repave. This prevents paving too soon or possibly too late when the surface has deteriorated beyond the optimum paving cycle. However, the current pavement evaluation study is only performed once every two years for the entire 7,000 miles of state-owned
- BIENNIAL HIGHWAY VIDEO LOGGING** - Prior to this biennium, the Department videotaped the entire state highway system every two years. In the 1995-97 Transportation Budget, this activity was reduced to a four-year cycle. Videologging the system allows the Department to evaluate sections of highway and is used by the Attorney General's Office in defending the state in tort cases. The AG has asserted that using evidence more than two years old exposes the state to increased tort liability. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 269 K
STC VER: 269 K
HSE VER: 269 K
CNF VER: 269 K
ENACTED: 269 K
- GEOGRAPHIC BASE MAP SYSTEM** - This item adds \$192,000 to provide one FTE and additional technical support to update and maintain the transportation layer of the Department's geographic information system (GIS). The GIS is used to map features affecting transportation including the state and local roadway systems, wetlands, accidents, maintenance considerations, outflows, and other items of concern. An associated request for GIS funding is included in Program S. This is an ongoing cost. (Motor Vehicle Fund-State)

AGY VER: 192 K
STC VER: 192 K
HSE VER: 0 K
CNF VER: 192 K
ENACTED: 192 K

Department of Transportation
Program T - Transportation Planning, Data, & Research

7. FED/LOCAL APPROPS TO FIDUCIARY FUND - Chapter 94, Laws of 1997 (SHB 1010) created a non-appropriated fiduciary fund for federal pass-through dollars and 100 percent reimbursable sales and services to others. This item deducts such appropriations from the transportation budget. In total, \$271.685 million of appropriations are deducted from the budget and will be processed through the new account. (Motor Vehicle Fund-Federal)

CNF VER: -5.5 M
ENACTED: -5.5 M

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Transportation
Program U - Charges from Other Agencies
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	22,085	22,085	22,085	22,085
Policy Items				
1. State Parking Services	90	90	90	90
2. Archives	380	295	295	295
3. Atty General Tort Claims Defense	2,515	2,515	2,515	2,515
4. Auditing Services	840	840	840	840
5. Facilities & Svcs/Consolidated Mail	3,391	3,391	3,391	3,391
6. Personnel Services	2,240	2,240	2,240	2,240
7. Self Insurance-Motor Vehicle Fund	12,510	12,120	12,120	12,120
8. Self Insurance-Ferry Operating Acct	2,928	2,928	2,928	2,928
9. OMWBE	673	536	536	536
10. Capital Projects Surcharge	735	735	735	735
Total 1997-99 Biennium	26,302	25,690	25,690	25,690

Comments:

- | | |
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| <p>1. STATE PARKING SERVICES - This figure is based on the following calculation: the number of agency and employee parking spaces divided by the total number of all agency and employee parking spaces on the capitol campus. This percentage is multiplied by the Office of Parking Services' carryforward level of funding for the biennium. (Motor Vehicle Fund-State)</p> <p>AGY VER: 100 K
STC VER: 90 K Reflects updated figures from the Office of Financial Management (OFM).
HSE VER: 90 K
CNF VER: 90 K
ENACTED: 90 K</p> <p>2. ARCHIVES - The Records Committee (Attorney General, State Auditor, and OFM Director) determines what records need to be archived. Archiving is billed quarterly based on an estimate prepared for each biennium. Microfilming is billed monthly based on the actual work done. (Motor Vehicle Fund-State)</p> <p>AGY VER: 295 K
STC VER: 380 K Reflects updated figures from OFM.
HSE VER: 295 K
CNF VER: 295 K
ENACTED: 295 K</p> <p>3. ATTY GENERAL TORT CLAIMS DEFENSE - Attorney General services resulting from tort claims or lawsuits filed on behalf of, or against, the Department are charged to this program. (Motor Vehicle Fund-State)</p> <p>AGY VER: 4.6 M
STC VER: 2.5 M Reflects updated figures from OFM.
HSE VER: 2.5 M
CNF VER: 2.5 M
ENACTED: 2.5 M</p> | <p>4. AUDITING SERVICES - The State Auditor's Office (SAO) is required to audit annually the statewide combined financial statements prepared by OFM, make post-audits of state agencies, and ensure compliance with state and federal requirements. The SAO has five auditors working at the Olympia Service Center. At least one auditor works continually at the Department. (Motor Vehicle Fund-State)</p> <p>AGY VER: 0.9 M
STC VER: 0.8 M Reflects updated figures from OFM.
HSE VER: 0.8 M
CNF VER: 0.8 M
ENACTED: 0.8 M</p> <p>5. FACILITIES & SVCS/CONSOLIDATED MAIL - The facilities and services charge is billed quarterly based upon a biennial estimate. Elements of the charge include: (1) property development, whose calculation is determined by the number of agency leases, square footage leased, and the annual lease cost; (2) seat of government, which is determined by the Department's Thurston County head count; (3) campus utilities and capital facilities, which is determined by the agency's share of rentable square footage on the Capitol Campus; and (4) building maintenance, which includes scheduled painting, maintenance, fire safety, garbage, and custodial services. This item also includes charges from Consolidated Mail Services (CMS). The charge includes a fixed charge based on volume plus a surcharge for each piece of mail handled. (Motor Vehicle Fund-State)</p> <p>AGY VER: 3.6 M
STC VER: 3.4 M Reflects updated figures from OFM.
HSE VER: 3.4 M
CNF VER: 3.4 M
ENACTED: 3.4 M</p> |
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Department of Transportation Program U - Charges from Other Agencies

6. PERSONNEL SERVICES - Personnel services provided by the Department of Personnel (DOP) include merit system oversight, recruitment and testing, referral of candidates, Washington Management Service, diversity and affirmative action, employee development and training, employee assistance, human resource information systems, and labor consultation. The charge to the Department is equal to a percentage of its classified salaries. The percentage is set at a level that generates the required funding for DOP. (Motor Vehicle Fund-State)

* Please see the 1997 Supplemental Transportation Budget section for additional information.

AGY VER: 2.4 M
STC VER: 2.2 M Reflects updated figures from OFM.
HSE VER: 2.2 M
CNF VER: 2.2 M
ENACTED: 2.2 M

7. SELF INSURANCE-MOTOR VEHICLE FUND - This item provides the Department's share of funding to cover highway liabilities within the state's self-insurance program, as well as administrative charges from the state's risk management office. Contributions to the program are determined by the state's risk manager through actuarial study, consultation, and advice from the Risk Management Advisory Committee, and concurrence by OFM. (Motor Vehicle Fund-State)

AGY VER: 12.1 M
STC VER: 12.5 M Reflects updated figures from OFM.
HSE VER: 12.1 M
CNF VER: 12.1 M
ENACTED: 12.1 M

8. SELF INSURANCE-FERRY OPERATING ACCT - This item provides the Department's share of funding to cover ferry system liabilities paid from the state's self-insurance program, administrative charges from the state's risk management office, and commercial liability insurance excess to the master marine insurance program. Ferry system obligations are reimbursed to the self-insurance program monthly. Funding estimates are derived from the state risk manager's actuarial study. (Puget Sound Ferry Operations Account-State)

AGY VER: 3.1 M
STC VER: 2.9 M Reflects updated figures from OFM. In addition, \$500,000 is appropriated in the 1997 Supplemental Transportation Budget to cover higher-than-anticipated tort payments for the 1995-97 biennium.
HSE VER: 2.9 M
CNF VER: 2.9 M
ENACTED: 2.9 M

9. OMWBE - The Office of Minority and Women's Business Enterprises (OMWBE) develops, plans, and implements programs designed to increase participation by minority and women's businesses in the state's purchasing and contracting. OMWBE certification allows these businesses to participate in WSDOT projects. WSDOT's payment to OMWBE is based on the Department's cost of goods and services and contractor payments for FY 93 through FY 95 relative to the total of those items attributable to all agencies using OMWBE services. (Motor Vehicle Fund-State)

AGY VER: 0.5 M
STC VER: 0.7 M Reflects updated figures from OFM.
HSE VER: 0.5 M
CNF VER: 0.5 M
ENACTED: 0.5 M

10. CAPITAL PROJECTS SURCHARGE - This item funds charges from the Department of General Administration for capital rehabilitation projects on the Capitol Campus, including the Transportation Building. (Motor Vehicle Fund-State)

AGY VER: 0.7 M
STC VER: 0.7 M
HSE VER: 0.7 M
CNF VER: 0.7 M
ENACTED: 0.7 M

Department of Transportation
Program W - Washington State Ferries - Capital
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	238,150	238,150	238,150	238,150
1997-99 Maintenance Level	203,634	203,634	203,634	203,634
Policy Items				
1. Delete 2nd Passenger Only Ferry	-11,118	0	0	0
2. Reappropriations-Ferry Capital	16,302	16,301	16,301	16,301
3. Acquire 4th Jumbo Mark II Vessel	0	57,461	57,461	7,461
4. Reduction--Super Vessel Renovation	0	-2,658	-2,658	-2,658
Total 1997-99 Biennium	208,818	274,738	274,738	224,738

Comments:

- The STC version includes a proviso directing the Department to use \$2.028 million of the Puget Sound Capital Construction Account-State appropriation for capital improvements to meet U.S. Coast Guard Subchapter W regulation revisions impacting SOLAS (Safety of Life at Sea) requirements on vessels operating on the Anacortes to Sidney, B.C. ferry route. This expenditure would allow ferry service on the Anacortes to Sidney route to continue. While the STC budget would upgrade two vessels, the HTC budget would upgrade only one vessel. The Conference and Enacted versions allow upgrading of two vessels but do not identify a specific expenditure amount.
- CNF VER: 57.5 M Because SHB 2108 did not pass during the 1997 Legislative Session, this funding will not be used to acquire a fourth Jumbo Mark II vessel; by proviso, \$7.5 million of this amount may be used for Super vessel renovation.
- ENACTED: 7.5 M Because SHB 2108 did not pass, \$50.0 million of the appropriation lapses; \$7.5 million may be used for Super vessel renovation.
- DELETE 2ND PASSENGER ONLY FERRY** - Funding to construct a second passenger only fast ferry is not provided. Construction of this ferry was scheduled to begin in the first half of calendar year (CY) 1998 and take about one year to complete. The first passenger only fast ferry is due for completion in early CY 1998. (Puget Sound Capital Construction Account-State, Puget Sound Capital Construction Account-Federal)

STC VER: -11.1 M

HSE VER: 0 M Funds construction of second passenger-only vessel.

CNF VER: 0 M Funds construction of second passenger-only vessel.

ENACTED: 0 M Funds construction of second passenger-only vessel.
 - REAPPROPRIATIONS-FERRY CAPITAL** - This item reflects updated information on funding that will be carried forward into the 1997-99 biennium. (Puget Sound Capital Construction Account-State, Puget Sound Capital Construction Account-Federal, Puget Sound Capital Construction Account-Local, Puget Sound Capital Construction Account-Bonds; Passenger Ferry Account-State)

STC VER: 16.3 M Reflects Transportation Commission March update.

HSE VER: 16.3 M

CNF VER: 16.3 M

ENACTED: 16.3 M
 - ACQUIRE 4TH JUMBO MARK II VESSEL** - Funding is provided for the acquisition of a fourth Jumbo Mark II ferry. This appropriation covers a portion of design and construction costs and for payments related to the lease-purchase of the vessel's engines and propulsion system. The appropriation is contingent on passage of SHB 2108. If SHB 2108 fails, \$7.461 million of the appropriation may be used for preservation or renovation of Super class ferries. (Puget Sound Capital Construction Account-State)

HSE VER: 57.5 M
 - REDUCTION--SUPER VESSEL RENOVATION** - In order to finance the fourth Jumbo Mark II vessel, renovation of Super class vessels must be deferred. (Puget Sound Capital Construction Account-State)

HSE VER: -2.7 M

CNF VER: -2.7 M Because SHB 2108 did not pass during the 1997 Legislative Session, \$7.5 million of the appropriation provided for acquiring a fourth Jumbo Mark II vessel may be used for Super vessel renovation.

ENACTED: -2.7 M The \$7.5 million retained under the appropriation for the fourth Jumbo Mark II vessel covers the reduction in Super vessel renovation in this item.

Department of Transportation
Program X - Washington State Ferries
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	247,188	247,188	247,188	247,188
1997-99 Maintenance Level	263,983	257,669	265,078	265,078
Policy Items				
1. General Inflation	0	-2,144	0	0
2. Increase Auto Ferry Service	1,021	0	477	477
3. Terminal Traffic Mgmt Improvements	1,126	0	127	127
4. Temporary Super Class Engine Crew	2,070	0	0	0
5. Radio/Electronic Communications	174	0	173	173
6. Operations Manual Contract	212	0	0	0
7. Automated Ticket Vending Delay	-614	-614	-614	-614
8. Implement MIS Policies	1,578	308	551	551
9. Continue Anacortes-Sidney Route	1,566	1,566	1,566	1,566
Total 1997-99 Biennium	271,116	256,785	267,358	267,358

Comments:

- GENERAL INFLATION** - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Marine Operating Account-State)

AGY VER: 4.1 M Provided in Maintenance Level.
STC VER: 4.0 M Reflects February 18, 1997, Transportation Commission update; includes \$1.807 million for fuel index cost increase and \$2.144 million for non-labor and non-fuel inflation; reduction reflected in maintenance (ERL) level total.
HSE VER: 1.8 M Funds fuel index cost increase only.
CNF VER: 4.0 M
ENACTED: 4.0 M

CNF VER: 0.5 M Includes Fauntleroy-Vashon-Southworth weekend service only; other items in this request will be reviewed after completion of performance audit; this is an ongoing cost and must be biennialized in the succeeding biennium.
ENACTED: 0.5 M Same as CNF VER.
- INCREASE AUTO FERRY SERVICE** - Additional vehicle ferry service is funded as follows:

 - Fauntleroy-Vashon-Southworth:** Increases weekend service in spring and fall from no hours on Saturday, no hours on 10 Sundays from January through early March, and 8 hours on the remaining Sundays, to 8 hours on each Saturday and Sunday of the fall period. Increases weekend summer service from 8 hours on Saturday and Sunday to 16 hours on Saturday and Sunday -- \$477,000.

AGY VER: 1.3 M Includes \$177,000 for San Juan traffic control funded in maintenance (ERL) level.
STC VER: 1.3 M
HSE VER: 0 M San Juan traffic control may be funded in second year if new gas tax revenue bill passes that includes revenue for the Washington State Ferries (WSF); deletes Anacortes pedestrian traffic control and Clinton traffic attendant; Mukilteo-Clinton third toll booth and Port Townsend-Keystone traffic management held pending LTC audit.
 - Edmonds-Kingston:** Adds a Steel Electric vessel as a third unscheduled boat for 10 hours per day on each Friday, Saturday, Sunday, and Monday during the 14-week summer schedule -- \$301,000.

CNF VER: 0.1 M Includes one-year funding for Anacortes pedestrian enhancements; all of the items in this request will be reviewed after completion of the performance audit; this is an ongoing cost.
ENACTED: 0.1 M Same as CNF VER.
 - Anacortes-San Juan:** Provides a phased transition into and out of the summer schedule by increasing capacity during the first two weeks of the fall schedule and the last two weeks of the spring schedule. The service adjustment is made in FY 98 only in anticipation of a larger vessel reassignment with the introduction of the jumbo ferries -- \$164,000.

AGY VER: 2.1 M Includes \$177,000 for San Juan traffic control funded in maintenance (ERL) level.
STC VER: 2.1 M
HSE VER: 0 M San Juan traffic control may be funded in second year if new gas tax revenue bill passes that includes revenue for the Washington State Ferries (WSF); deletes Anacortes pedestrian traffic control and Clinton traffic attendant; Mukilteo-Clinton third toll booth and Port Townsend-Keystone traffic management held pending LTC audit.
 - Anacortes Terminal Agent:** Increases agent coverage by 3 hours per day, 7 days per week, for fall, winter, and spring -- \$77,000. (Marine Operating Account-State)

AGY VER: 2.1 M
STC VER: 2.1 M
HSE VER: 0 M
CNF VER: 0 M Funding not needed in first year for this item; will be reviewed after completion of the performance audit.
ENACTED: 0 M Same as CNF VER.

AGY VER: 1.0 M
STC VER: 1.0 M Reflects \$51,000 increase per February 18, 1997, Transportation Commission update.
HSE VER: 0 M The request for additional service at Edmonds-Kingston will be reconsidered after the Legislative Transportation Committee (LTC) audit is completed.
- TEMPORARY SUPER CLASS ENGINE CREW** - One of the Super Class ferries was previously scheduled to be out of service for renovation during the 1997-99 biennium. This renovation has been deferred. Funds are provided to operate the vessel in the 1997-99 biennium. (Marine Operating Account-State)

AGY VER: 2.1 M
STC VER: 2.1 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M

Department of Transportation
Program X - Washington State Ferries

5. RADIO/ELECTRONIC COMMUNICATIONS - Funds are provided to add a second position to install and maintain vessel, terminal, and system-wide communications equipment. This will decrease the repair response time, equipment down time, and frequency of repair, resulting in better Federal Communications Communications and Coast Guard compliance. This item includes \$44,000 of one-time cost; the remaining cost is ongoing. (Marine Operating Account-State)

STC VER: 1.6 M
HSE VER: 1.6 M
CNF VER: 1.6 M
ENACTED: 1.6 M

AGY VER: 174 K
STC VER: 174 K
HSE VER: 0 K Held pending LTC audit.
CNF VER: 173 K
ENACTED: 173 K

6. OPERATIONS MANUAL CONTRACT - This item provides technical writing services for three operations Department projects. (Marine Operating Account-State)

AGY VER: 212 K
STC VER: 212 K
HSE VER: 0 K Held pending LTC audit.
CNF VER: 0 K Will be reviewed after completion of the performance audit.
ENACTED: 0 K Will be reviewed after completion of the performance audit.

7. AUTOMATED TICKET VENDING DELAY - The acquisition of the automated fare vending equipment has been delayed pending final agreement among affected transit agencies. Demonstration testing will occur in 1996 and 1997 with implementation scheduled for the 1999-2001 biennium. Funding is removed for operational support of the automated ticket vending program in the 1997-99 biennium. (Marine Operating Account-State)

AGY VER: -0.6 M
STC VER: -0.6 M
HSE VER: -0.6 M
CNF VER: -0.6 M
ENACTED: -0.6 M

8. IMPLEMENT MIS POLICIES - Funds are provided for ongoing support of the Point of Sale System (POS), the Automated Revenue Control System (ARCS), and the Maintenance Management System (MMS) which were developed in the 1995-97 biennium capital budget; remote work site support; automation of several operations support systems; and computer equipment replacement. The automation of operations support systems is a one-time cost; the remaining costs are ongoing. (Marine Operating Account-State)

AGY VER: 1.6 M
STC VER: 1.6 M
HSE VER: 0.3 M Provides one-year funding for ongoing support of data systems; other items held pending LTC audit.
CNF VER: 0.6 M First-year funding is provided for support of remote workstations, support of the POS, ARCS, and MMS systems, and development of automated operations support system; these three items and the WSDOT MIS directives item will be reviewed after the completion of the performance audit.
ENACTED: 0.6 M Same as CNF VER.

9. CONTINUE ANACORTES-SIDNEY ROUTE - Funding is provided for additional operating costs associated with implementing U.S. Coast Guard Subchapter W requirements on the Anacortes to Sidney, B.C. ferry route. Subchapter W requires the ferry system to provide crew configurations that can meet criteria for passenger evacuation and other emergency procedures. This appropriation, along with continued funding in the Program X budget base and funding provided in the ferry capital budget to meet U.S. Coast Guard required structural improvements, will allow the Anacortes-Sidney route to continue. This item includes about \$474,000 of one-time cost; the remaining cost is ongoing. (Marine Operating Account-State)

Department of Transportation
Program Y - Transit & Rail - Operating
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	38,161	38,161	38,161	38,161
1997-99 Maintenance Level	47,683	47,683	47,683	47,683
Policy Items				
1. General Inflation	-1,834	-1,834	-1,834	-1,834
2. Fed/Local Approps to Fiduciary Fund	0	0	-8,452	-8,452
3. Commute Trip Reduction	668	600	600	600
4. Rural Mobility Grants	0	-1,000	0	0
5. CTR--Interjurisdictional Coordinatn	0	75	75	75
6. Delete Milwaukee Corridor Valuation	-616	0	-616	-616
7. Council--Coordinated Transportation	2,000	1,000	1,000	1,000
8. Fund Adjustment	0	0	0	0
9. Adjust HCT Fund to Agency Request	0	0	-1,305	-1,305
Total 1997-99 Biennium	47,901	46,524	37,151	37,151

Comments:

- The Enacted version of the budget for this program provides \$20.5 million for intercity rail passenger operations, including \$12 million for daily operations of one round-trip between Seattle and Vancouver, B.C. and two round-trips between Seattle and Portland; \$5 million for maintenance of two Talgo trainsets; and \$3.5 million for program administration, marketing, and consulting. The elimination of inflation for the program results in the overall appropriation being reduced to \$19.8 million and the \$3.5 million for administration being reduced to \$2.8 million. (Transportation Fund-State)
- HSE VER: 0.6 M From High Capacity Transportation Account; would only be used to implement SHB 1513 (Enhancing Transportation Demand Management) if passed.
- CNF VER: 0.6 M From High Capacity Transportation Account; will be used to implement Chapter 250, Laws of 1997 (SHB 1513) which passed the Legislature.
- ENACTED: 0.6 M Same as CNF VER.
- GENERAL INFLATION** - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal; High Capacity Transportation Account-State, High Capacity Transportation Account-Federal, High Capacity Transportation Account-Local; Air Pollution Control Account-State)

AGY VER: 1.8 M Provided in Maintenance Level.
STC VER: 0 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M
 - FED/LOCAL APPROPS TO FIDUCIARY FUND** - Chapter 94, Laws of 1997 (SHB 1010) created a non-appropriated fiduciary fund for federal pass-through dollars and 100 percent reimbursable sales and services to others. This item deducts such appropriations from the transportation budget. In total, \$271.685 million of appropriations are deducted from the budget and will be processed through the new account. (Transportation Fund-Federal)

CNF VER: -8.5 M
ENACTED: -8.5 M
 - COMMUTE TRIP REDUCTION** - Additional funding is provided for counties and jurisdictions to attain their Commute Trip Reduction (CTR) goals. This will be the first increase in the program level since it was first implemented in 1991. The Department will grant funds to counties for marketing and promotion of CTR, for support of on-site services, and to help the jurisdictions design a program. There are currently 9 counties and 860 employers in the CTR program. This is an ongoing cost. (High Capacity Transportation Account-State)

AGY VER: 0.7 M Funded from Air Pollution Control Account (APCA).
STC VER: 0.7 M Funded from Transportation Fund; revenue not available in projected APCA fund balance.
 - RURAL MOBILITY GRANTS** - The 1995-97 Transportation Budget provided a one-time appropriation of \$1.0 million from the Public Transportation Systems Account (PTSA) for Rural Mobility grants. This item removes the \$1.0 million PTSA funding from the grant program, leaving \$1.5 million from the Transportation Fund (TF) to support the program. This is an ongoing cost. (Public Transportation Systems Account-State; Transportation Fund-State)

AGY VER: -1.0 M
STC VER: 0 M Adds \$1.0 million from TF-State to restore program to \$2.5 million level.
HSE VER: -1.0 M Restores \$1.0 million PTSA-State funding and deletes \$1.0 million TF-State (total of \$1.5 million including \$1.0 million PTSA and \$500,000 TF provided for grant program).
CNF VER: 0 M Adds \$1.0 million from TF-State to \$1.5 million of TF-State in budget base; maintains program at \$2.5 million level; no PTSA-State funds included.
ENACTED: 0 M Same as CNF VER.

Department of Transportation
Program Y - Transit & Rail - Operating

5. CTR--INTERJURISDICTIONAL COORDINATN - Funding is provided to help employers in the nine counties subject to the commute trip reduction (CTR) law meet their goals by identifying problem areas and assisting with their resolution. Included is \$4.6 million to be provided as competitive grants. This item is added as part of the January 15, 1997, Current Law Budget update. (High Capacity Transportation Account-State)

AGY VER: 6.1 M
STC VER: 0 K
HSE VER: 75 K Funds cost to develop a strategy for enhancing the CTR program; report of results must be provided to LTC by January 1, 1998.
CNF VER: 75 K Funds cost to develop a strategy for enhancing the CTR program; report of results must be provided to LTC by January 1, 1998; this is a one-time expenditure.
ENACTED: 75 K Same as CNF VER.

6. DELETE MILWAUKEE CORRIDOR VALUATION - Funding is reduced to \$150,000 for the valuation assessment of the Milwaukee Road corridor between Ellensburg and Lind and funding is eliminated for negotiation of a franchise with a rail carrier to maintain a rail line over portions of the corridor. The \$150,000 appropriation is a one-time cost. (Transportation Fund-State)

STC VER: -0.6 M
HSE VER: 0 M
CNF VER: -0.6 M \$150,000 is left in the budget for the valuation assessment of the Milwaukee Road corridor between Ellensburg and Lind.
ENACTED: -0.6 M Same as CNF VER.

7. COUNCIL--COORDINATED TRANSPORTATION - Funding is provided to the Department for administration of the Agency Council on Coordinated Transportation (ACCT), demonstration projects highlighting coordination between state agency and local agency transportation providers, and special needs assessments. Funding is provided to carry out the provisions identified in SHB 2166 which did not pass the Legislature. This is a one-time appropriation. (Transportation Fund-State, Central Puget Sound Public Transportation Account-State)

STC VER: 2.0 M Includes \$2.0 million TF-State.
HSE VER: 1.0 M Includes \$0.5 million TF-State and \$0.5 million CPSPTA.
CNF VER: 1.0 M Includes \$750,000 TF-State and \$250,000 CPSPTA-State.
ENACTED: 1.0 M Same as CNF VER.

8. FUND ADJUSTMENT - Appropriation requests from the Motor Vehicle Fund (MVF) are transferred to the Transportation Fund (TF) which is the appropriate fund source for transit/rail activities. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Transportation Fund-State, Transportation Fund-Federal)

STC VER: 0 Transfers \$142,000 from MVF-State to TF-State and \$566,000 from MVF-Federal to TF-Federal.
HSE VER: 0 Same as STC VER.
CNF VER: 0 Same as STC VER.
ENACTED: 0 Same as STC VER.

9. ADJUST HCT FUND TO AGENCY REQUEST - Reduces base by \$1.305 million to reflect a revised estimate for grant program for local agencies for high capacity transportation (HCT) planning. (High Capacity Transportation Account-State)

CNF VER: -1.3 M
ENACTED: -1.3 M

Department of Transportation
Program Y - Transit & Rail - Capital
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures *	24,483	24,483	24,483	24,483
Policy Items				
1. Freight Rail Assistance Program	756	1,006	1,006	1,006
2. High Speed Passenger Rail	18,346	22,846	22,846	22,846
3. Reappropriations-Rail Capital	4,599	4,599	4,599	4,599
Total 1997-99 Biennium	23,701	28,451	28,451	28,451

Comments:

- FREIGHT RAIL ASSISTANCE PROGRAM** - This item includes \$256,000, the remaining estimated balance from the Essential Rail Assistance Account, and \$1.0 million of funding to replace funding historically received from the Federal Rail Administration (FRA). The FRA funding was used as grants and loans to railroads and public agencies to address light density rail line needs. (Essential Rail Assistance Account-State, Transportation Fund-State)

AGY VER: 1.3 M
STC VER: 0.8 M Includes \$256,000 from Essential Rail Assistance Account and \$500,000 from Transportation Fund-State.
HSE VER: 1.0 M Includes \$256,000 from Essential Rail Assistance Account and \$750,000 from High Capacity Transportation Account-State.
CNF VER: 1.0 M Includes \$256,000 from Essential Rail Assistance Account and \$750,000 from High Capacity Transportation Account-State.
ENACTED: 1.0 M Same as CNF VER.

CNF VER: 22.8 M From TF-State: \$9.0 million for train set acquisition including spare power car; \$0.5 million for completion of corridor EIS; and \$10.8 million for track system capital improvements, including \$1.8 million for upgraded activation at 17 grade crossings between Seattle and Sumner, \$7.0 million for higher speed (No. 24) crossovers, and \$2.0 million for improvements to bridge locks 11 and 12 in the Marysville area. From HCTA-State: \$2.5 million for rehabilitation of King Street Station.
ENACTED: 22.8 M Same as CNF VER.
- HIGH SPEED PASSENGER RAIL** - The high speed passenger rail program is a partnership of the Department, AMTRAK, Burlington Northern Santa Fe Railroad Company, Oregon, British Columbia, and regional/local jurisdictions. This program provides the funding for the capital costs of the Talgo train set lease purchase, King Street Station depot, and track improvements. To fund the program at a level consistent with the 20-year Transportation System Plan, the high speed passenger rail capital program is funded at \$30.9 million. This funding will be used as follows: \$9.0 million for train set acquisition including spare power car; \$5.0 million for rehabilitation of King Street Station; \$6.0 million grade separation/crossing treatment design; \$0.5 million for completion of corridor Environmental Impact Statement (EIS); and \$10.4 million for track system capital improvements that will allow increased train speeds and design a centralized (rail) traffic control system. (Transportation Fund-State; High Capacity Transportation Account-State)

AGY VER: 30.9 M All from TF-State.
STC VER: 18.3 M Deletes \$6.0 million of partnering funds for grade crossing improvements; \$5.0 million for King Street Station rehabilitation; and \$1.6 million for centralized traffic control near King Street Station.
HSE VER: 22.8 M Reduces TF-State by \$1.6 million for centralized traffic control, \$4.0 million for design work on grade crossing upgrade/separation needs, and by \$5.0 million for King Street Station; adds \$2.5 million HCTA-State for King Street Station renovation.

STC VER: 4.6 M Reflects Transportation Commission March update.
HSE VER: 4.6 M
CNF VER: 4.6 M
ENACTED: 4.6 M
- REAPPROPRIATIONS-RAIL CAPITAL** - This item reflects updated information on capital project funding for freight rail and intercity passenger rail that will be carried forward into the 1997-99 biennium. (Transportation Fund-State, Transportation Fund-Federal)

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Transportation
Program Z - Financial Assistance - Operating
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	11,732	11,732	11,732	11,732
1997-99 Maintenance Level	8,255	8,255	8,255	8,255
Policy Items				
1. General Inflation	-86	-86	-86	-86
2. Transfer Wahkiakum Ferry to Pgm Z	0	0	399	399
3. Appropriation Adjustment	-307	-307	-307	-307
4. FMAC Implementation/Support	0	500	500	500
Total 1997-99 Biennium	7,862	8,362	8,761	8,761

Comments:

1. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal)

AGY VER: 86 K Provided in Maintenance Level.
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

2. TRANSFER WAHKIAKUM FERRY TO PGM Z - The state subsidy for the Wahkiakum County Puget Island ferry is transferred from Program R to Program Z-Operating. This is an ongoing cost. (Motor Vehicle Fund-State)

CNF VER: 399 K
 ENACTED: 399 K

3. APPROPRIATION ADJUSTMENT - This item adjusts appropriations to available revenues. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Transfer Relief Account-State)

STC VER: -307 K Includes \$102,000 MVF-State; (\$102,000) MVF-Federal; and (\$307,000) TRA-State
 HSE VER: -307 K
 CNF VER: -307 K
 ENACTED: -307 K

4. FMAC IMPLEMENTATION/SUPPORT - Funding is provided to the TransAid Division (with assistance from other appropriate divisions) to administer as follows: consultant support necessary to assist the Department in developing project eligibility and prioritization criteria, as directed by the Freight Mobility Advisory Committee (FMAC); collecting data necessary to designate strategic freight corridors; and providing goods, services, and equipment, including printing, for meetings. This is a one-time appropriation. (High Capacity Transportation Account-State)

HSE VER: 0.5 M
 CNF VER: 0.5 M
 ENACTED: 0.5 M

Department of Transportation
Program Z - Financial Assistance - Capital
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	217,550	217,550	217,550	217,550
1997-99 Maintenance Level	277,192	277,192	277,192	277,192
Policy Items				
1. Fed/Local Approps to Fiduciary Fund	0	0	-245,000	-245,000
2. Spokane Street Median Barrier	750	0	0	0
3. Demo Project Bonds-Reappropriation	0	1,725	1,725	1,725
Total 1997-99 Biennium	277,942	278,917	33,917	33,917

Comments:

1. FED/LOCAL APPROPS TO FIDUCIARY FUND - Chapter 94, Laws of 1997 (SHB 1010) created a non-appropriated fiduciary fund for federal pass-through dollars and 100 percent reimbursable sales and services to others. This item deducts such appropriations from the transportation budget. In total, \$271.685 million of appropriations are deducted from the budget and will be processed through the new account. (Motor Vehicle Fund-Federal, Motor Vehicle Fund-Local)

CNF VER: -245 M Includes \$240 million MVF-Federal and \$5 million MVF-Local.
ENACTED: -245 M Same as CNF VER.

2. SPOKANE STREET MEDIAN BARRIER - Funding is provided as the state's share of project costs to place a median barrier on the Spokane Street viaduct in Seattle. The funding is dependent upon an equal commitment of funds for the project from the Port of Seattle, the City of Seattle, and King County. The total project is estimated at \$3.0 million. (Motor Vehicle Fund-State)

STC VER: 0.8 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M

3. DEMO PROJECT BONDS-REAPPROPRIATION - An appropriation is made to carry forward bond authority from the 1995-97 biennium for federal demonstration projects off the state system. (Motor Vehicle Fund-Bonds)

HSE VER: 1.7 M Increases bond authority to \$1.785 million.
CNF VER: 1.7 M
ENACTED: 1.7 M

* Please see the 1997 Supplemental Transportation Budget section for additional information.

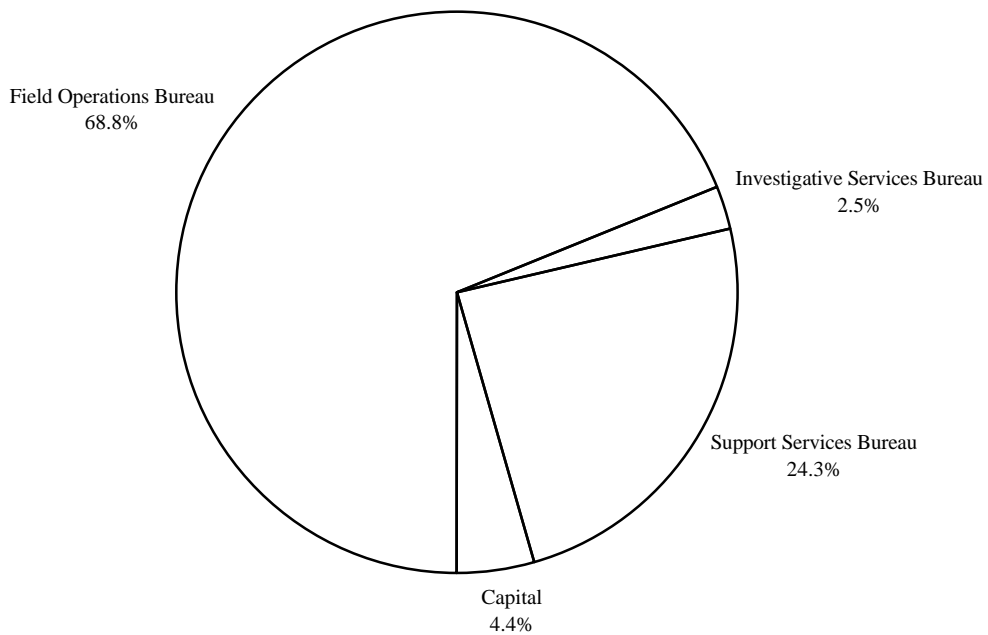
1997-99 Washington State Transportation Budget

Total Appropriated Funds

(Dollars in Thousands)

WASHINGTON STATE PATROL

Total Operating and Capital



Washington State Patrol	
Field Operations Bureau	172,613
Investigative Services Bureau	6,317
Support Services Bureau	61,030
Capital	11,075
Total	251,035

Washington State Patrol
Field Operations Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	156,389	156,389	156,389	156,389
1997-99 Maintenance Level	159,980	159,980	159,980	159,980
Policy Items				
1. Additional 8 Investigators	0	1,298	0	0
2. Federal Grant - Additional Troopers	0	3,753	3,753	3,753
3. General Inflation	-952	-952	-952	-952
4. Fund Shift to GF-S	-761	-761	0	0
5. 89 New Cadets/Traffic Law Enforce	7,100	0	0	0
6. Clerical Support - MAIT Team	0	82	82	82
7. Transfer to the Transportation Fund	0	0	0	0
8. 12 Troopers	0	0	1,400	1,400
9. Recognition Drug Expert Training	0	150	150	150
10. Equalization Salary Adjustment	0	0	8,200	8,200
Total 1997-99 Biennium	165,367	163,550	172,613	172,613

Comments:

The Field Operations Bureau is responsible for traffic law enforcement; motorist assistance on Washington State highways; collision investigations; truck enforcement operations; auto theft cases; vehicle license fraud cases; vessel and ferry terminal security; breath tests; and aviation services. On March 31, 1996, there were 658 patrol officers. The addition of 30 motorcycle officers, 8 pilots, and 29 other various assignments provides for a total trooper level of 725. On June 30, 1997, the authorized trooper level is 735 troopers. With the addition of the 54 Community Orientated Policing Services (COPS) troopers/investigators and 12 new troopers, the Washington State Patrol (WSP) trooper level will be 801 on June 30, 1999 including the new investigators. (State Patrol Highway Account-State, State Patrol Highway Account-Federal, State Patrol Highway Account-Local, Transportation Fund-State)

1. ADDITIONAL 8 INVESTIGATORS - This item funds an additional eight investigators beginning July 1997. The Traffic Investigation Division (TID) personnel assist line troopers in four major program areas: collision investigation; vehicle license fraud; felony follow-up investigation; and auto theft cases. (State Patrol Highway Account-State)

AGY VER: 1.298 M
 GOV VER: 0 M
 STC VER: 0 M
 HSE VER: 1.298 M

2. FEDERAL GRANT - ADDITIONAL TROOPERS - Provides state match funding for a federal grant from the Department of Justice's Universal Hiring Program. The item funds 54 traffic troopers/investigators and equipment who will initiate a decentralized statewide community-oriented traffic safety program. The federal match is for salaries, but does not include training, vehicles, or equipment. The state and federal funding is for three years. First year federal match is \$1.1 million; second year \$2.6 million; third year \$350,000; and the fourth year \$0. If the State decides to keep the 54 COPS troopers, it will need to provide 100 percent of the funding beginning in the fourth year. Otherwise, the trooper level will return to a level of 747 by the fourth year through attrition. The 54 FTEs include investigator positions and are included in the total count of traffic troopers. The total count of traffic troopers will be 801 at the end of FY 99, including the investigators and the 12 additional troopers also funded within the 1997-99 Transportation Budget. Response level performance measurement will be approximately 72 percent based on the Patrol Allocation Model (PAM) at the 801 traffic trooper level.

(State Patrol Highway Account-State, State Patrol Highway Account-Federal)

AGY VER: 4.1 M 36 COPS Troopers beginning July 1, 1997
 GOV VER: 3.9 M 36 COPS Troopers beginning July 1, 1997

STC VER: 0 M
 HSE VER: 3.8 M 54 COPS Troopers (18 COPS Troopers beginning in July 1998 and 36 COPS Troopers beginning in January 1999).

CNF VER: 3.8 M 54 COPS Troopers/Investigators (18 COPS Troopers/Investigators beginning in July 1998 and 36 COPS Troopers/Investigators beginning in January 1999).

ENACTED: 3.8 M 54 COPS Troopers/Investigators (18 COPS Troopers/Investigators beginning in July 1998 and 36 COPS Troopers/Investigators beginning in January 1999).

3. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is the estimated increase in costs of performing the same level of service or amount of workload due to inflation. (Motor Vehicle Fund-State, State Patrol Highway Account-State, Marine Operating Account-State)

AGY VER: 952 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

Washington State Patrol Field Operations Bureau

4. FUND SHIFT TO GF-S - This item transfers to the General Fund the activities assumed in the 1993-95 biennium by the Transportation Funds as a temporary funding due to the General Fund being overappropriated. The activities include the Governor's air travel, the license fraud program, and the special services bomb unit. The transportation funds have funded the activities during the 1993-95 and 1995-97 biennia.
- AGY VER: -761 K
GOV VER: 0 K
STC VER: -761 K
HSE VER: -761 K
CNF VER: 0 K
ENACTED: 0 K
5. 89 NEW CADETS/TRAFFIC LAW ENFORCE - Funding is provided for 89 new troopers to be assigned to traffic law enforcement activities on Washington State highways to maintain a 75 percent service level to the public. In addition to the existing three trooper classes for normal attrition in the WSP budget, a class of 45 cadets shall begin in January 1998 and a class of 44 cadets shall begin in July 1998. The Washington State Patrol will consistently maintain, including attrition, a trooper level of not less than 824 commissioned officers (735 current and 89 new cadets) at the end of the July 1998 cadet class. Troopers will be deployed using the Patrol Allocation Model (PAM). If the new cadets are deployed to an area in which the Vessel and Terminal Security (VATS) program is located, the new cadets will be trained and will participate in the program as part of their assigned duties allowing existing VATS officers to be reassigned to traffic enforcement activities on the Washington State highways.
- Authorization is granted to use the COPS federal funding program for 54 of the new cadets. A personnel database will be maintained of the 824 commissioned officers, with a reconciliation at all times to PAM and vehicle assignment/replacement plan. (Transportation Fund-State)
- AGY VER: 0 M
GOV VER: 0 M
STC VER: 7.1 M
HSE VER: 0 M
CNF VER: 0 M
ENACTED: 0 M
6. CLERICAL SUPPORT - MAIT TEAM - This item funds a clerical support person to assist the team with a result of taking on additional investigations. The Major Accident Investigation Team (MAIT) is a joint operation with personnel from the WSP and the Washington State Department of Transportation (WSDOT) and is operationally under the leadership of the WSP. The team was initiated in early 1991 because certain types of severe accidents require intensive investigation to determine all of the factors leading to the accident or injuries. The team operates out of a north Seattle office location. The present staffing is two WSP Sergeants, 1 Transportation Engineer 3, and a Tort Claims Investigator 1/Vehicle Systems Analyst. (State Patrol Highway Account-State)
- AGY VER: 0 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 82 K
CNF VER: 82 K
ENACTED: 82 K
7. TRANSFER TO THE TRANSPORTATION FUND - This item transfers to the Transportation Fund the activities assumed in the 1993-95 biennium by the Motor Vehicle Fund as a temporary funding due to the General Fund being overappropriated. The activities include the Governor's air travel, the License Fraud Program, and the Special Services Bomb Unit. The transportation funds have funded the activities during the 1993-95 and 1995-97 biennia. This is not a permanent funding source.
- AGY VER: 0 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K (-\$761,000 MVF-State,
\$761,000 TF-State)
ENACTED: 0 K Same as CNF VER.
8. 12 TROOPERS - Funds 12 WSP Troopers and related costs/equipment beginning in July 1997. Total number of troopers at the end of FY 99 will be 801 with the 54 additional COPS troopers/investigators. These positions are permanent positions. (State Patrol Highway Account-State)
- AGY VER: 0 M
GOV VER: 0 M
STC VER: 0 M
HSE VER: 0 M
CNF VER: 1.4 M
ENACTED: 1.4 M
9. RECOGNITION DRUG EXPERT TRAINING - This item appropriates \$150,000 from the State Patrol Highway Account to fund the WSP's portion of the Drug Recognition Expert Training Program previously funded by the Traffic Safety Commission. (State Patrol Highway Account-State)
- AGY VER: 0 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 150 K
CNF VER: 150 K
ENACTED: 150 K
10. EQUALIZATION SALARY ADJUSTMENT - This provides an equalization salary adjustment of 3 percent on July 1, 1997 and 6 percent on July 1, 1998 for 929 commissioned officers (entry level trooper through captain), 186 commercial vehicle enforcement officers, and 155 communication officers of WSP plus the 66 troopers added in the 1997-99 Transportation Budget. These adjustments are intended to bring the existing salary levels into the 50th percentile of other Washington State law enforcement compensation plans. This is in addition to the salary increase contained in the Omnibus Budget Bill. The total of the two increases may not exceed 12 percent. These funds can only be used for this purpose and any funds not used will revert to the Transportation Fund. The 9 percent pay increase will be paid from the Transportation Fund in future biennia, unless another revenue source is designated by the Legislature. The Omnibus Budget 3 percent pay increase will be paid from the State Patrol Highway Account. (Transportation Fund-State)
- AGY VER: 0 M
GOV VER: 0 M
STC VER: 0 M
HSE VER: 0 M
CNF VER: 8.2 M
ENACTED: 8.2 M

Washington State Patrol Field Operations Bureau

NOTE: The following General Fund activities are being temporarily funded. The General Fund will be assuming these activities in the 1999-2001 biennium:

Field Operations Bureau:	
Governor's Travel	\$320,000
License Fraud Investigation	\$300,000
Bomb Disposal Unit	\$168,000
Intergovernmental Services Bureau:	
Crime Labs	\$1,896,000
Identification Section	\$1,700,000
ACCESS	\$2,344,000
Support Services Bureau:	
Executive Protection	\$2,015,000
Revolving Fund Charges	\$704,000
Budget and Fiscal	\$384,000
Computer Services	\$1,994,000
Personnel/Human Resources, Administrative Services, and Property Management	\$343,000
Subtotal	\$12,168,000
1995-97 Pay Increases (Intergovernmental Services Bureau and Support Services Bureau)	\$253,512
1997-99 Pay Increases (Intergovernmental Services Bureau and Support Services Bureau)	\$276,328
New Total	\$12,698,000

Omnibus Budget Bill Pay Increase of 3 percent:
A 3 percent pay increase in the Omnibus Bill will be paid from the Washington State Patrol Highway Account for positions that are related to transportation activities.

Equalization Pay:
The 9 percent equalization pay will be paid from the Transportation Fund (Fund 230-1).

Amounts shown here reflect only the Transportation Budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Appropriations Act section of this document.

Washington State Patrol
Investigative Services Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	6,334	6,334	6,334	6,334
1997-99 Maintenance Level	6,387	6,387	6,387	6,387
Policy Items				
1. Fund Shift to GF-S	-6,387	-6,387	-70	-70
2. Transfer to the Transportation Fund	0	0	0	0
Total 1997-99 Biennium	0	0	6,317	6,317

Comments:

The Investigative Services Bureau provides assistance to the criminal justice community in criminal law enforcement and works closely with federal agencies in targeting specific areas of criminal activities within the state of Washington. Transportation provides funding for the Criminal History Records Division and crime laboratory division portion of the program. (Transportation Fund-State)

The ACCESS/WACIC (A Central Computerized Enforcement Service System/Washington Crime Information Center) Section provides linkage to the criminal justice community by interconnecting criminal justice agencies of the state and other state programs into a unified data communications system. This system provides data on: driver and vehicle license files; stolen property; wanted and missing persons; and other information of interest to law enforcement. The system also provides contact with other agencies nationwide through the National Law Enforcement Telecommunication System and access to the National Crime Information Center files.

- FUND SHIFT TO GF-S - Transfers expenditure responsibility back to General Fund-State (GF-S) as requested by the Washington State Patrol. (Motor Vehicle Fund-State \$4.686 million and Transportation Fund-State \$1.707 million). The transportation funds in this appropriation are used for traditional general fund purposes: crime laboratories -- provides forensic crime laboratory services to local law enforcement and criminal justice agencies across the state; ACCESS; and the identification section, which is responsible for performing criminal background checks and ACCESS feasibility study. Funding from the Motor Vehicle and Transportation Funds provided for the last two biennia is not a permanent funding source for these purposes. The Motor Vehicle Fund money is Amendment 18 of the State's Constitution and is supposed to be used for highway purposes only.

AGY VER: -6.393 M
 GOV VER: 0 M
 STC VER: -6.387 M
 HSE VER: -6.387 M
 CNF VER: 0 M
 ENACTED: 0 M

- TRANSFER TO THE TRANSPORTATION FUND - Transfers funding of General Fund activities from the Motor Vehicle Fund to the Transportation Fund. The transportation funds in this appropriation are used for traditional general fund purposes: crime laboratories -- provides forensic crime laboratory services to local law enforcement and criminal justice agencies across the state; ACCESS; and the identification section, which is responsible for performing criminal background checks and the ACCESS feasibility study. Funding from the Motor Vehicle and Transportation Funds provided for the last two biennia is not a permanent funding source for these purposes. The Motor Vehicle Fund money is Amendment 18 of the State's Constitution and is supposed to be used for highway purposes only. This is not a permanent funding source.

AGY VER: 0 M
 GOV VER: 0 M
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M (-\$4.7 million MVF-State,
 \$4.7 million TF-State)
 ENACTED: 0 M Same as CNF VER.

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Appropriations Act section of this document.

Washington State Patrol
Support Services Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	63,671	63,671	63,671	63,671
1997-99 Maintenance Level	59,541	59,541	59,541	59,541
Policy Items				
1. Year 2000 Conversion	1,017	1,017	1,017	1,017
2. Productivity Improvements & Studies	1,000	0	1,000	1,000
3. Fund Shift to the General Fund	-4,965	-4,965	0	0
4. General Inflation	-528	-528	-528	-528
5. Transfer to the Transportation Fund	0	0	0	0
Total 1997-99 Biennium	56,065	55,065	61,030	61,030

Comments:

- The Support Services Bureau consists of Training Academy, Human Resources, Administrative Services, Vehicle Fleet Section, Supply Section, Property Management Division, Accident Records Section, Electronic Communications Division, Emergency Communications, Computer Services Division, Office of the Chief, Office of Professional Services, Budget and Fiscal Services, Executive Protection Section, and the Explosives Unit. (State Patrol Highway Account-State, Transportation Fund-State)
1. YEAR 2000 CONVERSION - This is a one-time expenditure and contractors will be used to help finish remaining Year 2000 maintenance needed for statewide financial systems. The year 2000 impacts programs when the systems are working with years outside the range of 1900-1999 because a program has no way of interpreting whether "00" means 1900 or 2000. The Year 2000 project will be completed by January 1999 with a report to the Legislature. This provides funding for only the transportation systems and not the WACIC/WASIS/AFIS (Washington Crime Information Center/Washington State Identification System/Automated Fingerprint Identification System) and Fire Protection Services. The General Fund will be responsible for the General Fund-related systems or federal funding is being sought by the Washington State Patrol (WSP) for those systems according to the Department of Information Services. (State Patrol Highway Account-State)
- AGY VER: 1.062 M
 GOV VER: 1.017 M
 STC VER: 1.017 M
 HSE VER: 1.017 M
 CNF VER: 1.017 M
 ENACTED: 1.017 M
2. PRODUCTIVITY IMPROVEMENTS & STUDIES - This is a one-time expenditure to provide funding to implement productivity applications to the mobile computer network that include: computer-assisted collision reporting functions; computer-assisted citation reporting that will permit printing the citation form from the computer; a pilot exchange of information to local courts; and automating the time and activity reporting system. (\$900,000 State Patrol Highway Account-State)
- This item also funds two studies. The first study will assess the effects of mobile computers on trooper productivity by type of service. The study will pay particular attention to measuring productivity gains through reduction in administrative time and paper work processing. (\$50,000 State Patrol Highway Account- State)
- The second study will review the feasibility of improving the WSP's computer-aided dispatch system to permit tracking of trooper availability and response time to calls for service. (\$50,000 State Patrol Highway Account-State)
- AGY VER: 3.877 M
3. FUND SHIFT TO THE GENERAL FUND - These activities were funded by the Motor Vehicle Fund and the Transportation Fund only on a temporary basis for the 1993-95 and 1995-97 biennia.
- Items funded: Executive protection, revolving fund charges, Budget and Fiscal, Computer Services, Personnel/Human Resources, Administrative Services, and Property Management.
- AGY VER: -5.0 M
 GOV VER: 0 M
 STC VER: -5.0 M
 HSE VER: -5.0 M
4. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is the estimated increase in costs of performing the same level of service or amount of workload due to inflation. (Motor Vehicle Fund-State, State Patrol Highway Account-State, Transportation Fund-State)
- AGY VER: 528 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K
5. TRANSFER TO THE TRANSPORTATION FUND - These activities were funded by the Transportation Fund only on a temporary basis for the 1993-95 and 1995-97 biennia. This is temporary funding for the 1997-99 biennium.
- Items funded: executive protection, revolving fund charges, Budget and Fiscal, Computer Services, Personnel/Human Resources, Administrative Services, and Property Management.
- AGY VER: 0 M
 GOV VER: 0 M
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M (-\$2.3 million MVF-State, \$2.3 million TF-State)
 ENACTED: 0 M Same as CNF VER.

**Washington State Patrol
Support Services Bureau**

NOTE: Funding is provided for the WSP computer service center at \$4.3 million which is the 1995-97 current funding level for the center, with no savings recognized as outlined from the Technology Management Group Feasibility Study, recommending a consolidated service center for the Department of Transportation, the Department of Licensing, and WSP. During the 1997 interim, the costs for current level will be reviewed by the Office of Financial Management and the Department of Information Services with a formal recommendation which has been approved by the Information Services Board to the Legislature in January 1998. Current level funding will be split between FY 98 and FY 99 with consideration of funding adjustments based on the review and the formal policy and budget recommendations.

Amounts shown here reflect only the Transportation Budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Appropriations Act section of this document.

Washington State Patrol
Capital
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	11,034	11,034	11,034	11,034
Policy Items				
1. Minor Works - Preservation	970	500	500	500
2. Microwave Migration	4,400	4,400	4,400	4,400
3. Othello - Scale	150	75	75	75
4. SeaTac Northbound - Scale	150	150	150	150
5. WSP Training Academy-Repl HVAC	250	250	250	250
6. Yakima - Design/Constr Hdqtrs Bldg	5,700	0	5,700	5,700
Total 1997-99 Biennium	11,620	5,375	11,075	11,075

Comments:

These projects are Washington State Patrol (WSP) Capital Projects that are paid from transportation funds. Vehicle Identification Number (VIN) lanes are authorized for the WSP to be placed at facilities where service to the public would be enhanced by having the VIN lanes located with Department of Licensing (DOL), Department of Transportation (DOT), or Department of Ecology (DOE) facilities. All of the Capital projects in the 1997-99 biennium are funded from the State Patrol Highway Account, except the Yakima District Office Construction which is funded through the Transportation Fund (Fund 230). These are all one-time expenditures for all projects to be completed during the 1997-99 biennium.

STC VER: 4.4 M
 HSE VER: 4.4 M
 CNF VER: 4.4 M
 ENACTED: 4.4 M

1. MINOR WORKS - PRESERVATION - This project provides funds to make selected minor repairs and improvements: (State Patrol Highway Account-State)

ADA Enhancements \$200,000
 Communications Sites Maintenance \$100,000
 Port of Entry Spokane Roof \$60,000
 Emergency Repairs \$50,000
 Olympia Road Improvement (LID) \$90,000

AGY VER: 970 K Includes training academy drive course paving (470 K)
 GOV VER: 970 K Includes training academy drive course paving (470 K)
 STC VER: 970 K Includes training academy drive course paving (470 K)
 HSE VER: 500 K Includes the above listed items in the notes, but does not include the academy drive course paving.
 CNF VER: 500 K Includes the above listed items in the notes, but does not include the academy drive course paving.
 ENACTED: 500 K Includes the above listed items in the notes, but does not include the academy drive course paving.

3. OTHELLO - SCALE - This project will replace the existing non-operational scale system at the Othello weigh station. The existing scale is 12' x 10' where the scale from SeaTac will be 12' x 20' with a new platform being added. The larger platform will have ability to weigh 3- and 4-axle trucks. (State Patrol Highway Account-State)

AGY VER: 150 K New scale for Othello
 GOV VER: 150 K New scale for Othello
 STC VER: 150 K New scale for Othello
 HSE VER: 75 K Moving SeaTac scale to Othello
 CNF VER: 75 K Moving SeaTac scale to Othello
 ENACTED: 75 K Moving SeaTac scale to Othello

4. SEATAC NORTHBOUND - SCALE - The existing scale system will be replaced with a larger system with electronic load cells and readouts. The present scale is a 12' x 20' platform. The replacement system will be two 10' x 20' platforms capable of weighing 3- and 4-axle combinations. (State Patrol Highway Account-State)

AGY VER: 150 K
 GOV VER: 150 K
 STC VER: 150 K
 HSE VER: 150 K
 CNF VER: 150 K
 ENACTED: 150 K

5. WSP TRAINING ACADEMY-REPL HVAC - The existing WSP Training Academy heating ventilating and air conditioning (HVAC) system for Dorm "C" will be replaced with an energy-saving, gas-fired, roof-mounted system. (State Patrol Highway Account-State)

AGY VER: 250 K
 GOV VER: 250 K
 STC VER: 250 K
 HSE VER: 250 K
 CNF VER: 250 K
 ENACTED: 250 K

2. MICROWAVE MIGRATION - This project provides funding to restructure communication systems and links. A digital microwave system will be installed connecting Olympia headquarters to DOT headquarters and the eight district offices, forming the backbone necessary to move to a digital microwave system. This item is funded for the amount that the last frequencies were sold for. The revenue from potential future sales has not been anticipated in this budget (\$1.4 million) or considered in the State Patrol Fund balance since the sales have not been finalized. Funding for phase 1 was \$5 million in the 1995-97 biennium and funding for phase 2 is limited to \$4.4 million for a total of \$9.4 million. A report and committee presentation will be presented to the Legislature during the 1998 session on the project. Total cost of the Microwave Migration Project is \$26.3 million. (State Patrol Highway Account-State)

AGY VER: 5.0 M
 GOV VER: 5.0 M

Washington State Patrol Capital

6. YAKIMA - DESIGN/CONSTR HDQTRS BLDG - This funds a new District Three Headquarters Building in Yakima. WSP already owns land and this will complete the project. During the 1993-95 and 1995-97 biennia, \$816,000 has been spent in pre-design and design. This includes a new storage building and impound yard. Construction will include street improvements and site paving. The existing headquarters building will remain in 24 hour operation during construction of the new facility. The existing facility was constructed in 1949. This building will be located next to DOT and DOL to continue to promote co-location of state agencies for convenient access by the public. This project is in the ten-year Transportation Facilities Capital Plan. This project is collocated with DOL and DOT which may result in lower bid costs due to both DOL and WSP performing projects within the 1997-99 biennium.

State Patrol Highway Account-State:

\$1.7 million for the Contingency, Sales Tax, Equipment,
Fixtures
\$124,000 Maximum Allowable Construction Costs
(MACC)

Transportation Fund-State:

\$4.0 million for the MACC Contract Costs.

The Transportation Fund (Fund 230-1) funding can only be used for the Yakima District Three Headquarters Building.

AGY VER: 5.7 M
GOV VER: 0 M
STC VER: 5.7 M
HSE VER: 0 M
CNF VER: 5.7 M
ENACTED: 5.7 M

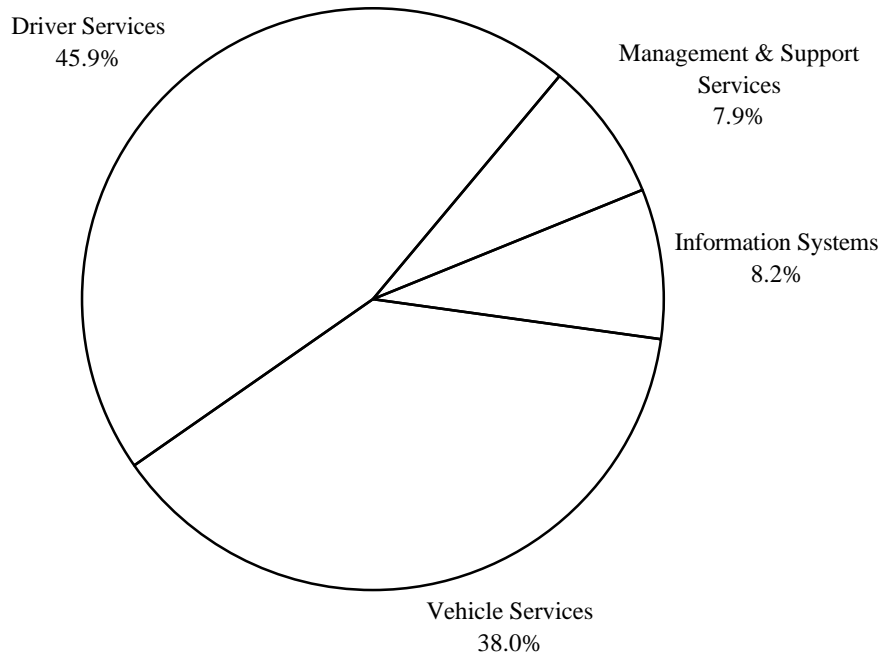
NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Appropriations Act section of this document.

1997-99 Washington State Transportation Budget

Total Appropriated Funds

(Dollars in Thousands)

DEPARTMENT OF LICENSING



Department of Licensing	
Management & Support Services	11,073
Information Systems	11,569
Vehicle Services	53,522
Driver Services	64,729
Total	140,893

Department of Licensing
Management & Support Services
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	10,712	10,712	10,712	10,712
1997-99 Maintenance Level	11,045	11,045	11,045	11,045
Policy Items				
1. General Inflation	-22	-22	-22	-22
2. Capital Program Maintenance Costs	0	50	50	50
Total 1997-99 Biennium	11,023	11,073	11,073	11,073

Comments:

1. GENERAL INFLATION - Provides funding to cover general inflation under the maintenance level and removes the funding under the policy level. Salaries are not included. (Highway Safety Fund-State, Motor Vehicle Fund-State, Transportation Fund-State)

AGY VER: 22 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

2. CAPITAL PROGRAM MAINTENANCE COSTS - Funds ongoing operational costs for lease purchase, janitorial, security, and maintenance for sites approved by the Legislature. The sites are Vancouver, Thurston County, and Union Gap/Yakima. Wenatchee is currently being recommended to be deferred. (Motor Vehicle Fund-State, Highway Safety Fund-State)

AGY VER: 10 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 50 K Agency-revised estimate
 CNF VER: 50 K
 ENACTED: 50 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Appropriations Act section of this document.

* Please see the 1997 Supplemental Transportation Budget section for additional information.

Department of Licensing
Information Systems
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	36,825	36,825	36,825	36,825
1997-99 Maintenance Level	8,319	8,319	8,319	8,319
Policy Items				
1. Technology Assessments/Operations	0	0	3,291	3,291
2. General Inflation	-41	-41	-41	-41
3. LAMP Development & Operation	0	11,172	0	0
Total 1997-99 Biennium	8,278	19,450	11,569	11,569

Comments:

1. TECHNOLOGY ASSESSMENTS/OPERATIONS - Provides funding for the following activities: (a) identify business objectives and needs relating to technology improvements and integration of the drivers licensing and vehicle title and registrations systems; (b) converting the drivers licensing software applications to achieve Year 2000 compliance; (c) convert the drivers field network from a uniscope to a frame-relay network; (d) develop an interface between the Unisys system and the Collision Reporting and Statistical History (CRASH) system; and (e) operate and maintain the highways licensing building network and the drivers field network. (Highway Safety Fund-State, Motor Vehicle Fund-State)

CNF VER: 3.3 M
 ENACTED: 3.3 M

2. GENERAL INFLATION - Provides funding to cover general inflation under the maintenance level and removes the funding under the policy level. Salaries are not included. (Highway Safety Fund-State, Motor Vehicle Fund-State, Transportation Fund-State)

AGY VER: 41 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

3. LAMP DEVELOPMENT & OPERATION - This item funds the continued development and operating costs for the Driver Licensing program under the Licensing Application Migration Project (LAMP) computer environment. (Highway Safety Fund-State, Motor Vehicle Fund-State)

AGY VER: 0 M
 GOV VER: 11.2 M
 STC VER: 0 M
 HSE VER: 11.2 M
 CNF VER: 0 M
 ENACTED: 0 M

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Appropriations Act section of this document.

Department of Licensing
Vehicle Services
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	52,587	52,587	52,587	52,587
1997-99 Maintenance Level	52,222	52,222	52,222	52,222
Policy Items				
1. Additional Audit Staff	114	0	0	0
2. County Auditor/Subagent Equipment	600	600	600	600
3. Camera Replacement	176	176	176	176
4. General Inflation	-467	-467	-467	-467
5. Capital Program Maintenance Costs	944	991	991	991
Total 1997-99 Biennium	53,589	53,522	53,522	53,522

Comments:

1. ADDITIONAL AUDIT STAFF - This item provides for an additional auditor to assure compliance with state laws, reduce the risk of misappropriated funds or state assets, and increase tax and fee recoveries. (Motor Vehicle Fund-State)

AGY VER: 114 K
 GOV VER: 114 K
 STC VER: 114 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

AGY VER: 1.4 M
 GOV VER: 0 M
 STC VER: 0.9 M West Spokane is not included.
 HSE VER: 1.0 M West Spokane is not included. Agency estimates have been revised.
 CNF VER: 1.0 M West Spokane is not included.
 ENACTED: 1.0 M West Spokane is not included.

2. COUNTY AUDITOR/SUBAGENT EQUIPMENT - Provides funding for replacement of 480 dot-matrix printers for county auditors and subagents for issuance of vehicle and vessel tabs and licenses. (Licensing Service Account-State)

AGY VER: 1.0 M
 GOV VER: 0.6 M
 STC VER: 0.6 M
 HSE VER: 0.6 M
 CNF VER: 0.6 M
 ENACTED: 0.6 M

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Appropriations Act section of this document.

3. CAMERA REPLACEMENT - This item provides funding to replace three microfilm cameras used to film supporting documents as part of the vehicle and vessel licensing and titling process. (Motor Vehicle Fund-State, General Fund-State)

AGY VER: 176 K
 GOV VER: 176 K
 STC VER: 176 K
 HSE VER: 176 K
 CNF VER: 176 K
 ENACTED: 176 K

4. GENERAL INFLATION - Provides funding to cover general inflation under the maintenance level and removes the funding under the policy level. Salaries are not included. (Wildlife Account-State, Motor Vehicle Fund-State, Licensing Services Account-State)

AGY VER: 0.5 M
 GOV VER: 0 M
 STC VER: 0 M
 HSE VER: 0 M
 CNF VER: 0 M
 ENACTED: 0 M

5. CAPITAL PROGRAM MAINTENANCE COSTS - Funds ongoing operational costs for lease purchase, janitorial, security and maintenance for sites approved by the Legislature. The sites are Vancouver, Thurston County, and Union Gap/Yakima. (Motor Vehicle Fund-State)

Department of Licensing
Driver Services
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures *	63,591	63,591	63,591	63,591
1997-99 Maintenance Level	63,627	63,627	63,627	63,627
Policy Items				
1. Drivers Document	0	2,503	2,503	0
2. Licensing Travel Units	136	0	0	0
3. General Inflation	-287	-287	-287	-287
4. Capital Program Maintenance Costs	1,310	1,389	1,389	1,389
5. License Suspension	230	0	0	0
Total 1997-99 Biennium	65,016	67,232	67,232	64,729

Comments:

- DRIVERS DOCUMENT - SHB 1501 and SSB 5718 require the Department to issue a drivers document incorporating measures designed to prevent forgery. These measures include digital imaging, bar codes, magnetic stripes, and ultra violet images. This appropriation is null and void if the provisions for a secure driving document are not included in SSB 5718, SHB 1501, or other legislation. (Highway Safety Fund-State)

HSE VER: 2.5 M
 CNF VER: 2.5 M
 ENACTED: 0 M

No bill was enacted incorporating provisions for a more secure drivers document.

drivers, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the drivers license suspension contained in Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Highway Safety Fund-State)

AGY VER: 0 K
 GOV VER: 230 K
 STC VER: 230 K

HSE VER: 0 K The estimates have been revised to under \$4,000.

CNF VER: 0 K
 ENACTED: 0 K

- LICENSING TRAVEL UNITS - Provides funding for the operation of part-time licensing service offices (two days per month) in Columbia, Garfield, Skamania, and Wahkiakum counties. (Highway Safety Fund-State)

STC VER: 136 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Appropriations Act section of this document.

* Please see the 1997 Supplemental Transportation Budget section for additional information.

- GENERAL INFLATION - Provides funding to cover general inflation under the maintenance level and removes the funding under the policy level. Salaries not included. (Highway Safety Fund-State, Motorcycle Safety Account-State, Transportation Fund-State)

AGY VER: 287 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

- CAPITAL PROGRAM MAINTENANCE COSTS - Funds ongoing operational costs for lease purchase, janitorial, security, and maintenance for sites approved by the Legislature. The sites are Vancouver, Thurston County, and Union Gap/Yakima. (Highway Safety Fund-State)

AGY VER: 1.5 M
 GOV VER: 0 M
 STC VER: 1.3 M West Spokane is not included.
 HSE VER: 1.4 M West Spokane is not included. Agency estimates have been revised.
 CNF VER: 1.4 M West Spokane is not included.
 ENACTED: 1.4 M West Spokane is not included.

- LICENSE SUSPENSION - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of

Washington Traffic Safety Commission
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	6,752	6,752	6,752	6,752
1997-99 Maintenance Level	6,757	6,757	6,757	6,757
Policy Items				
1. Office Equipment	40	0	40	40
2. Contract Costs	15	0	15	15
3. Drug Recognition Expert Program	0	-150	-150	-150
4. General Inflation	-5	-5	-5	-5
Total 1997-99 Biennium	6,807	6,602	6,657	6,657

Comments:

- OFFICE EQUIPMENT - This item provides funding for an upgraded phone system, reference library bookcases, and other office furniture. (Highway Safety Fund-State)

AGY VER: 63 K
GOV VER: 43 K
STC VER: 40 K
HSE VER: 0 K
CNF VER: 40 K
ENACTED: 40 K

- CONTRACT COSTS - Funding is provided for past due billings from the University of Washington, Washington State University, and the Department of Health. (Highway Safety Fund-State)

AGY VER: 26 K
GOV VER: 15 K
STC VER: 15 K
HSE VER: 0 K
CNF VER: 15 K
ENACTED: 15 K

- DRUG RECOGNITION EXPERT PROGRAM - This item removes \$150,000 from the Drug Recognition Expert Program. The Traffic Safety Commission contracted with the Washington State Patrol (WSP) to deliver parts of the program and this amount will be included in the WSP budget. (Transportation Fund-State)

HSE VER: -150 K
CNF VER: -150 K
ENACTED: -150 K

- GENERAL INFLATION - Provides funding to cover general inflation under the maintenance level and removes the funding under the policy level. Salaries are not included. (Highway Safety Fund-State)

AGY VER: 5 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

Board of Pilotage Commissioners
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	264	264	264	264
1997-99 Maintenance Level	276	276	276	276
Policy Items				
1. General Inflation	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>
Total 1997-99 Biennium	275	275	275	275

Comments:

The Board of Pilotage Commissioners is a regulatory board appointed by the Governor and confirmed by the Senate, consisting of nine part-time members and one full-time staff person. Marine pilots are trained, tested, licensed, and regulated by the Board in order to provide efficient compulsory pilotage services, maintain a safe marine environment, and develop and encourage waterborne commerce for Washington State. The Board annually sets tariffs which a pilot must charge for pilotage services performed aboard vessels. The Board also adopts rules and regulations and may take disciplinary action against pilots and/or vessel owners who violate state pilotage laws.

Agency Mission:

The mission of the Board of Pilotage Commissioners is to ensure against loss of, or damage to, property and vessels and to protect the marine environment by maintaining efficient and competent compulsory pilotage service in Washington waters.

Objective:

To protect marine environment, property, and vessels by maintaining efficient and competent compulsory pilotage service. (Pilotage Account-State)

AGY VER: 276 K
 GOV VER: 275 K
 STC VER: 275 K
 HSE VER: 0 K
 CNF VER: 275 K
 ENACTED: 275 K

1. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is the increase in costs of performing the same level of service or amount of workload due to inflation. (Pilotage Account-State)

AGY VER: 1 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

County Road Administration Board
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	85,499	85,499	85,499	85,499
1997-99 Maintenance Level	102,160	102,160	102,160	102,160
Policy Items				
1. County Road Information System	124	124	124	124
2. Additional Road Projects	330	330	330	330
3. Cash Flow adjustment	-15,000	-15,000	-15,000	-15,000
4. March Revenue Forecast Adjustments	0	-346	-346	-346
Total 1997-99 Biennium	87,614	87,268	87,268	87,268

Comments:

1. COUNTY ROAD INFORMATION SYSTEM - One additional computer analyst/programmer is added to rewrite and expand the County Road Information System (CRIS) from a DOS-based program to a Windows-based program. This software application is used by all 39 county road departments to provide a road inventory and infrastructure management system. (County Arterial Preservation Account-State)

AGY VER: 124 K
 GOV VER: 124 K
 STC VER: 124 K
 HSE VER: 124 K
 CNF VER: 124 K
 ENACTED: 124 K

2. ADDITIONAL ROAD PROJECTS - Fund balances are appropriated so that additional county road projects can be obligated. (Rural Arterial Trust Account-State, County Arterial Trust Account-State)

AGY VER: 330 K
 GOV VER: 330 K
 STC VER: 330 K
 HSE VER: 330 K
 CNF VER: 330 K
 ENACTED: 330 K

3. CASH FLOW ADJUSTMENT - Provides an adjustment for expected cash flow of actual expenditures. (Rural Arterial Trust Account-State)

STC VER: -15.0 M
 HSE VER: -15.0 M
 CNF VER: -15.0 M
 ENACTED: -15.0 M

4. MARCH REVENUE FORECAST ADJUSTMENTS - Adjustments to appropriations reflecting changes in the March 1997 revenue forecast. (County Arterial Preservation Account-State)

HSE VER: -346 K
 CNF VER: -346 K
 ENACTED: -346 K

Transportation Improvement Board
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	241,937	241,937	241,937	241,937
1997-99 Maintenance Level	237,038	237,038	237,038	237,038
Policy Items				
1. Additional Road Projects	15,457	15,457	15,457	15,457
2. Cash Flow Adjustment	-30,000	-30,000	-30,000	-30,000
3. March revenue forecast adjustments	0	-1,214	-1,214	-1,214
4. Appropriations to other Agencies	0	-1,700	-250	-250
Total 1997-99 Biennium	222,495	219,581	221,031	221,031

Comments:

1. ADDITIONAL ROAD PROJECTS - Fund balances are appropriated so that additional road projects can be obligated. (Urban Arterial Trust Account-State, Transportation Improvement Account-State, City Hardship Assistance Account-State, Central Puget Sound Public Transportation Account-State, Public Transportation System Account-State, Small City Account-State)

AGY VER: 15.5 M
GOV VER: 15.5 M
STC VER: 15.5 M
HSE VER: 15.5 M
CNF VER: 15.5 M
ENACTED: 15.5 M

2. CASH FLOW ADJUSTMENT - Provides an adjustment for expected cash flow of actual expenditures. (Urban Arterial Account-State, Transportation Improvement Account-State)

STC VER: -30.0 M
HSE VER: -30.0 M
CNF VER: -30.0 M
ENACTED: -30.0 M

3. MARCH REVENUE FORECAST ADJUSTMENTS - Adjustments to appropriations reflecting changes in the March 1997 revenue forecast. (City Hardship Assistance Account-State, Central Puget Sound Public Transportation Account-State, Public Transportation Systems Account-State, Small City Account-State)

HSE VER: -1.2 M
CNF VER: -1.2 M
ENACTED: -1.2 M

4. APPROPRIATIONS TO OTHER AGENCIES - Reduces appropriations by amounts that have been appropriated to other agencies. (Central Puget Sound Public Transportation Account-State)

HSE VER: -1.7 M
CNF VER: -0.3 M
ENACTED: -0.3 M

Legislative Transportation Committee
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	2,778	2,778	2,778	2,778
1997-99 Maintenance Level	2,672	2,672	2,672	2,672
Policy Items				
1. TIB/CRAB/TransAid Consolidation	150	150	150	150
2. LAMP Assessment	250	250	0	0
3. Transit Audits	0	250	0	0
4. MVET Collection Evaluation	0	200	200	200
5. FMAC Study	0	500	0	0
Total 1997-99 Biennium	3,072	4,022	3,022	3,022

Comments:

1. TIB/CRAB/TRANSAID CONSOLIDATION - This item provides for an evaluation of the costs and benefits associated with merging three agencies (the County Road Administration Board [CRAB], the Transportation Improvement Board [TIB], and the Department of Transportation's TransAid Division). The evaluation will look for increased efficiency in providing services, improving the funding structure, and improving customer service. (Motor Vehicle Fund-State)

STC VER: 150 K
 HSE VER: 150 K
 CNF VER: 150 K
 ENACTED: 150 K

2. LAMP ASSESSMENT - Please see Item 1 (Technology Assessments/Operations) in the Department of Licensing Information Systems program.
3. TRANSIT AUDITS - This item provides funding for the Legislative Transportation Committee (LTC) to oversee contracted performance audits of selected local transit agencies.

HSE VER: 250 K

4. MVET COLLECTION EVALUATION - This item provides funding for an evaluation of the Motor Vehicle Excise Tax (MVET) calculation and collection methods. LTC, in cooperation with the House Appropriation Committee, the Senate Ways and Means Committee, and the Office of Financial Management shall conduct a study and report its findings to the Legislature.

HSE VER: 200 K
 CNF VER: 200 K (Null and void if funded in another appropriation act.)
 ENACTED: 200 K

5. FMAC STUDY - Provides for an evaluation of freight mobility issues in eastern and southeastern Washington.

STC VER: 500 K (MVF, inter-jurisdictional study monies)
 HSE VER: 500 K (HCTA)

Marine Employees' Commission
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	351	351	351	351
1997-99 Maintenance Level	357	357	357	357
Policy Items				
1. General Inflation	-3	-3	-3	-3
Total 1997-99 Biennium	354	354	354	354

Comments:

The Marine Employees' Commission resolves disputes between Washington State Ferry System management and 13 unions representing state ferry workers to ensure continuous operations of the State's ferries. Commission members are trained as administrative law judges and hear charges of unfair labor practices and grievances from collective bargaining agreements. There are seven collective bargaining agreements for the 13 unions. All seven contracts must by statute go to the Transportation Commission at the same time to be agreed upon after negotiations have been completed. (Puget Sound Ferry Operations Account-State)

AGY VER: 357 K
 GOV VER: 354 K
 STC VER: 354 K
 HSE VER: 354 K
 CNF VER: 354 K
 ENACTED: 354 K

1. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is the estimated increase in costs of performing the same level of service or amount of workload due to inflation. (Puget Sound Ferry Operations Account-State)

AGY VER: 3 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

Transportation Commission
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	777	777	777	777
1997-99 Maintenance Level	810	810	810	810
Policy Items				
1. General Inflation	-6	-6	-6	-6
Total 1997-99 Biennium	804	804	804	804

Comments:

Two provisos regarding the Transportation Commission are included in the Enacted version of the budget: (1) the Commission is required to report to the Legislative Transportation Committee following adoption of the highway, rail, capital facilities, and ferry capital construction programs, and provide status reports to the Committee throughout the biennium; and (2) the Commission is directed to identify cost savings and efficiencies for the Department of Transportation (WSDOT), which may include contracting out or privatizing of appropriate activities.

1. GENERAL INFLATION - This item covers the projected inflation in the costs of goods and services. Labor costs are excluded. (Transportation Fund-State)

AGY VER: 6 K
 STC VER: 0 K
 HSE VER: 0 K
 ENACTED: 0 K

Department of Agriculture
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	304	304	304	304
1997-99 Maintenance Level	313	313	313	313
Policy Items				
1. General Inflation	-9	-9	-9	-9
Total 1997-99 Biennium	304	304	304	304

Comments:

Motor Fuel Quality Act (Chapter 19.112 RCW)

The Washington State Department of Agriculture Weights and Measures Unit is responsible for the management of this program. Inspections, complaints, and sampling are performed by Weights and Measures staff. The sampling analysis is conducted under contract by Saybolt, Inc., an independent laboratory located in Seattle. The Weights and Measures Program has nine inspectors (Six in Western Washington and three in Eastern Washington). In 1996, 1,357 samples and tests were completed with a 98.8 percent compliance rate. During calendar year 1996, Weights and Measures Inspectors processed 230 motor fuel complaints. A report is submitted to the Legislature by January 15th of each year with program activities for the previous calendar year. (Motor Vehicle Fund-State)

AGY VER: 313 K
GOV VER: 304 K
STC VER: 304 K
HSE VER: 304 K
CNF VER: 304 K
ENACTED: 304 K

1. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. (Motor Vehicle Fund-State)

AGY VER: 9 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Agriculture's budget is shown in the Omnibus Appropriations Act section of this document.

Joint Legislative Systems Committee
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	40	40	40	40
1997-99 Maintenance Level	111	111	111	111
Total 1997-99 Biennium	111	111	111	111

Comments:

The Legislative Service Center (LSC) provides computing and telecommunications systems to the Legislature. LSC does not provide services to the Legislative Transportation Committee out of its Omnibus Budget Appropriation.

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of LSC's budget is shown in the Omnibus Appropriations Act section of this document.

Legislative Evaluation & Accountability Program Committee

Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	410	410	410	410
1997-99 Maintenance Level	410	410	410	410
Policy Items				
1. Non-classified Staff Adjustments	26	26	26	26
2. System Productivity Gains	-28	-28	-28	-28
3. Client Workstations/Servers	12	12	12	12
Total 1997-99 Biennium	420	420	420	420

Comments:

1. NON-CLASSIFIED STAFF ADJUSTMENTS - These funds support non-classified staff salary and benefit increases.

 AGY VER: 26 K
 STC VER: 26 K
 HSE VER: 26 K
 CNF VER: 26 K
 ENACTED: 26 K

2. SYSTEM PRODUCTIVITY GAINS - This is a reduction in funds for personal services and goods and services through productivity gains.

 AGY VER: -28 K
 STC VER: -28 K
 HSE VER: -28 K
 CNF VER: -28 K
 ENACTED: -28 K

3. CLIENT WORKSTATIONS/SERVERS - This item provides funding for increased equipment dollars over the 1995-97 biennium for Legislative Transportation Committee workstations and a pro rata share of LEAP server costs.

 AGY VER: 12 K
 STC VER: 12 K
 HSE VER: 12 K
 CNF VER: 12 K
 ENACTED: 12 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the LEAP Committee's budget is shown in the Omnibus Appropriations Act section of this document.

Special Appropriations to the Governor
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	3,965	3,965	3,965	3,965
1997-99 Maintenance Level	2,000	2,000	2,000	2,000
Total 1997-99 Biennium	2,000	2,000	2,000	2,000

Comments:

All tort liabilities incurred prior to July 1, 1990 are paid from the Tort Claims Revolving Fund managed by the Department of General Administration. Liabilities incurred after this date are paid from the state agencies' self-insurance fund. Appropriations are made from the Motor Vehicle Fund and Marine Operating Account to cover the estimated tort payouts of the Department of Transportation, the Department of Licensing, the Washington State Patrol, and the Washington State Ferry System. The amount necessary to cover these liabilities is based on the 1996 actuarial study.

The number of tort claims incurred prior to 1990 are constantly diminishing. Therefore, the appropriations needed from the various agencies to cover their liabilities will diminish over time. (Motor Vehicle Fund-State, Marine Operating Fund-State)

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Special Appropriations to the Governor's budget is shown in the Omnibus Appropriations Act section of this document.

Utilities and Transportation Commission
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	222	222	222	222
1997-99 Maintenance Level	223	223	223	223
Policy Items				
1. General Inflation	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>
Total 1997-99 Biennium	222	222	222	222

Comments:

Agency Mission:
 The mission of the Washington Utilities and Transportation Commission is to serve the needs of current and future generations of the citizens of Washington State by regulating the utility and transportation industries.

Objective:
 Install and upgrade signals and warning devices at railroad crossings by using federal matching dollars.

Budget Request:
 This funding request is from the Grade Crossing Protective Account, a state dedicated account comprised of mostly federal funds, with state and local matches making up the remaining 10 percent. Funds are used to install or upgrade signals and other warning devices at railroad grade crossings. For public grade crossings at state roads, the state pays about 10 percent of the total project cost. For grade crossings on local roads, the state pays about 1 percent. Federal and private funds cover the remaining project costs. (Grade Crossing Protective Account-State)

AGY VER: 223 K
 GOV VER: 222 K
 STC VER: 222 K
 HSE VER: 222 K
 CNF VER: 222 K
 ENACTED: 222 K

1. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is the increased in costs of performing the same level of service or amount of workload due to inflation. (Grade Crossing Protective Account-State)

AGY VER: 1 K
 GOV VER: 0 K
 STC VER: 0 K
 HSE VER: 0 K
 CNF VER: 0 K
 ENACTED: 0 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the Utilities and Transportation Commission's budget is shown in the Omnibus Appropriations Act section of this document.

Joint Legislative Audit & Review Committee

Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Conference	Enacted
Policy Items				
1. Audit of Transportation Agencies	514	0	1,500	1,500
Total 1997-99 Biennium	514	0	1,500	1,500

Comments:

1. AUDIT OF TRANSPORTATION AGENCIES - This item provides funding for the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of the Department of Transportation, the Washington State Patrol, and the Department of Licensing. (Transportation Fund-State)

SEN FLR:	0.5 M	
HSE VER:	0 M	
CNF VER:	1.5 M	
ENACTED:	1.5 M	Partial Governor Locke veto of subsections which prescribed specific elements to be studied

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of JLARC's budget is shown in the Omnibus Appropriations Act section of this document.

Office of Financial Management
Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	116	116	116	116
1997-99 Maintenance Level	116	116	116	116
Policy Items				
1. Transportation Staff Unit	17	0	0	0
2. Two Transportation Analysts	360	0	0	0
3. Recommend Funding in Oper Budget	0	-116	0	0
Total 1997-99 Biennium	493	0	116	116

Comments:

Agency Mission:
The Office of Financial Management (OFM) provides central management of budget, policy, accounting, and information to support the objectives of the Governor and Legislature for the benefit of the people of Washington.

Objective:
Have a Transportation Budget Fiscal Analyst on staff at OFM for the Executive Branch that works with and understands transportation issues.

Budget Request:
OFM employs one full-time equivalent budget staff position devoted to transportation agencies. The funding is provided through the Motor Vehicle Fund.

1. TRANSPORTATION STAFF UNIT - One full-time equivalent budget staff position devoted to transportation agencies is funded through the Motor Vehicle Fund. This funding represents an increase to cover actual salary and benefits for this position. (Motor Vehicle Fund-State)

AGY VER: 17 K
GOV VER: 17 K
STC VER: 17 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

2. TWO TRANSPORTATION ANALYSTS - Provides funding for two full-time equivalent budget and policy staff positions devoted to transportation agencies funded through the Motor Vehicle Fund. This provides funding for salary and benefits for these positions. (Motor Vehicle Fund-State)

AGY VER: 0 K
GOV VER: 0 K
STC VER: 360 K (Two full-time Transportation Budget and Policy Analysts)
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

3. RECOMMEND FUNDING IN OPER BUDGET - Recommend funding within the General Fund Operating Budget.

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of OFM's budget is shown in the Omnibus Appropriations Act section of this document.

Department of Community, Trade, & Economic Development

Total Appropriated Funds (Dollars in Thousands)

	Senate	House	Conference	Enacted
1995-97 Estimated Expenditures	252	252	252	252
1997-99 Maintenance Level	253	253	253	253
Policy Items				
1. General Inflation	-1	-1	-1	-1
2. Recommend Funding in Oper Budget	0	-252	0	0
Total 1997-99 Biennium	252	0	252	252

Comments:

Agency Mission:
The Department of Community, Trade, and Economic Development (CTED) works with local partners to help build strong community, economic, environmental, and social foundations throughout the State.

Objective:
Gateway Visitor Information Centers provide Washington State information to persons entering the State on places to visit and see while they are in Washington.

Budget Request:
The appropriation continues current level funding that pays for staffing at six visitor information centers. The centers provide state highway maps, staff available to answer questions and assist motorists. The funds may not be used for production of promotional publications. (Motor Vehicle Fund-State)

The six existing Washington State Gateway Visitor Information Centers are:

- 1) Custer Rest Area - 7 miles south of the Blaine/Canadian border, southbound on I-5 (\$47,000 operating expenses per biennium);
- 2) Gee Creek Rest Area - 14 miles north of Vancouver, northbound on I-5 (\$42,000 operating expenses per biennium);
- 3) Maryhill State Park and Sam Hill Bridge (\$34,999 operating expenses per biennium);
- 4) Megler Rest Area (\$33,600 operating expenses per biennium);
- 5) Oroville (\$34,999 operating expenses per biennium); and
- 6) Spokane River Rest Area (\$41,800 operating expenses per biennium).

AGY VER: 253 K
GOV VER: 252 K
STC VER: 252 K
HSE VER: 0 K
CNF VER: 252 K
ENACTED: 252 K

1. GENERAL INFLATION - This item adds inflation in the maintenance level and then removes inflation from the budget under the policy level. General inflation is an estimated increase in costs of performing the same level of service or amount of workload due to inflation. (Motor Vehicle Fund-State)

AGY VER: 1 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

2. RECOMMEND FUNDING IN OPER BUDGET - Recommendation to fund within the General Fund Operating Budget. Historically this has been a General Fund activity.

NOTE: During the 1997 interim, the Fiscal Committees of the House of Representatives and the Senate will review funding alternatives for the CTED Visitor Centers.

Amounts shown here reflect only the Transportation Budget. The remainder of the Department of Community, Trade, & Economic Development's budget is shown in the Omnibus Appropriations Act section of this document.

State Parks and Recreation Commission - Operating

Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures	931	931	931	931
1997-99 Maintenance Level	936	936	936	936
Policy Items				
1. General Inflation	-5	0	-5	-5
2. Rec. Funding in GF/Stewardship Acct	0	-936	0	0
Total 1997-99 Biennium	931	0	931	931

Comments:

Washington State Parks and Recreation Commission received funding during the 1995-97 biennium from the Motor Vehicle Fund for general maintenance type of expenditures in the parks. During the 1995-97 biennium, the Commission has expended \$593,888 of the \$930,561 which is the 1995-97 appropriation through November 1996 for:

1) Patch Repair/Snow Removal/General Maintenance	\$84,137
2) Mt. Spokane Snow Removal	\$49,913
3) Ocean Beach Access Gap Road Maintenance	\$28,800
4) State Paving and Repairs	\$363,258
5) Agency Staff Costs (0.5 FTE)	\$51,344
6) Agency Indirect Costs	\$16,436

This is one-time funding, not a permanent funding source. If state parks are closed where this funding has been historically used in the past, those funds will be returned to the Motor Vehicle Fund for the state parks that are closed. Any bridge inspections and bridge programs will be managed by Department of Transportation when using transportation funds since Department of Transportation already has a program in place to perform this function for the State of Washington.

- GENERAL INFLATION - This item adds inflation to the maintenance level and then removes inflation from the budget under the policy level. (Motor Vehicle Fund-State)

AGY VER: 5 K
GOV VER: 0 K
STC VER: 0 K
HSE VER: 0 K
CNF VER: 0 K
ENACTED: 0 K

- REC. FUNDING IN GF/STEWARDSHIP ACCT - Recommend funding from the General Fund/Parks and Recreation Stewardship Account.

AGY VER: 0 M
GOV VER: 0 M
STC VER: 0 M
HSE VER: -0.9 M
CNF VER: 0 M
ENACTED: 0 M

NOTE: During the 1997 interim, the Fiscal Committees of the House of Representatives and the Senate will review funding alternatives for the Washington State Parks and Recreation Commission activities for road maintenance and preservation.

Amounts shown here reflect only the Transportation Budget. The remainder of the State Parks and Recreation Commission's budget is shown in the Omnibus Appropriations Act section of this document.

State Parks and Recreation Commission - Capital

Total Appropriated Funds
(Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
Policy Items				
1. Preservation of Roadways	3,500	0	3,500	3,500
Total 1997-99 Biennium	3,500	0	3,500	3,500

Comments:

The capital expenditure in this section is a one time expenditure for the restoration of Washington State Parks paved roadways and not a permanent funding source. The paving will be completed in each one of the parks listed. During the 1997 Interim, the Fiscal Committees of the House of Representatives and Senate will review and make recommendations for future funding alternatives for Washington State Parks including the Stewardship Account and other funding sources available to Washington State Parks both federal and state.

1. PRESERVATION OF ROADWAYS - The following roadways are paving projects requested and to be completed by June 30, 1999. A progress report would be presented to the Legislature in January 1999 on the progress of the projects. All funding not used or savings from each project identified by January 31, 1999, will revert back to the Motor Vehicle Fund on June 30, 1999. All contracts for paving will meet Department of Transportation standards and the contracts will be awarded by competitive bid process. These parks, in order to consider funding, must not be on a closure list contingent upon General Fund support or lack of user fees in the State Parks Renewal and Stewardship Account. This is one-time funding with the Fiscal Committees of the House of Representatives and Senate reviewing other funding alternatives for future biennia funding.

Moran State Park	\$1,800,000
Cama Beach State Park	\$300,000
Riverside State Park	\$640,000
Steamboat Rock State Park	\$225,000
Damon Point State Park	\$485,000
Deception Pass State Park	\$50,000

All projects will be completed and no future funding, according to the State Parks and Recreation Commission, will be required in the future for the projects for the parks listed above. These parks presently are not on a 1997-99 closure list, but if closed, the Motor Vehicle Funds will be returned to the Motor Vehicle Fund and not used for other purposes.

AGY VER:	3.5 M
GOV VER:	3.5 M
STC VER:	3.5 M
HSE VER:	0 M
CNF VER:	3.5 M
ENACTED:	3.5 M

Bond Retirement & Interest
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Conference</u>	<u>Enacted</u>
1995-97 Estimated Expenditures *	245,092	245,092	245,092	245,092
1997-99 Maintenance Level	246,703	246,703	246,703	246,703
Policy Items				
1. Debt Service Fund Realignment	-1,223	-1,223	-1,223	-1,223
2. 1997-99 Capital Budget	374	374	374	374
Total 1997-99 Biennium	245,854	245,854	245,854	245,854

Comments:

These are the appropriations for the State Treasurer to pay bond holder's principal and interest. The Highway Bond Retirement Account includes all bonds related to highway construction, transportation facilities, and Urban Arterial Trust. The Ferry Bond Retirement Account includes all bonds related to ferry vessels. The appropriations also include the 0.5 percent that the Treasurer collects for bond sale costs. This section also includes fiscal agent charges.

1. DEBT SERVICE FUND REALIGNMENT - These adjustments serve to reconcile the actual amount appropriated in the budget necessary for bond retirement, interest, discounts, registration, and transfer charges for debts paid from both Motor Vehicle Fund and Transportation Fund accounts, with preliminary data provided by the Office of Financial Management. (Highway Bond-State, Ferry Account-State)

AGY VER: 0 M
 GOV VER: -1.2 M
 STC VER: -1.2 M
 HSE VER: -1.2 M
 CNF VER: -1.2 M
 ENACTED: -1.2 M

2. 1997-99 CAPITAL BUDGET - Debt service cost increase based on the 1997-99 Transportation Budget. (Puget Sound Capital-State, Transportation Improvement-State)

AGY VER: 0 K
 GOV VER: 374 K
 STC VER: 374 K
 HSE VER: 374 K
 CNF VER: 374 K
 ENACTED: 374 K

NOTE: Amounts shown here reflect only the Transportation Budget. The remainder of the bond retirement and interest budget is shown in the Omnibus Appropriation Act section of this document.

* Please see the 1997 Supplemental Transportation Budget section for additional information.

1997 Supplemental Transportation Budget

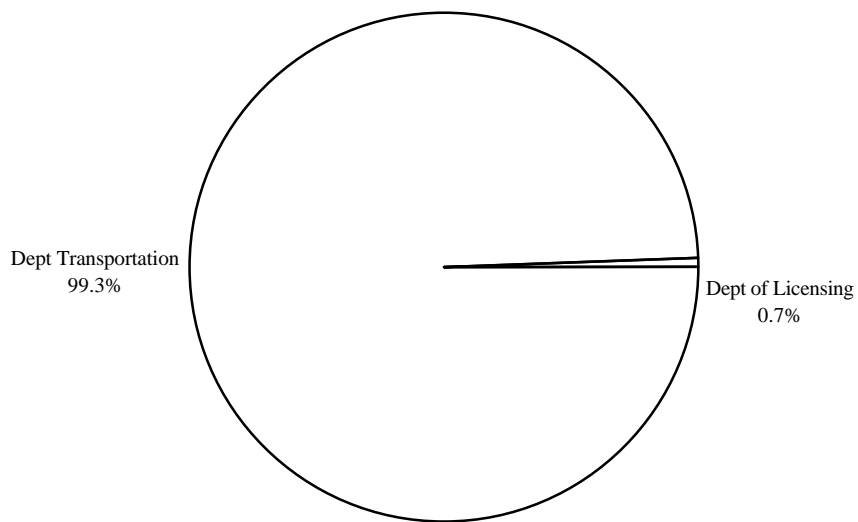
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Note: The amounts for the 1997 Supplemental Transportation Budget are not affected by Chapter 94, Laws of 1997 (SHB 1010 – Federal Transportation Moneys) which takes effect in the 1997-99 biennium.

1997 Supplemental Transportation Budget
Total Appropriated Funds
(Dollars in Thousands)

MAJOR COMPONENTS BY AGENCY
Total Operating and Capital Budget



Major Transportation Agencies	
Department of Transportation	32,067
Department of Licensing	219
1997 Supplemental Transportation Budget	32,286 *

* The 1997 Supplemental Budget total does not include the Bond Retirement and Interest adjustment of -\$21.5 million.

1995-97 Washington State Transportation Budget
Including 1997 Supplemental Budget
TOTAL OPERATING AND CAPITAL BUDGET
Total Appropriated Funds
(Dollars in Thousands)

	<u>1995-97 Approp Auth</u>	<u>1997 Supplemental</u>	<u>Revised 1995-97</u>
Legislative Transportation Comm	2,778	0	2,778
LEAP Committee	410	0	410
Joint Legislative Systems Committee	40	0	40
Special Approps to the Governor	3,965	0	3,965
Office of the State Treasurer	44	0	44
Dept Community, Trade, & Econ Dev	251	0	251
Office of Financial Management	110	0	110
Board of Pilotage Commissioners	260	0	260
Utilities and Transportation Comm	222	0	222
WA Traffic Safety Commission	6,688	0	6,688
County Road Administration Board	85,424	0	85,424
Transportation Improvement Board	241,855	0	241,855
Marine Employees' Commission	345	0	345
Transportation Commission	764	0	764
Department of Ecology	2,704	0	2,704
State Parks and Recreation Comm	1,327	0	1,327
Office of Marine Safety	1,078	0	1,078
Department of Agriculture	300	0	300
Washington State Patrol	222,958	0	222,958
Field Operations Bureau	146,567	0	146,567
Investigative Services Bureau	6,151	0	6,151
Support Services Bureau	59,206	0	59,206
Capital	11,034	0	11,034
Department of Licensing	160,783	219	161,002
Management & Support Services	10,434	-31	10,403
Information Systems	36,563	0	36,563
Vehicle Services	51,710	0	51,710
Driver Services	62,076	250	62,326
Department of Transportation	2,555,574	32,067	2,587,641
Pgm D - Highway Mgmt & Facilities	66,313	37	66,350
Pgm F - Aviation	4,452	0	4,452
Pgm I1 - Improvements - Mobility	667,173	0	667,173
Pgm I2 - Improvements - Safety	74,001	0	74,001
Pgm I3 - Improvements - Econ Init	141,822	0	141,822
Pgm I4 - Improvements - Env Retro	3,272	0	3,272
Pgm K - Transpo Economic Part	18,680	0	18,680
Pgm M - Highway Maintenance	232,540	14,000	246,540
Pgm P1 - Preservation - Roadway	289,300	0	289,300
Pgm P2 - Preservation - Structures	113,481	0	113,481
Pgm P3 - Preservation - Other Facil	45,969	0	45,969
Pgm Q - Transportation Systems Mgmt	21,735	0	21,735
Pgm R - Sales & Services to Others	8,122	250	8,372
Pgm S - Transportation Management	55,548	0	55,548
Pgm T - Transit Research	31,387	680	32,067
Pgm U - Charges from Other Agencies	22,085	500	22,585
Pgm W - WA State Ferries-Cap	268,846	0	268,846
Pgm X - WA State Ferries	244,227	0	244,227
Pgm Y - Transit & Rail	56,425	1,600	58,025
Pgm Z - Financial Assistance	190,196	15,000	205,196
Bond Retirement and Interest	245,092	-21,506	223,586
Total	3,532,972	10,780	3,543,752

1997 Supplemental Transportation Budget Highlights

Department of Transportation

- \$25.1 million of federal funding for floods
- \$4.0 million additional snow and ice funding (includes \$2.0 million that was placed in snow and ice reserve in the 1996 supplemental budget)
- \$1.1 million of federal funding for railroad crossing projects
- \$700,000 of federal funding for Metropolitan Planning Organizations
- \$500,000 of federal funding for King Street Station design work
- \$500,000 for additional ferry tort claim payments
- \$250,000 for Washington State's share of Wahkiakum ferry costs

Department of Licensing

- \$250,000 for manual processing of accident reports due to delay in implementing the Collision Reporting and Statistical History (CRASH) project.

Note: Amounts displayed on the reports for the 1997 Supplemental Transportation Budget reflect the 1995-97 Appropriation Authority. The 1995-97 Estimated Expenditures shown in the 1997-99 Transportation Budget section may be different than the Appropriation Authority because the appropriation authority includes the direct appropriations given to an agency in a bill plus allocations allowed by law between legislative sessions and administered by the Office of Financial Management for salaries, tort defense, Governor's emergency fund, and unanticipated receipts.

1995-97 Washington State Transportation Budget
1997 Supplemental Budget
Chapter 457, Laws of 1997, Partial Veto (SSB 6061)
Total Appropriated Funds
(Dollars in Thousands)

	Operating	Capital	Total
Department of Transportation			
Pgm D - Highway Mgmt & Facilities			
1. Flood Reimbursement	37	0	37
Pgm M - Highway Maintenance			
2. Snow and Ice Increase	4,000	0	4,000
3. Flood Reimbursement	10,000	0	10,000
Total	14,000	0	14,000
Pgm R - Sales & Services to Others			
4. Wahkiakum Ferry	250	0	250
Pgm T - Transit Research			
5. Regional Planning Organizations	680	0	680
Pgm U - Charges from Other Agencies			
6. Risk Management Premium	500	0	500
Pgm Y - Transit & Rail - Cap			
7. Rail Crossing Projects	0	1,100	1,100
8. King Street Station Design Work	0	500	500
Total	0	1,600	1,600
Pgm Z - Financial Assistance-Cap			
9. Flood Reimbursement	0	15,000	15,000
Total Department of Transportation	15,467	16,600	32,067
Department of Licensing			
Management & Support Services			
10. Defer Wenatchee Capital Project	-31	0	-31
Driver Services			
11. CRASH Implementation	250	0	250
Total Department of Licensing	219	0	219
Bond Retirement and Interest			
12. Bond Interest Adjustments	-21,506	0	-21,506
Total 1997 Supplemental	-5,820	16,600	10,780

Comments:

Department of Transportation

Pgm D - Highway Mgmt & Facilities

1. FLOOD REIMBURSEMENT - Funding is provided for the state share of a Federal Emergency Management Administration (FEMA) grant for damage to Department-owned buildings caused by the 1996 holiday floods. (Motor Vehicle Fund-State)

STC VER: 37 K
HTC VER: 37 K
CNF VER: 37 K
ENACTED: 37 K

1995-97 Washington State Transportation Budget
1997 Supplemental Budget
Chapter 457, Laws of 1997, Partial Veto (SSB 6061)

Pgm M - Highway Maintenance

2. SNOW AND ICE INCREASE - Due to extraordinarily heavy snowfall during the 1996-97 winter season, funding is needed to augment the \$40.0 million provided for the snow and ice removal program for the 1995-97 biennium. In the 1996 Supplemental Transportation Budget, \$2.0 million was placed in reserve for this purpose. (Motor Vehicle Fund-State)

STC VER: 4.0 M Includes the \$2.0 million that was placed in reserve in 1996
HTC VER: 4.0 M
CNF VER: 4.0 M
ENACTED: 4.0 M

3. FLOOD REIMBURSEMENT - An appropriation to expend federal funds for floods and winter storms is provided. This funding may be allotted to the Washington State Department of Transportation (WSDOT) Maintenance Program or the WSDOT Preservation Program, as needed. (Motor Vehicle Fund-Federal)

STC VER: 10.0 M
HTC VER: 10.0 M
CNF VER: 10.0 M
ENACTED: 10.0 M

Pgm R - Sales & Services to Others

4. WAHAKIYAKUM FERRY - By statute, the Department of Transportation provides a subsidy for the operation of the Wahkiakum ferry. Additional funding is needed for FY 97 due to road closures that necessitated greater use of the ferries and additional subsidy needed for normal operations. (Motor Vehicle Fund-State)

STC VER: 250 K
HTC VER: 250 K
CNF VER: 250 K
ENACTED: 250 K

Pgm T - Transit Research

5. REGIONAL PLANNING ORGANIZATIONS - Appropriation authority is provided for federal pass-through funds that have been received for Metropolitan Planning Organizations (MPOs). (Motor Vehicle Fund-Federal)

STC VER: 0.7 M
HTC VER: 0.7 M
CNF VER: 0.7 M
ENACTED: 0.7 M

Pgm U - Charges from Other Agencies

6. RISK MANAGEMENT PREMIUM - Tort payments made to General Administration for incidents occurring after June 30, 1990 on Washington State Ferries (WSF) have exceeded the historical trend resulting in the need for additional appropriation authority. Tort claims for WSF are paid on a pay-as-you-go basis. (Puget Sound Ferry Operations Account-State)

STC VER: 0.5 M
HTC VER: 0.5 M
CNF VER: 0.5 M
ENACTED: 0.5 M

Pgm Y - Transit & Rail - Cap

7. RAIL CROSSING PROJECTS - Appropriation authority is provided for a federal grant for railroad crossing construction projects. (Transportation Fund-Federal)

STC VER: 1.1 M
HTC VER: 1.1 M
CNF VER: 1.1 M
ENACTED: 1.1 M

8. KING STREET STATION DESIGN WORK - Appropriation authority is provided for a Federal Transit Administration grant to pay for preliminary engineering and design work on the King Street Station in Seattle. (Transportation Fund-Federal)

STC VER: 0.5 M
HTC VER: 0.5 M
CNF VER: 0.5 M
ENACTED: 0.5 M

1995-97 Washington State Transportation Budget
1997 Supplemental Budget
Chapter 457, Laws of 1997, Partial Veto (SSB 6061)

Pgm Z - Financial Assistance-Cap

9. FLOOD REIMBURSEMENT - Appropriation authority is provided for funds received from the Federal Highway Administration to repair damage to locally-owned roads on the federal system that resulted from the 1996 holiday floods. (Motor Vehicle Fund-Federal)

STC VER: 15.0 M
HTC VER: 15.0 M
CNF VER: 15.0 M
ENACTED: 15.0 M

Department of Licensing

Management & Support Services

10. DEFER WENATCHEE CAPITAL PROJECT - This item reflects savings from deferring preliminary development of a licensing services office in Wenatchee. (Highway Safety Fund-State)

AGY VER: -31 K
GOV VER: -31 K
STC VER: -31 K
HTC VER: -31 K
ENACTED: -31 K

Driver Services

11. CRASH IMPLEMENTATION - Provides funding for staff to manually process accident reports due to the delay in the implementation of the Collision Reporting and Statistical History (CRASH) project. (Highway Safety Fund-State)

AGY VER: 250 K
GOV VER: 250 K
STC VER: 250 K
HTC VER: 250 K
ENACTED: 250 K

Bond Retirement and Interest

12. BOND INTEREST ADJUSTMENTS - Reduction in required funding due to lower interest rates for bonds.

AGY VER: 0.0 M
GOV VER: -21.5 M
STC VER: -21.5 M
HTC VER: -21.5 M
CNF VER: -21.5 M
ENACTED: -21.5 M