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# **2002 SUPPLEMENTAL BUDGET OVERVIEW**

## **Operating, Transportation, and Capital Budgets**

Washington State biennial budgets authorized by the Legislature in the 2002 Session total \$51.76 billion. The omnibus operating budget accounts for \$43.07 billion. The transportation current law budget and the omnibus capital budget account for \$4.58 billion and \$4.11 billion, respectively. In addition to these amounts, the Legislature passed a separate transportation new law budget that is dependent on passage of Referendum 51 by the voters in November 2002. The transportation new law budget contains additional appropriations of \$1.35 billion, which would increase the total authorization to \$53.11 billion.

These budgets reflect net changes from the biennial amounts originally authorized by the Legislature in the 2001 2nd Special Session as follows: omnibus operating – a decrease of \$0.29 billion, which is a 0.7 percent decrease; transportation current law – an increase of \$0.77 billion, which is a 20.2 percent increase; and omnibus capital – an increase of \$0.05 billion, which is a 1.3 percent increase.

Separate overviews are included for each of the budgets. The omnibus operating budget overview can be found on page 11, the transportation budgets overview on page 249, and the omnibus capital budget overview on page 332.

**2001-03 Washington State Budget  
Including 2002 Supplemental  
Total Budgeted Funds**

**TOTAL STATE**  
(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
Legislative	136,110	4,084	0	0	0	0	0	140,194
Judicial	140,864	0	0	0	0	0	0	140,864
Governmental Operations	2,649,413	252	0	100	0	595,105	395,506	3,640,376
Human Services	18,976,685	0	0	0	0	195,327	147,778	19,319,789
Natural Resources	1,102,464	1,124	763	0	0	715,309	382,465	2,202,126
Transportation	105,690	1,467,409	2,799,298	43,225	1,302,777	19,150	14,852	5,752,401
Public Schools	11,503,685	0	0	0	0	346,853	150,037	12,000,575
Higher Education	6,439,607	0	0	0	0	695,957	423,492	7,559,056
Other Education	110,984	0	0	0	0	19,423	12,390	142,797
Special Appropriations	1,879,268	307,628	0	0	0	0	0	2,186,896
<b>Total Budget Bill</b>	<b>43,044,770</b>	<b>1,780,497</b>	<b>2,800,061</b>	<b>43,325</b>	<b>1,302,777</b>	<b>2,587,124</b>	<b>1,526,520</b>	<b>53,085,073</b>
Other Legislation	25,100	0	0	0	0	0	0	25,100
<b>Statewide Total</b>	<b>43,069,870</b>	<b>1,780,497</b>	<b>2,800,061</b>	<b>43,325</b>	<b>1,302,777</b>	<b>2,587,124</b>	<b>1,526,520</b>	<b>53,110,173</b>

*Note: This report includes all funds budgeted by the Legislature for the 2001-03 biennium through the 2002 session. In addition to amounts appropriated in the Omnibus Operating, Transportation, and Capital Budgets, the report includes budgeted but non-appropriated amounts of \$5.2 billion in the Omnibus Operating Budget and \$103.7 million in the Transportation Operating Budget.*

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**LEGISLATIVE AND JUDICIAL**  
(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
House of Representatives	55,430	0	0	0	0	0	0	55,430
Senate	45,707	0	0	0	0	0	0	45,707
Jt Leg Audit & Review Committee	4,069	0	0	0	0	0	0	4,069
Legislative Transportation Comm	0	3,596	0	0	0	0	0	3,596
LEAP Committee	2,950	488	0	0	0	0	0	3,438
Office of the State Actuary	2,054	0	0	0	0	0	0	2,054
Joint Legislative Systems Comm	14,959	0	0	0	0	0	0	14,959
Statute Law Committee	10,065	0	0	0	0	0	0	10,065
Redistricting Commission	876	0	0	0	0	0	0	876
<b>Total Legislative</b>	<b>136,110</b>	<b>4,084</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,194</b>
Supreme Court	10,987	0	0	0	0	0	0	10,987
State Law Library	3,906	0	0	0	0	0	0	3,906
Court of Appeals	25,618	0	0	0	0	0	0	25,618
Commission on Judicial Conduct	1,895	0	0	0	0	0	0	1,895
Office of Administrator for Courts	85,514	0	0	0	0	0	0	85,514
Office of Public Defense	12,944	0	0	0	0	0	0	12,944
<b>Total Judicial</b>	<b>140,864</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,864</b>
<b>Total Legislative/Judicial</b>	<b>276,974</b>	<b>4,084</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281,058</b>

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**GOVERNMENTAL OPERATIONS**

(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
Office of the Governor	12,652	0	0	0	0	0	0	12,652
Office of the Lieutenant Governor	877	0	0	0	0	0	0	877
Public Disclosure Commission	3,756	0	0	0	0	0	0	3,756
Office of the Secretary of State	35,548	0	0	0	0	100	296	35,944
Governor's Office of Indian Affairs	543	0	0	0	0	0	0	543
Asian-Pacific-American Affrs	434	0	0	0	0	0	0	434
Office of the State Treasurer	12,870	0	0	0	0	0	0	12,870
Office of the State Auditor	43,984	126	0	0	0	0	0	44,110
Comm Salaries for Elected Officials	227	0	0	0	0	0	0	227
Office of the Attorney General	164,973	0	0	0	0	0	0	164,973
Caseload Forecast Council	1,231	0	0	0	0	0	0	1,231
Dept of Financial Institutions	24,392	0	0	0	0	0	0	24,392
Dept Community, Trade, Econ Dev	354,566	0	0	0	0	399,031	375,925	1,129,523
Economic & Revenue Forecast Cncl	1,011	0	0	0	0	0	0	1,011
Office of Financial Management	70,952	0	0	0	0	3,800	0	74,752
Office of Administrative Hearings	22,444	0	0	0	0	0	0	22,444
Department of Personnel	32,886	0	0	0	0	0	0	32,886
State Lottery Commission	812,320	0	0	0	0	0	0	812,320
Washington State Gambling Comm	29,353	0	0	0	0	0	0	29,353
WA State Comm on Hispanic Affairs	436	0	0	0	0	0	0	436
African-American Affairs Comm	418	0	0	0	0	0	0	418
Personnel Appeals Board	1,705	0	0	0	0	0	0	1,705
Department of Retirement Systems	53,244	0	0	0	0	0	0	53,244
State Investment Board	13,461	0	0	0	0	0	0	13,461
Department of Revenue	161,068	0	0	100	0	0	0	161,168
Board of Tax Appeals	2,200	0	0	0	0	0	0	2,200
Municipal Research Council	4,575	0	0	0	0	0	0	4,575
Minority & Women's Business Enterp	2,616	0	0	0	0	0	0	2,616
Dept of General Administration	129,658	0	0	0	0	136,946	12,560	279,164
Department of Information Services	207,397	0	0	0	0	0	0	207,397
Office of Insurance Commissioner	30,550	0	0	0	0	0	0	30,550
State Board of Accountancy	1,716	0	0	0	0	0	0	1,716
Forensic Investigations Council	276	0	0	0	0	0	0	276
Washington Horse Racing Commission	4,436	0	0	0	0	0	0	4,436
WA State Liquor Control Board	155,626	0	0	0	0	0	0	155,626
Utilities and Transportation Comm	30,829	126	0	0	0	0	0	30,955
Board for Volunteer Firefighters	569	0	0	0	0	0	0	569
Military Department	148,358	0	0	0	0	52,033	3,980	204,371
Public Employment Relations Comm	4,564	0	0	0	0	0	0	4,564
Growth Management Hearings Board	2,958	0	0	0	0	0	0	2,958
State Convention and Trade Center	67,734	0	0	0	0	3,195	2,745	73,674
<b>Total Governmental Operations</b>	<b>2,649,413</b>	<b>252</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>595,105</b>	<b>395,506</b>	<b>3,640,376</b>

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**HUMAN SERVICES**  
(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
WA State Health Care Authority	722,545	0	0	0	0	0	0	722,545
Human Rights Commission	6,951	0	0	0	0	0	0	6,951
Bd of Industrial Insurance Appeals	29,619	0	0	0	0	0	0	29,619
Criminal Justice Training Comm	18,756	0	0	0	0	350	0	19,106
Department of Labor and Industries	463,701	0	0	0	0	650	0	464,351
Indeterminate Sentence Review Board	1,968	0	0	0	0	0	0	1,968
Dept of Social and Health Services	15,437,738	0	0	0	0	87,668	61,052	15,586,458
Home Care Quality Authority	152	0	0	0	0	0	0	152
Department of Health	653,217	0	0	0	0	29,350	7,888	690,455
Department of Veterans' Affairs	71,918	0	0	0	0	7,729	0	79,647
Department of Corrections	1,110,323	0	0	0	0	69,581	78,838	1,258,741
Dept of Services for the Blind	17,756	0	0	0	0	0	0	17,756
Sentencing Guidelines Commission	1,768	0	0	0	0	0	0	1,768
Department of Employment Security	440,273	0	0	0	0	0	0	440,273
<b>Total Human Services</b>	<b>18,976,685</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>195,327</b>	<b>147,778</b>	<b>19,319,789</b>

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**NATURAL RESOURCES**

(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
Columbia River Gorge Commission	1,526	0	0	0	0	0	0	1,526
Department of Ecology	320,271	0	0	0	0	351,872	164,081	836,223
WA Pollution Liab Insurance Program	2,150	0	0	0	0	0	0	2,150
State Parks and Recreation Comm	99,285	819	763	0	0	47,564	15,621	164,052
Interagency Comm for Outdoor Rec	14,270	0	0	0	0	155,688	176,319	346,277
Environmental Hearings Office	1,668	0	0	0	0	0	0	1,668
State Conservation Commission	7,770	0	0	0	0	12,208	8,604	28,582
Dept of Fish and Wildlife	287,586	0	0	0	0	46,246	10,306	344,138
Department of Natural Resources	276,766	0	0	0	0	101,633	7,535	385,933
Department of Agriculture	91,172	305	0	0	0	100	0	91,577
<b>Total Natural Resources</b>	<b>1,102,464</b>	<b>1,124</b>	<b>763</b>	<b>0</b>	<b>0</b>	<b>715,309</b>	<b>382,465</b>	<b>2,202,126</b>



**2001-03 Washington State Budget  
Including 2002 Supplemental  
Total Budgeted Funds**

**TRANSPORTATION  
(Dollars in Thousands)**

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
Board of Pilotage Commissioners	0	305	0	0	0	0	0	305
Washington State Patrol	71,397	254,400	2,610	0	0	1,450	14,852	344,709
WA Traffic Safety Commission	0	8,913	0	0	0	0	0	8,913
Department of Licensing	34,293	170,818	0	0	0	0	0	205,111
Department of Transportation	0	1,024,721	2,474,596	43,225	1,292,777	17,700	0	4,853,019
County Road Administration Board	0	3,327	86,014	0	0	0	0	89,341
Transportation Improvement Board	0	3,103	236,078	0	10,000	0	0	249,181
Marine Employees' Commission	0	332	0	0	0	0	0	332
Transportation Commission	0	773	0	0	0	0	0	773
Freight Mobility Strategic Invest	0	717	0	0	0	0	0	717
<b>Total Transportation</b>	<b>105,690</b>	<b>1,467,409</b>	<b>2,799,298</b>	<b>43,225</b>	<b>1,302,777</b>	<b>19,150</b>	<b>14,852</b>	<b>5,752,401</b>

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**EDUCATION**  
(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
State Board of Education	0	0	0	0	0	344,922	150,037	494,959
Superintendent of Public Instruction	11,503,685	0	0	0	0	1,931	0	11,505,616
<b>Total Public Schools</b>	<b>11,503,685</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>346,853</b>	<b>150,037</b>	<b>12,000,575</b>
Higher Education Coordinating Board	279,943	0	0	0	0	0	1,000	280,943
University of Washington	2,925,540	0	0	0	0	117,487	201,454	3,244,482
Washington State University	817,324	0	0	0	0	105,929	48,753	972,007
Eastern Washington University	162,729	0	0	0	0	32,975	12,440	208,144
Central Washington University	175,149	0	0	0	0	40,425	10,140	225,714
The Evergreen State College	88,824	0	0	0	0	49,310	1,308	139,442
Spokane Intercollegiate & Tech Inst	4,223	0	0	0	0	0	0	4,223
Western Washington University	235,470	0	0	0	0	60,134	18,450	314,054
Community/Technical College System	1,750,405	0	0	0	0	289,696	129,947	2,170,049
<b>Total Higher Education</b>	<b>6,439,607</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>695,957</b>	<b>423,492</b>	<b>7,559,056</b>
State School for the Blind	10,428	0	0	0	0	7,711	850	18,989
State School for the Deaf	15,378	0	0	0	0	2,760	2,000	20,138
Work Force Training & Education Coord Board	48,881	0	0	0	0	0	0	48,881
State Library	18,976	0	0	0	0	0	0	18,976
Washington State Arts Commission	6,664	0	0	0	0	0	0	6,664
Washington State Historical Society	7,494	0	0	0	0	8,702	1,389	17,585
East Washington State Historical Society	3,163	0	0	0	0	250	8,151	11,564
<b>Total Other Education</b>	<b>110,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,423</b>	<b>12,390</b>	<b>142,797</b>
<b>Total Education</b>	<b>18,054,276</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,062,233</b>	<b>585,919</b>	<b>19,702,428</b>

**2001-03 Washington State Budget**  
**Including 2002 Supplemental**  
**Total Budgeted Funds**

**SPECIAL APPROPRIATIONS**

(Dollars in Thousands)

	<b>Omnibus Operating Budget</b>	<b>Transportation Current Law Budget</b>		<b>Transportation New Law Budget</b>		<b>Capital Budget New</b>		<b>Total</b>
		<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>	<b>Approps</b>	<b>Reapprops</b>	
Bond Retirement and Interest	1,432,580	307,628	0	0	0	0	0	1,740,208
Special Approps to the Governor	204,773	0	0	0	0	0	0	204,773
Sundry Claims	279	0	0	0	0	0	0	279
State Employee Compensation Adjust	197,491	0	0	0	0	0	0	197,491
Contributions to Retirement Systems	44,145	0	0	0	0	0	0	44,145
<b>Total Budget Bill</b>	<b>1,879,268</b>	<b>307,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,186,896</b>
Other Legislation	25,100	0	0	0	0	0	0	25,100
<b>Total Special Appropriations</b>	<b>1,904,368</b>	<b>307,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,211,996</b>

# 2002 SUPPLEMENTAL OMNIBUS BUDGET OVERVIEW

## Operating Only

The state's fiscal condition deteriorated dramatically between the adoption of the 2001-03 biennial budget in June 2001 and the beginning of the 2002 session in January and then deteriorated even more during the session. The Governor's budget proposal in December addressed a \$1.3 billion decline: \$909 million in reduced revenue and over \$300 million in additional spending demands. In February, the revenue forecast was reduced an additional \$247 million, resulting in a \$1.5 billion gap between revenue and expenditures.

The 2002 Legislature addressed this gap in four ways: the 2001-03 biennial appropriation was reduced by a net of \$332 million; actions were taken to increase ongoing revenue by \$88 million; a portion of the state's share of the national tobacco settlement was sold to generate \$450 million for deposit into the general fund; and \$325 million of the emergency reserve account was transferred into the general fund and used to pay for part of the shortfall and to provide a reserve.

The revised 2001-03 biennial General Fund-State appropriation is \$22.45 billion<sup>1</sup>, an increase of 6.7 percent over the 1999-01 appropriation. The revised total funds operating budget is \$43.0 billion, a 12.1 percent increase over the 1999-01 budget.

### The Supplemental Budget

Since the passage of the \$22.783 billion 2001-03 general fund biennial budget last June, new spending pressures emerged resulting in an increase of \$322 million in the 2002 supplemental budget. Most of the increase comes from two budget drivers – K-12 education and low-income health care. An additional \$126 million is needed for public schools primarily for increased enrollments and levy equalization costs. Another \$91 million is added for the increased costs of health care in the Department of Social and Health Services (DSHS) Medical Assistance Program primarily for aged, blind, and disabled recipients. Other significant general fund supplemental spending requirements include the Department of Corrections (\$39 million) and the DSHS Economic Services Program (\$16 million).

General fund budget reductions and transfers of \$654 million were adopted that, when added to the \$322 million of increases described above, resulted in an overall reduction in the general fund budget of \$332 million. General fund spending was reduced by \$88 million through a number of efficiency savings and across-the-board reductions taken throughout state government. This amount also includes reductions in travel and equipment. An additional \$59.4 million in savings comes from a reduction of backfill assistance for cities and counties that lost significant revenue due to the passage of Initiative 695 in November 1999. Another \$63 million is saved from a proposal to adopt the State Actuary's most recent pension system valuation assumptions prescribed by the 1995-2000 experience study. Shifting the cost of certain general fund programs to other funds and accounts conserves \$51 million in general fund resources.

Health care benefits for state employees (and allocations for public schools) were reduced by \$33 million. The scheduled July 1, 2002, 2.6 percent cost-of-living adjustment for state and higher education employees was eliminated, saving \$50 million in the state general fund. The fiscal year 2003 vendor cost-of-living increase was reduced to 1.5 percent, saving \$9 million. Public school funding was reduced by \$90 million through a variety of changes, including elimination of state funding for one planning day, proposed changes in the calculation of the "staff mix" factor, and utilization of new federal education funding. Excluding compensation changes, higher

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<sup>1</sup> The fiscal year 2002 appropriation is \$11.23 billion, and the fiscal year 2003 appropriation is \$11.22 billion.

education was reduced by \$59 million through a combination of across-the-board reductions (\$55 million of this amount is included in the \$88 million efficiency total above) and other measures.

Adoption of this budget reduced the percentage growth in general fund biennial spending in 2001-03 to 6.7 percent, the lowest percentage growth in the general fund budget since the early 1970s.

### **Revenue Changes**

The budget adopts several measures that are expected to raise general fund revenues by about \$88 million during the remainder of the 2001-03 biennium and \$206 million in the 2003-05 biennium. A total of \$46 million in new revenue is anticipated from the hiring of additional staff in the Department of Revenue to improve tax collection, tax discovery, and overall tax compliance. Another \$24 million in ongoing revenue is expected from Washington's entry into "The Big Game" multi-state lottery consortium as authorized by separate legislation. Additional ongoing revenue of about \$27 million is expected from a proposal to eliminate exemptions in use taxation. Under Initiative 601, a two-thirds vote is required to raise revenue. The Legislature passed Chapter 33, Laws of 2002 (SB 6819), to suspend this requirement for the remainder of the biennium. Offsetting a portion of the revenue increases are a number of measures that reduce General Fund-State revenues by approximately \$10 million.

### **Securitizing Tobacco Settlement Payments**

In separate legislation, the state is directed to "securitize" a portion of the annual revenue coming to the state from the 1998 settlement of the national tobacco litigation. An independent authority is created to which the state would sell a portion of the state's annual tobacco settlement revenues in order to raise \$450 million in net proceeds to the state general fund. The authority will issue revenue bonds, the proceeds of which would be paid back to the state in return for the right to receive a portion of future tobacco settlement payments.

### **Reserves and Money Transfers**

The 2002 supplemental budget makes use of both state reserve accounts and money transfers from dedicated fund balances.

The sum of \$51.6 million is drawn from a variety of money transfers from various dedicated funds, listed on page 15 of this document. The budget also transfers \$325 million from the Emergency Reserve Account to the general fund. SB 6819 suspended the two-thirds vote requirement for a transfer from the Emergency Reserve Account.

The budget leaves a total \$305 million budget reserve, \$303 million less than the budget adopted in 2001. The reserves are comprised of \$252 million in the unrestricted ending balance and \$53 million in the Emergency Reserve Account.

## 2001-03 Estimated Revenues and Expenditures

### General Fund-State

(Dollars in Millions)

<b>Resources</b>	
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Beginning Fund Balance	599.0
February 2002 Revenue Forecast	20,961.9
2001 Session Money Transfers	228.0
2002 Session Money Transfers	51.6
Tobacco Securitization Transfer	450.0
Emergency Reserve Account Transfer	325.0
Budget Driven Revenue	43.0
Revenue Legislation	20.4
Big Game Lottery	24.4
Total Resources Available	22,703.3

<b>Appropriations</b>	
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Original 2001-03 Appropriation	22,783.2
2002 Supplemental Budget	-298.0
Governor Vetoes	-34.1 <sup>1</sup>
Total Appropriation	22,451.2
Spending Limit	23,260.1
Appropriation Compared to the Limit	-808.9 <sup>2</sup>

<b>Balance</b>	
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Unrestricted Ending Balance	252.1
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<b>Emergency Reserves Fund</b>	
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Beginning Balance	462.1
Interest Earnings	10.6
Transfers to Transportation	-70.0
Earthquake / Drought	-25.0
Transfer to the General Fund	-325.0
Ending Balance	52.7

Total Reserves	304.8 <sup>1</sup>
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1) The Governor vetoed an additional \$2.9 million enhancement for home care workers wages and placed this amount in allotment reserve. These funds are still included in the appropriation.

2) Note: Preliminary analysis of statutory provisions concerning use of the Emergency Reserve Fund (ERF) suggests that the limit should not be raised for the transfer of ERF money to the general fund.

**2001-03 Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**Adjustments to the Initiative 601 Expenditure Limit**  
(Dollars in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>2001-03</u>
<b>Current Official Limit</b>	<b>11,251.5</b>	<b>11,640.7</b>	<b>22,892.2</b>
<b>Revenue Transfers:</b>			
Tobacco Securitization		450.0	450.0
Transfer Health Services Account	20.0		20.0
Higher Education Capital Transfers (Made in Capital Budget)	17.5		17.5
Transfer Treasurer's Service Account Fund Balance	4.0	8.4	12.4
Transfer Enhanced 911		6.0	6.0
Transfer Emergency Medical Services & Trauma Account	6.0		6.0
Transfer Clark/McNary Fund Balance	4.0		4.0
Transfer State Drought Protection Account Fund Balance	3.0		3.0
Transfer Financial Services Regulatory Account Fund Balance	2.3	0.4	2.6
Transfer Gambling Account Fund Balance	2.0	0.5	2.5
Transfer Liquor Revolving		2.1	2.1
Transfer Industrial Insurance Fund Balance	1.0		1.0
Transfer Local Lease Excise Tax	1.0		1.0
Transfer Liquor Construction		0.5	0.5
Transfer Utilities & Transportation Commission/Public Service Revolving		0.4	0.4
Transfer Insurance Commissioner		0.4	0.4
Transfer Lottery Administration		0.3	0.3
Transfer AASA Licensing Fees to General Fund-State & -Local		-3.4	-3.4
<b>Program Shifts to General Fund-State:</b>			
Disproportionate Share		16.0	16.0
Department of Social & Health Services - FMAP		14.0	14.0
Department of Corrections Federal Fund Transfer	1.1	1.0	2.1
Superintendent of Public Instruction - Assessment System Funding	1.0	-1.0	0.0
DSHS Developmental Disabilities - Cost Allocation Plan	0.7	-0.7	0.0
<b>Program Shifts out of General Fund-State:</b>			
DSHS - Developmental Disabilities Regional Health Care Fund Source Adjustments	-2.4	2.4	0.0
Department of Community, Trade, & Economic Development - CERB Position		0.0	0.0
Department of Ecology - Hanford Liaison	-0.1		-0.1
State Parks & Recreation Commission - Forest Road Inventory	-0.1		-0.1
DSHS Children & Family Services - Pediatric Interim Care		-0.2	-0.2
Department of Natural Resources - Natural Resource Conservation Areas		-0.2	-0.2
Department of Ecology - Contaminated Sediments	-0.2		-0.2
Department of Health - Water Conservation and Reuse		-0.2	-0.2
DSHS - Developmental Disabilities Higher Client Contributions	-0.2		-0.2
Department of Ecology - Stream Gauging Fund Shift	-0.3		-0.3
Interagency Committee for Outdoor Recreation - Statewide Monitoring Strategy	-0.3		-0.3
Department of Agriculture - International Marketing Fund Shift	-0.4		-0.4
Department of Ecology - Aquatic Pesticides Shift to Fees		-0.4	-0.4
Leased Lands to Wildlife Account		-0.5	-0.5
DSHS - Long-Term Care SCSA & OAA Funding Adjustments		-0.6	-0.6
DSHS - Long-Term Care Revise Bed Retainer Policy		-0.8	-0.8
Department of Health - Maximize Use of Federal Funds		-0.8	-0.8
Attorney General - Fund Shifts		-0.8	-0.8
DSHS - Developmental Disabilities Division Fund Source Change	-0.9		-0.9
Department of Fish & Wildlife - Resource Program Fund Shifts	-0.1	-0.9	-1.0
Department of Labor & Industries - Apprenticeship Transfer	-1.0		-1.0
DSHS - Economic Services Fund Shift	-1.0		-1.0
Department of Health - HIV and AIDSNET		-1.1	-1.1
Department of Labor & Industries - Employment Standards Transfer	-1.1		-1.1
Department of Ecology - Water Quality Certifications & Stormwater Phase 2		-1.2	-1.2
DCTED - Salmon Recovery Fund Reallocation		-1.5	-1.5
DSHS - Mental Health Division Third Party Revenues	-1.0	-0.6	-1.6
Department of Fish & Wildlife - Salmon Recovery Reallocation	-1.5	-0.2	-1.6
Department of Community, Trade, & Economic Development - Shelters		-2.0	-2.0
K-12 - Washington Assessment of Student Learning		-2.0	-2.0
Secretary of State - Corporations Fund Shift		-2.0	-2.0
DSHS - Part B in Medical Assistance Administration	-1.6	-0.5	-2.1
Department of Ecology - Watershed Grants Funding Shift	-4.5		-4.5
K-12 - Learning Assistance Program		-5.9	-5.9
Department of Health - Childhood Vaccines	-5.2	-1.3	-6.5
Health Care Authority - Transfer Community Health Services		-6.7	-6.7
DSHS - Medical Assistance Maternity Support Services		-8.6	-8.6
K-12 - Safety Net	-3.5	-7.1	-10.6
Transfer Ferry Assistance	-20.0		-20.0
Redirect Legal Immigrants to Basic Health Plan		-21.0	-21.0
DSHS - Use RSN Reserves		-21.2	-21.2
Local Government Assistance		-59.4	-59.4
<b>Total Adjustments</b>	<b>18.4</b>	<b>349.5</b>	<b>367.9</b>
<b>Revised Initiative 601 Expenditure Limit</b>	<b>11,269.9</b>	<b>11,990.2</b>	<b>23,260.1</b>

**2001-03 Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**Transfers to the General Fund**  
(Dollars in Millions)

	<u>2002</u>	<u>2003</u>	<u>2001-03</u>
<b>2001 Legislative Session</b>			
Transfer Health Services Account Revenue to General Fund	130.0	20.0	150.0
Transfer from Multimodal Account	70.0	0.0	70.0
Transfer from Treasurer's Service Account	0.0	8.0	8.0
<b>Total</b>	<b>200.0</b>	<b>28.0</b>	<b>228.0</b>
<b>2002 Supplemental</b>			
Transfer Industrial Insurance Fund Balance	1.0	0.0	1.0
Transfer Gambling Account Fund Balance	0.0	2.5	2.5
Financial Services Regulatory Account Fund Balance	2.3	0.4	2.6
State Drought Protection Account Fund Balance	3.0	0.0	3.0
Transfer Treasurer's Service Account Fund Balance	0.0	4.4	4.4
Transfer Clark/McNary Fund Balance	4.0	0.0	4.0
Transfer Utilities & Transportation Commission/Public Service Revolving	0.0	0.4	0.4
Transfer Lottery Administration	0.0	0.3	0.3
Insurance Commissioner	0.0	0.4	0.4
Liquor Construction	0.0	0.5	0.5
Liquor Revolving	0.0	2.1	2.1
Enhanced 911	0.0	6.0	6.0
Local Leasehold Excise Tax	1.0	0.0	1.0
Emergency Medical Services & Trauma Care	0.0	6.0	6.0
Capital Budget Related Transfers	0.0	17.5	17.5
<b>Total</b>	<b>11.3</b>	<b>40.4</b>	<b>51.6</b>



**2001-03 Washington State Operating Budget  
Appropriations Contained Within Other Legislation**

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Total
<b>2001 Legislative Session</b>				
HB 2258 - Earthquake and Drought Relief	C 26 L 01 E2	Other Legislation with Appropriations		25,000
ESSB 5237 - Fair Fund	C 16 L 01	Other Legislation with Appropriations	<u>100</u>	
Total			100	<u>25,000</u>
<b>2002 Legislative Session</b>				
ESHB 2304 - Transportation	C 5 L 02	Department of Labor & Industries		950

*Note: Operating appropriations contained in Chapter 371, Laws of 2002, Partial Veto (ESSB 6387 - 2001-03 Omnibus Operating Budget), Chapter 359, Laws of 2002, Partial Veto (ESHB 2451 - 2001-03 Transportation Current Law Budget), and Chapter 201, Laws of 2002, Partial Veto (ESSB 6347 - 2001-03 Transportation New Law Budget -- subject to passage of Referendum 51) are displayed in the appropriate sections of this document.*

# REVENUES

Revenue legislation for the 2002 session was enacted in the context of a significant reduction in General Fund-State revenues. The February 2002 revenue forecast of about \$21 billion was over one billion less than the \$22 billion used in constructing the original 2001-03 biennial operating budget. Most of this General Fund-State revenue reduction was a result of a downturn in the economy, including the effects of the terrorist attacks of September 11, 2001.

During the 2002 session, the Legislature enacted and the Governor signed measures that totaled a net General Fund-State increase of \$88 million for the 2001-03 biennium. Major revenue issues for 2002 included: the passage of two initiatives to the people (Initiative 747 and Initiative 773); a temporary revision to Initiative 601 voting requirements; revenue increase measures; legislation responding to the Governor's task force on investment income of non-financial firms; transportation revenue legislation; and the federal government's changes to the estate tax.

## **Initiatives**

In November 2001, voters approved Initiative 747 (Chapter 1, Laws of 2002), limiting the growth of property taxes. Regular state and local property tax levies are limited to 1 percent growth per year. For local districts with a population greater than 10,000, and for the state, this rate is limited to inflation if inflation is less than 1 percent. Higher growth rates are allowed for local levies only with voter approval. The limits do not apply to voter-approved special levies or to new construction and are based on the regular levy receipts of taxing districts, not the amount paid by individual property owners. This measure is projected to result in reduced General Fund-State revenues of \$34 million between January 1, 2002, and June 30, 2003, and a reduction in local revenues of \$115 million for all local regular levies for the same period. For the 2003-05 biennium, this reduction is expected to rise to \$118 million for the state levy and \$363 million for all local regular levies.

Voters also approved Initiative 773 (Chapter 2, Laws of 2002), in November 2001 increasing the rates of the state cigarette and tobacco products taxes. Effective January 1, 2002, cigarette tax rates increased from \$0.825 to \$1.425 per pack, the second highest rate nationally as of April 2002. The tobacco products tax rate increased from 74.9 percent of the wholesale price to 129.4 percent, one of the highest rates nationally. Receipts from the taxes are dedicated to the Health Services Account to be used for health programs for low-income people, tobacco control and prevention, and the state Basic Health Plan. Increases to the Health Services Account are projected at \$220 million for 2001-03 and \$270 million for 2003-05. The Initiative provided for amounts to be transferred to other funds that lose revenue as a result of the change in law but did not contain such a provision for the state general fund. For the 2001-03 biennium, this legislation results in a \$7 million reduction for the General Fund-State, increasing to a \$9 million reduction for the 2003-05 biennium.

## **Revenue Increase Measures**

Budget driven revenue includes additional staff for the Department of Revenue to conduct audits, tax discovery, collections, and taxpayer education. These strategies are projected to increase General Fund-State revenues by \$46 million for fiscal year 2003 and \$106 million for the 2003-05 biennium. Projected local government revenue increases are \$7 million for fiscal year 2003 and over \$15 million for the 2003-05 biennium. (For more information, see the Governmental Operations Section of this document.)

Under Chapter 349, Laws of 2002 (E2SSB 6560), the State Lottery Commission is authorized to join the shared game multi-state lottery, "The Big Game." After transfers and reductions in existing lottery game revenue, participation in "The Big Game" is projected to increase net General Fund-State revenues by \$24 million in fiscal year 2003 and by \$63 million in the 2003-05 biennium.

While it had no direct revenue impact, Chapter 33, Laws of 2002 (SB 6819), revised Initiative 601 voting requirements through fiscal year 2003 to allow for a simple majority vote for general tax increases and transfers from the emergency reserve fund. This legislation was effective on March 13, 2002.

The application of the use tax was broadened by Chapter 367, Laws of 2002 (SB 6835), to include three areas involving out-of-state activities. For fiscal year 2003, General Fund-State revenues are increased by about \$27 million, and local revenues are increased by about \$8 million. For the 2003-05 biennium, General Fund-State revenues are increased by a projected \$58 million.

### **Investment Income Tax Deduction for Business & Occupation Tax**

The only legislation with a permanent General Fund-State revenue decrease of over \$1 million for the 2001-03 biennium was Chapter 150, Laws of 2002 (HB 2641), responding to the Governor's task force on taxation of investment income for non-financial firms. The task force was convened to address the 2000 State Supreme Court decision in *Simpson Investment Company v. Department of Revenue*. This legislation decreases General Fund-State revenue by \$3.6 million in fiscal year 2003 and by about \$10.5 million in the 2003-05 biennium.

### **Estate Tax**

The federal Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 phases out the federal estate tax by 2010. Included in EGTRRA was a phase-out by 2005 of the credit for estate taxes imposed by states. Under current statutes, Washington estate tax "picks up" the credit as it existed on January 1, 2001. Although there were various proposals to conform or partially conform to EGTRRA, none were enacted during the 2002 session; so the state will collect 100 percent of the old credit.

### **Transportation**

The 2002 session featured a number of transportation measures containing revenue provisions to raise money for local and statewide projects. Chapter 56, Laws of 2002, Partial Veto (E2SSB 6140), authorizes some local taxing authority and financing sources, subject to voter approval, for regional transportation investment districts limited to King, Pierce, and Snohomish Counties. Chapter 202, Laws of 2002 (ESHB 2969 – Referendum 51), raises revenue for statewide improvements, authorizes a gas tax increase, authorizes a sales tax increase on vehicles, and earmarks sales tax on highway construction for transportation projects. Referendum 51 requires approval of the statewide electorate in November 2002. (For more information, see the Transportation New Law Budget Section of this document.)

### **Other**

No other legislation resulted in permanent revenue impacts of over \$1 million General Fund-State for the 2001-03 biennium. Two bills to assist local governments have General Fund-State impacts of over \$1 million in the 2003-05 biennium. Chapter 184, Laws of 2002 (SB 5082), amends the definition of rural county to include counties smaller than 225 square miles for the purposes of the 0.08 percent local sales tax for public facilities. Chapter 363 Laws of 2002, Partial Veto (3SSB 5514), extends the date by which construction of regional special events centers must commence in order to be eligible for the local sales tax. Both of these local sales taxes are credits against the state sales tax.

Two other non-transportation bills will result in significant increases in local and special purpose revenues. Chapter 294, Laws of 2002 (SHB 2060), changes fees for documents filed with county auditors and dedicates the revenue to low-income housing. Combined revenue increases for local governments and the Washington Housing Trust Fund exceed \$12 million for fiscal year 2003. Chapter 341, Laws of 2002 (HB 2595), increases taxes on wireless telephone service to allow enhanced 911 (E-911) services to accommodate wireless phone calls. For fiscal year 2003, the legislation raises revenue of \$3 million for statewide coordination and over \$3 million for county E-911.

## 2002 Revenue Legislation Changes

### General Fund-State

(Dollars in Thousands)

Legislation	2001-03	2003-05
2SHB 1477 Emergency Communication Systems	0	0
2SHB 1531 Taxation of Lodging	-135	-245
SHB 2031 Pay Phone Service Taxation	0	0
SHB 2060 Low-Income Housing	0	0
2SHB 2338 Drug Offense Sentencing	0	-8,528
SHB 2357 Community Renewal	0	0
HB 2425 Community Economic Revitalization Board (CERB)	0	-100
SHB 2437 Economic Revitalization	0	0
SHB 2456 Linked Deposit Program	0	-236
SHB 2466 Multiple-Unit Dwellings	0	0
SHB 2495 Fire Districts	0	0
HB 2496 Fire Protection Districts/Property Tax	0	0
HB 2553 Cigarette Tax Contracts/Tribes	0	0
SHB 2592 Community Revitalization Financing	0	0
HB 2595 Wireless 911 Service	0	0
HB 2639 Internet Service Providers/Moratorium	0	0
HB 2641 Business and Occupation Tax (Investment Income)	-3,615	-10,473
HB 2732 Subsidized Health Care	0	0
HJR 4220 Fire Protection District Levies	0	0
SB 5082 Defining Rural Counties	-414	-1,070
3SSB 5514 Public Facility Districts	-725	-2,101
SB 5523 Leased Equipment/Tax Overpayment	0	0
2SSB 5965 Local Real Estate Excise Tax (REET)	0	0
ESSB 6060 Hazardous Substance Tax	0	0
SSB 6342 Sales and Use Tax Act	0	0
SB 6539 Telecommunications	0	0
SB 6591 Tobacco Products Tax *	0	0
SSB 6787 Organ Procurement Organizations	-34	-171
SB 6819 Expenditure Limits	0	0
SB 6835 Use Taxation	27,179	58,431
	<b>22,256</b>	<b>35,507</b>
<b>Transportation Revenue Bills</b>		
ESHB 2304 Transportation - Blue Ribbon Commission	-462	-924
ESHB 2969 Transportation - Improvement and Financing	0	0
ESSB 6008 Commute Trip Reduction	-1,500	750
SB 6036 Local Motor Vehicle Excise Tax	0	0
E2SSB 6140 Regional Transportation Investment Districts	0	0
ESSB 6464 City Transportation Authority	0	0
	<b>-1,962</b>	<b>-174</b>
<b>New Lottery Game</b>		
E2SSB 6560 Shared Game Lottery	<b>24,400</b>	<b>63,446</b>
<b>Budget Driven Revenue</b>		
Department of Revenue	46,400	106,120
License Fee for Nursing Homes (Transfer)	-3,367	-6,733
	<b>43,033</b>	<b>99,387</b>
<b>Miscellaneous Revenue Changes</b>	<b>68</b>	<b>180</b>
<b>Total Revenue Changes</b>	<b>87,795</b>	<b>198,346</b>

\* The General Fund-State fiscal impact of SB 6591 is an increase of \$2.37 million for fiscal year 2003 and \$5.95 million for the 2003-05 biennium. As the impact does not result in an increase for balance sheet purposes, it is not included in the sum for this table. (The most current forecast already assumes these revenues.)

# Revenue Legislation

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The legislation listed below is intended to be a summary of bills passed during the 2002 session affecting state revenues or tax statutes, but may not cover all revenue-related bills. The legislation is listed in bill number order, although transportation-related legislation is grouped together at the end.

## **Allowing Counties to Impose Taxes for Emergency Communications Systems – No General Fund-State Revenue Impact**

Chapter 176, Laws of 2002 (2SHB 1477), authorizes counties to impose an additional 0.1 percent sales and use tax for emergency communication systems and facilities, subject to voter approval. This legislation has no state revenue impact; local impact depends on the number of counties that enact the additional tax.

## **Modifying the Taxation of Lodging — \$135,000 General Fund-State Revenue Decrease**

Chapter 178, Laws of 2002, Partial Veto (2SHB 1531), eliminates the requirement for continuous occupancy of a specific lodging unit by the same person in order to be exempt from the taxes on lodging. (The Governor vetoed a provision intended to allow a municipality located in more than one county to impose the local lodging tax in each county at the maximum rate; however, as written, the provision had no effect on current law.) This legislation decreases General Fund-State revenue by \$135,000 in the 2001-03 biennium and results in a small decrease in local revenues and receipts to the Convention Center Account.

## **Limiting the Taxation of Pay Phone Services—No General Fund-State Revenue Impact**

Chapter 179, Laws of 2002 (SHB 2031), requires cities to tax pay phone services of independent pay phone operators at the 0.2 percent retailing rate rather than the 6.0 percent utility rate. This legislation has no state revenue impact and decreases local revenues by \$167,000 in fiscal year 2003.

## **Providing Funds for Housing Projects — No General Fund-State Revenue Impact**

Chapter 294, Laws of 2002 (SHB 2060), imposes a \$10 surcharge on recordings of real property documents filed with county auditors. Proceeds are directed as follows: 5 percent may be retained by county auditors for administrative expenses, and, of the remainder, 40 percent is deposited into the state Housing Trust Account for low-income housing, and 60 percent may be used by the county and its cities pursuant to an inter-local agreement for specified purposes related to low-income housing programs. This legislation has no General Fund-State revenue impact. Local revenues are increased by \$7.6 million, and \$4.8 million is raised for the Washington Housing Trust Fund in the 2001-03 biennium.

## **Revising Sentences for Drug Offenses — No General Fund-State Revenue Impact**

Chapter 290, Laws of 2002 (2SHB 2338), revises drug offender sentencing. Savings from these sentencing changes are used to fund drug treatment at the state and county level. This legislation requires a transfer of the calculated savings amount from the General Fund-State to the Criminal Justice Treatment Account, reducing revenues by an estimated \$8.5 million in the 2003-05 biennium. (This transfer is intended to be offset by savings in the operating budget as a result of the sentencing changes, but actual savings and calculated savings may differ.)

## **Addressing Community Renewal — No General Fund-State Revenue Impact**

Chapter 218, Laws of 2002 (HB 2357), expands tax increment financing to allow increased local sales and use taxes derived from firms within a redevelopment area to be applied toward retirement of bonds that financed the project. Local improvement districts may be established within a community renewal area and imposition of special assessments on property within these districts is allowed. This legislation has no state revenue impact.

## **Funding the Community Economic Revitalization Board — No General Fund-State Revenue Impact**

Chapter 242, Laws of 2002 (HB 2425), authorizes the Community Economic Revitalization Board (CERB) Account to retain 100 percent of its interest earnings on the repayment of principal and interest on its loans beginning July 1, 2004. Currently, these interest earnings are deposited into the general fund. The repayment of

loans made under the timber-dependent communities program and the rural natural resources impact area program are transferred from the Public Works Trust Fund into the CERB Account. The Board is required to provide at least 10 percent of all financial assistance in the form of grants. This legislation has no General Fund-State revenue impact during the 2001-03 biennium and a minimal impact thereafter.

**Promoting Economic Revitalization — No General Fund-State Revenue Impact**

Chapter 79, Laws of 2002 (HB 2437), allows a city or town with a population of over 100,000 to use the incremental increase in revenue of the basic and optional local sales and use taxes to finance community revitalization projects within a designated downtown or neighborhood commercial district. This legislation has no General Fund-State revenue impact.

**Modifying Provisions Relating to the Linked Deposit Program — No General Fund-State Revenue Impact**

Chapter 305, Laws of 2002 (SHB 2456), requires designated state agencies to develop analytical tools to measure the performance of the linked deposit program, and the Office of Minority and Women's Business Enterprises is added to the list of state agencies charged with monitoring the performance. The sunset provision on the program is extended from June 30, 2003, to June 30, 2008. This legislation has no state revenue impact during the 2001-03 biennium and a modest impact in fiscal year 2005 due to a reduction in interest earnings for the state general fund.

**Revising the Multiple Unit Dwelling Property Tax Exemption — No General Fund-State Revenue Impact**

Chapter 146, Laws of 2002 (SHB 2466), reduces the minimum city population cap from 50,000 to 30,000 for the multi-family housing property tax exemption program. The cost of the rehabilitation or construction is counted as new construction when calculating the maximum district property tax amount at the time the property is no longer exempt. It also allows cities to limit the tax exemption to individual dwelling units that meet the city guidelines for program participation, such as low-income housing status. This legislation is expected to have minimal state and local revenue impacts, although the program will create a tax shift beginning in calendar year 2004. These impacts assume that only Puyallup currently has plans to utilize the new legislation and that it will take a number of years for plans to reach fulfillment.

**Updating Outdated Fire District Statutes to Increase Efficiency — No General Fund-State Revenue Impact**

Chapter 84, Laws of 2002 (SHB 2495), expands the existing authority for a fire district to levy an additional property tax of \$0.50 per thousand dollars of assessed value if it has at least one full-time employee to districts that *contract* with at least one full-time employee. This legislation has no state revenue impact; local impacts depend on the number of districts that choose to take advantage of this provision.

**Modifying Fire Protection District Property Tax Provisions — No General Fund-State Revenue Impact**

Chapter 180, Laws of 2002 (HB 2496), allows multiple-year levies for fire districts by amending the current one-year fire protection district property tax levy to allow for a levy of up to four years for maintenance and operation support and up to six years for construction or remodeling purposes. The act only takes effect if the accompanying constitutional amendment, House Joint Resolution (HJR) 4220, is approved at the next general election. This legislation has no state or local revenue impact.

**Increasing the Number of Eligible Tribes for Cigarette Tax Contracts — No General Fund-State Revenue Impact**

Chapter 87, Laws of 2002 (HB 2553), authorizes the Governor to enter into cigarette tax contracts with the Snoqualmie and the Swinomish tribes, in addition to the 16 tribal entities allowed under Chapter 235, Laws of 2001. The contracts allow the tribes to levy tribal cigarette taxes equivalent to state and local cigarette and sales taxes, although purchases by tribal members may be exempted. This legislation has no direct revenue impact. Enactment of contracts in the future could result in a small increase in state and local revenue, as the incentive to purchase from tribal retailers is removed and some purchasers shift to more convenient, non-tribal retailers.

**Modifying Community Revitalization Financing — No General Fund-State Revenue Impact**

Chapter 12, Laws of 2002 (HB 2592), amends a 2001 statute regarding the use of tax increment financing for community revitalization projects. Fire protection districts must agree to participate in order for a local government

to proceed with community revitalization financing. Local governments are authorized to issue non-recourse revenue bonds to finance revenue-generating public improvements, or portions of public improvements, that are located within a tax increment area. The Community Revitalization Financing Program's expiration date of July 1, 2010, is eliminated. This legislation has no state revenue impact; local impact depends on the extent to which local governments use this provision.

**Providing Funding for Wireless Enhanced 911 (E-911) Taxes — No General Fund-State Revenue Impact**

Chapter 341, Laws of 2002 (HB 2595), increases the maximum county 911 tax of 25 cents on radio access (wireless) lines to 50 cents. A state E-911 tax of 20 cents is imposed on wireless lines. Revenues from the state tax can be used for implementation and operation of wireless E-911 statewide, including funding of counties and reimbursement of wireless carriers. This legislation has no General Fund-State revenue impact. Fiscal year 2003 revenues to the state E-911 Account are projected at \$2.8 million, and revenues for counties are projected at \$3.5 million, with growth in subsequent years.

**Continuing a Moratorium that Prohibits a City or Town from Imposing a Specific Fee or Tax on an Internet Service Provider — No General Fund-State Revenue Impact**

Chapter 181, Laws of 2002 (HB 2639), extends the prohibition on the imposition of new taxes or fees on Internet service providers from July 1, 2002, to July 1, 2004. This legislation has no impact on current state and local revenues.

**Implementing the Recommendations of the Investment Income Tax Deduction Task Force for the Business and Occupation (B&O) Tax — \$3.6 Million General Fund-State Revenue Decrease**

Chapter 150, Laws of 2002 (HB 2641), revises the B&O deduction for investment income. Amounts received from investments are deductible except for banking businesses, lending businesses, security businesses, loans or the extension of credit, revolving credit arrangements, installment sales, and the acceptance of payment over time for goods or services. Also deductible are amounts derived from interest on loans between a subsidiary entity and a parent entity or between subsidiaries of a common parent entity provided the total investment and loan income is less than 5 percent of the annual gross receipts of the business. This legislation decreases General Fund-State revenue by \$3.6 million in fiscal year 2003 and by \$10.5 million in the 2003-05 biennium.

**Excluding Government Subsidized Social Welfare Compensation from Taxation — No General Fund-State Revenue Impact**

Chapter 314, Laws of 2002 (HB 2732), restates 2001 enacted legislation that modified the B&O tax deduction to allow nonprofit and public hospitals to deduct amounts received from a governmental entity via managed care organizations. The Governor vetoed a provision in the 2001 legislation that waived tax liability for hospitals that had not paid their tax. HB 2732 waives tax liability since January 1, 1998, and provides refunds of taxes paid since January 1, 1998. This legislation has no General Fund-State revenue impact but results in a one-time reduction in revenue for the Health Services Account of \$7.8 million in fiscal year 2003.

**Amending the Constitution to Expand the Number of Years Excess Levies by Fire Protection Districts Can Be Made — No General Fund-State Revenue Impact**

HJR 4220 is the accompanying constitutional amendment to HB 2496 (see description above) and takes effect only if approved by the voters at the next general election.

**Defining Rural Counties for Purposes of Sales and Use Tax for Public Facilities in Rural Counties — \$414,000 General Fund-State Revenue Decrease**

Chapter 184, Laws of 2002 (SB 5082), amends the 0.08 percent local option sales tax that is credited against the state's sales tax for rural counties. Revenue from the local tax is used to finance public facilities such as bridges, roads, and sewer facilities. The definition of "rural county" is expanded to include counties that are smaller than 225 square miles. Island County is the only county that meets this requirement that is not already eligible. This legislation decreases General Fund-State revenue by \$414,000 for fiscal year 2003 and increases local government revenue by the equivalent amount.

**Changing Provisions Relating to Public Facility Districts — \$725,000 General Fund-State Revenue Decrease**

Chapter 363, Laws of 2002, Partial Veto (3SSB 5514), extends the date by which construction of regional centers must commence in order to be eligible for the local sales tax. Entities that form public facilities districts (PFDs) before July 31, 2002, and commence construction before January 1, 2004, are allowed to impose a 0.033 percent sales tax credited against the state tax. The existing municipal admissions tax is extended to events at public facilities operated by a PFD and requires that the receipts be dedicated to the facility or its programs. “Special events center” is defined, and a city is allowed to form a PFD with a county. (The Governor vetoed a provision in the bill that would have allowed PFDs a full refund of all sales taxes paid on the construction of regional centers after the center became operationally complete.) This legislation decreases General Fund-State revenue by \$725,000 in fiscal year 2003 and increases local government revenues by an equivalent amount.

**Authorizing an Offset for Certain Overpayments of Tax Concerning Leased Equipment — No General Fund-State Revenue Impact**

Chapter 57, Laws of 2002 (SB 5523), grants an exception to the four-year limitation of refunds regarding overpayments of sales tax on leased equipment. A taxpayer is allowed to credit the sales tax paid incorrectly on the original sale to offset the amount of sales taxes subsequently owed on the leased property. This legislation is expected to have negligible state or local revenue impact.

**Authorizing Local Option Real Estate Excise Taxes for Affordable Housing Purposes — No General Fund-State Revenue Impact**

Chapter 343, Laws of 2002 (2SSB 5965), authorizes an additional 0.5 percent real estate excise tax for counties for the development of affordable housing, subject to voter approval. Only a county that imposes the 1.0 percent tax for conservation areas at the maximum rate and imposes it by January 1, 2003, is eligible. (Currently only San Juan County meets this requirement.) This legislation has no state revenue impact; for 12 months of collections, the additional tax could yield over \$800,000 in San Juan County.

**Updating References for the Purposes of the Hazardous Substance Tax — No General Fund-State Revenue Impact**

Chapter 105, Laws of 2002 (ESSB 6060), updates references to federal acts defining hazardous substances for purposes of the state hazardous substance tax. Reference to taxable hazardous substances under the Federal Comprehensive Environmental Response, Compensation, and Liability Act are updated to reflect taxable substances as of March 1, 2002. Exempt are certain non-compound metals that are no longer included as a hazardous substance. Pesticides required to be registered under the Federal Insecticide, Fungicide, and Rodenticide Act are limited to those required to be registered as of August 3, 1996, the last date the act was amended. This legislation has no state revenue impact.

**Adopting the Simplified Sales and Use Tax Administration Act — No General Fund-State Revenue Impact**

Chapter 267, Laws of 2002 (SSB 6342), authorizes Washington to be a voting member in negotiating a multi-state Streamlined Sales and Use Tax Agreement. Requirements that must be met before Washington can join a multi-state agreement are specified. Any proposed changes to state law as the result of an agreement must be presented by the Department of Revenue to the Legislature. This legislation has no state revenue impact.

**Implementing the Federal Mobile Telecommunications Sourcing Act — No General Fund-State Revenue Impact**

Chapter 67, Laws of 2002 (SB 6539), sources state and local excise taxes on mobile telecommunications to the customer's primary place of use, in a manner consistent with federal law. A procedure is created for customer complaints about incorrect tax amounts on mobile telecommunications billings. This legislation has no state or local revenue impact.



**Allowing the Lottery Commission to Participate in a Shared Game Lottery — \$24.4 Million General Fund-State Revenue Increase**

Chapter 349, Laws of 2002 (E2SSB 6560), authorizes the Lottery Commission to enter into the shared game lottery known as “The Big Game.” Lottery revenues of \$102 million per year are guaranteed to the Student Achievement Account and Education Construction Account. This legislation is projected to increase General Fund-State revenue by \$24.4 million in fiscal year 2003 and by \$63.4 million in the 2003-05 biennium.

**Changing the Taxation of Tobacco Products to Provide for the Taxation of Products Purchased for Resale from Persons Immune from State Tax — \$2.4 Million General Fund-State Revenue Impact**

Chapter 325, Laws of 2002 (SB 6591), expands the definition of distributor to include persons who sell tobacco products (other than cigarettes) that have not yet been subjected to the tobacco tax. The definition of persons is amended to exclude federal entities and tribes. The effect of the changes is to prevent distributors from avoiding the tobacco products tax by purchasing from entities immune from tax (such as Indian tribal vendors). For fiscal year 2003, this legislation has a positive General Fund-State impact of about \$2.4 million, and a combined increase to other funds of about \$4 million. However, since these projected tax revenues are assumed in the February 2002 forecast, these revenues do not net to a positive increase for the balance sheet as of May 2002.

**Exempting Organ Procurement Organizations from Taxation — \$34,200 General Fund-State Revenue Decrease**

Chapter 113, Laws of 2002 (SSB 6787), exempts income of nonprofit organ procurement organizations from the B&O tax to the extent that it is exempt from federal income tax. The purchase or use of medical supplies, chemicals, or specialized materials for nonprofit organ procurement organizations is exempt from sales and use tax. The sales and use tax exemption does not apply to construction materials, office equipment, building equipment, administrative supplies, or vehicles. This legislation decreases General Fund-State revenue by \$34,200 in fiscal year 2003.

**Making Temporary Amendments to the State's Expenditure Limitations to Address the Revenue Shortfall in the 2001-03 Biennium — No General Fund-State Revenue Impact**

Chapter 33, Laws of 2002 (SB 6819), revises Initiative 601 voting requirements so that until June 30, 2003, a simple majority vote of both houses of the Legislature is sufficient to increase general state revenues or make transfers from the Emergency Reserve Fund. (The overall state expenditure limit is unchanged.) This legislation was effective on March 13, 2002, and has no direct state revenue impact.

**Revising Use Tax Provisions — \$27.2 Million General Fund-State Revenue Increase**

Chapter 367, Laws of 2002 (SB 6835), broadens the application of the state and local use tax to three areas involving out-of-state activities. For the purposes of calculating the use tax, delivery, shipping, freight, or like transportation charges are included in the value of an article. Use tax is imposed on advertising printed out of state for an in-state retailer and mailed directly by the printer to Washington residents primarily to promote the sale of goods or services. Use tax is imposed on out-of-state repair services performed on tangible personal property for a Washington consumer. For fiscal year 2003, this legislation increases General Fund-State revenue by \$27.2 million and local government revenue by \$7.9 million.

**Transportation Revenue Bills**

**Adopting Certain Recommendations of the State Blue Ribbon Commission on Transportation — \$462,000 General Fund-State Revenue Decrease**

Chapter 5, Laws of 2002 (ESHB 2304), fully dedicates fees paid by contractors to the Department of Labor and Industries for the prevailing wage program. This terminates the transfer of 30 percent of these revenues from the Public Works Administration Account to the state general fund and decreases General Fund-State revenue by \$462,000 in fiscal year 2003 and \$924,000 in the 2003-05 biennium.

### **Addressing Transportation Improvement and Financing — No General Fund-State Revenue Impact**

Chapter 202, Laws of 2002 (ESHB 2969), is subject to referendum at the next general election (Referendum 51) and contains a number of provisions that would fund transportation improvements: (1) fuel taxes are increased by nine cents per gallon over two years; (2) gross weight fees on large vehicles are increased by 30 percent over two years; (3) sales taxes on new and used vehicles (other than farm vehicles and off-road/non-highway vehicles) are increased by 1 percent; (4) sales taxes on highway construction projects are transferred to transportation accounts beginning in fiscal year 2006; and (5) the amount of the fuel tax transferred to accounts benefiting off-road vehicles, snowmobiles, and boating is raised. If enacted, this legislation has no General Fund-State impact until the 2005-07 biennium when sales taxes on highway construction projects are transferred to transportation accounts; the decrease is projected at \$13 million. For fiscal year 2003, state Multimodal Transportation Account and other transportation account revenue increases are projected at \$119 million, rising to over \$795 million in the 2005-07 biennium.

### **Providing Commute Trip Reduction (CTR) Incentives — \$1.5 Million General Fund-State Revenue Decrease**

Chapter 203, Laws of 2002 (ESSB 6008), reenacts the B&O and public utility tax credits that expired December 31, 2000, for employers providing financial incentives to employees for CTR. Tax credits and grants taken between January 1, 2003, and July 1, 2003, may not exceed a cap of \$2 million; caps in subsequent years increase. This legislation decreases General Fund-State revenue by \$1.5 million in fiscal year 2003; the decrease is a result of a lag in reimbursements from the Multimodal Transportation Account.

### **Repealing Local Motor Vehicle Taxes — No General Fund-State Revenue Impact**

Chapter 6, Laws of 2002, Partial Veto (SB 6036), repeals the authority for a municipality to levy a motor vehicle excise tax of up to 0.725 percent of the value of the vehicle for mass transit purposes and repeals the authority for a municipal car rental tax at a rate of up to 1.944 percent. (Local motor vehicle excise taxes and car rental taxes for high capacity transit purposes levied by the Regional Transit Authority—Sound Transit—are not affected.) This legislation has no state revenue impact and no local impact as the taxes repealed have not been levied.

### **Authorizing Creation of Regional Transportation Investment Districts — No General Fund-State Revenue Impact**

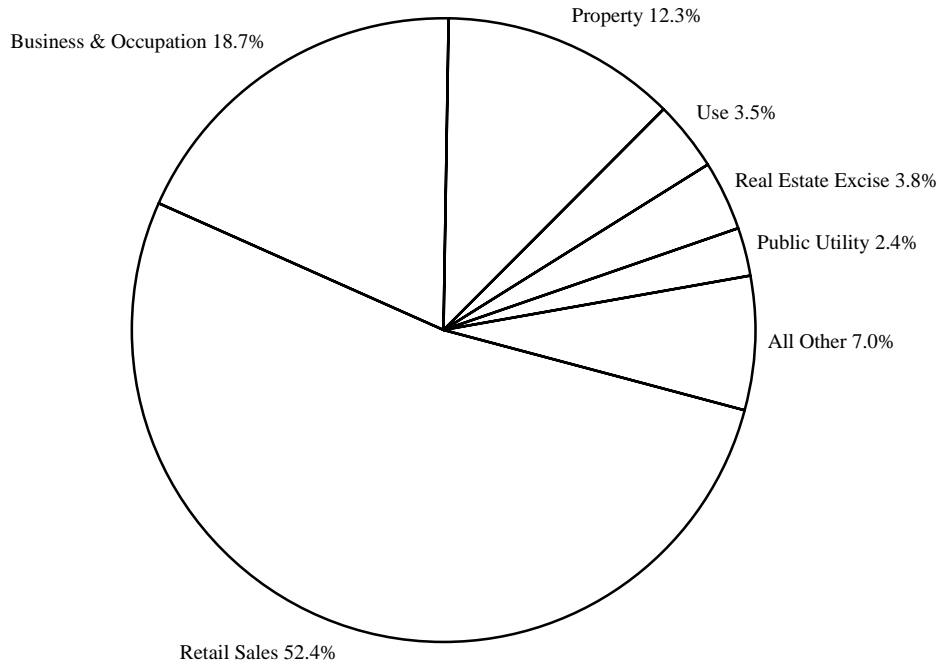
Chapter 56, Laws of 2002, Partial Veto (E2SSB 6140), provides for the creation of regional transportation investment districts (limited to King, Snohomish, and Pierce Counties). (The Governor vetoed a null and void clause that made this legislation contingent upon passage of Referendum 51.) Subject to local voter approval, the following revenues may be raised for the district: local sales and use taxes of up to 0.5 percent (except on motor vehicle sales); a local motor vehicle use tax of up to 0.5 percent (other than farm vehicles and off-road/non-highway vehicles); local vehicle license fees of up to \$100 per vehicle; local parking taxes; the remaining capacity of the local motor vehicle excise tax (MVET) of up to 0.3 percent; the remaining capacity of the sales and use tax on car rentals of 0.805 percent; the remaining capacity of the local excise tax on employers of up to \$2.00 per employee per month; and vehicle tolls on transportation facilities. The region is also authorized to submit a joint ballot proposition to the voters with Sound Transit to impose a 0.5 percent sales and use tax and the remaining capacity of Sound Transit's 0.5 percent MVET authority. Local revenue impacts will depend on the taxing options approved by voters.

### **Authorizing the Creation of a City Transportation Authority — No General Fund-State Revenue Impact**

Chapter 248, Laws of 2002, Partial Veto (ESSB 6464), authorizes a city with a population over 300,000 to create a city transportation authority by petition or ordinance. Local legislative authority and voter approval are required for any operating or financing plan. To pay for and to implement the plan, the city public transportation authority may levy a voter-approved property tax and issue revenue and general obligation bonds. Any number of the following taxes are also subject to voter approval: a motor vehicle excise tax not exceeding 2.5 percent; sales and use tax on retail car rentals not exceeding 1.944 percent, if the motor vehicle excise tax is implemented; a vehicle license tax not exceeding \$100 for each car within the city; and a regular property tax levy of \$1.50 or less per thousand dollars of property value, subject to the first round of pro-rationing. This legislation has no state revenue impact; local impact depends on which tax options are adopted.

**Washington State Revenue Forecast - February 2002**  
**2001-03 General Fund-State Revenues by Source**

(Dollars in Millions)



Sources of Revenue	
Retail Sales	10,986.4
Business & Occupation	3,914.9
Property *	2,581.9
Use	727.8
Real Estate Excise	789.9
Public Utility	499.5
All Other	1,461.5
<b>Total</b>	<b>20,961.9</b>

\* The state levy forecast reflects only the General Fund portion. The portion of the state levy that is transferred to the Student Achievement Account by Initiative 728 is excluded.

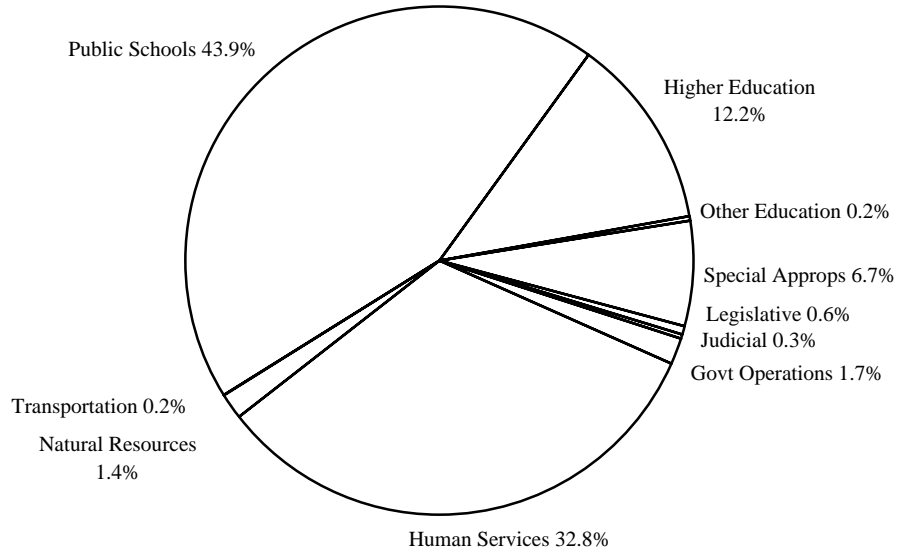
Note: Reflects the February 2002 Revenue Forecast (Cash Basis).

# OMNIBUS OPERATING BUDGET COMPARISONS

(Dollars in Thousands)

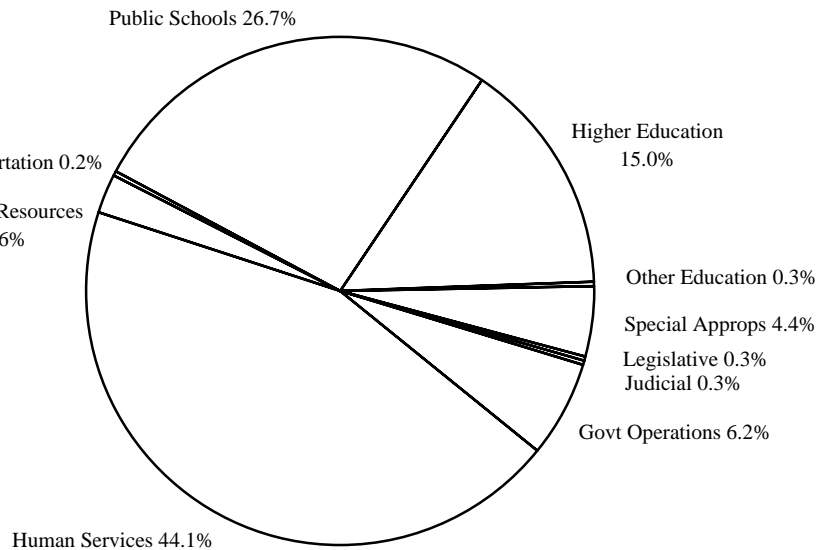
## General Fund - State

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



## Total All Funds

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



**Washington State Omnibus Operating Budget  
2002 Supplemental Budget**

**TOTAL STATE**

(Dollars in Thousands)

	<b>General Fund-State</b>			<b>Total All Funds</b>		
	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>
Legislative	133,124	-3,306	129,818	139,285	-3,175	136,110
Judicial	71,679	1,615	73,294	141,697	-833	140,864
Governmental Operations	392,304	-8,535	383,769	2,707,559	-58,146	2,649,413
Other Human Services	1,232,822	1,788	1,234,610	3,427,544	111,403	3,538,947
DSHS	6,182,481	-55,894	6,126,587	15,484,051	-46,313	15,437,738
Natural Resources	355,477	-39,840	315,637	1,123,648	-21,184	1,102,464
Transportation	40,722	-556	40,166	104,494	1,196	105,690
Total Education	12,763,534	-123,165	12,640,369	18,190,998	-136,722	18,054,276
Public Schools	9,903,086	-48,754	9,854,332	11,571,857	-68,172	11,503,685
Higher Education	2,800,460	-68,896	2,731,564	6,502,726	-63,119	6,439,607
Other Education	59,988	-5,515	54,473	116,415	-5,431	110,984
Special Appropriations	1,610,995	-104,154	1,506,841	2,011,471	-132,203	1,879,268
<b>Total Budget Bill</b>	<b>22,783,138</b>	<b>-332,047</b>	<b>22,451,091</b>	<b>43,330,747</b>	<b>-285,977</b>	<b>43,044,770</b>
Appropriations in Other Legislation	100	0	100	25,100	0	25,100
<b>Statewide Total</b>	<b>22,783,238</b>	<b>-332,047</b>	<b>22,451,191</b>	<b>43,355,847</b>	<b>-285,977</b>	<b>43,069,870</b>

*Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2002 legislative session.*

**Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**LEGISLATIVE AND JUDICIAL**

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 01-03	2002 Supp	Rev 01-03	Orig 01-03	2002 Supp	Rev 01-03
House of Representatives	56,810	-1,425	55,385	56,855	-1,425	55,430
Senate	46,862	-1,200	45,662	46,907	-1,200	45,707
Jt Leg Audit & Review Committee	4,374	-305	4,069	4,374	-305	4,069
LEAP Committee	2,791	-44	2,747	2,994	-44	2,950
Office of the State Actuary	0	0	0	1,923	131	2,054
Joint Legislative Systems Comm	13,464	-211	13,253	15,170	-211	14,959
Statute Law Committee	7,947	-121	7,826	10,186	-121	10,065
Redistricting Commission	876	0	876	876	0	876
<b>Total Legislative</b>	<b>133,124</b>	<b>-3,306</b>	<b>129,818</b>	<b>139,285</b>	<b>-3,175</b>	<b>136,110</b>
Supreme Court	10,933	54	10,987	10,933	54	10,987
State Law Library	3,965	-59	3,906	3,965	-59	3,906
Court of Appeals	25,624	-6	25,618	25,624	-6	25,618
Commission on Judicial Conduct	1,924	-29	1,895	1,924	-29	1,895
Office of Administrator for Courts	28,633	1,655	30,288	86,025	-511	85,514
Office of Public Defense	600	0	600	13,226	-282	12,944
<b>Total Judicial</b>	<b>71,679</b>	<b>1,615</b>	<b>73,294</b>	<b>141,697</b>	<b>-833</b>	<b>140,864</b>
<b>Total Legislative/Judicial</b>	<b>204,803</b>	<b>-1,691</b>	<b>203,112</b>	<b>280,982</b>	<b>-4,008</b>	<b>276,974</b>

# Washington State Omnibus Operating Budget

## 2002 Supplemental Budget

### GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 01-03	2002 Supp	Rev 01-03	Orig 01-03	2002 Supp	Rev 01-03
Office of the Governor	9,061	-536	8,525	13,188	-536	12,652
Office of the Lieutenant Governor	900	-23	877	900	-23	877
Public Disclosure Commission	3,813	-57	3,756	3,813	-57	3,756
Office of the Secretary of State	19,220	-2,289	16,931	34,561	987	35,548
Governor's Office of Indian Affairs	551	-8	543	551	-8	543
Asian-Pacific-American Affrs	466	-32	434	466	-32	434
Office of the State Treasurer	0	0	0	12,870	0	12,870
Office of the State Auditor	1,802	150	1,952	44,940	-956	43,984
Comm Salaries for Elected Officials	232	-5	227	232	-5	227
Office of the Attorney General	9,617	-736	8,881	164,806	167	164,973
Caseload Forecast Council	1,250	-19	1,231	1,250	-19	1,231
Dept of Financial Institutions	0	0	0	23,776	616	24,392
Dept Community, Trade, Econ Dev	141,957	-10,865	131,092	357,893	-3,327	354,566
Economic & Revenue Forecast Cncl	1,026	-15	1,011	1,026	-15	1,011
Office of Financial Management	24,480	484	24,964	69,226	1,726	70,952
Office of Administrative Hearings	0	0	0	21,988	456	22,444
Department of Personnel	0	0	0	33,693	-807	32,886
State Lottery Commission	0	0	0	763,162	49,158	812,320
Washington State Gambling Comm	0	0	0	29,803	-450	29,353
WA State Comm on Hispanic Affairs	460	-24	436	460	-24	436
African-American Affairs Comm	420	-2	418	420	-2	418
Personnel Appeals Board	0	0	0	1,679	26	1,705
Department of Retirement Systems	0	0	0	52,917	327	53,244
State Investment Board	0	0	0	12,876	585	13,461
Department of Revenue	145,207	5,561	150,768	155,498	5,570	161,068
Board of Tax Appeals	2,231	-31	2,200	2,231	-31	2,200
Municipal Research Council	0	0	0	4,575	0	4,575
Minority & Women's Business Enterp	0	0	0	2,616	0	2,616
Dept of General Administration	1,179	25	1,204	133,029	-3,371	129,658
Department of Information Services	0	0	0	209,488	-2,091	207,397
Office of Insurance Commissioner	0	0	0	29,675	875	30,550
State Board of Accountancy	0	0	0	1,716	0	1,716
Forensic Investigations Council	0	0	0	276	0	276
Washington Horse Racing Commission	0	0	0	4,504	-68	4,436
WA State Liquor Control Board	2,967	-45	2,922	153,229	2,397	155,626
Utilities and Transportation Comm	0	0	0	31,235	-406	30,829
Board for Volunteer Firefighters	0	0	0	569	0	569
Military Department	18,144	-269	17,875	257,367	-109,009	148,358
Public Employment Relations Comm	4,318	246	4,564	4,318	246	4,564
Growth Management Hearings Board	3,003	-45	2,958	3,003	-45	2,958
State Convention and Trade Center	0	0	0	67,734	0	67,734
<b>Total Governmental Operations</b>	<b>392,304</b>	<b>-8,535</b>	<b>383,769</b>	<b>2,707,559</b>	<b>-58,146</b>	<b>2,649,413</b>

# Washington State Omnibus Operating Budget

## 2002 Supplemental Budget

### HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>
WA State Health Care Authority	13,309	-6,654	6,655	682,887	39,658	722,545
Human Rights Commission	5,388	-81	5,307	7,032	-81	6,951
Bd of Industrial Insurance Appeals	0	0	0	29,406	213	29,619
Criminal Justice Training Comm	0	0	0	19,047	-291	18,756
Department of Labor and Industries	15,420	-4,326	11,094	455,143	8,558	463,701
Indeterminate Sentence Review Board	1,998	-30	1,968	1,998	-30	1,968
Home Care Quality Authority	0	152	152	0	152	152
Department of Health	132,249	-19,972	112,277	631,161	22,056	653,217
Department of Veterans' Affairs	19,756	-166	19,590	75,977	-4,059	71,918
Department of Corrections	1,039,588	32,971	1,072,559	1,080,427	29,896	1,110,323
Dept of Services for the Blind	3,321	-81	3,240	16,334	1,422	17,756
Sentencing Guidelines Commission	1,793	-25	1,768	1,793	-25	1,768
Department of Employment Security	0	0	0	426,339	13,934	440,273
<b>Total Other Human Services</b>	<b>1,232,822</b>	<b>1,788</b>	<b>1,234,610</b>	<b>3,427,544</b>	<b>111,403</b>	<b>3,538,947</b>



# Washington State Omnibus Operating Budget

## 2002 Supplemental Budget

### DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>
Children and Family Services	464,802	-8,656	456,146	844,299	-11,747	832,552
Juvenile Rehabilitation	170,715	-8,457	162,258	241,095	-10,242	230,853
Mental Health	604,510	-20,773	583,737	1,126,665	20,589	1,147,254
Developmental Disabilities	620,544	8,562	629,106	1,187,715	20,136	1,207,851
Long-Term Care	1,056,818	-37,681	1,019,137	2,144,082	-55,320	2,088,762
Economic Services Administration	861,310	-23,352	837,958	2,249,449	-18,106	2,231,343
Alcohol & Substance Abuse	76,985	-4,112	72,873	235,646	-4,768	230,878
Medical Assistance Payments	2,159,789	46,119	2,205,908	7,125,957	25,619	7,151,576
Vocational Rehabilitation	21,089	-569	20,520	105,187	-2,072	103,115
Administration/Support Svcs	59,813	-6,975	52,838	111,185	-10,402	100,783
Payments to Other Agencies	86,106	0	86,106	112,771	0	112,771
<b>Total DSHS</b>	<b>6,182,481</b>	<b>-55,894</b>	<b>6,126,587</b>	<b>15,484,051</b>	<b>-46,313</b>	<b>15,437,738</b>
<b>Total Human Services</b>	<b>7,415,303</b>	<b>-54,106</b>	<b>7,361,197</b>	<b>18,911,595</b>	<b>65,090</b>	<b>18,976,685</b>

**Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**NATURAL RESOURCES**

(Dollars in Thousands)

	<b>General Fund-State</b>			<b>Total All Funds</b>		
	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>
Columbia River Gorge Commission	789	-12	777	1,538	-12	1,526
Department of Ecology	91,114	-17,427	73,687	326,336	-6,065	320,271
WA Pollution Liab Insurance Program	0	0	0	2,150	0	2,150
State Parks and Recreation Comm	65,164	-2,626	62,538	100,639	-1,354	99,285
Interagency Comm for Outdoor Rec	788	-465	323	14,235	35	14,270
Environmental Hearings Office	1,693	-25	1,668	1,693	-25	1,668
State Conservation Commission	4,403	-131	4,272	8,142	-372	7,770
Dept of Fish and Wildlife	102,362	-11,653	90,709	296,637	-9,051	287,586
Department of Natural Resources	72,975	-6,561	66,414	283,216	-6,450	276,766
Department of Agriculture	16,189	-940	15,249	89,062	2,110	91,172
<b>Total Natural Resources</b>	<b>355,477</b>	<b>-39,840</b>	<b>315,637</b>	<b>1,123,648</b>	<b>-21,184</b>	<b>1,102,464</b>

# Washington State Omnibus Operating Budget

## 2002 Supplemental Budget

### TRANSPORTATION

(Dollars in Thousands)

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	General Fund-State			Total All Funds		
	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>
Washington State Patrol	29,956	-456	29,500	69,929	1,468	71,397
Department of Licensing	10,766	-100	10,666	34,565	-272	34,293
<b>Total Transportation</b>	<b>40,722</b>	<b>-556</b>	<b>40,166</b>	<b>104,494</b>	<b>1,196</b>	<b>105,690</b>

**Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**EDUCATION**

(Dollars in Thousands)

	<b>General Fund-State</b>			<b>Total All Funds</b>		
	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>
OSPI & Statewide Programs	61,304	-9,824	51,480	299,329	-107,153	192,176
General Apportionment	7,512,176	-14,155	7,498,021	7,512,176	-14,155	7,498,021
Pupil Transportation	387,491	-1,796	385,695	387,491	-1,796	385,695
School Food Services	6,200	0	6,200	296,387	0	296,387
Special Education	839,908	-10,982	828,926	1,096,000	-10,667	1,085,333
Traffic Safety Education	6,183	-1,906	4,277	6,183	-1,906	4,277
Educational Service Districts	9,536	-208	9,328	9,536	-208	9,328
Levy Equalization	284,644	11,219	295,863	284,644	11,219	295,863
Elementary/Secondary School Improv	0	0	0	288,166	-86,429	201,737
Institutional Education	38,248	-517	37,731	46,796	-517	46,279
Ed of Highly Capable Students	12,840	-141	12,699	12,840	-141	12,699
Student Achievement Program	0	0	0	393,300	-2,151	391,149
Education Reform	72,245	-5,215	67,030	75,478	52,623	128,101
Transitional Bilingual Instruction	88,215	-714	87,501	88,215	19,566	107,781
Learning Assistance Program (LAP)	139,410	-3,454	135,956	139,410	127,177	266,587
Block Grants	37,031	-13,827	23,204	37,031	-13,827	23,204
State Flexible Education Funds	0	20,612	20,612	0	20,612	20,612
Better Schools Program	8,996	0	8,996	8,996	0	8,996
Compensation Adjustments	398,659	-17,846	380,813	398,659	-17,655	381,004
Common School Construction	0	0	0	191,220	-42,764	148,456
<b>Total Public Schools</b>	<b>9,903,086</b>	<b>-48,754</b>	<b>9,854,332</b>	<b>11,571,857</b>	<b>-68,172</b>	<b>11,503,685</b>

# Washington State Omnibus Operating Budget

## 2002 Supplemental Budget

### PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>	<u>Orig 01-03</u>	<u>2002 Supp</u>	<u>Rev 01-03</u>
Higher Education Coordinating Board	264,603	-445	264,158	279,692	251	279,943
University of Washington	707,088	-27,414	679,674	2,952,973	-27,433	2,925,540
Washington State University	411,355	-16,186	395,169	833,510	-16,186	817,324
Eastern Washington University	92,914	-3,673	89,241	166,402	-3,673	162,729
Central Washington University	89,140	-3,568	85,572	178,717	-3,568	175,149
The Evergreen State College	51,594	-2,081	49,513	90,905	-2,081	88,824
Spokane Intercol Rsch & Tech Inst	3,000	-104	2,896	4,327	-104	4,223
Western Washington University	122,636	-4,936	117,700	240,406	-4,936	235,470
Community/Technical College System	<u>1,058,130</u>	<u>-10,489</u>	<u>1,047,641</u>	<u>1,755,794</u>	<u>-5,389</u>	<u>1,750,405</u>
<b>Total Higher Education</b>	<b>2,800,460</b>	<b>-68,896</b>	<b>2,731,564</b>	<b>6,502,726</b>	<b>-63,119</b>	<b>6,439,607</b>
State School for the Blind	9,111	63	9,174	10,284	144	10,428
State School for the Deaf	14,834	312	15,146	15,066	312	15,378
Work Force Trng & Educ Coord Board	3,482	-87	3,395	48,968	-87	48,881
State Library	17,577	-5,577	12,000	24,553	-5,577	18,976
Washington State Arts Commission	5,747	-86	5,661	6,747	-83	6,664
Washington State Historical Society	6,028	-94	5,934	7,588	-94	7,494
East Wash State Historical Society	<u>3,209</u>	<u>-46</u>	<u>3,163</u>	<u>3,209</u>	<u>-46</u>	<u>3,163</u>
<b>Total Other Education</b>	<b>59,988</b>	<b>-5,515</b>	<b>54,473</b>	<b>116,415</b>	<b>-5,431</b>	<b>110,984</b>
<b>Total Education</b>	<b>12,763,534</b>	<b>-123,165</b>	<b>12,640,369</b>	<b>18,190,998</b>	<b>-136,722</b>	<b>18,054,276</b>

**Washington State Omnibus Operating Budget**  
**2002 Supplemental Budget**  
**SPECIAL APPROPRIATIONS**

(Dollars in Thousands)

	<b>General Fund-State</b>			<b>Total All Funds</b>		
	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>	<b>Orig 01-03</b>	<b>2002 Supp</b>	<b>Rev 01-03</b>
Bond Retirement and Interest	1,248,770	2,340	1,251,110	1,445,279	-12,699	1,432,580
Special Approps to the Governor	179,406	-72,037	107,369	244,170	-39,397	204,773
Sundry Claims	0	274	274	0	279	279
State Employee Compensation Adjust	138,099	-34,156	103,943	277,302	-79,811	197,491
Contributions to Retirement Systems	<u>44,720</u>	<u>-575</u>	<u>44,145</u>	<u>44,720</u>	<u>-575</u>	<u>44,145</u>
<b>Total Budget Bill</b>	<b>1,610,995</b>	<b>-104,154</b>	<b>1,506,841</b>	<b>2,011,471</b>	<b>-132,203</b>	<b>1,879,268</b>
Appropriations in Other Legislation	<u>100</u>	<u>0</u>	<u>100</u>	<u>25,100</u>	<u>0</u>	<u>25,100</u>
<b>Total Special Appropriations</b>	<b>1,611,095</b>	<b>-104,154</b>	<b>1,506,941</b>	<b>2,036,571</b>	<b>-132,203</b>	<b>1,904,368</b>

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# LEGISLATIVE

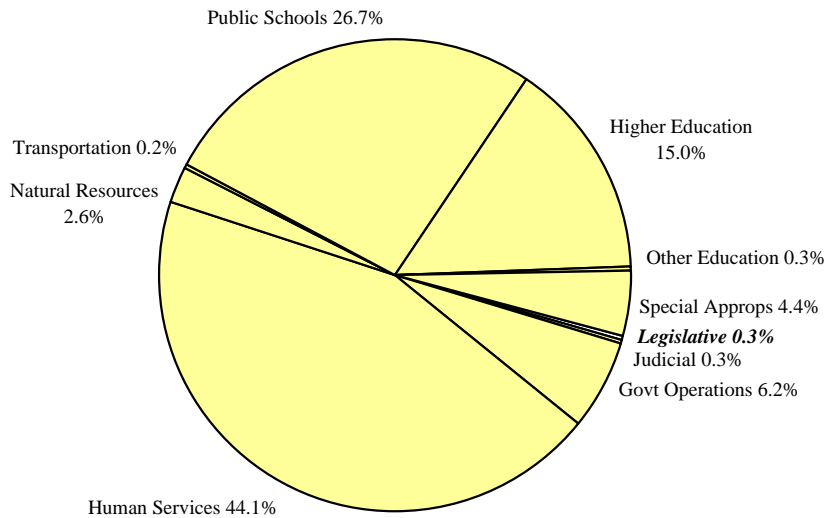
## **Efficiencies and Savings**

Administrative reductions reflecting efficiencies and savings were made in appropriations to all legislative agencies. Agencies are expected to achieve these savings in a manner consistent with the agency's mission, goals, and objectives while, to the greatest extent possible, maintaining client services. Examples of actions that may be taken by state agencies include hiring freezes, employee furloughs, and reductions in employee travel and training, equipment purchases, and personal service contracts.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

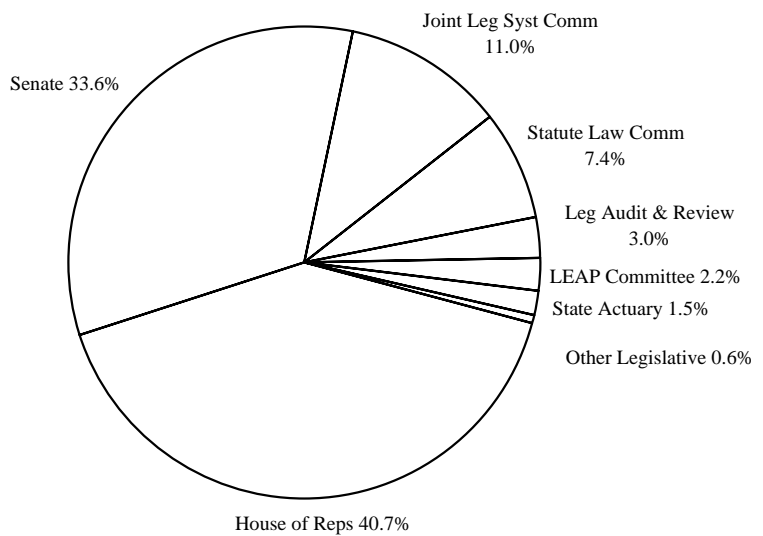
(Dollars in Thousands)

<b>Legislative</b>	<b>136,110</b>
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

House of Representatives	55,430
Senate	45,707
Jt Leg Systems Comm	14,959
Statute Law Committee	10,065
Jt Leg Audit & Rev Comm	4,069
LEAP Committee	2,950
State Actuary	2,054
Other Legislative	876
<b>Legislative</b>	<b>136,110</b>

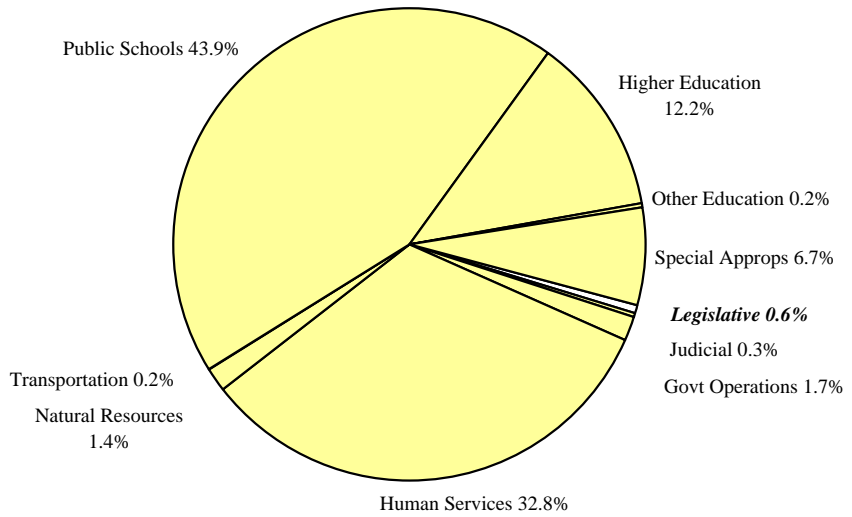


### Legislative

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

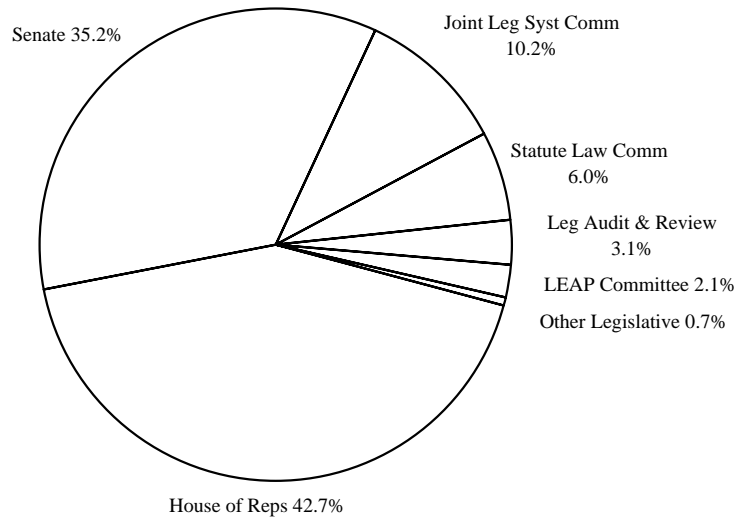
(Dollars in Thousands)

<b>Legislative</b>	<b>129,818</b>
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

House of Representatives	55,385
Senate	45,662
Jt Leg Systems Comm	13,253
Statute Law Committee	7,826
Jt Leg Audit & Rev Comm	4,069
LEAP Committee	2,747
Other Legislative	876
<b>Legislative</b>	<b>129,818</b>



### Legislative

## House of Representatives

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>56,810</b>	<b>45</b>	<b>56,855</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-1,425	0	-1,425
<b>Total Policy Changes</b>	<b>-1,425</b>	<b>0</b>	<b>-1,425</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>55,385</b>	<b>45</b>	<b>55,430</b>
Fiscal Year 2002 Total	28,313	0	28,313
Fiscal Year 2003 Total	27,072	45	27,117

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce FY 2003 operating costs by 5 percent. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Senate**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>46,862</b>	<b>45</b>	<b>46,907</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-1,200	0	-1,200
<b>Total Policy Changes</b>	<b>-1,200</b>	<b>0</b>	<b>-1,200</b>
<b>2001-03 Revised Appropriations</b>	<b>45,662</b>	<b>45</b>	<b>45,707</b>
Fiscal Year 2002 Total	22,863	0	22,863
Fiscal Year 2003 Total	22,799	45	22,844

**Comments:**

- Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce FY 2003 operating costs by 5 percent. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Joint Legislative Audit & Review Committee**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>4,374</b>	<b>0</b>	<b>4,374</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-58	0	-58
2. Developmental Disabilities Studies	0	0	0
3. Water Conservancy Boards	-35	0	-35
4. Governor Veto	-212	0	-212
<b>Total Policy Changes</b>	<b>-305</b>	<b>0</b>	<b>-305</b>
<b>2001-03 Revised Appropriations</b>	<b>4,069</b>	<b>0</b>	<b>4,069</b>
Fiscal Year 2002 Total	2,131	0	2,131
Fiscal Year 2003 Total	1,938	0	1,938

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
2. **Developmental Disabilities Studies** - Funding for two existing developmental disabilities studies, that were funded in the 2001-03 biennium, are consolidated and the \$600,000 appropriation is redirected into a performance audit of the Department of Social and Health Services' Division of Developmental Disabilities. This item reflects an adjustment to the fiscal year appropriations.
3. **Water Conservancy Boards** - The Committee's review of water conservancy boards is shifted to FY 2004; funding for this purpose in the 2001-03 biennium is removed. (General Fund-State)
4. **Governor Veto** - The Governor vetoed a portion of Section 103 of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387). The effect of the veto is to eliminate the FY 2003 General Fund-State funding increase, which had been provided to shift costs from FY 2002 to FY 2003 for a developmental disabilities performance audit.



## Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>2,791</b>	<b>203</b>	<b>2,994</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-44	0	-44
<b>Total Policy Changes</b>	<b>-44</b>	<b>0</b>	<b>-44</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>2,747</b>	<b>203</b>	<b>2,950</b>
Fiscal Year 2002 Total	1,329	99	1,428
Fiscal Year 2003 Total	1,418	104	1,522

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The LEAP Committee received an appropriation of \$488,000 in the original 2001-03 transportation budget.

**Office of the State Actuary**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>1,923</b>	<b>1,923</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-29	-29
2. Senior Research Analyst	0	160	160
<b>Total Policy Changes</b>	<b>0</b>	<b>131</b>	<b>131</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>2,054</b>	<b>2,054</b>
Fiscal Year 2002 Total	0	1,033	1,033
Fiscal Year 2003 Total	0	1,021	1,021

*Comments:*

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
2. **Senior Research Analyst** - Funding is provided to support the addition of a Senior Research Analyst in the 2001-03 budget. (Department of Retirement Systems Expense Account)

### Joint Legislative Systems Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>13,464</b>	<b>1,706</b>	<b>15,170</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-211	0	-211
<b>Total Policy Changes</b>	<b>-211</b>	<b>0</b>	<b>-211</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>13,253</b>	<b>1,706</b>	<b>14,959</b>
Fiscal Year 2002 Total	6,421	889	7,310
Fiscal Year 2003 Total	6,832	817	7,649

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Statute Law Committee**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>7,947</b>	<b>2,239</b>	<b>10,186</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-121	0	-121
<b>Total Policy Changes</b>	<b>-121</b>	<b>0</b>	<b>-121</b>
<b>2001-03 Revised Appropriations</b>	<b>7,826</b>	<b>2,239</b>	<b>10,065</b>
Fiscal Year 2002 Total	3,909	720	4,629
Fiscal Year 2003 Total	3,917	1,519	5,436

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

# JUDICIAL

## **Supreme Court**

A total of \$219,000 is provided for salary increases awarded to justices of the Supreme Court. The Citizens' Commission on Salaries for Elected Officials awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001. Pursuant to Amendment 78 of the State Constitution, once approved by the Commission, the salary increases go into effect unless repealed by the voters.

## **Court of Appeals**

A total of \$380,000 is provided for salary increases awarded to judges of the Court of Appeals. The Citizens' Commission on Salaries for Elected Officials awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001. Pursuant to Amendment 78 of the State Constitution, once approved by the Commission, the salary increases go into effect unless repealed by the voters.

## **Office of the Administrator for the Courts**

A total of \$1.7 million is provided for salary increases awarded to judges of the Superior Court. The Citizens' Commission on Salaries for Elected Officials awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001. Pursuant to Amendment 78 of the State Constitution, once approved by the Commission, the salary increases go into effect unless repealed by the voters.

In the original 2001-03 biennial budget, \$1.6 million from the Public Safety and Education Account (PSEA) was provided in fiscal year 2003 to increase juror compensation from \$10 per day up to a maximum of \$25 per day, beginning on the second day of juror service. Due to a revenue shortfall in PSEA, the budget eliminates funding for the increase.

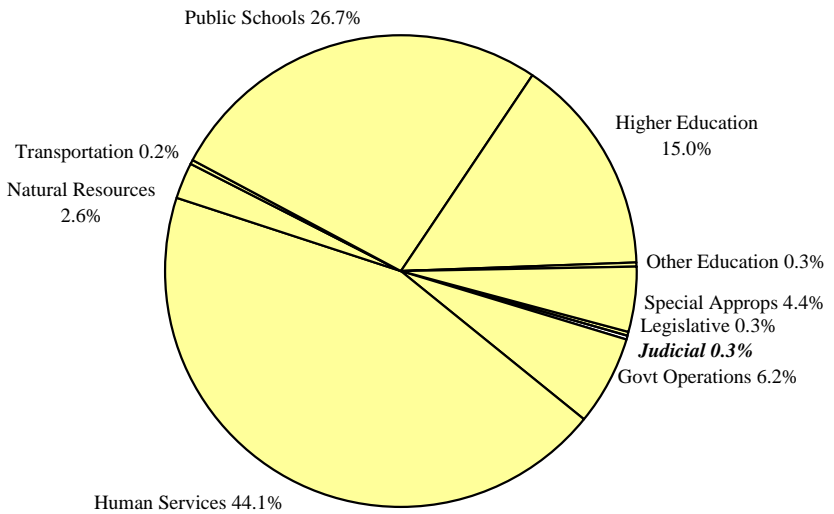
## **Office of Public Defense**

The final budget passed by the Legislature included \$500,000 to continue a dependency and termination case pilot program in Benton, Franklin, and Pierce Counties through April 2003. The Governor vetoed the funding that was provided to continue the dependency and termination case pilot program in fiscal year 2003; therefore, \$500,000 from General Fund-State lapses.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

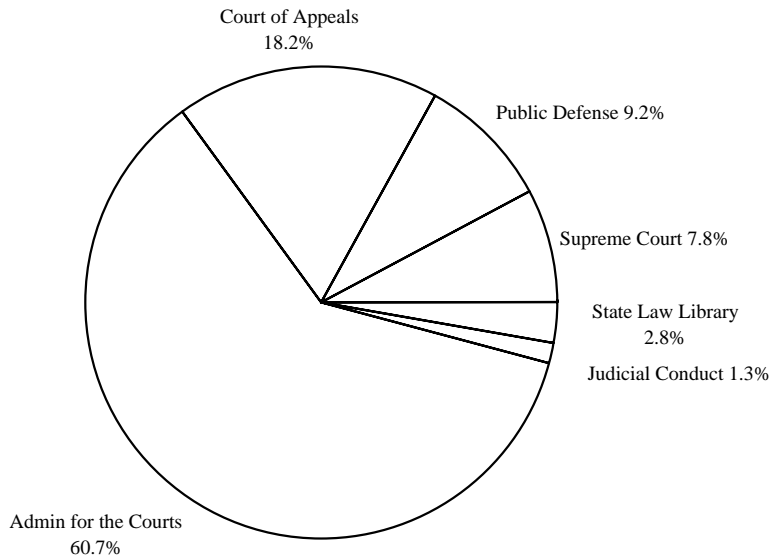
(Dollars in Thousands)

Legislative	136,110
<b>Judicial</b>	<b>140,864</b>
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Admin for the Courts	85,514
Court of Appeals	25,618
Office of Public Defense	12,944
Supreme Court	10,987
State Law Library	3,906
Judicial Conduct Comm	1,895
<b>Judicial</b>	<b>140,864</b>

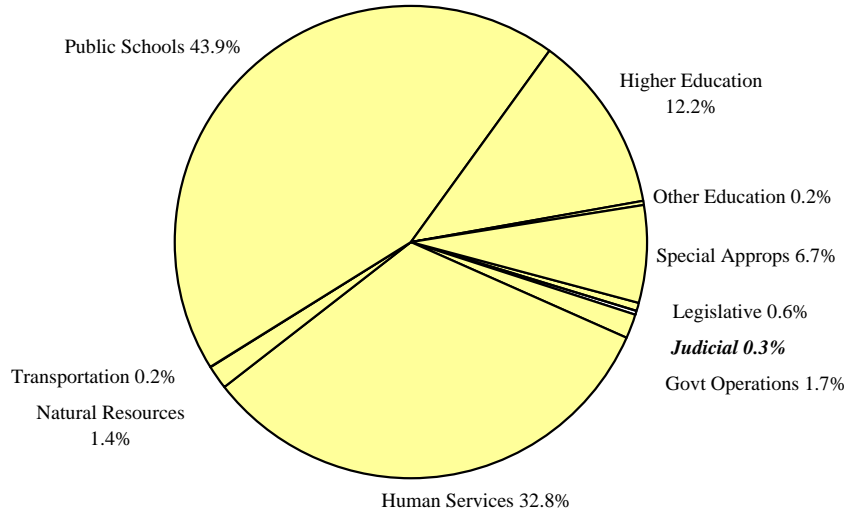


### Judicial

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

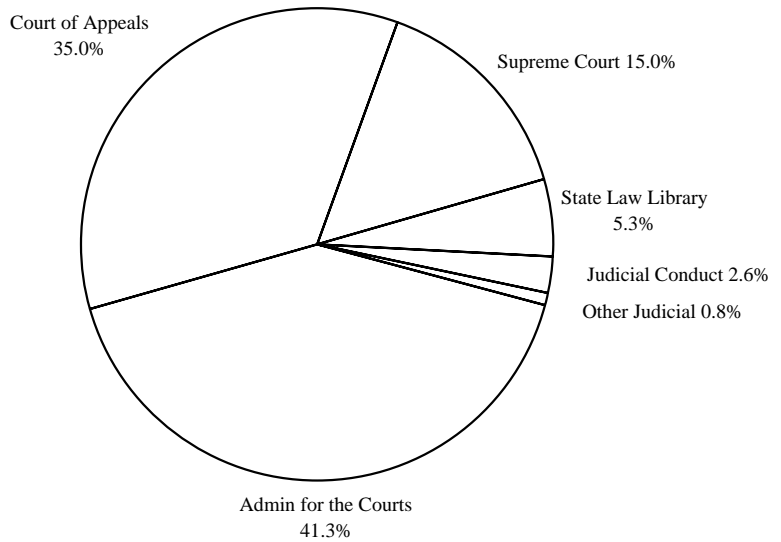
(Dollars in Thousands)

Legislative	129,818
<b>Judicial</b>	<b>73,294</b>
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Admin for the Courts	30,288
Court of Appeals	25,618
Supreme Court	10,987
State Law Library	3,906
Judicial Conduct Comm	1,895
Other Judicial	600
<b>Judicial</b>	<b>73,294</b>



### **Judicial**

**Supreme Court**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>10,933</b>	<b>0</b>	<b>10,933</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-165	0	-165
2. Supreme Court Justice Salary Incr	219	0	219
<b>Total Policy Changes</b>	<b>54</b>	<b>0</b>	<b>54</b>
<b>2001-03 Revised Appropriations</b>	<b>10,987</b>	<b>0</b>	<b>10,987</b>
Fiscal Year 2002 Total	5,500	0	5,500
Fiscal Year 2003 Total	5,487	0	5,487

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Supreme Court Justice Salary Incr** - Funding is provided for salary increases awarded to the justices by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001.



**State Law Library**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>3,965</b>	<b>0</b>	<b>3,965</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-59	0	-59
<b>Total Policy Changes</b>	<b>-59</b>	<b>0</b>	<b>-59</b>
<b>2001-03 Revised Appropriations</b>	<b>3,906</b>	<b>0</b>	<b>3,906</b>
Fiscal Year 2002 Total	1,982	0	1,982
Fiscal Year 2003 Total	1,924	0	1,924

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Court of Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>25,624</b>	<b>0</b>	<b>25,624</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-386	0	-386
2. Judges Salary Increase	380	0	380
<b>Total Policy Changes</b>	<b>-6</b>	<b>0</b>	<b>-6</b>
<b>2001-03 Revised Appropriations</b>	<b>25,618</b>	<b>0</b>	<b>25,618</b>
Fiscal Year 2002 Total	12,894	0	12,894
Fiscal Year 2003 Total	12,724	0	12,724

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Judges Salary Increase** - Funding is provided for salary increases awarded to the judges of the Court of Appeals by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001.

### Commission on Judicial Conduct

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>1,924</b>	<b>0</b>	<b>1,924</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-29	0	-29
<b>Total Policy Changes</b>	<b>-29</b>	<b>0</b>	<b>-29</b>
<b>2001-03 Revised Appropriations</b>	<b>1,895</b>	<b>0</b>	<b>1,895</b>
Fiscal Year 2002 Total	955	0	955
Fiscal Year 2003 Total	940	0	940

**Comments:**

- Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Office of the Administrator for the Courts**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>28,633</b>	<b>57,392</b>	<b>86,025</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>Policy Changes</b>			
1. Superior Court Salary Increase	1,655	0	1,655
2. PSEA Reduction	0	-560	-560
3. Eliminate Juror Rate Increase	0	-1,618	-1,618
<b>Total Policy Changes</b>	<b>1,655</b>	<b>-2,178</b>	<b>-523</b>
<b>2001-03 Revised Appropriations</b>	<b>30,288</b>	<b>55,226</b>	<b>85,514</b>
Fiscal Year 2002 Total	14,900	28,079	42,979
Fiscal Year 2003 Total	15,388	27,147	42,535

**Comments:**

1. **Superior Court Salary Increase** - Funding is provided for salary increases awarded to the judges of the Superior Court by the Citizens' Commission on Salaries for Elected Officials. The Commission awarded increases of 2.3 percent per year on September 1, 2001, and September 1, 2002. Additionally, besides the percentage salary increases, the Commission approved a \$5,000 increase for each member of the judiciary on September 1, 2001.
2. **PSEA Reduction** - Due to a revenue shortfall in the Public Safety and Education Account (PSEA), a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
3. **Eliminate Juror Rate Increase** - In the original 2001-03 biennial budget, FY 2003 funding from PSEA was provided to increase juror compensation from \$10 per day up to a maximum of \$25 per day, beginning on the second day of juror service. Due to a revenue shortfall in PSEA, funding for the increase is eliminated. (PSEA-State)

**Office of Public Defense**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>600</b>	<b>12,626</b>	<b>13,226</b>
<b>Policy Changes</b>			
1. PSEA Reduction	0	-253	-253
2. Vendor Rate Change	0	-29	-29
3. Dependency and Termination Pilot	500	0	500
4. Governor Veto	-500	0	-500
<b>Total Policy Changes</b>	<b>0</b>	<b>-282</b>	<b>-282</b>
<b>2001-03 Revised Appropriations</b>	<b>600</b>	<b>12,344</b>	<b>12,944</b>
Fiscal Year 2002 Total	600	6,317	6,917
Fiscal Year 2003 Total	0	6,027	6,027

**Comments:**

1. **PSEA Reduction** - Due to a revenue shortfall in the Public Safety and Education Account (PSEA), a 2 percent across-the-board reduction is made to all agencies funded from the account. (PSEA-State)
2. **Vendor Rate Change** - Attorneys that handle indigent appellate cases will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted. (Public Safety and Education Account-State)
3. **Dependency and Termination Pilot** - Funding is provided to continue a dependency and termination case pilot program in Benton, Franklin, and Pierce Counties through April 2003. The pilot is designed to improve parents representation in dependency and termination cases. By November 15, 2002, the Office of Public Defense will update its final evaluation of the pilot program.
4. **Governor Veto** - The Governor vetoed a portion of Section 113 of Chapter 371, Laws of 2002, Partial Veto, which was provided to continue a dependency and termination case pilot program in Benton, Franklin, and Pierce Counties in FY 2003. Therefore, \$500,000 from General Fund-State lapses.



# GOVERNMENTAL OPERATIONS

## **Performance Auditing**

The operating budget provides \$150,000 for the State Auditor to contract for a performance audit of state claims benefits administration and \$500,000 for the Office of Financial Management to conduct assessment and performance scoring of state agencies and to conduct performance audits of the state's capital construction and contracting practices.

## **Litigation**

The operating budget provides: \$212,000 for the state's defense in the blanket primary litigation; \$885,000 for the state's defense in litigation regarding road culverts and salmon passage; \$786,000 for an increased workload associated with an increase in unemployment insurance appeals; and \$642,000 for an increase in workers' compensation litigation resulting from the Washington Supreme Court's ruling that the value of employer-provided health care benefits must be included in the calculation of workers' compensation benefits.

## **Department of Community, Trade and Economic Development Reductions**

The operating budget makes several reductions, including reductions of \$504,000 for the Office of Trade and Economic Development and \$1,641,000 for the Office of Community Development. In implementing these efficiencies and savings reductions, the offices are to maintain, to the greatest extent possible, direct payments to service providers, grants to other entities, and other pass-through funds.

## **Buildable Lands**

The budget eliminates \$1.25 million for buildable land grants to local governments in fiscal year 2003. These grants help local governments track data, report, and take actions regarding land supply, urban densities, and actual development as required under a 1997 amendment to the Growth Management Act. The Legislature also enacted House Bill 2846, which suspended buildable land requirements in any biennium when the Legislature did not appropriate at least \$2.5 million for the grants. The Governor vetoed HB 2846.

## **Civil Indigent Legal Services**

Due to increasing public assistance caseloads and child care subsidy costs, the Governor notified the Department of Community, Trade, and Economic Development that \$2.4 million in funding from the federal Temporary Assistance to Needy Families (TANF) block grant would no longer be available to support civil indigent legal representation. The budget provides \$1.5 million in funding from the Violence Reduction and Drug Enforcement Account to replace a portion of the reduced federal funding. Civil indigent legal sources are funded from three sources: General Fund-State, Public Safety and Education Account, and TANF. Taking into account all funding sources, a total of \$10.8 million was budgeted for civil indigent legal services in the 2001-03 biennium, and the revised amount under the supplemental budget is \$9.8 million.

## **Low-Income Housing**

Chapter 294, Laws of 2002 (SHB 2060), imposes a \$10 surcharge on real property recording fees. A portion of the surcharge revenues is deposited into the Washington Housing Trust Fund. The operating budget provides \$2.8 million from the Washington Housing Trust Fund for operation and maintenance costs associated with housing programs for very low-income persons. The operating budget also uses \$2 million from the Washington Housing Trust Fund to replace General Fund-State funds for overnight youth and emergency shelter housing.

**Department of Revenue**

Funding is provided to the Department of Revenue for additional staff and support for increased audits, tax discovery, delinquent account collections, and targeted taxpayer education. These strategies are projected to raise General Fund-State revenues of \$46.4 million for fiscal year 2003. (For more information, see the Revenue Section of this document.)

**Military Department**

A total of \$2.8 million from the Enhanced 911 Account is provided for the implementation of Chapter 341, Laws of 2002 (HB 2595), which imposes an additional 20 cents per month state tax on wireless subscribers. The revenue from this tax will be utilized for costs associated with creating the capability to locate the number and location of callers dialing 911 from a wireless phone.

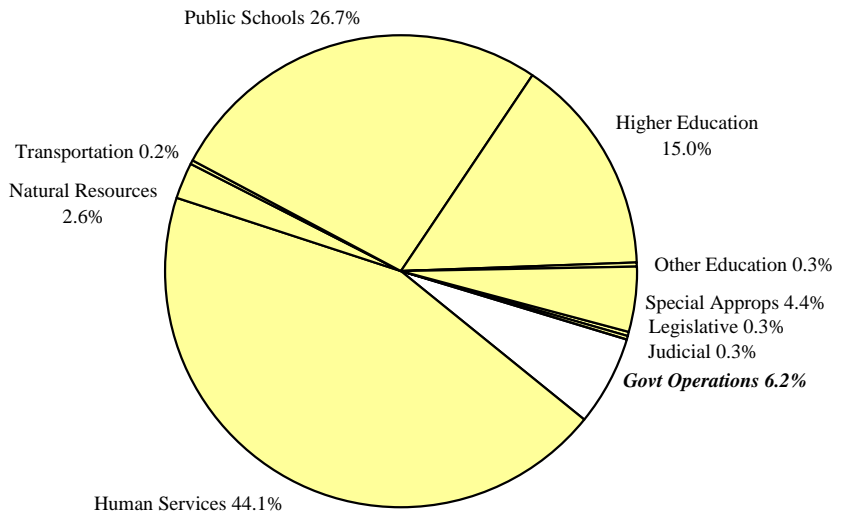
An amount of \$907,000 from the Enhanced 911 Account is provided for one-time costs associated with upgrading the ability of the enhanced 911 network to transfer calls from one Public Safety Answering Point (PSAP) to another PSAP within the state.



## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

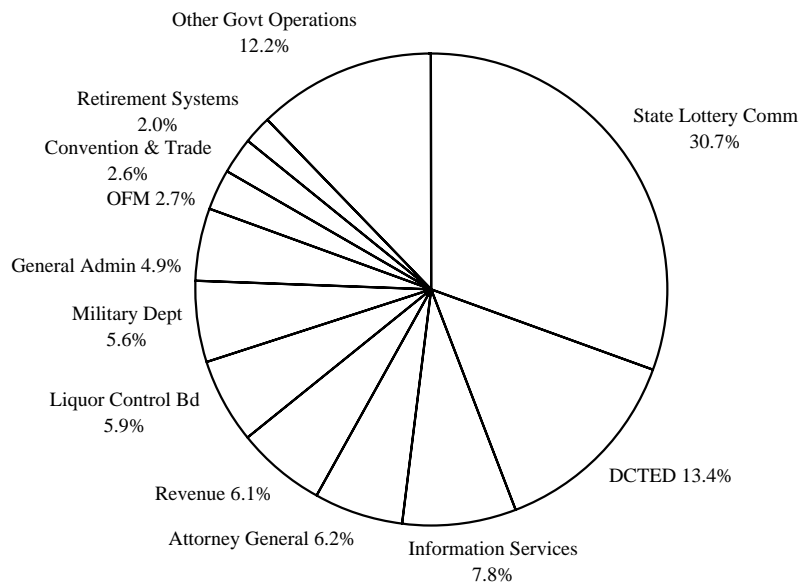
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
<b>Governmental Operations</b>	<b>2,649,413</b>
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Lottery Commission	812,320
Comm/Trade/Econ Dev	354,566
Dept Information Services	207,397
Attorney General	164,973
Revenue	161,068
Liquor Control Board	155,626
Military Department	148,358
Dept General Administration	129,658
Office of Financial Mgmt	70,952
Convention & Trade Center	67,734
Dept Retirement Systems	53,244
Other Govt Operations	323,517
<b>Governmental Operations</b>	<b>2,649,413</b>

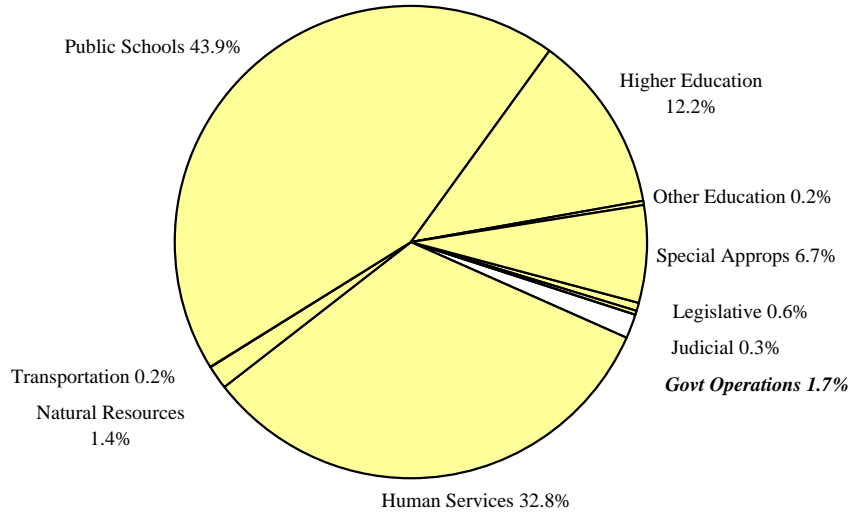


### Governmental Operations

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

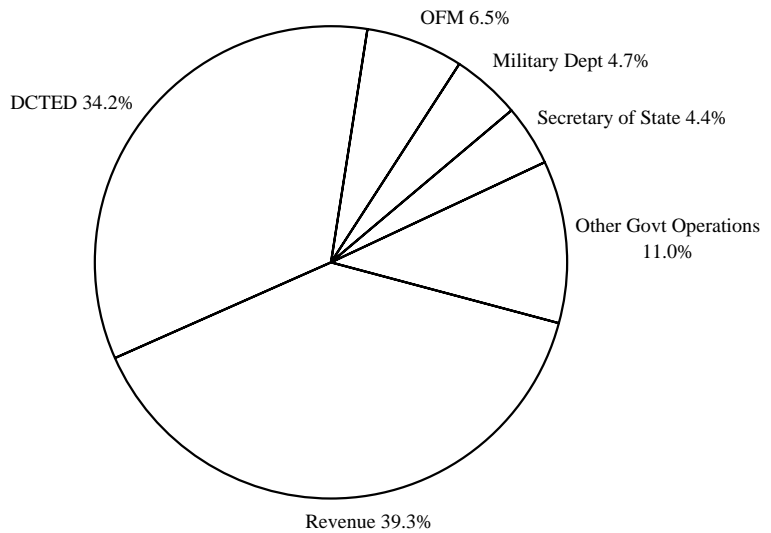
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
<b>Governmental Operations</b>	<b>383,769</b>
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Revenue	150,768
Comm/Trade/Econ Dev	131,092
Office of Financial Mgmt	24,964
Military Department	17,875
Secretary of State	16,931
Other Govt Operations	42,139
<b>Governmental Operations</b>	<b>383,769</b>



### Governmental Operations

**Office of the Governor**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>9,061</b>	<b>4,127</b>	<b>13,188</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-136	0	-136
2. Salmon Recovery Office	-400	0	-400
<b>Total Policy Changes</b>	<b>-536</b>	<b>0</b>	<b>-536</b>
<b>2001-03 Revised Appropriations</b>	<b>8,525</b>	<b>4,127</b>	<b>12,652</b>
Fiscal Year 2002 Total	4,497	2,054	6,551
Fiscal Year 2003 Total	4,028	2,073	6,101

*Comments:*

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
2. **Salmon Recovery Office** - Funding for the Governor's Salmon Recovery Office is reduced. Natural resource agencies will continue to implement the Statewide Strategy to Recover Salmon. Core staff remain to implement the activities of the Governor's Salmon Recovery Office.

**Office of the Lieutenant Governor**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>900</b>	<b>0</b>	<b>900</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-23	0	-23
<b>Total Policy Changes</b>	<b>-23</b>	<b>0</b>	<b>-23</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>877</b>	<b>0</b>	<b>877</b>
Fiscal Year 2002 Total	449	0	449
Fiscal Year 2003 Total	428	0	428

**Comments:**

- Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Public Disclosure Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>3,813</b>	<b>0</b>	<b>3,813</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-57	0	-57
<b>Total Policy Changes</b>	<b>-57</b>	<b>0</b>	<b>-57</b>
<b>2001-03 Revised Appropriations</b>	<b>3,756</b>	<b>0</b>	<b>3,756</b>
Fiscal Year 2002 Total	1,910	0	1,910
Fiscal Year 2003 Total	1,846	0	1,846

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>19,220</b>	<b>15,341</b>	<b>34,561</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-46</b>	<b>-46</b>
<b>Policy Changes</b>			
1. Corporations Fund Shift	-2,000	2,000	0
2. Efficiencies & Savings	-261	0	-261
3. Revolving Fund Reductions	0	-195	-195
4. Blanket Primary Litigation Costs	212	0	212
5. Elections Savings and Efficiencies	-240	0	-240
6. Archives Security Microfilm Project	0	586	586
7. Microfilm Imaging	0	768	768
8. Training & Grants	0	163	163
<b>Total Policy Changes</b>	<b>-2,289</b>	<b>3,322</b>	<b>1,033</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>16,931</b>	<b>18,617</b>	<b>35,548</b>
Fiscal Year 2002 Total	10,485	7,019	17,504
Fiscal Year 2003 Total	6,446	11,598	18,044

**Comments:**

- |  |   |
|--|---|
| <p>1. <b>Corporations Fund Shift</b> - Funding for the Corporations Division's expenditures is shifted on a one-time basis from the General Fund-State to the Secretary of State's Revolving Account. (General Fund-State, Secretary of State's Revolving Account-Non-Appropriated)</p> <p>2. <b>Efficiencies &amp; Savings</b> - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>3. <b>Revolving Fund Reductions</b> - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. For the Office of the Secretary of State, archives and Productivity Board activities are affected by this reduction. (Archives and Records Management Account-State, Department of Personnel Service Account-State)</p> <p>4. <b>Blanket Primary Litigation Costs</b> - Funding is provided to the Secretary of State to pay legal billings from the Attorney General for costs incurred in defending the blanket primary system.</p> <p>5. <b>Elections Savings and Efficiencies</b> - The Secretary of State reimburses local governments for the state's share of odd-year</p> | <p>election costs. November 2001 election ballots contained fewer state issues and offices, in comparison to other years, that resulted in one-time savings. In addition, efficiencies in other agency activities allow the Secretary of State to achieve a one-time reduction in expenditures.</p> <p>6. <b>Archives Security Microfilm Project</b> - State law authorizes the state archivist to microfilm and safeguard copies of records necessary for re-establishing government services after a disaster. During the 1999-01 biennium, restoration work was begun on deteriorating local government records. One-time funding is provided to complete the local government microfilm preservation project. (Archives and Records Management Account-Local)</p> <p>7. <b>Microfilm Imaging</b> - The Secretary of State is required to microfilm state and local government records at cost. Due to higher-than-anticipated demand for microfilming services, one-time funding is provided to allow for an increase in microfilming activities. Funding for this increased level of activity comes from user fees. (Archives and Records Management Account-State)</p> <p>8. <b>Training &amp; Grants</b> - Legislation passed during the 2001 session (Chapter 13, Laws of 2001, 2nd sp.s.) directs the Archives Division to provide records management training and grants for local governments. Ongoing funding is provided for these new services. (Archives and Records Management Account-Local)</p> |
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**Governor's Office of Indian Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>551</b>	<b>0</b>	<b>551</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-8	0	-8
<b>Total Policy Changes</b>	<b>-8</b>	<b>0</b>	<b>-8</b>
<b>2001-03 Revised Appropriations</b>	<b>543</b>	<b>0</b>	<b>543</b>
Fiscal Year 2002 Total	269	0	269
Fiscal Year 2003 Total	274	0	274

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

### Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>466</b>	<b>0</b>	<b>466</b>
<b>Policy Changes</b>			
1. Co-Locate and Consolidate Admin	-32	0	-32
<b>Total Policy Changes</b>	<b>-32</b>	<b>0</b>	<b>-32</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>434</b>	<b>0</b>	<b>434</b>
Fiscal Year 2002 Total	233	0	233
Fiscal Year 2003 Total	201	0	201

**Comments:**

- 1. Co-Locate and Consolidate Admin** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African-American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian-Pacific-American Affairs into one office building. Additional savings will be achieved by sharing administrative services.



**Office of the State Auditor**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>1,802</b>	<b>43,138</b>	<b>44,940</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Revolving Fund Reductions	0	-1,106	-1,106
2. Performance Audits	150	0	150
<b>Total Policy Changes</b>	<b>150</b>	<b>-1,106</b>	<b>-956</b>
<b>2001-03 Revised Appropriations</b>	<b>1,952</b>	<b>42,032</b>	<b>43,984</b>
Fiscal Year 2002 Total	901	21,599	22,500
Fiscal Year 2003 Total	1,051	20,433	21,484

**Comments:**

1. **Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. For the State Auditor, state and local government auditing activities are affected by this reduction. (Auditing Services Revolving Account, Municipal Revolving Account-Non-Appropriated)
2. **Performance Audits** - Funding is provided for the State Auditor to conduct a performance audit of state claims benefits administration. (General Fund-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The Office of the State Auditor received an appropriation of \$126,000 in the original 2001-03 transportation budget.

**Citizens' Commission on Salaries for Elected Officials**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>232</b>	<b>0</b>	<b>232</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-5	0	-5
<b>Total Policy Changes</b>	<b>-5</b>	<b>0</b>	<b>-5</b>
<b>2001-03 Revised Appropriations</b>	<b>227</b>	<b>0</b>	<b>227</b>
Fiscal Year 2002 Total	80	0	80
Fiscal Year 2003 Total	147	0	147

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>9,617</b>	<b>155,189</b>	<b>164,806</b>
<b>Policy Changes</b>			
1. Public Safety and Education Account	0	-36	-36
2. Revolving Fund Reductions	0	-1,543	-1,543
3. Blanket Primary Litigation	0	183	183
4. U.S. v. Washington (Culverts)	0	885	885
5. Cockle Decision	0	642	642
6. Anti-Trust Transfer	-141	141	0
7. Reduce Growth Management Legal Svcs	0	-51	-51
8. Consumer Protection Costs	-682	682	0
9. Water Rights Study	87	0	87
<b>Total Policy Changes</b>	<b>-736</b>	<b>903</b>	<b>167</b>
<b>2001-03 Revised Appropriations</b>	<b>8,881</b>	<b>156,092</b>	<b>164,973</b>
Fiscal Year 2002 Total	4,811	78,486	83,297
Fiscal Year 2003 Total	4,070	77,606	81,676

**Comments:**

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|---|--|
| <p>1. <b>Public Safety and Education Account</b> - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from this account. (Public Safety and Education Account-State)</p> <p>2. <b>Revolving Fund Reductions</b> - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings with their clients. The Office of the Attorney General shall achieve a reduction of \$1,302,000 in its billings for legal services purchased by state agencies in FY 2003. The reduction is expected to result from both reduced demand for services and reduced rates. (Legal Services Revolving Account)</p> <p>3. <b>Blanket Primary Litigation</b> - In July 2000, political parties in Washington State filed suit in federal court against the Secretary of State, alleging the blanket primary statutes are unconstitutional. Funding is provided to pay for legal services associated with the case, including attorney time and expert witnesses. (Legal Services Revolving Account)</p> <p>4. <b>U.S. v. Washington (Culverts)</b> - Funding is provided for the culvert case. The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing grounds." The trial is anticipated to be in June 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology, and the Washington State Parks and Recreation Commission. (Legal Services Revolving Account)</p> <p>5. <b>Cockle Decision</b> - The Washington State Supreme Court ruled in January 2001 that the value of employer-provided health care benefits must be included in the calculation of workers'</p> | <p>compensation benefits. As a result of the Cockle decision, the Department of Labor and Industries anticipates approximately 500 more appeals each year. Funding is provided to increase legal services provided to the Department of Labor and Industries. (Legal Services Revolving Account)</p> <p>6. <b>Anti-Trust Transfer</b> - Funding for Anti-Trust Unit activities is transferred from the General Fund-State to the Anti-Trust Revolving Account. (General Fund-State, Anti-Trust Revolving Account)</p> <p>7. <b>Reduce Growth Management Legal Svcs</b> - Expenditure authority is reduced to match funds available for growth management legal services in the budget for the Department of Community, Trade, and Economic Development. (Legal Services Revolving Account-State)</p> <p>8. <b>Consumer Protection Costs</b> - Part of the funding for the Consumer Protection Division is transferred from the General Fund-State to the Anti-Trust Revolving Account. (General Fund-State, Anti-Trust Revolving Account)</p> <p>9. <b>Water Rights Study</b> - One-time funding is provided for a report to the Legislature on federal and Indian reserved water rights. (General Fund-State)</p> |
|---|--|

### Caseload Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,250</b>	<b>0</b>	<b>1,250</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-19	0	-19
<b>Total Policy Changes</b>	<b>-19</b>	<b>0</b>	<b>-19</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,231</b>	<b>0</b>	<b>1,231</b>
Fiscal Year 2002 Total	631	0	631
Fiscal Year 2003 Total	600	0	600

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>23,776</b>	<b>23,776</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-357	-357
2. Job Class Realignment	0	973	973
<b>Total Policy Changes</b>	<b>0</b>	<b>616</b>	<b>616</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>24,392</b>	<b>24,392</b>
Fiscal Year 2002 Total	0	12,141	12,141
Fiscal Year 2003 Total	0	12,251	12,251

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Job Class Realignment** - Funding is provided for the Department of Financial Institutions to realign three of its job classes, as approved by the Personnel Resources Board. This will provide flexibility in the financial services examination process, facilitate the use of legal staff in all program areas, and make salaries more competitive. (Financial Services Regulation Account-Non-Appropriated)

## Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>141,957</b>	<b>215,936</b>	<b>357,893</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-197</b>	<b>-197</b>
<b>Policy Changes</b>			
1. Public Safety and Education Account	0	-206	-206
2. Community Empowerment Zones	-45	0	-45
3. DCTED Administrative Reduction	-187	0	-187
4. Salmon Recovery Fund Reallocation	-1,500	1,500	0
5. Low-Income Housing	0	2,783	2,783
6. Building Code Council Fee Increase	0	165	165
7. Mobile Home Relocation Funding	0	202	202
8. Senior Games	-23	0	-23
9. Archaeology Month	-15	0	-15
10. Growth Management Conferences	-15	0	-15
11. Local Government AG Costs	-51	0	-51
12. Walla Walla Community Connections	-75	0	-75
13. Public Broadcasting Grants	-104	0	-104
14. Buildable Lands	-1,251	0	-1,251
15. Head Start State Match	-235	0	-235
16. Early Childhood Education (ECEAP)	-838	0	-838
17. Overnight Youth Shelters	-120	120	0
18. Emergency Shelter Program	-1,868	1,868	0
19. Director's Office Special Projects	-10	0	-10
20. Special Trade Representative	-40	0	-40
21. Energy Policy Division Reduction	-42	0	-42
22. Washington State Int'l Trade Fair	-35	0	-35
23. CERB Position	-56	36	-20
24. Tourism Office Reduction	-320	0	-320
25. Washington Technology Center	-247	0	-247
26. Community Services Block Grant	-673	0	-673
27. Growth Mgmt Tech Assistance	-28	0	-28
28. Growth Mgmt Review & Response	-24	0	-24
29. WA-CERT	-69	0	-69
30. Washington Manufacturing Service	-300	0	-300
31. Rural WA Manufacturing Service	-100	0	-100
32. Reduce Travel/Business Enhancement	-280	0	-280
33. Community-Based Services Task Force	40	0	40
34. Civil Indigent Legal Representation	0	1,500	1,500
35. Violence Reduction & Drug Enf Acct	0	-68	-68
36. Artistic Organization Support	300	0	300
37. OTED Efficiencies and Savings	-504	0	-504
38. OCD Efficiencies and Savings	-1,641	0	-1,641
39. Vendor Rate Change	-209	0	-209
40. Lapse	0	-165	-165
41. Governor Veto	-300	0	-300
<b>Total Policy Changes</b>	<b>-10,865</b>	<b>7,735</b>	<b>-3,130</b>
<b>2001-03 Revised Appropriations</b>	<b>131,092</b>	<b>223,474</b>	<b>354,566</b>
Fiscal Year 2002 Total	70,893	109,604	180,497
Fiscal Year 2003 Total	60,199	113,870	174,069

**Comments:**

1. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)

2. **Community Empowerment Zones** - Funding to staff the Community Empowerment Zone Program is eliminated in FY 2003. The Office of Trade and Economic Development (OTED) will continue monitoring the program within existing resources.

## Department of Community, Trade, & Economic Development

3. **DCTED Administrative Reduction** - The Department of Community, Trade, and Economic Development (DCTED) shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
4. **Salmon Recovery Fund Reallocation** - Funding for FY 2003 critical area ordinance updates is shifted from General Fund-State to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)
5. **Low-Income Housing** - Chapter 294, Laws of 2002 (HB 2060), imposed a \$10 surcharge on recording fees for real property documents. Revenues from this surcharge are provided for operation and maintenance costs associated with emergency shelters, youth shelters, and other housing projects for very low-income persons. (Washington Housing Trust Account)
6. **Building Code Council Fee Increase** - An increase in funding is provided for activities of the State Building Code Council.
7. **Mobile Home Relocation Funding** - Funding for the Mobile Home Relocation Assistance Program is provided through a fee on the title transfer of manufactured homes that are sold within manufactured home parks pursuant to Chapter 257, Laws of 2002 (2SSB 5354). (Mobile Home Park Relocation Account)
8. **Senior Games** - Funding for the FY 2003 state match for the Washington Senior Games is eliminated.
9. **Archaeology Month** - General Fund-State support for Archaeology Month is eliminated in FY 2003. The Office of Archaeology and Historic Preservation proposes to replace state funds with existing federal and private/local funds.
10. **Growth Management Conferences** - Funding for FY 2003 Growth Management conferences and related technical assistance workshops is eliminated.
11. **Local Government AG Costs** - Funding for Growth Management legal costs is reduced by 50 percent beginning FY 2003. The Office of Community Development (OCD) will reduce its involvement in appeals of actions under the Growth Management Act.
12. **Walla Walla Community Connections** - Funding for the Walla Walla Community Connections Program is eliminated in FY 2003.
13. **Public Broadcasting Grants** - Funding is removed for grants to public radio and television stations in FY 2003, but funding is provided for grants in FY 2002.
14. **Buildable Lands** - Funding is eliminated for buildable land grants to local governments. These grants help local governments track data, report, and take actions regarding land supply, urban densities, and actual development as required under a 1997 amendment to the Growth Management Act. The Legislature passed HB 2846, which would have suspended buildable land requirements when funding was not available. The Governor fully vetoed HB 2846; as a result, there will be no suspension of buildable land requirements, even though state funding was eliminated.
15. **Head Start State Match** - State funding assistance for Head Start contractors is reduced in FY 2003. Head Start contractors must provide a 20 percent match to obtain federal funds. The matching requirement is \$1,806 per child slot, and state funds have paid about \$51 of the \$1,806 match.
16. **Early Childhood Education (ECEAP)** - The Early Childhood Education and Assistance Program (ECEAP) will reduce its FY 2003 administrative budget by 3 percent.
17. **Overnight Youth Shelters** - Funding for overnight youth shelters in FY 2003 is shifted from the General Fund-State to the Washington Housing Trust Account. (General Fund-State, Washington Housing Trust Account)
18. **Emergency Shelter Program** - Funding for emergency shelters for FY 2003 is shifted from the General Fund-State to the Washington Housing Trust Account. (General Fund-State, Washington Housing Trust Account-State)
19. **Director's Office Special Projects** - The OTED Director's Office budget for special economic development projects is reduced by 20 percent in FY 2003.
20. **Special Trade Representative** - The Special Trade Representative position in the Governor's Office is funded in OTED's budget. Beginning in FY 2003, the Department of Agriculture will pay \$40,000 of the cost of the position.
21. **Energy Policy Division Reduction** - The Energy Policy Division will reduce various operating expenditures including training, travel, goods and services, and conference costs.
22. **Washington State Int'l Trade Fair** - Funding is reduced in FY 2003 for logistical, promotional, and administrative support for businesses attending domestic and international trade fairs promoted by the International Trade Division of OTED and the Department of Agriculture.
23. **CERB Position** - Funding for an administrative support position for the Community Economic Revitalization Board (CERB) is shifted from the General Fund-State to the Public Works Trust Fund. Chapter 242, Laws of 2002 (HB 2425), provides for additional revenues for deposit into the Public Works Trust Fund.

## Department of Community, Trade, & Economic Development

24. **Tourism Office Reduction** - The Tourism Office will reduce its FY 2002 and FY 2003 appropriations through the consolidation of the Tourism and the Business Development Offices and the elimination of two FTE staff. Additional savings will be achieved through a reduction in services such as coordination and management of the on-site Tourism Resource Center and tourism development lending library, and technical assistance on tourism and economic development to Tourism Office clients.
25. **Washington Technology Center** - Funding for the Washington Technology Center is reduced by 15 percent in FY 2003.
26. **Community Services Block Grant** - State funding for the Community Services Block Grant Program is eliminated. An increase in federal funds is expected to offset this reduction.
27. **Growth Mgmt Tech Assistance** - Funding for Growth Management Technical Assistance is reduced.
28. **Growth Mgmt Review & Response** - Funding is reduced for the Growth Management review and response unit.
29. **WA-CERT** - Funding for the Washington Community Economic Revitalization Team (WA-CERT) is reduced in FY 2003. The Certified Communities Initiative shall be discontinued.
30. **Washington Manufacturing Service** - Funding for the Washington Manufacturing Service contract is eliminated in FY 2003.
31. **Rural WA Manufacturing Service** - Funding for the Washington Manufacturing Service Rural Program is eliminated in FY 2003.
32. **Reduce Travel/Business Enhancement** - Funding is eliminated for enhancements provided in the 2001-03 biennial budget for a business hotline, OTED travel expenses, business retention and expansion, and business finance and loan programs.
33. **Community-Based Services Task Force** - One-time funding is provided to implement the Washington State Task Force on Funding for Community-Based Services to Victims of Crime, as provided in Chapter 351, Laws of 2002 (SB 6763).
34. **Civil Indigent Legal Representation** - The Governor has recently notified DCTED that funding from the federal Temporary Assistance to Needy Families block grant will no longer be available to support civil indigent legal representation. For this reason, \$1.5 million in funding from the Violence Reduction and Drug Enforcement Account is provided to replace a portion of the reduced federal funding. (Violence Reduction and Drug Enforcement Account)
35. **Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
36. **Artistic Organization Support** - Funding is provided to artistic organizations as reimbursement for the payment of back leasehold excise taxes assessed by the Department of Revenue.
37. **OTED Efficiencies and Savings** - OTED shall take actions consistent with their mission, goals, and objectives to reduce operating costs by \$504,000. Such actions, to the greatest extent possible, shall maintain direct payments to service providers, grants to other entities, and other pass-through funds. Examples of actions that may be taken to effect this reduction include hiring freezes, employee furloughs, staffing reductions, restricted travel and training, delaying purchases of equipment, and limiting personal service contracts.
38. **OCD Efficiencies and Savings** - OCD shall take actions consistent with their mission, goals, and objectives to reduce operating costs by \$1,641,000. Such actions, to the greatest extent possible, shall maintain direct payments to service providers, grants to other entities, and other pass-through funds. Examples of actions that may be taken to effect this reduction include hiring freezes, employee furloughs, staffing reductions, restricted travel and training, delaying purchases of equipment, and limiting personal service contracts.
39. **Vendor Rate Change** - Funding for the second year vendor rate for ECEAP is reduced to 1.5 percent.
40. **Lapse** - Building Code Council Fee Increase - Because SB 5352 did not pass the Legislature, the amount provided lapses (see item 6 above). (Building Code Council Account)
41. **Governor Veto** - The Governor vetoed Section 125(31) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which would have provided funds to artistic organizations to pay back leasehold excise taxes assessed by the Department of Revenue. The Governor also vetoed Section 125(34), which designated funds from the non-appropriated Mobile Home Park Relocation Account to implement Chapter 257, Laws of 2002 (2SSB 5354).



### Economic & Revenue Forecast Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>1,026</b>	<b>0</b>	<b>1,026</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-15	0	-15
<b>Total Policy Changes</b>	<b>-15</b>	<b>0</b>	<b>-15</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,011</b>	<b>0</b>	<b>1,011</b>
Fiscal Year 2002 Total	512	0	512
Fiscal Year 2003 Total	499	0	499

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>24,480</b>	<b>44,746</b>	<b>69,226</b>
<b>Policy Changes</b>			
1. Transfer Risk Management Office	0	1,452	1,452
2. Efficiencies & Savings	-366	0	-366
3. Performance Audits	350	0	350
4. Revolving Fund Reductions	0	-339	-339
5. Agency Loss Prevention Reviews	0	132	132
6. VRDE Reduction	0	-3	-3
7. Permit Assistance Center	580	0	580
8. Permit Assistance Center Reduction	-80	0	-80
<b>Total Policy Changes</b>	<b>484</b>	<b>1,242</b>	<b>1,726</b>
<b>2001-03 Revised Appropriations</b>	<b>24,964</b>	<b>45,988</b>	<b>70,952</b>
Fiscal Year 2002 Total	12,456	21,493	33,949
Fiscal Year 2003 Total	12,508	24,495	37,003

**Comments:**

1. **Transfer Risk Management Office** - The Office of Risk Management is transferred from the Department of General Administration to the Office of Financial Management (OFM). (Risk Management Account-State, Risk Management Account-Local)
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Performance Audits** - Funding is provided for: 1) assessment and performance scoring of state agencies; and 2) performance audits of state capital construction practices and state contracting practices. (General Fund-State)
4. **Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings with their clients. OFM shall achieve a reduction of \$339,000 in its billings for financial system services purchased by state agencies in FY 2003. The reduction is expected to result from both reduced demand for services and reduced rates. (Data Processing Revolving Account-Non-Appropriated)
5. **Agency Loss Prevention Reviews** - Funding is provided to implement Chapter 333, Laws of 2002 (ESSB 6428 - Loss Prevention Review Teams). (Risk Management Account)
6. **VRDE Reduction** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account (VRDE), a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (VRDE-State)
7. **Permit Assistance Center** - Funding and staff are transferred from the Department of Ecology's Permit Assistance Center to OFM pursuant to Chapter 153, Laws of 2002, PV (E2SHB 2671).
8. **Permit Assistance Center Reduction** - Funding for the Permit Assistance Center is reduced.

## Office of Administrative Hearings

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>21,988</b>	<b>21,988</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-330	-330
2. Unemployment Insurance Appeals	0	786	786
<b>Total Policy Changes</b>	<b>0</b>	<b>456</b>	<b>456</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>22,444</b>	<b>22,444</b>
Fiscal Year 2002 Total	0	11,321	11,321
Fiscal Year 2003 Total	0	11,123	11,123

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Unemployment Insurance Appeals** - Appropriation authority is provided for the costs of increased unemployment insurance appeals. The Department of Employment Security will reimburse the Office of Administrative Hearings for the increase with federal block grant money that is already included in their budget. (Administrative Hearings Revolving Account)

### Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>33,693</b>	<b>33,693</b>
<b>Policy Changes</b>			
1. Reduced Agency Billings	0	-545	-545
2. Efficiencies & Savings	0	-262	-262
<b>Total Policy Changes</b>	<b>0</b>	<b>-807</b>	<b>-807</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>32,886</b>	<b>32,886</b>
Fiscal Year 2002 Total	0	17,082	17,082
Fiscal Year 2003 Total	0	15,804	15,804

**Comments:**

1. **Reduced Agency Billings** - Funding is reduced to account for decreased agency billings as a result of unexpended charges for a payroll system feasibility study. (Data Processing Revolving Account-Non-Appropriated)
  
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction. (Department of Personnel Service Account)

### State Lottery Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>763,162</b>	<b>763,162</b>
<b>Policy Changes</b>			
1. "Big Game" Multi-State Lottery	0	64,604	64,604
2. Efficiencies & Savings	0	-335	-335
3. Reduced Existing Lottery Activity	0	-15,111	-15,111
<b>Total Policy Changes</b>	<b>0</b>	<b>49,158</b>	<b>49,158</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>812,320</b>	<b>812,320</b>
Fiscal Year 2002 Total	0	379,995	379,995
Fiscal Year 2003 Total	0	432,325	432,325

**Comments:**

1. **"Big Game" Multi-State Lottery** - Funding reflects implementation of Chapter 349, Laws of 2002 (E2SSB 6560), which authorizes the State Lottery Commission to join "The Big Game" shared lottery, a multi-state lottery consortium. Participation in "The Big Game" is expected to generate \$24.4 million in additional revenue for the state general fund in FY 2003.

Projected expenditures of \$64.6 million will be deducted from projected gross sales of \$108.3 million. Expenditures include prize payouts (\$54.1 million), retailer commissions (\$7.6 million), vendor contracts (\$2.1 million), and advertising (\$0.8 million). After expenditures, \$18.8 million will be transferred to the student achievement and education construction accounts, to make up for reduced revenue from existing lottery games. In addition, \$0.5 million in FY 2003 is transferred to the Violence Reduction and Drug Enforcement Account, exclusively for the treatment of pathological gambling. Remaining funds of \$24.4 million in net revenue will be deposited in the state general fund. (Shared Game Account-Non-Appropriated)

2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Reduced Existing Lottery Activity** - Funding reflects an anticipated reduction to existing lottery game expenses as a result of entry into "The Big Game," including decreased prize payouts, retailer commissions, and vendor contracts. (State Lottery Account-Non-Appropriated)

## Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>29,803</b>	<b>29,803</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-450	-450
<b>Total Policy Changes</b>	<b>0</b>	<b>-450</b>	<b>-450</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>29,353</b>	<b>29,353</b>
Fiscal Year 2002 Total	0	14,807	14,807
Fiscal Year 2003 Total	0	14,546	14,546

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>460</b>	<b>0</b>	<b>460</b>
<b>Policy Changes</b>			
1. Co-Locate and Consolidate Admin	-24	0	-24
<b>Total Policy Changes</b>	<b>-24</b>	<b>0</b>	<b>-24</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>436</b>	<b>0</b>	<b>436</b>
Fiscal Year 2002 Total	226	0	226
Fiscal Year 2003 Total	210	0	210

**Comments:**

1. **Co-Locate and Consolidate Admin** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African-American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian-Pacific-American Affairs into one office building. Additional savings will be achieved by sharing administrative services.

### Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>420</b>	<b>0</b>	<b>420</b>
<b>Policy Changes</b>			
1. Co-Locate and Consolidate Admin	-2	0	-2
<b>Total Policy Changes</b>	<b>-2</b>	<b>0</b>	<b>-2</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>418</b>	<b>0</b>	<b>418</b>
Fiscal Year 2002 Total	211	0	211
Fiscal Year 2003 Total	207	0	207

**Comments:**

- 1. Co-Locate and Consolidate Admin** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African-American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian-Pacific-American Affairs into one office building. Additional savings will be achieved by sharing administrative services.



### Personnel Appeals Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>1,679</b>	<b>1,679</b>
<b>Policy Changes</b>			
1. Leave Cash-Out for Board Members	0	26	26
<b>Total Policy Changes</b>	<b>0</b>	<b>26</b>	<b>26</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>1,705</b>	<b>1,705</b>
Fiscal Year 2002 Total	0	836	836
Fiscal Year 2003 Total	0	869	869

**Comments:**

1. **Leave Cash-Out for Board Members** - One-time funding is provided for payments to Board members who have retired or whose terms on the Board expired during the biennium.  
(Department of Personnel Service Account)

## Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>52,917</b>	<b>52,917</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>125</b>	<b>125</b>
<b>Policy Changes</b>			
1. PERS 3 Transfer Payment	0	96	96
2. TRS 1 Extended School Year	0	9	9
3. LEOFF 2 Part-Time Leave of Absence	0	12	12
4. Transferring Svc Credit to WSPRS	0	122	122
5. Survivor Benefits	0	651	651
6. PERS 1 Terminated Vested	0	53	53
7. Administrative Rate Reduction	0	-732	-732
8. EMT Service Credit Transfer	0	130	130
9. Lapse	0	-139	-139
<b>Total Policy Changes</b>	<b>0</b>	<b>202</b>	<b>202</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>53,244</b>	<b>53,244</b>
Fiscal Year 2002 Total	0	27,427	27,427
Fiscal Year 2003 Total	0	25,817	25,817

**Comments:**

1. **PERS 3 Transfer Payment** - Funding is provided for the Department of Retirement Systems (DRS) to modify computer systems, communication materials, and member presentation materials relating to the new transfer payment dates created by Chapter 159, Laws of 2002 (SB 6376). (DRS Expense Account)
2. **TRS 1 Extended School Year** - Funding is provided for DRS to update Teachers' Retirement System (TRS) Plan 1 communication materials and the retiree application for extended school year members pursuant to SB 6377. (DRS Expense Account)
3. **LEOFF 2 Part-Time Leave of Absence** - Funding is provided for DRS to change communication materials and modify the member information system to identify law enforcement members who take part-time leave of absence under Chapter 28, Laws of 2002 (SB 6378). (DRS Expense Account)
4. **Transferring Svc Credit to WSPRS** - Funding is provided to DRS to update communication materials, the operations manual, and the member information system for eligible members who elect to transfer all past Public Employees' Retirement System (PERS) Plan 2 service credit into the Washington State Patrol Retirement System (WSPRS) pursuant to Chapter 269, Laws of 2002 (SB 6379). (DRS Expense Account)
5. **Survivor Benefits** - Funding is provided to DRS for computer system modification costs related to the changes in automatic and optional survivor benefits pursuant to Chapter 158, Laws of 2002 (ESB 6380). (DRS Expense Account)
6. **PERS 1 Terminated Vested** - Funding is provided for DRS to make system modifications and update member educational materials for future, vested PERS 1 members who separate from service and elect to receive retirement benefits at age 60 pursuant to Chapter 62, Laws of 2002 (SB 6381). (DRS Expense Account)
7. **Administrative Rate Reduction** - The appropriations in this section are reduced to reflect savings resulting from a 0.01 percent reduction of the DRS administrative expense rate, effective May 1, 2002, from 0.23 to 0.22 for the remainder of the 2001-03 biennium. (DRS Expense Account)
8. **EMT Service Credit Transfer** - Funding is provided for DRS to modify the member information system to identify emergency medical technicians (EMTs) who choose to transfer past PERS service credit to the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 as directed by SHB 2896. (DRS Expense Account)
9. **Lapse** - TRS 1 Extended School Year and EMT Service Credit Transfer - Because SB 6377 and SHB 2896 did not pass the Legislature, the amounts provided lapse (see item 2 and item 8 above). (DRS Expense Account)

### State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>12,876</b>	<b>12,876</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-194	-194
2. New Leased Facility	0	779	779
<b>Total Policy Changes</b>	<b>0</b>	<b>585</b>	<b>585</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>13,461</b>	<b>13,461</b>
Fiscal Year 2002 Total	0	6,422	6,422
Fiscal Year 2003 Total	0	7,039	7,039

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **New Leased Facility** - Funding is provided to the State Investment Board for increased lease costs including rent, tenant improvements, moving costs, design costs, furniture, filing systems, a telephone system, and a public address system. (State Investment Board Expense Account)

## Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>145,207</b>	<b>10,291</b>	<b>155,498</b>
<b>Policy Changes</b>			
1. Tax Education & Tax Collection	6,260	0	6,260
2. Efficiencies & Savings	-699	0	-699
3. Motor Vehicle Sales Tax	0	109	109
4. Tax Incentives Study	90	0	90
5. Municipal B&O Tax Uniformity	114	0	114
6. Lapse	0	-100	-100
7. Governor Veto	-204	0	-204
<b>Total Policy Changes</b>	<b>5,561</b>	<b>9</b>	<b>5,570</b>
<b>2001-03 Revised Appropriations</b>	<b>150,768</b>	<b>10,300</b>	<b>161,068</b>
Fiscal Year 2002 Total	72,820	5,149	77,969
Fiscal Year 2003 Total	77,948	5,151	83,099

**Comments:**

1. **Tax Education & Tax Collection** - Funding is provided for additional taxpayer education, audit activity, tax discovery efforts, and delinquent account collections. These strategies are projected to generate \$46.4 million in General Fund-State revenue and \$6.8 million in revenue for local governments during FY 2003, and another \$106.1 million in General Fund-State revenue and \$15.6 million in revenue for local governments in the 2003-05 biennium.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Motor Vehicle Sales Tax** - Funding is provided pursuant to Chapter 202, Laws of 2002 (ESHB 2969 - Referendum 51 - Transportation Funding), for education and administrative activities associated with a phased increase to the state sales and use tax on motor vehicles. Funding for this purpose shall lapse if Referendum 51 is not enacted by January 1, 2003. This funding will also lapse by any amount provided in the transportation appropriations act for this purpose, see below. (Multimodal Transportation Account)
4. **Tax Incentives Study** - One-time funding is provided for the Department to conduct a study of tax incentives. The purpose of the study is to allow the Legislature to evaluate the success of tax incentives in terms of job creation, product development, and other factors that are considered a return on investment of public funds. The study shall maintain the confidentiality of individual businesses and participation in the study is voluntary. The Department shall report to the appropriate legislative committees of the Senate and House of Representatives by November 30, 2002. (This funding was vetoed by the Governor. See below.)
5. **Municipal B&O Tax Uniformity** - One-time funding is provided pursuant to ESHB 2658 (Municipal Business and Occupation [B&O] Tax), which intends to provide for a more uniform system of city B&O taxes that eliminate multiple taxation, while allowing for some continued local control. The funding covers Department of Revenue expenses to assist cities and the business community in resolving issues of apportionment and allocation of income. (This funding was vetoed by the Governor, see below. However, even if the funding had not been vetoed, it would have been required to lapse since ESHB 2658 was not enacted.)
6. **Lapse - Motor Vehicle Sales Tax** - Funding of \$100,000 is provided in Chapter 201, Laws of 2002, Partial Veto, (ESSB 6347 - Transportation Supplemental Budget) to implement the provisions of Chapter 202, Laws of 2002 (ESHB 2969). The appropriation contained in Chapter 371, Laws of 2002, Partial Veto (ESSB 6387 - Omnibus Operating Budget) for the same purpose is lapsed by \$100,000 to avoid duplication. (Multimodal Transportation Account)
7. **Governor Veto** - The Governor vetoed Section 137(2) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided funding for a study of tax incentives, and Section 137 (4), which provided funding for ESHB 2658 (Municipal B&O Tax).

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

### Board of Tax Appeals

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>2,231</b>	<b>0</b>	<b>2,231</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-31	0	-31
<b>Total Policy Changes</b>	<b>-31</b>	<b>0</b>	<b>-31</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>2,200</b>	<b>0</b>	<b>2,200</b>
Fiscal Year 2002 Total	1,193	0	1,193
Fiscal Year 2003 Total	1,007	0	1,007

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,179</b>	<b>131,850</b>	<b>133,029</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-19	0	-19
2. Revolving Fund Reductions	0	-642	-642
3. Non-Appropriated Revolving Fund	0	-1,302	-1,302
4. Transfer Risk Management Office	0	-1,452	-1,452
5. Recycling and Waste Reduction	44	0	44
<b>Total Policy Changes</b>	<b>25</b>	<b>-3,396</b>	<b>-3,371</b>
<b>2001-03 Revised Appropriations</b>	<b>1,204</b>	<b>128,454</b>	<b>129,658</b>
Fiscal Year 2002 Total	549	66,414	66,963
Fiscal Year 2003 Total	655	62,040	62,695

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction. waste reduction provisions of Chapter 299, Laws of 2002 (SHB 2308).
  
2. **Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. The Department of General Administration's charges to state agencies for real estate services, seat of government charges, and capitol campus operations are affected by this reduction. (General Services Administration Account)
  
3. **Non-Appropriated Revolving Fund** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings with their clients. The Department of General Administration shall achieve a reduction of \$1,302,000 in its billings for services purchased by state agencies in FY 2003. The reduction is expected to result from both reduced demand and reduced rates. (General Administration Services Account-Non-Appropriated)
  
4. **Transfer Risk Management Office** - The Office of Risk Management is transferred from the Department of General Administration to OFM. (General Administration Services Account)
  
5. **Recycling and Waste Reduction** - One-time funding is provided for the Department to implement the recycling and

## Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>209,488</b>	<b>209,488</b>
<b>Policy Changes</b>			
1. Revolving Fund Reductions	0	-96	-96
2. Non-Appropriated Revolving Fund Adj	0	-1,995	-1,995
<b>Total Policy Changes</b>	<b>0</b>	<b>-2,091</b>	<b>-2,091</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>207,397</b>	<b>207,397</b>
Fiscal Year 2002 Total	0	104,801	104,801
Fiscal Year 2003 Total	0	102,596	102,596

**Comments:**

1. **Revolving Fund Reductions** - A revolving fund reduction is made to the amount that the Department of Information Services (DIS) is reimbursed by state agencies for DIS Policy and Regulation Division staff who provide information technology consulting services to agencies and the Information Services Board. (Data Processing Revolving Account)
  
2. **Non-Appropriated Revolving Fund Adj** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings with their clients. DIS shall achieve a reduction of \$1,995,000 in its billings for services purchased by state agencies in FY 2003. The reduction is expected to result from both reduced demand and reduced rates. (Data Processing Revolving Account-Non-Appropriated)

**Office of the Insurance Commissioner**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>29,675</b>	<b>29,675</b>
<b>Policy Changes</b>			
1. SHIBA HelpLine	0	204	204
2. SHIBA Sponsor Reimbursement	0	176	176
3. Health Carrier Examinations	0	495	495
<b>Total Policy Changes</b>	<b>0</b>	<b>875</b>	<b>875</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>30,550</b>	<b>30,550</b>
Fiscal Year 2002 Total	0	14,847	14,847
Fiscal Year 2003 Total	0	15,703	15,703

**Comments:**

1. **SHIBA HelpLine** - Funding is provided to extend the Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine functions to culturally-diverse populations. The state funding replaces federal grant funds that expire on June 30, 2002. (Insurance Commissioner's Regulatory Account)
2. **SHIBA Sponsor Reimbursement** - Funding is provided for SHIBA sponsor reimbursements. The sponsor organizations recruit and train volunteers who provide insurance assistance, advocacy, and education to Washington residents. (Insurance Commissioner's Regulatory Account)
3. **Health Carrier Examinations** - Funding is provided to increase on-site financial examinations of health insurance carriers. (Insurance Commissioner's Regulatory Account)



## Washington Horse Racing Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>4,504</b>	<b>4,504</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-68	-68
<b>Total Policy Changes</b>	<b>0</b>	<b>-68</b>	<b>-68</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>4,436</b>	<b>4,436</b>
Fiscal Year 2002 Total	0	2,252	2,252
Fiscal Year 2003 Total	0	2,184	2,184

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>2,967</b>	<b>150,262</b>	<b>153,229</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>3,577</b>	<b>3,577</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-45	-2,059	-2,104
2. Material Handling System Components	0	741	741
3. Distribution Center FTEs	0	84	84
4. Law Enforcement Equipment	0	99	99
<b>Total Policy Changes</b>	<b>-45</b>	<b>-1,135</b>	<b>-1,180</b>
<b>2001-03 Revised Appropriations</b>	<b>2,922</b>	<b>152,704</b>	<b>155,626</b>
Fiscal Year 2002 Total	1,483	80,707	82,190
Fiscal Year 2003 Total	1,439	71,997	73,436

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Material Handling System Components** - Funding is provided for material handling system back-up parts that were not originally budgeted. Funding is also provided for some unanticipated new system requirements, such as material handling system labels, software license costs, and insurance. (Liquor Revolving Account)
  
3. **Distribution Center FTEs** - One-time funding is provided for nine temporary FTEs for the Seattle distribution center, for three months in FY 2003, to handle the expected increase in sales volume during the holiday season. During the holiday season, the materials handling system is expected to have an average daily shipment of over 20,000 cases of liquor per day and expects to operate a second shift in order to meet liquor store inventory orders. (Liquor Control Board Construction and Maintenance Account)
  
4. **Law Enforcement Equipment** - One-time funding is provided for the purchase of law enforcement equipment. The Liquor Control Board has received a portion of federal asset sharing funds from forfeited property that was earned from a joint investigation with the federal government. (General Fund-Federal)

## Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>31,235</b>	<b>31,235</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	0	-406	-406
<b>Total Policy Changes</b>	<b>0</b>	<b>-406</b>	<b>-406</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>30,829</b>	<b>30,829</b>
Fiscal Year 2002 Total	0	15,638	15,638
Fiscal Year 2003 Total	0	15,191	15,191

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The Utilities & Transportation Commission received an appropriation of \$126,000 in the original 2001-03 transportation budget.

### Military Department

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>18,144</b>	<b>239,223</b>	<b>257,367</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-112,465</b>	<b>-112,465</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-269	0	-269
2. E-911 Program Network Upgrade	0	907	907
3. Wireless Enhanced 911	0	2,818	2,818
<b>Total Policy Changes</b>	<b>-269</b>	<b>3,725</b>	<b>3,456</b>
<b>2001-03 Revised Appropriations</b>	<b>17,875</b>	<b>130,483</b>	<b>148,358</b>
Fiscal Year 2002 Total	9,165	68,555	77,720
Fiscal Year 2003 Total	8,710	61,928	70,638

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
2. **E-911 Program Network Upgrade** - One-time funding is provided for costs associated with upgrading the ability of the enhanced 911 (E-911) network to transfer calls from one Public Safety Answering Point (PSAP) to another PSAP within the state. (E-911 Account)
3. **Wireless Enhanced 911** - Funding is provided for the implementation of Chapter 341, Laws of 2002 (HB 2595), which imposes an additional 20 cent per month state tax on wireless subscribers. The revenue from this tax will be utilized for costs associated with creating the capability to locate the number and location of callers dialing 911 from a wireless phone. (E-911 Account)

## Public Employment Relations Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>4,318</b>	<b>0</b>	<b>4,318</b>
<b>Policy Changes</b>			
1. Initiative 775 Impact	285	0	285
2. Efficiencies & Savings	-86	0	-86
3. Higher Ed Bargaining Impacts	47	0	47
<b>Total Policy Changes</b>	<b>246</b>	<b>0</b>	<b>246</b>
<b>2001-03 Revised Appropriations</b>	<b>4,564</b>	<b>0</b>	<b>4,564</b>
Fiscal Year 2002 Total	2,225	0	2,225
Fiscal Year 2003 Total	2,339	0	2,339

**Comments:**

1. **Initiative 775 Impact** - Funding is provided for the Public Employees' Relations Commission (PERC) to comply with Initiative 775, which grants home care workers full collective bargaining rights under the Public Employees' Collective Bargaining Act administered by PERC. As a result of this Initiative, the Commission will: 1) run an election process to determine if the home care workers want to be represented by a labor organization and which organization would represent them; 2) adopt rules required for the Initiative; 3) negotiate the first collective bargaining agreement; and 4) process anticipated unfair labor practice allegations.
  
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
3. **Higher Ed Bargaining Impacts** - Funding is provided for increased workload related to higher education-related collective bargaining, pursuant to Chapter 356, Laws of 2002, Partial Veto (2SHB 2403) and Chapter 34, Laws of 2002 (ESHB 2540). 2SHB 2403 provides for collective bargaining between all state four-year higher education institutions and their faculty. ESHB 2540 allows teaching and research assistants at the University of Washington to collectively bargain for wages, benefits, and certain working conditions. The Commission is required to conduct elections and provide mediation, in addition to other duties.

## Growth Management Hearings Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>3,003</b>	<b>0</b>	<b>3,003</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-45	0	-45
<b>Total Policy Changes</b>	<b>-45</b>	<b>0</b>	<b>-45</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>2,958</b>	<b>0</b>	<b>2,958</b>
Fiscal Year 2002 Total	1,497	0	1,497
Fiscal Year 2003 Total	1,461	0	1,461

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

# HUMAN SERVICES

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

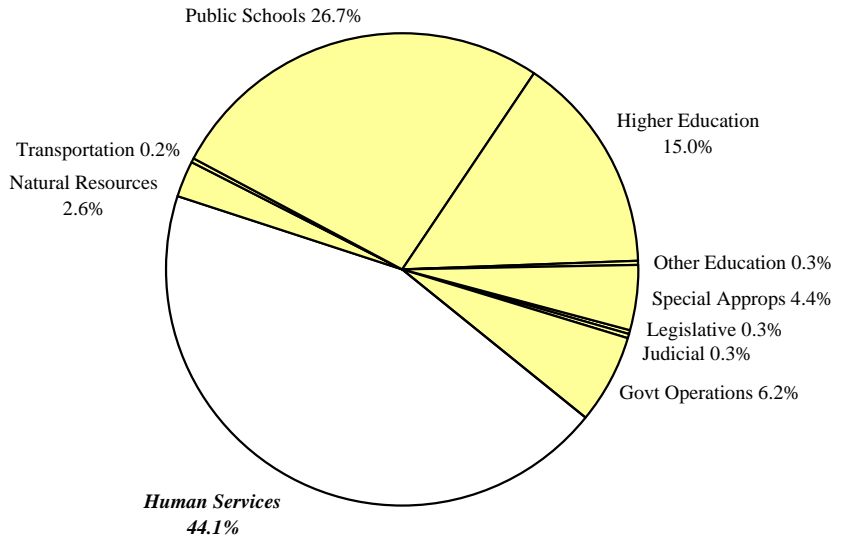
## **Vendor Rate Increases**

Fiscal year 2003 vendor rate increases for providers contracted with DSHS and other human services agencies are reduced from 2.3 percent to 1.5 percent, saving \$9 million.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

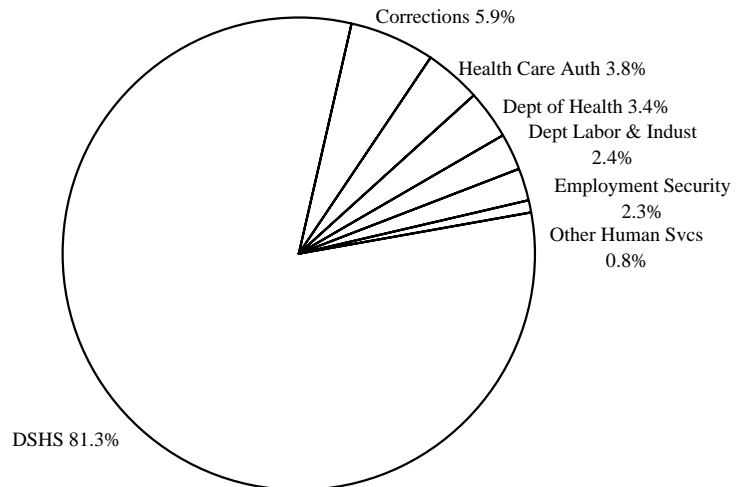
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
<b>Human Services</b>	<b>18,976,685</b>
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

DSHS	15,437,738
Dept of Corrections	1,110,323
Health Care Authority	722,545
Dept of Health	653,217
Dept of Labor & Indust	463,701
Employment Security	440,273
Other Human Svcs	148,888
<b>Human Services</b>	<b>18,976,685</b>



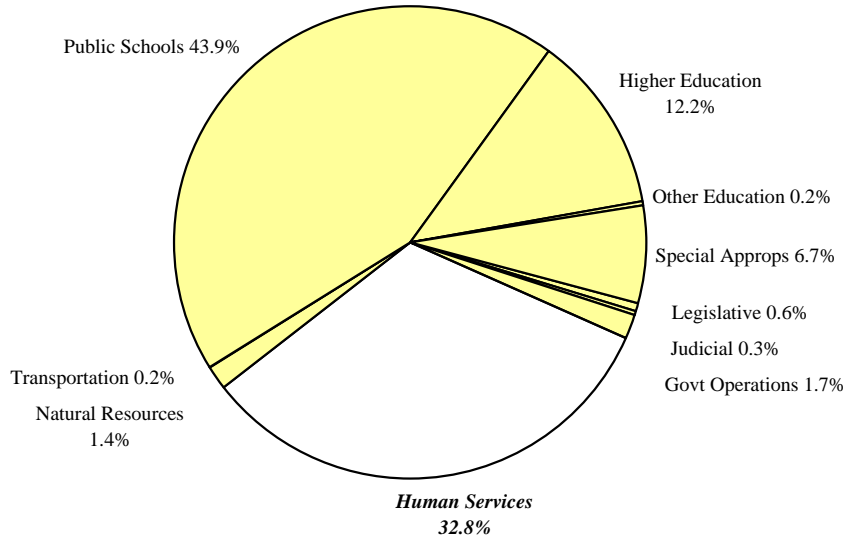
### Human Services



## 2001-03 Washington State Omnibus Operating Budget General Fund-State

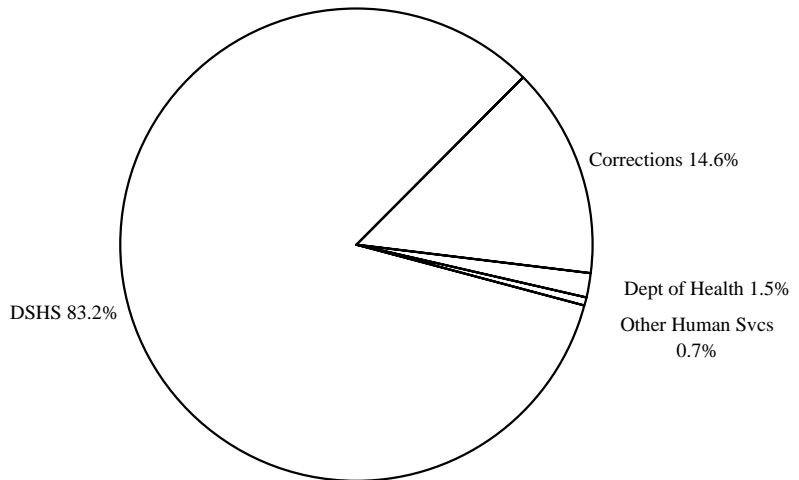
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
<b>Human Services</b>	<b>7,361,197</b>
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

DSHS	6,126,587
Dept of Corrections	1,072,559
Dept of Health	112,277
Other Human Svcs	49,774
<b>Human Services</b>	<b>7,361,197</b>



### Human Services



# DEPARTMENT OF SOCIAL & HEALTH SERVICES

## **Children and Family Services**

The supplemental budget eliminates second year increases funded in the biennial budget for basic foster care rates and increased foster care placements through private agencies. This saves \$2.5 million (\$1.6 million state general fund) and leaves the basic foster care rate at an average of \$420 per month and the average monthly foster care caseload contracted through private agencies at about 1,500.

The budget reduces Family Reconciliation Services (FRS) by about one third, which saves \$1.7 million state general fund. With the remaining funds, the Department will prioritize families and services to avoid placement of children into foster care.

The budget reduces funding for the Therapeutic Child Development Program by 25 percent, saving \$2 million state general fund. This reduction is a result of fewer providers in the Program due to more stringent contract requirements imposed in 2001.

The budget saves \$2.7 million (\$1.9 million state general fund) in program efficiencies. After-hours programs will be centralized and expenditures for travel, equipment, and training will be reduced.

The budget reduces the number of home support specialists by one third or 22 FTE staff. This saves \$625,000 state general fund.

## **Juvenile Rehabilitation Administration**

A total of \$778,000 in additional funding is provided for increased mental health services in the Juvenile Rehabilitation Administration's institutions and community facilities. The Juvenile Rehabilitation Administration will combine this funding with the \$1.1 million provided in the original 2001-03 biennial budget to: increase inpatient and outpatient treatment capacity; provide mental health protocol training to residential staff; and increase mental health professional staff coverage during evening and night-time hours.

Funding in the amount of \$217,000 is provided for new research-based interventions to additional youth as they transition out of institutional settings. Combined with funding provided in the restructuring of parole services, a total of \$945,000 is provided for research-based interventions. The Juvenile Rehabilitation Administration will utilize this funding for juvenile offenders identified as most in need for this type of rehabilitative programming.

A total of \$5.5 million in state and federal funding is reduced due to caseload-related changes in the Juvenile Rehabilitation Administration. Based on the February 2002 forecast, the Juvenile Rehabilitation Administration's residential population is expected to be 97 offenders lower in fiscal year 2002 and 152 offenders lower in fiscal year 2003 than the November 2000 forecasted levels. This results in savings from a reduced need for institutional and community residential beds. Additionally, funding levels are also adjusted for parole and other community services programs to reflect changes in projected workload.

Savings of \$1.5 million are achieved through the closure of Mission Creek Youth Camp, which will be closed by July 2002 and will be mothballed for future use. This closure will reduce the Juvenile Rehabilitation Administration's bed capacity by 60 beds. The closure will result in the relocation of juvenile offenders to other institutions and the relocation of the juvenile offender basic training camp staging area to an existing institution.

The Juvenile Rehabilitation Administration will achieve savings by changing their release policies so that lower-risk offenders serve 115 percent of their minimum sentence as opposed to 145 percent under current practice. In addition to this change, the Juvenile Rehabilitation Administration will work with local juvenile courts to develop

alternative residential placements for approximately 80 to 90 of their lowest-risk youth. These changes are expected to result in a savings of \$1.4 million in state and federal funds.

Savings of \$1.7 million in state and federal funds are achieved by modifying current parole services to juvenile offenders after release from Juvenile Rehabilitation Administration facilities. Specifically, the Juvenile Rehabilitation Administration may take the following steps to improve the effectiveness and cost efficiency of parole services: contract with counties for a greater proportion of parole services; reduce administrative costs related to parole services; reduce the portion of the parole caseload receiving intensive supervision to the statutory required level of 25 percent; provide new research-based interventions to additional youth; increase caseloads of parole counselors; and/or reduce the number of lower-risk youth receiving parole services.

### **Mental Health**

To keep pace with growth in the number of persons enrolled in Medicaid, total funding for community mental health services provided through the Regional Support Networks (RSNs) is increased by \$17 million (2.5 percent) over the level originally budgeted for the biennium. This is in addition to the \$48.5 million (7.8 percent) increase in such funding included in the original 2001-03 appropriation. The cost of this increase is partially offset by:

- Terminating a pilot project that purchases atypical anti-psychotic medications for persons not eligible for them through state medical assistance programs, for a savings of \$2.4 million;
- Reducing administrative expenditures, for a savings of \$0.6 million total funds; and
- Eliminating a number of research and training activities, for a savings of \$0.7 million total funds.

The budget provides a total of \$1.7 million for new community residential and support services for 58 persons who would otherwise be served in the state psychiatric hospitals. This will permit closure of a geriatric ward at Eastern State Hospital by October 2002, for a savings of \$2 million; and closure of 30 "PALS" beds at Western State Hospital by January 2003, for a savings of \$0.7 million. When combined with the four ward closures authorized in the original biennial budget, a total of 178 state hospital beds are to be closed by the end of the 2001-03 biennium, which is about 13 percent of the hospitals' total capacity.

The budget requires RSNs to use \$21.3 million of the approximately \$53 million which they hold in accumulated reserves to provide community mental health services. These services would otherwise need to be paid for with state general funds. RSNs will retain actuarially sufficient risk reserves and will continue to receive advances from the state treasury to cover anticipated cash-flow needs.

### **Special Commitment Center**

Chapter 68, Laws of 2002 (ESSB 6594), includes provisions designed to encourage local jurisdictions to voluntarily work with DSHS to site additional Secure Community Transition Facilities (SCTFs). These facilities are for individuals, civilly committed under the state's sexually violent predator statute, that have progressed enough in their treatment plans to be suitable for this placement. The budget assumes that at least two jurisdictions will work with DSHS. Therefore, \$600,000 is provided for planning, incentive, bonus, and mitigation grants for these communities.

The original 2001-03 budget provided approximately \$2 million for mitigation funding for costs incurred by local governments due to the activities involving residents of the SCTF on McNeil Island. Approximately \$1.4 million of the mitigation funding is eliminated. The remaining \$600,000 is assumed sufficient to cover any increased local government costs associated with the SCTF on McNeil Island. Pursuant to Chapter 12, Laws of 2001, 2nd Special Session (3ESSB 6151), the Department will continue to work towards an agreement with impacted jurisdictions. Additionally, the Special Commitment Center has identified two staff positions in fiscal year 2003 at the SCTF that can be eliminated without impacting operations. The combination of these changes will result in savings of \$1.5 million during the 2001-03 biennium.

### **Developmental Disabilities**

Total funding for persons with developmental disabilities receiving services in their home through Medicaid Personal Care is increased by \$17.7 million (8.5 percent) over the level originally budgeted for the biennium. This is in addition to the \$16.0 million (8.3 percent) increase in such funding provided in the original 2001-03 appropriation.

The budget also provides \$14 million (\$10.3 million state general fund) for fiscal year 2003 to expand access to community services and improve fiscal and program management in the Developmental Disabilities Program. Funding is provided for new residential services, family support, high school transition, caseworkers, and waiver management staff. The funding is intended to settle the *ARC v. Quasim* lawsuit regarding services to developmentally disabled clients.

The budget reduces funding based on the Department's decision to not hire the new case managers provided for in the biennial budget. The decision saved \$5.8 million (\$3.3 million state general fund). Funding provided to address the ARC lawsuit includes money to hire new case managers in fiscal year 2003.

Based on the continued decline in the number of residents in the state Residential Habilitation Centers (RHCs), the budget reduces administrative and support staff at the RHCs. This saves \$2.9 million (\$1.4 million state general fund).

The budget also reduces funding for professional and personal service contracts, for a savings of \$0.9 million state general fund.

### **Long-Term Care Services**

A total of \$2.09 billion is appropriated for the long-term care of an average of 45,000 elderly and disabled adults per month. This is \$186 million (9.8 percent) more than expended upon such services last biennium, but \$55 million less than originally budgeted for the 2001-03 biennium.

The number of persons receiving long-term care is now expected to grow by about 2.5 percent per year this biennium, rather than by the 3.8 percent per year originally budgeted. Other major adjustments include:

- A 115 percent increase in nursing home licensing fees, so that the fees will cover the state's full cost of nursing home inspections and quality assurance. This results in \$2.7 million of reduced state general fund expenditures.
- Eliminating assisted living facility capital payment rates for facilities with low levels of occupancy by state-funded residents, for a state general fund savings of \$1.4 million. Facilities with high levels of occupancy by state-funded residents will continue to receive capital payments.
- Not proceeding with implementation of a new program that would have provided Medicaid-funded in-home care to 200 persons whose incomes are too high to qualify for such services under current rules. This avoids \$1.2 million of new state general fund expenditures.
- Avoiding \$1.3 million of projected state general fund increases through tighter management controls on ancillary support services for persons receiving in-home care and on the manner in which residential facilities are reimbursed during temporary resident absences.

A total of \$5.9 million was appropriated to increase homecare worker wages by 25 cents, to an average of \$7.93 per hour, effective October 1, 2002. The Governor vetoed this increase, and directed the Department to place the appropriation in reserve.

### **Economic Services**

The budget reprograms a portion of the State Supplement Payments (SSP) provided under the federal Supplemental Security Income (SSI) Program, saving \$24 million state general fund in the Economic Services Administration budget. SSP will be provided through the Developmental Disabilities Program to meet the needs of persons striving to live in the community, achieve vocational goals, and continue to live with and be supported by their families. The remaining portion of the SSP funding will be used for payments to current recipients who have

been on SSI since 1973 and persons with an ineligible spouse. This change will not affect the federal benefits provided to SSI recipients.

The budget reduces funding for the General Assistance-Unemployable (GA-U) Program by \$5.4 million state general fund. The savings are based on changes the Department proposed to improve the administration of the Program. This reduction partially offsets the \$16 million increase in the maintenance level adjustment for GA-U caseload growth.

### **Alcohol and Substance Abuse**

The budget saves \$2.6 million state general fund by delaying and reducing drug and alcohol treatment increases funded in the biennial budget. The start up for the involuntary treatment facility in Eastern Washington was delayed until March 2002, saving \$800,000. The \$2.8 million increase in the biennial budget for treatment of persons gravely disabled is delayed and reduced to \$1 million, thus saving \$1.8 million.

The Treatment Accountability for Safe Communities (TASC) Program is reduced by 30 percent, saving \$1 million state general fund.

New funding is provided for treatment of compulsive gambling. Chapter 349, Laws of 2002 authorized the state to participate in a shared lottery game and dedicated \$500,000 of the new revenue to the treatment of compulsive gambling.

### **Medical Assistance**

The supplemental budget increases state funding for Medicaid and other Department of Social and Health Services (DSHS) medical programs by \$100 million (3.8 percent). This is in addition to the \$515 million (25 percent) by which state spending on such programs was already increased over last biennium's level in the original 2001-03 appropriation.

The increased state spending includes: \$8.5 million to settle a lawsuit by hospitals whose certified psychiatric units were paid less than required by DSHS regulations; and \$4.2 million to increase payment rates for physician services by an average of 5 percent and for ambulance services by an average of 25 percent, beginning in the last six months of the biennium. Of the remaining increase, about one-third is due to increased numbers of persons enrolling for services under the existing eligibility standards and about two-thirds is due to higher costs per person covered, particularly in the areas of hospital care and drug costs for the elderly and disabled, and managed care payments for low-income families.

The increases in state spending would have been larger, but for several substantial reductions in medical assistance eligibility and payment rates:

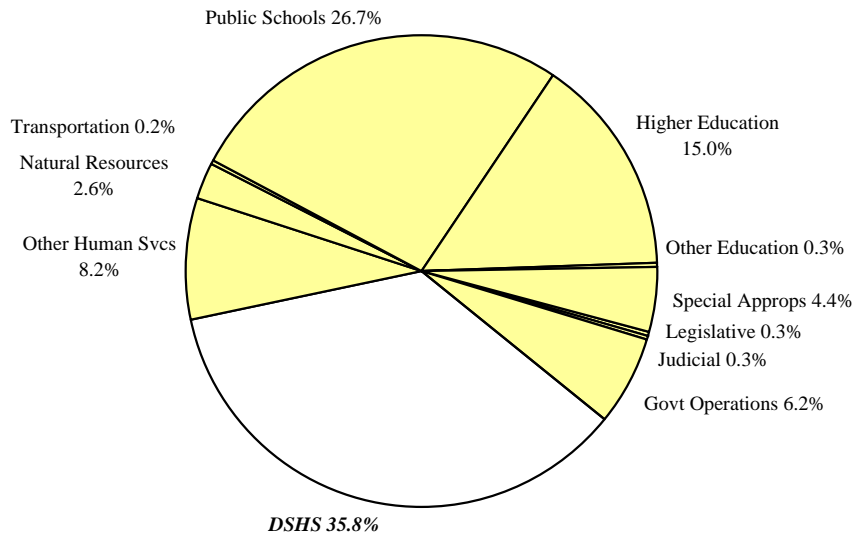
- Beginning in October 2002, immigrants who have legally resided in the United States for less than five years and children whose families cannot document that they are residing here legally will only be eligible for Medical Assistance coverage for emergency conditions. This is expected to reduce state Medical Assistance expenditures by approximately \$23 million during the last nine months of the biennium. These immigrants will instead be encouraged and assisted to enroll in the Basic Health Plan for routine medical coverage.
- A number of administrative changes are expected to reduce enrollment in the GA-U Program by one-third by the end of the biennium, for a savings of \$5.6 million in state Medical Assistance.

Payments to pharmacies for prescription drugs are to be reduced by about 3.5 percent for most drugs and by about 56 percent for the relatively small number of drugs for which there are at least five generic equivalents available. Such rates are comparable to those paid by other major insurers and will result in state fund savings of \$12.9 million. DSHS may continue to pay higher rates for drug ingredients to the extent those are offset by alternative cost-control mechanisms in the pharmacy program.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

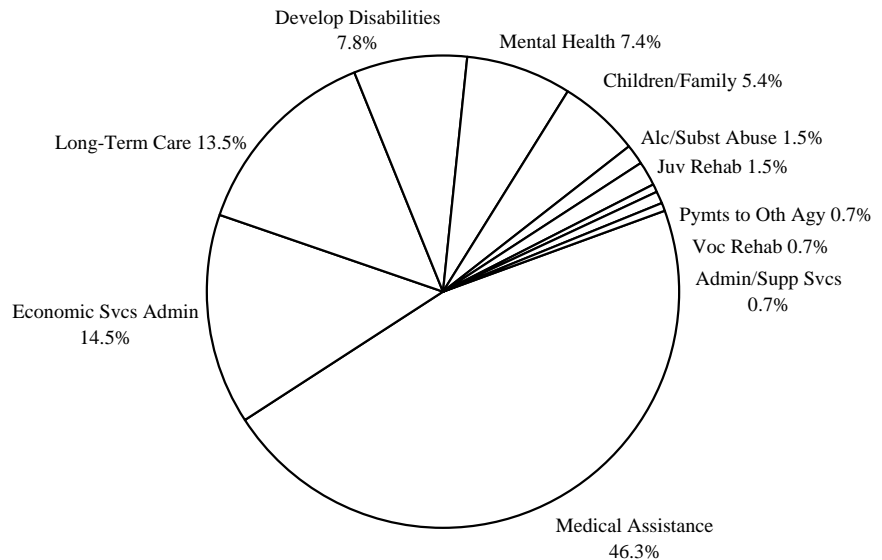
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
<b>DSHS</b>	<b>15,437,738</b>
Other Human Services	3,538,947
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Medical Assistance	7,151,576
Economic Services Admin	2,231,343
Long-Term Care	2,088,762
Developmental Disabilities	1,207,851
Mental Health	1,147,254
Children & Family Svcs	832,552
Alcohol/Subst Abuse	230,878
Juvenile Rehabilitation	230,853
Pmts to Other Agencies	112,771
Vocational Rehabilitation	103,115
Admin/Support Svcs	100,783
<b>DSHS</b>	<b>15,437,738</b>

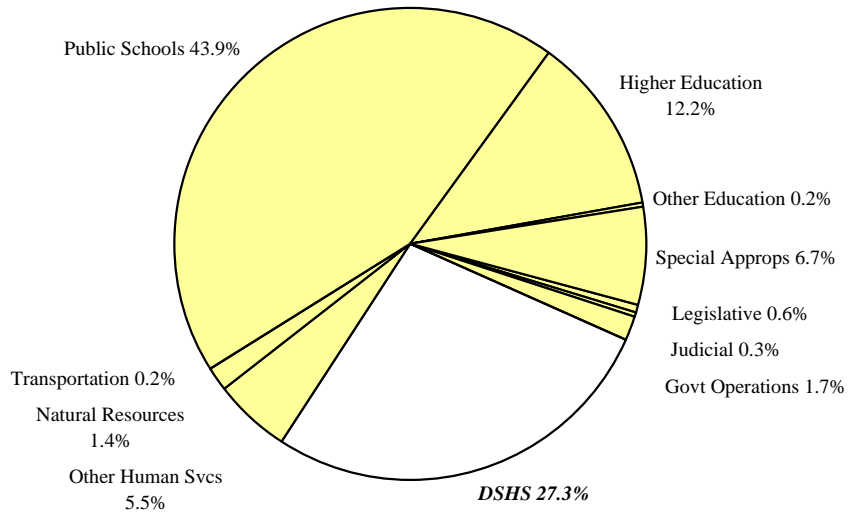


**DSHS**

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

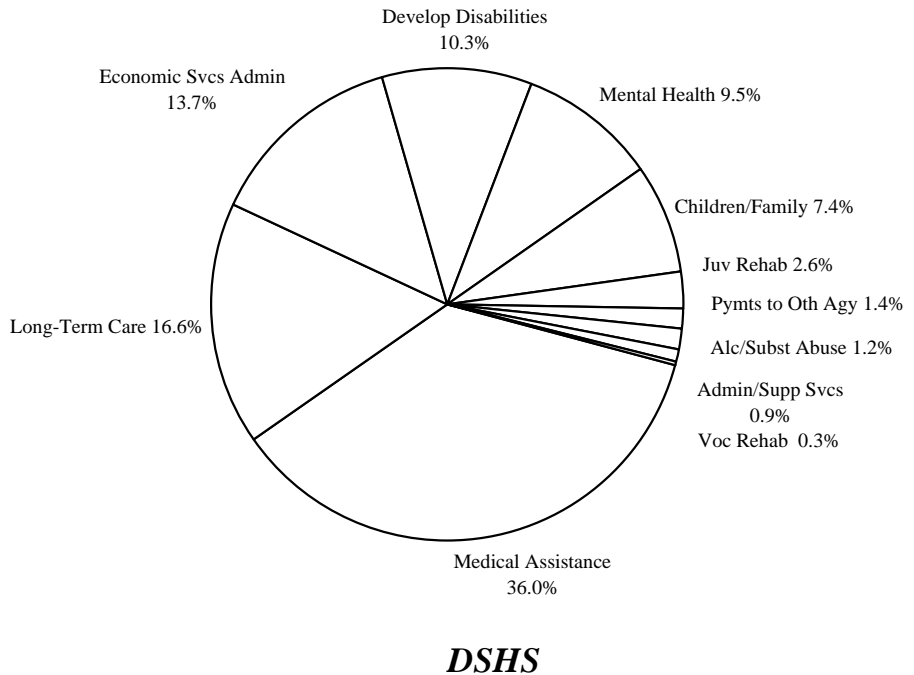
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
<b>DSHS</b>	<b>6,126,587</b>
Other Human Services	1,234,610
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Medical Assistance	2,205,908
Long-Term Care	1,019,137
Economic Services Admin	837,958
Developmental Disabilities	629,106
Mental Health	583,737
Children & Family Svcs	456,146
Juvenile Rehabilitation	162,258
Pmts to Other Agencies	86,106
Alcohol/Subst Abuse	72,873
Admin/Support Svcs	52,838
Vocational Rehabilitation	20,520
<b>DSHS</b>	<b>6,126,587</b>





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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>464,802</b>	<b>379,497</b>	<b>844,299</b>
<b>Total Maintenance Changes</b>	<b>2,047</b>	<b>-1,038</b>	<b>1,009</b>
<b>Policy Changes</b>			
1. Violence Reduction & Drug Enf Acct	0	-63	-63
2. Eliminate Incr Child Placing Slots	-694	-244	-938
3. Pediatric Interim Care	-161	161	0
4. Family Reconciliation Services	-1,686	0	-1,686
5. Crisis Residential Center Assess	-140	0	-140
6. Eliminate Special Projects	-406	0	-406
7. Therapeutic Child Development	-2,000	0	-2,000
8. Centralize After-Hours Programs	-1,206	-446	-1,652
9. Reduce Travel, Equipment, Training	-737	-273	-1,010
10. DD Parent Participate in Support	-690	-122	-812
11. Public Safety and Education Account	0	-20	-20
12. Reduce Home Support Specialists	-625	0	-625
13. Hold Basic Foster Care at FY 2002	-921	-614	-1,535
14. Vendor Rate Change	-1,395	-424	-1,819
15. Interpreter Services Efficiencies	-42	-8	-50
<b>Total Policy Changes</b>	<b>-10,703</b>	<b>-2,053</b>	<b>-12,756</b>
<b>2001-03 Revised Appropriations</b>	<b>456,146</b>	<b>376,406</b>	<b>832,552</b>
Fiscal Year 2002 Total	225,104	184,609	409,713
Fiscal Year 2003 Total	231,042	191,797	422,839

**Comments:**

- Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
- Eliminate Incr Child Placing Slots** - The 2001-03 enacted budget provides funding to increase the number of private child placing agency slots by 15 percent in FY 2002 and 30 percent in FY 2003. The additional 15 percent increase in child placing slots proposed for FY 2003 is eliminated and the level funded in FY 2002 is maintained. (General Fund-State, General Fund-Federal)
- Pediatric Interim Care** - Non-facility pediatric interim care programs have been determined eligible for partial federal funding. In lieu of General Fund-State, 30 percent federal funding is provided for these programs. The one facility-based pediatric interim care program will maintain full state funding. (General Fund-State, General Fund-Federal)
- Family Reconciliation Services** - Funding for the Family Reconciliation Services Program is reduced by 36 percent. The Department will redesign the program to serve a smaller number of families in crisis, specifically targeting families and services to avoid placement of children into foster care.
- Crisis Residential Center Assess** - Funding for Crisis Residential Center (CRC) assessments is eliminated. Currently, these assessments are underutilized because of the availability of the other assessment options provided by CRC and Family Reconciliation Services staff.
- Eliminate Special Projects** - AmeriCorps mentoring services to older foster youth in two regions and a parenting program for families of other cultures are eliminated.
- Therapeutic Child Development** - Funding for Therapeutic Child Development (TCD) is reduced by 25 percent. TCD provides families with young children at serious risk of abuse or neglect with intensive child development services and interventions to promote parenting skills. Childcare services are provided to the children for at least four hours each day. Additional services include home visits, parent education, and parent support groups.
- Centralize After-Hours Programs** - The After-Hours Program will be centralized to achieve efficiencies. Services will be co-located to provide intake and referral services in response to emergency calls received after normal business hours, on weekends, and on holidays. (General Fund-State, General Fund-Federal)

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

9. **Reduce Travel, Equipment, Training** - Funding for travel, equipment, training, and conferences is reduced. (General Fund-State, General Fund-Federal)
10. **DD Parent Participate in Support** - SB 6585, which did not pass the Legislature, would have required parents of children with developmental disabilities (DD) to participate in the financial support of their children who are in state supported foster care in the same way as other parents. Parents would have been expected to pay on average \$150 a month, which is about the average collected from parents whose child is in foster care. (General Fund-State, General Fund-Federal)
11. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
12. **Reduce Home Support Specialists** - Funding for home support specialist staff is reduced by one-third. Home support specialists assist families at risk of neglect and abuse with basic skills of homemaking and child care.
13. **Hold Basic Foster Care at FY 2002** - The basic rate for foster care covers the basic costs of caring for a foster child in a family home. Foster parents are also reimbursed for other costs associated with caring for a foster child. The basic rate was increased to an average of \$420 per month in July 2001. It was scheduled to increase to \$440 in July 2002. This adjustment holds the basic rate at its current level of \$420 per month. (General Fund-State, General Fund-Federal)
14. **Vendor Rate Change** - The FY 2003 vendor rate increase of 2.3 percent for the Department of Social and Health Services (DSHS) is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal, Public Safety and Education Account)
15. **Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million General Fund-State during the last six months of the current biennium and at \$5.4 million General Fund-State in 2003-05. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services  
Children's Administration**

**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
<b>Foster Care <sup>(1)</sup></b>										
Avg # Children Served Monthly	6,665	6,762	8,333	8,283	8,297	8,219	8,127	8,130	8,111	8,086
% Change from prior year		1.5%	23.2%	-0.6%	0.2%	-0.9%	-1.1%	0.0%	-0.2%	-0.3%
<b>Child Care <sup>(2)</sup></b>										
Avg # Children Served Monthly	4,823	4,581	4,672	4,422	4,435	4,563	4,590	5,030	5,030	5,030
% Change from prior year		-5.0%	2.0%	-5.4%	0.3%	2.9%	0.6%	9.6%	0.0%	0.0%
<b>Child Protective Services <sup>(3)</sup></b>										
Avg Cases Referred Monthly	5,750	6,108	6,241	6,319	6,477	6,214	6,351	7,927	7,927	7,927
% Change from prior year		6.2%	2.2%	1.2%	2.5%	-4.1%	2.2%	24.8%	0.0%	0.0%
<b>Adoption Support</b>										
Avg # Served Monthly	2,843	3,186	3,678	4,040	4,683	5,455	6,318	7,247	8,106	8,998
% Change from prior year		12.1%	15.4%	9.8%	15.9%	16.5%	15.8%	14.7%	11.9%	11.0%
<b>Caseload Ratio</b>										
Avg Cases Per Worker <sup>(3)</sup>	36:1	36:1	36:1	36:1	33:1	29:1	29:1	29:1	24:1	24:1

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

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

(3) Combined average number of open cases per worker for Child Protective Services, Child Welfare Services and Family Reconciliation Services

Data Source:

FY 1994 through FY 2001 actuals for Child Care and Child Protective Services provided by the DSHS Budget Division.

FY 1994 through FY 2001 actuals for Foster Care and Adoption Support provided by the Caseload Forecast Council.

FY 2002 and FY 2003 estimates for Child Care and Child Protective Services provided by the DSHS Budget Division.

FY 2002 and FY 2003 estimates for Foster Care and Adoption Support provided by the Caseload Forecast Council.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>170,715</b>	<b>70,380</b>	<b>241,095</b>
<b>Total Maintenance Changes</b>	<b>-4,452</b>	<b>-519</b>	<b>-4,971</b>
<b>Policy Changes</b>			
1. Comm Opt for Lower-Risk Offenders	-295	-29	-324
2. Restructure Parole Services	-1,399	-567	-1,966
3. Comm Trans Options for Youth	-1,104	0	-1,104
4. Violence Reduction & Drug Enf Acct	0	-412	-412
5. Reduce Employment Services	-250	0	-250
6. Diagnostic Services Rate Adjustment	-315	0	-315
7. Public Safety and Education Account	0	-124	-124
8. Closure of Mission Creek Youth Camp	-1,452	0	-1,452
9. Enhanced Mental Health Services	778	0	778
10. Research-Based Services	217	0	217
11. Vendor Rate Change	-185	-134	-319
<b>Total Policy Changes</b>	<b>-4,005</b>	<b>-1,266</b>	<b>-5,271</b>
<b>2001-03 Revised Appropriations</b>	<b>162,258</b>	<b>68,595</b>	<b>230,853</b>
Fiscal Year 2002 Total	83,151	34,709	117,860
Fiscal Year 2003 Total	79,107	33,886	112,993

**Comments:**

- Comm Opt for Lower-Risk Offenders** - Savings are achieved through the development of less costly residential options in the community for juvenile offenders receiving a manifest injustice disposition. The Juvenile Rehabilitation Administration (JRA) provides residential services to 263 such offenders. Approximately 80 to 90 lowest-risk juvenile offenders will access alternative residential services, reducing the need for institutional beds. (General Fund-State, General Fund-Federal, General Fund-Local)
- Restructure Parole Services** - Savings are achieved by modifying current parole services to juvenile offenders after release from JRA facilities. Specifically, JRA will focus on reducing administrative costs related to parole services. Additionally, JRA may take the following steps to improve the effectiveness and cost efficiency of parole services: 1) contract with counties for a greater proportion of parole services; 2) reduce the portion of the parole caseload receiving intensive supervision to the statutory required level of 25 percent; 3) provide new research-based interventions to additional youth; 4) increase caseloads of parole counselors; and/or 5) reduce the number of lower-risk youth receiving parole services. (General Fund-State, General Fund-Federal)
- Comm Trans Options for Youth** - Juvenile offenders committed to a state juvenile facility receive a standard range sentence, based upon the seriousness of the offense and prior criminal history. Currently, youth serve an average of 145 percent of their minimum sentence. Lower-risk youth will now be released at an average of 115 percent of their minimum sentence. Approximately 270 juvenile offenders will serve 60 days less, and upon release, be transitioned to community-based monitoring.
- Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
- Reduce Employment Services** - Funding for employment-related training to youth in JRA is reduced. Specifically, a contract with the Department of Employment Security's Corrections Clearinghouse Program is eliminated. The K-12 system will continue to provide vocational and other job skills training.
- Diagnostic Services Rate Adjustment** - Diagnostic services are provided in 22 community-based centers through contracts with the juvenile courts and in four state offices. JRA will realign the contracted rate paid to counties for diagnostic services to more closely match the costs incurred by the state where JRA provides these same services.
- Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
- Closure of Mission Creek Youth Camp** - The Mission Creek Youth Camp will be closed by July 2002 and the institution will be mothballed for future use. This closure will reduce JRA's

## Department of Social and Health Services Juvenile Rehabilitation

bed capacity by 60 beds. The closure will result in the relocation of these juvenile offenders to other institutions and the relocation of the juvenile offender basic training camp staging area to an existing institution.

9. **Enhanced Mental Health Services** - Funding is provided for increased mental health services in JRA institutions and community facilities. JRA will combine this funding with the \$1.1 million provided in the original 2001-03 biennial budget to: 1) increase inpatient and outpatient treatment capacity; 2) provide mental health protocol training to residential staff; and 3) increase mental health professional staff coverage during evening and night-time hours.
10. **Research-Based Services** - Funding is provided for new research-based interventions to additional youth as they transition out of institutional settings. With the funding provided in the "Restructure Parole Services" item, a total of \$945,000 is provided for research-based interventions. JRA will utilize this funding for youth identified as most in need for this type of rehabilitative programming.
11. **Vendor Rate Change** - DSHS contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

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

**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
<b>Community Residential</b> <sup>(1)</sup>										
Avg Daily Population/Month	353	346	359	362	305	239	209	194	180	198
% Change from prior year		-2.0%	3.8%	0.8%	-15.7%	-21.6%	-12.6%	-7.2%	-7.2%	10.0%
<b>Institutions</b>										
Avg Daily Population/Month	753	915	1,007	1,028	1,048	996	984	987	937	846
% Change from prior year		21.5%	10.1%	2.1%	1.9%	-5.0%	-1.2%	0.3%	-5.1%	-9.7%
<b>Parole</b> <sup>(2)</sup>										
Avg Daily Population/Month	595	765	917	949	1,002	768	1,023	1,062	1,050	739
% Change from prior year		28.6%	19.9%	3.5%	5.6%	-23.4%	33.3%	3.8%	-1.1%	-29.6%

*(1) Includes State Group Homes, Community Residential Placements, Short Term Transition Program, and the County Commitment Program. Beginning in FY 2002, funding for County Commitment Program beds is eliminated.*

*(2) Parole eligibility standards were significantly modified in FY 1998 and FY 2000. In FY 2003, savings were assumed from JRA implementing parole changes that might result in caseload reductions.*

Data Source :

*FY 1994 through FY 2001 from DSHS Juvenile Rehabilitation Administration.*

*FY 2002 through FY 2003 data from legislative fiscal staff.*

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>604,510</b>	<b>522,155</b>	<b>1,126,665</b>
<b>Total Maintenance Changes</b>	<b>9,980</b>	<b>14,178</b>	<b>24,158</b>
<b>Policy Changes</b>			
1. Adjust Inpatient Capitation Rates	-4,551	-4,619	-9,170
2. Expand Local Match Option for RSNs	0	11,419	11,419
3. Community Services Reductions	-2,715	-12	-2,727
4. Secure Community Facil Reduction	-1,477	0	-1,477
5. PALS Community Alternatives	-351	275	-76
6. Expand Community Svcs in Eastern WA	-346	-544	-890
7. Reduce Research and Training	-386	-280	-666
8. Spend Down RSN Reserves	-21,220	21,220	0
9. Siting of Additional Facilities	600	0	600
10. Streamline Audit Process	-122	-135	-257
11. RSN Administrative Reduction	-169	-140	-309
12. Vendor Rate Change	-16	0	-16
<b>Total Policy Changes</b>	<b>-30,753</b>	<b>27,184</b>	<b>-3,569</b>
<b>2001-03 Revised Appropriations</b>	<b>583,737</b>	<b>563,517</b>	<b>1,147,254</b>
Fiscal Year 2002 Total	301,259	264,207	565,466
Fiscal Year 2003 Total	282,478	299,310	581,788

**Comments:**

- 1. Adjust Inpatient Capitation Rates** - The capitated amounts paid to the Regional Support Networks (RSNs) for community psychiatric hospitalizations are adjusted to reflect the fact that approximately 3,500 disabled children and adults have been added to Medicaid eligibility lists as a result of a DSHS decision to automate eligibility determination. These additional eligible persons are very unlikely to be new users of inpatient services, since they would have been enrolled under the previous manual eligibility system if hospitalized. Inpatient capitation payments to the RSNs are already exceeding payments to community hospitals by over 50 percent. If this adjustment were not made, such payments would exceed costs by at least 15 percent more. After this change, total funding for community mental health services will increase by 2.5 percent over the level originally budgeted for the current biennium, and by 6.7 percent over last year's funding level. (General Fund-State, General Fund-Federal)
- 2. Expand Local Match Option for RSNs** - The Mental Health Division is authorized to increase Medicaid payment rates for RSNs whose allocations would otherwise not increase by at least 3.5 percent above the previous year's level in FY 2002 and by at least 5.0 percent more in FY 2003. To qualify for the higher payment, the RSN must use qualified local funds for the required non-federal share of the Medicaid payment. This is an expansion of a funding mechanism authorized in the original 2001-03 budget. (General Fund-Federal)
- 3. Community Services Reductions** - The atypical anti-psychotic medications pilot project is to be terminated by June 2002, rather than at the beginning of 2003 as currently budgeted, for a one-time savings of \$2.4 million. The pilot has been operating in Seattle and Tacoma since early 2001 to test the effectiveness of providing atypical anti-psychotic medications for persons who would not otherwise receive them through state medical assistance programs. A similar program which assists persons in need of such medications qualify for them through the Medicaid Medically Needy Program is also eliminated, as are special contracts for children's inpatient services with Fairfax Hospital and the Children's Regional Medical Center. (General Fund-State, General Fund-Federal)
- 4. Secure Community Facil Reduction** - The original 2001-03 budget provided approximately \$2 million for mitigation funding for costs incurred by local governments due to the activities involving residents of the Secure Community Transition Facility (SCTF) on McNeil Island. Approximately \$1.4 million of the mitigation funding is eliminated. The remaining \$600,000 is assumed sufficient to cover any increased local government costs associated with the SCTF on McNeil Island. Pursuant to Chapter 12, Laws of 2001, 2nd sp.s. (3ESSB 6151), the Department will continue to work towards agreement with impacted jurisdictions. Additionally, the Special Commitment Center has identified two staff positions in FY 2003 at the SCTF that can be eliminated without impacting operations. These reductions are also assumed in this item.
- 5. PALS Community Alternatives** - The Program for Adaptive Living Skills (PALS) at Western State Hospital serves 120 adults who no longer require psychiatric hospital care but who

## Department of Social and Health Services Mental Health

face a variety of other barriers to community placement. The budget provides approximately \$650,000 for the development of new community services to enable 30 of the program participants to return to community settings during the final six months of the biennium. None of the patients returning to the community will have a criminal history that might constitute a significant risk to public safety. The legislative approach differs from the one proposed by the agency and Governor in that only about half as many persons are expected to leave the hospital; new funding is provided for them to be served in the community; and nine months is provided for the development of community alternatives, rather than five. (General Fund-State, General Fund-Federal)

6. **Expand Community Svcs in Eastern WA** - Approximately \$1.1 million is provided for the development of new community services in Eastern Washington, so that 28 persons who would otherwise be served at Eastern State Hospital (ESH) can instead receive appropriate long-term psychiatric care in the community. This is expected to permit closure of one geriatric ward at ESH by October 2002. (General Fund-State, General Fund-Federal, General Fund-Local)

7. **Reduce Research and Training** - The Mental Health Division contracts with the Washington Institute for Mental Illness Research and Training for research and training services. Contract activities not related to the Division's core functions are eliminated. (General Fund-State, General Fund-Federal)

8. **Spend Down RSN Reserves** - RSNs reported \$53 million of accumulated reserves and fund balances at the end of FY 2001, which is about 16 percent of total revenues for that year. Actuarially-recommended risk reserves vary with the size of the RSN, ranging from 3.7 percent of revenues for the largest RSN to 10 percent of revenues for the smaller ones. The budget directs that RSN fund balances be reduced to the actuarially-recommended level. This is to be accomplished by deducting state funding otherwise due the RSN by the difference between the RSN's accumulated December 2001 reserves, and the recommended risk-reserve amount for that year.

9. **Siting of Additional Facilities** - Funding is provided for planning, incentive, bonus, and mitigation funding associated with the establishing additional Secure Community Transition Facilities, pursuant to Chapter 68, Laws of 2002 (ESSB 6594). To the extent necessary, the Department shall establish an interagency agreement with the Department of Community, Trade, and Economic Development for distribution of planning grants.

10. **Streamline Audit Process** - The Mental Health Division has recently improved the efficiency of its centralized clinical licensing and auditing process by discontinuing on-site reviews of community mental health providers which have been certified by national accreditation organizations. Additional efficiencies can be achieved by establishing similar arrangements for smaller providers that have been inspected and approved by an RSN which has a demonstrated record of

effective clinical review processes. (General Fund-State, General Fund-Federal)

11. **RSN Administrative Reduction** - RSNs are expected to reduce administrative expenditures by 3 percent, to no more than 8.0 percent of total state and federal revenues. (General Fund-State, General Fund-Federal)

12. **Vendor Rate Change** - DSHS contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.

### *Governor's Vetoes:*

The Governor vetoed Section 204(1)(h) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which would have limited expenditures on RSN administration to 8.0 percent of appropriated funds.

The Governor also vetoed Section 204(1)(k), which would have required DSHS and the Department of Community, Trade, and Economic Development to develop a proposal for a structurally-independent ombudsman program.



**Department of Social & Health Services  
Mental Health**

**WORKLOAD HISTORY**  
By Fiscal Year

	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Estimated</b>	
									<b>2002</b>	<b>2003</b>
<b>State Hospitals <sup>(1)</sup></b>										
Avg Daily Population/Month	1,444	1,349	1,278	1,276	1,311	1,354	1,358	1,359	1,397	1,243
% Change from prior year		-6.6%	-5.3%	-0.2%	2.7%	3.3%	0.3%	0.1%	2.8%	-11.0%
Avg Daily Census/Month		1,323	1,246	1,243	1,275	1,317	1,343	1,343	1,381	1,228
% Change from prior year			-5.8%	-0.2%	2.6%	3.3%	1.9%	0.0%	2.8%	-11.1%
<b>Community Outpatient Services</b>										
	<b>32,939</b>	<b>36,728</b>	<b>38,482</b>	<b>39,861</b>	<b>41,328</b>	<b>43,882</b>	<b>45,132</b>	<b>48,254</b>	<b>50,010</b>	<b>51,565</b>
% Change from prior year		11.5%	4.8%	3.6%	3.7%	6.2%	2.8%	6.9%	3.6%	3.1%
Avg Adults Served per Month	25,065	27,210	28,077	28,853	30,024	31,840	32,876	35,239	36,291	37,192
% Change from prior year		8.6%	3.2%	2.8%	4.1%	6.0%	3.3%	7.2%	3.0%	2.5%
Avg Children Served per Month	7,874	9,518	10,405	11,008	11,304	12,042	12,256	13,015	13,719	14,374
% Change from prior year		20.9%	9.3%	5.8%	2.7%	6.5%	1.8%	6.2%	5.4%	4.8%
<b>Special Commitment Center - Main Facility</b>										
Avg Monthly Population	23	28	33	43	57	79	105	130	151	172
% Change from prior year		21.7%	17.9%	30.3%	32.6%	38.6%	32.9%	23.8%	16.3%	13.8%
<b>Special Commitment Center - Less Restrictive Alternatives <sup>(2)</sup></b>										
Avg Monthly Population	0	1	2	2	2	3	5	5	8	13
% Change from prior year		100.0%	100.0%	0.0%	0.0%	50.0%	66.7%	0.0%	60.0%	64.6%

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

(2) Includes persons in less restrictive alternative placements on McNeil Island and other locations.

Data Sources:

FY 1992 through FY 2001 actuals are from DSHS Division of Research and Data Analysis reports.  
FY 2002 and FY 2003 estimates are from legislative fiscal committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>620,544</b>	<b>567,171</b>	<b>1,187,715</b>
<b>Total Maintenance Changes</b>	<b>6,850</b>	<b>10,311</b>	<b>17,161</b>
<b>Policy Changes</b>			
1. Voluntary Placement Parent Pay	-720	0	-720
2. ARC Lawsuit	10,320	3,720	14,040
3. Freeze Case Manager Hiring	-3,267	-2,588	-5,855
4. Reduce RHC Staffing	-1,413	-1,470	-2,883
5. Reduce Professional Services	-357	0	-357
6. Professional Service Contracts	-500	0	-500
7. Fund Source Adjustment	-1,767	1,767	0
8. Parent Support for Children <18 Yrs	-10	-10	-20
9. Respite Bed Funding	116	116	232
10. Vendor Rate Change	-690	-272	-962
11. Home Care Worker Wage Increase	1,310	1,207	2,517
12. Governor Veto	-1,310	-1,207	-2,517
<b>Total Policy Changes</b>	<b>1,712</b>	<b>1,263</b>	<b>2,975</b>
<b>2001-03 Revised Appropriations</b>	<b>629,106</b>	<b>578,745</b>	<b>1,207,851</b>
Fiscal Year 2002 Total	304,791	284,902	589,693
Fiscal Year 2003 Total	324,315	293,843	618,158

**Comments:**

- Voluntary Placement Parent Pay** - SB 6585, which did not pass the Legislature, would have required parents of children with developmental disabilities to participate in the financial support of their children who are in state supported care in the same way as other parents. Parents would have been expected to pay on average \$150 a month, which is about the average collected from foster care parents in the Children's Administration Program. This proposal was estimated to impact approximately 400 Voluntary Placement Program participants. (General Fund-State, General Fund-Federal)
- ARC Lawsuit** - The Legislature finds that comprehensive reform of the Developmental Disabilities Program is required. Recent audits and litigation indicate a need to improve the quality of program data, strengthen program and fiscal management, and clarify the criteria and determination of eligibility for services. Additional resources are also needed to expand access to community services. Funding is provided to address the most urgent needs while strengthening program and fiscal accountability.

developmental disabilities in families with low and moderate incomes by providing cash assistance to individuals and families needing support.

These amounts and the specified expansion of community services, along with funding to hire additional case managers and improved fiscal and waiver management, are intended to be the fiscal component of the negotiated settlement in the pending litigation on developmental disabilities services, *ARC v. Quasim*. (General Fund-State, General Fund-Federal)

- Freeze Case Manager Hiring** - In the 2001-03 budget, the Division received funding to hire 48 new case managers (and support staff) during FY 2002. Savings are achieved due to a hiring freeze imposed by the Department at the beginning of the fiscal year. (General Fund-State, General Fund-Federal)
- Reduce RHC Staffing** - Staffing in the Residential Habilitation Centers (RHCs) is reduced by a total of 65.4 FTEs in FY 2003. To the extent possible, reductions will not occur in direct care staff. (General Fund-State, General Fund-Federal)
- Reduce Professional Services** - Professional services, paid for by the Division of Developmental Disabilities, for medical, dental, and a variety of therapies are reduced by 10 percent effective July 2002. Emphasis will be placed on controlling costs and utilization of these services. (General Fund-State)
- Professional Service Contracts** - Savings are achieved by reducing professional services contracts by \$500,000 in FY

Funding is provided to expand residential services, family support, and high school transition. New funding for family support and high school transition along with a portion of existing funding for these programs shall be provided as supplemental security income (SSI) state supplemental payments. It is the intent of the Legislature that the Department shall comply with federal requirements to maintain aggregate funding for SSI state supplemental payments while promoting self-determination and independence for persons with

## Department of Social and Health Services Developmental Disabilities

2003. Contracts for technical assistance related to employment and day services are retained.

7. **Fund Source Adjustment** - Pursuant to the provisions of RCW 43.20A.725 (4)(a) that specifically authorizes the Office of Deaf and Hard of Hearing to award contracts for communications and related services, the Legislature intends the office use funds from the telecommunications relay service excise tax for the office's operational and administrative costs, including operational and administrative costs associated with contracts with regional service centers. (General Fund-State, Telecommunications Device Account-State)
8. **Parent Support for Children <18 Yrs** - SB 6585, which did not pass the Legislature, would have required parents of children under 18 years of age in Residential Habilitation Centers to participate in the financial support of their children. Parents would have been expected to pay on average \$150 a month, which is about the average collected from foster care parents in the Children's Administration Program. (General Fund-State, General Fund-Federal)
9. **Respite Bed Funding** - Funding is provided to support access to five additional respite beds at Yakima Valley School. (General Fund-State, General Fund-Federal)
10. **Vendor Rate Change** - The implementation of the second year vendor rate increase of 2.3 percent for the Department of Social and Health Services (DSHS) is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal)
11. **Home Care Worker Wage Increase** - Funding is provided for a 25 cent per hour wage increase for individual and agency providers of homecare services, effective October 1, 2002. The Governor vetoed this appropriation. (General Fund-State, General Fund-Federal)
12. **Governor Veto** - The Governor vetoed Section 205(1)(j) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for a 25 cent an hour wage increase for individual and agency homecare providers, effective October 1, 2002. Therefore, \$2,517,000 in funding to the Division of Developmental Disabilities lapses.

The Governor also vetoed Section 205(1)(a), which required monthly progress reports.

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

**WORKLOAD HISTORY  
By Fiscal Year**

	1994	1995	1996	1997	1998	1999	2000	Estimated		
								2001	2002	2003
<b>Institutions</b>										
Avg Monthly Population	1,412	1,322	1,295	1,262	1,228	1,189	1,231	1,231	1,231	1,231
% change from prior year	-4.4%	-6.4%	-2.0%	-2.5%	-2.7%	-3.2%	3.6%	0.0%	0.0%	0.0%
<b>Community Residential Programs<sup>(1)(4)</sup></b>										
Avg Month End Contracted Beds	3,585	3,683	3,740	3,819	3,742	3,747	3,920	3,957	4,038	4,111
% change from prior year	3.2%	2.7%	1.5%	2.1%	-2.0%	0.1%	4.6%	0.9%	2.0%	1.8%
<b>Employment &amp; Day Programs<sup>(4)</sup></b>										
Avg Monthly Number Served	6,789	7,049	7,571	7,954	8,455	8,567	9,193	9,636	9,717	9,790
% change from prior year	4.0%	3.8%	7.4%	5.1%	6.3%	1.3%	7.3%	4.8%	0.8%	0.8%
<b>Family Support<sup>(2)(4)</sup></b>										
Number of Clients Served	2,071	2,207	2,659	3,637	3,985	4,658	5,247	6,256	6,836	7,413
% change from prior year	23.7%	6.6%	20.5%	36.8%	9.6%	16.9%	12.6%	19.2%	9.3%	8.4%
<b>Adult Personal Care<sup>(3)(4)</sup></b>										
Number of Clients Served	2,844	3,244	3,525	3,951	4,199	4,730	5,015	5,630	6,237	6,842
% change from prior year	14.1%	12.3%	8.0%	10.8%	5.9%	11.2%	5.7%	10.9%	9.7%	8.8%

(1) 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).

(2) Family Support includes Children's Personal Care.

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

(4) Workload numbers for Community Residential, Family Support, Employment and Day and Medicaid Personal Care are subject to change during the 01-03 biennium due to an additional \$14.8 million in total funding to the Developmental Disabilities Division as the fiscal component of the negotiated settlement in the pending litigation, ARC v. Quasim. The actual number of persons served under the settlement is still to be determined.

Data Sources:

FY 1992 through FY 2000 from LEAP workload database except FY 1993 through FY 1997 Community Residential is from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 2001 through FY 2003 are budget estimates from legislative fiscal staff.

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

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,056,818</b>	<b>1,087,264</b>	<b>2,144,082</b>
<b>Total Maintenance Changes</b>	<b>-25,385</b>	<b>-30,681</b>	<b>-56,066</b>
<b>Policy Changes</b>			
1. Raise AAA Case Mgmt Reimbursement	311	311	622
2. Treatment of Resources	-2,670	-2,681	-5,351
3. Adjust Licensing Fees	-7,558	7,558	0
4. Adjust Rates for Fee Increase	1,064	1,068	2,132
5. Don't Implement In-Home Waiver	-1,224	-1,229	-2,453
6. Revise Bed Retainer Policy	-776	776	0
7. Improve Ancillary Cost Management	-496	-498	-994
8. Assisted Living Rate Reduction	-1,390	-1,390	-2,780
9. Transfer Volunteer Programs	-135	0	-135
10. SCSA & OAA Funding Adjustments	-639	7,798	7,159
11. Vendor Rate Change	-1,710	-1,616	-3,326
12. Home Care Worker Wage Increase	2,927	2,945	5,872
<b>Total Policy Changes</b>	<b>-12,296</b>	<b>13,042</b>	<b>746</b>
<b>2001-03 Revised Appropriations</b>	<b>1,019,137</b>	<b>1,069,625</b>	<b>2,088,762</b>
Fiscal Year 2002 Total	505,983	524,236	1,030,219
Fiscal Year 2003 Total	513,154	545,389	1,058,543

**Comments:**

1. **Raise AAA Case Mgmt Reimbursement** - The state Department of Social and Health Services (DSHS) contracts with Area Agencies on Aging (AAAs) for case management services on behalf of persons who receive state-funded in-home care. Such services are budgeted at \$78,341 per AAA case manager for FY 2002 and at \$80,143 per AAA case manager for FY 2003, but the AAAs report that their actual costs are about \$6,500 per case manager higher than those amounts. This item increases the payment rate by about \$1,700 per case manager per year, to approximately the same cost as the state would incur if it were to provide the services directly, rather than under contract with the AAAs. (General Fund-State, General Fund-Federal)

2. **Treatment of Resources** - Under federal Medicaid rules, when a spouse applies for publicly-funded long-term care in a nursing home or in the community, the other spouse is able to retain a house, furnishings, and an automobile; about \$2,200 per month of income; and, at the state's discretion, between \$17,856 and \$89,280 in savings or other liquid assets. Washington and at least half the other states presently set the spousal asset limitation at the \$89,280 maximum.

HB 3002 (Institutionalized Persons), which was not enacted, would have reduced the spousal asset standard to \$30,000 in resources. (General Fund-State, General Fund-Federal)

3. **Adjust Licensing Fees** - Nursing home licensing fees are to be increased from their current level of \$127 per year to approximately \$275 per year, so that those fees will fully cover

the cost of licensing and inspection functions, as required by RCW 18.51.050. The state nursing home payment rate will be increased to cover the approximately 56 percent of the cost of this increase allocable to Medicaid.

This item also anticipated passage of legislation requiring that adult family home fees cover an increased share of the public cost of licensing and inspecting them. This legislation was not enacted. Over a two-year period, the fees were to be increased from the current level of \$50 per home, which has been fixed in statute since 1989, to the same rate as applies to boarding homes, currently \$79 per bed.

Approximately \$3.4 million of the state general fund savings is a transfer of licensing fees currently deposited into the state general fund. It is anticipated that those fees will instead be deposited directly into an agency local account. This is expected to result in better monitoring of fee levels, to assure that they are in fact covering the appropriate share of costs. (General Fund-State, General Fund-Local)

4. **Adjust Rates for Fee Increase** - Nursing home Medicaid payment rates are increased by approximately 45 cents per patient day to cover the cost of the increase in licensing fees that is allocable to state-funded residents. (General Fund-State, General Fund-Federal)

5. **Don't Implement In-Home Waiver** - The 2001 Legislature authorized DSHS to seek federal authority to provide Medicaid-funded in-home care to up to 200 persons whose incomes are

## Department of Social and Health Services Long-Term Care

too high to qualify for such services under current rules. Because the waiver has not yet been approved and no one is being served, the program will not be implemented. (General Fund-State, General Fund-Federal)

6. **Revise Bed Retainer Policy** - In January 2001, the DSHS Aging and Adult Services Administration instituted a new policy that more than doubled the amount which a community residential facility is paid when a state-assisted resident is temporarily absent from the facility due to hospitalization or personal reasons. The Department is directed to either obtain federal participation in the cost of the new policy, or to revise the policy so that average per-person costs return to the pre-2001 level. (General Fund-State, General Fund-Federal)
7. **Improve Ancillary Cost Management** - Per-person expenditures for ancillary services on behalf of persons receiving state-funded in-home care increased by over 60 percent between FY 1999 and FY 2001 and are projected to increase an additional 36 percent between FY 2001 and FY 2003. "Ancillary services" include things such as home-delivered meals, personal monitors, environmental modifications, and adult day care. There are no consistent state policies regarding the extent to which such expenditures should be authorized, as evidenced by an almost 90 percent difference between the four areas of the state with the highest per-person expenditure levels, and the four with the lowest. DSHS is directed to implement management controls sufficient to limit average per-person expenditures to the FY 2002 level in FY 2003. The FY 2002 level is 20 percent higher than the FY 2001 level, but 13 percent lower than the increase which is otherwise expected to occur in FY 2003. (General Fund-State, General Fund-Federal)
8. **Assisted Living Rate Reduction** - The assisted living reimbursement rate is adjusted by eliminating the capital add-on for facilities with lower levels of occupancy by state-funded clients. The add-on provision was established in 1996 to encourage expansion and development of assisted living services. (General Fund-State, General Fund-Federal)
9. **Transfer Volunteer Programs** - Direct state administration of the Senior Companion and of the Foster Grandparent Programs will end in December 2002. This delayed effective date will allow time for Area Agencies on Aging or private organizations to apply for continued sponsorship of these federally-funded programs. The state will continue to provide sufficient funding for the new sponsors to meet the required federal match. The Senior Companion Program provides stipends to over 700 low-income seniors in the Yakima and Tri-Cities areas to perform chores for other eligible and disabled persons. The Foster Grandparent Program provides stipends to 270 low-income seniors in 11 areas across the state to offer emotional support to children with special needs. (General Fund-State, General Fund-Federal)
10. **SCSA & OAA Funding Adjustments** - This item appropriates the additional \$7.8 million of federal Older Americans Act (OAA) funding that Washington's Area Agencies on Aging (AAAs) will be receiving in the 2001-03 biennium. Such funding increased by \$2.6 million (19 percent) in federal FY 2001, and by an additional \$1.7 million (10 percent) in federal FY 2002. This item also discontinues the increase in state Senior Citizens Services Act (SCSA) funding, which was provided to the AAAs in 1996 as part of Washington's "Expanding Community Options" long-term care initiative. The need for such funding has diminished, given the recent increases in federal funding, and the extensive development of community options which has occurred over the past seven years. (General Fund-State, General Fund-Federal)
11. **Vendor Rate Change** - DSHS contractors will receive a 1.5 percent vendor rate increase in July 2002 rather than a 2.3 percent increase as originally budgeted. Sufficient funds remain in the base budget to continue the 50 cents per hour low-wage worker increase provided on July 1, 2001. (General Fund-State, General Fund-Federal)
12. **Home Care Worker Wage Increase** - Funding was provided for a 25 cent per hour wage increase for individual and agency providers of homecare services, effective October 1, 2002. See veto note below. (General Fund-State, General Fund-Federal)

### *Governor's Vetoes:*

The Governor vetoed Section 206(11) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which would have provided for a home care worker wage increase. The Governor directed that the state general funds associated with this increase be placed in allotment reserve status.

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

**WORKLOAD HISTORY**  
By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	<u>Estimated</u>	
									2002	2003
<b>Nursing Homes</b>										
# FTE Clients	17,168	16,639	15,905	14,992	14,645	14,081	13,783	13,529	13,225	12,872
% Change from prior year		-3.1%	-4.4%	-5.7%	-2.3%	-3.9%	-2.1%	-1.8%	-2.3%	-2.7%
<b>Community Care <sup>(1)</sup></b>										
# Clients Served	19,411	19,576	20,876	23,119	25,675	27,567	29,319	30,919	32,031	33,834
% Change from prior year		0.9%	6.6%	10.7%	11.1%	7.4%	6.4%	5.5%	3.6%	5.6%

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

Data Source :

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

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

All other data is from the Caseload Forecast Council.

**Department of Social and Health Services  
Economic Services Administration**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>861,310</b>	<b>1,388,139</b>	<b>2,249,449</b>
<b>Total Maintenance Changes</b>	<b>15,964</b>	<b>3,679</b>	<b>19,643</b>
<b>Policy Changes</b>			
1. Fund Source Adjustment	-2,092	2,092	0
2. GA-U Program Efficiencies	-5,437	0	-5,437
3. Feds Resume Food Stamps for Immigr	-1,600	0	-1,600
4. Re-Program SSI Supplements	-24,000	0	-24,000
5. Adjust Accounting - SSI Recoveries	-5,570	0	-5,570
6. Vendor Rate Change	-289	-184	-473
7. Interpreter Services Efficiencies	-328	-341	-669
<b>Total Policy Changes</b>	<b>-39,316</b>	<b>1,567</b>	<b>-37,749</b>
<b>2001-03 Revised Appropriations</b>	<b>837,958</b>	<b>1,393,385</b>	<b>2,231,343</b>
Fiscal Year 2002 Total	442,984	699,746	1,142,730
Fiscal Year 2003 Total	394,974	693,639	1,088,613

**Comments:**

- Fund Source Adjustment** - The performance of the state's Child Support Enforcement Program has exceeded expectations resulting in higher levels of federal funding. These additional federal funds can pay for cost increases for the 2001-03 biennium that previously had been funded with state funds. With this adjustment, the state's funding commitment still exceeds the federally-required maintenance of effort level as determined by the average of state spending during fiscal years 1996-98. (General Fund-State, General Fund-Local)
- GA-U Program Efficiencies** - The General Assistance-Unemployable (GA-U) Program is reduced to reflect more efficient administration of the program.
- Feds Resume Food Stamps for Immigr** - Funding for the Food Assistance Program for legal immigrants is reduced in anticipation of Congress authorizing the resumption of coverage for some legal immigrants in the federal Food Stamp Program. President Bush's budget proposal for federal FY 2003 includes this provision, and support in Congress has been expressed by both parties. This adjustment assumes the change will be effective October 2002.
- Re-Program SSI Supplements** - Funding is reduced in the Economic Services Administration budget to support the re-programming of Supplemental Security Income (SSI) State Supplement Payments. Beginning July 2002, state supplement payments will no longer be provided automatically to all persons receiving a federal SSI benefit. SSI recipients will continue to receive their federal benefits and their federally-provided annual cost-of-living increases each January. Some recipients who are dependent on larger state supplements will be provided a transitional state supplement benefit. The remaining amount of state supplement payments required by federal rules will be used to support low- and moderate-income families who are struggling to continue to care for children and other relatives with developmental disabilities.
- Adjust Accounting - SSI Recoveries** - Accounting for SSI recoveries for general assistance interim benefits are changed to a "month of service" basis. (General Fund-State)
- Vendor Rate Change** - The implementation of the second year of the vendor rate increase of 2.3 percent for the Department of Social and Health Services (DSHS) is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal)
- Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million General Fund-State during the last six months of the current biennium and at \$5.4 million General Fund-State in 2003-05. (General Fund-State, General Fund-Federal)

**Governor's Vetoes:**

The Governor vetoed Section 207(1), subsections (e) through (n) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which would have reallocated existing appropriations among various purposes within the WorkFirst program. The vetoed subsections do not affect the total program appropriation.



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

**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
<b>SSI State Supplement</b>										
Avg Monthly Caseload	76,518	82,249	86,299	87,674	88,006	89,176	90,947	92,677	95,701	98,397
% Change from prior year		7.5%	4.9%	1.6%	0.4%	1.3%	2.0%	1.9%	3.3%	2.8%
<b>General Assistance <sup>(1)</sup></b>										
Avg Monthly Caseload	17,617	18,371	18,074	18,155	17,657	17,129	16,416	17,857	19,849	20,401
% Change from prior year		4.3%	-1.6%	0.4%	-2.7%	-3.0%	-4.2%	8.8%	11.2%	2.8%
<b>TANF Cases <sup>(2)</sup></b>										
Avg Monthly Caseload	104,626	104,472	101,136	97,309	84,685	67,475	58,796	54,758	53,648	53,683
% Change from prior year		-0.1%	-3.2%	-3.8%	-13.0%	-20.3%	-12.9%	-6.9%	-2.0%	0.1%
<b>Child Care</b>										
Avg # Children Served/Month	29,772	32,757	30,636	33,309	41,707	51,187	58,786	67,454	72,578	76,313
% Change from prior year		10.0%	-6.5%	8.7%	25.2%	22.7%	14.8%	14.7%	7.6%	5.1%

(1) FY 1994 through FY 2000 includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001 GA-H cases are covered by TANF funding and are moved out of the General Assistance estimate into the TANF Cases estimate. Data collection changed to the Caseload Analysis and Reporting Database (CARD) system in FY 1998. To provide comparable data, monthly caseload data from FY 1995-1997 have been adjusted to reflect the CARD system, which is 7.05 percent higher on average than the previous Average Grant method.

(2) Includes General Assistance-Pregnant Woman (GA-S) cases, and GA-H cases starting in FY 2001 (see note above). To provide comparable data, monthly caseload data from FY 1994-1997 have been adjusted to reflect the CARD system, which is 7.08 percent higher on average than the previous Average Grant method.

Data Sources :

FY 1994 through FY 2001 SSI State Supplement and General Assistance actuals provided by the Caseload Forecast Council.

FY 1994 through FY 2001 TANF Cases and Child Care actuals provided by the DSHS Budget Division.

FY 2002 and FY 2003 estimates represent legislative budget assumptions, based upon forecasts provided by the Caseload Forecast Council and the DSHS Budget Division.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>76,985</b>	<b>158,661</b>	<b>235,646</b>
<b>Total Maintenance Changes</b>	<b>57</b>	<b>-41</b>	<b>16</b>
<b>Policy Changes</b>			
1. Violence Reduction & Drug Enf Acct	0	-571	-571
2. Public Safety and Education Account	0	-275	-275
3. Involuntary Treatment Beds	-800	0	-800
4. Substance Abuse Treatment Reduction	-1,800	0	-1,800
5. King County Juvenile Drug Court	0	75	75
6. Treatment for Compulsive Gambling	0	500	500
7. Reduce & Consolidate TASC	-1,036	0	-1,036
8. Vendor Rate Change	-505	-330	-835
9. Interpreter Services Efficiencies	-28	-14	-42
<b>Total Policy Changes</b>	<b>-4,169</b>	<b>-615</b>	<b>-4,784</b>
<b>2001-03 Revised Appropriations</b>	<b>72,873</b>	<b>158,005</b>	<b>230,878</b>
Fiscal Year 2002 Total	35,851	79,329	115,180
Fiscal Year 2003 Total	37,022	78,676	115,698

**Comments:**

- Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
- Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
- Involuntary Treatment Beds** - The opening of the chemical dependency involuntary treatment facility in Eastern Washington had been postponed due to delays in acquisition and licensing. The facility opened in March of 2002. This reduces the Department's costs for the new facility in FY 2002 by \$800,000.
- Substance Abuse Treatment Reduction** - Additional substance abuse treatment capacity for gravely-disabled individuals, which was provided for in the 2001 legislative session, is eliminated for FY 2002, and reduced to \$1 million for FY 2003. Gravely-disabled individuals are people in danger of serious physical harm resulting from a failure to provide for their essential human needs of health or safety which manifests in severe deterioration in routine functioning, or are a high user of treatment services and other resources.
- King County Juvenile Drug Court** - Funding is provided for the King County Juvenile Drug Court. This drug court was inadvertently overlooked in the 2001-03 biennial budget when other drug courts were receiving funding to replace lost federal allocations. (Violence Reduction and Drug Enforcement Account)
- Treatment for Compulsive Gambling** - One-time funding is provided for treatment of pathological gambling and training of pathological gambling treatment providers pursuant to Chapter 349, Laws of 2002, (E2SSB 6560 - Shared Game Lottery). To receive treatment under this program, a person must be amenable to treatment and unable to afford it. The Department shall contract with qualified treatment providers who will determine eligibility for state-funded treatment within Department guidelines. The Department shall report to the Legislature a plan to implement this program by September 1, 2002. The Department shall track program participation and client outcomes and summarize them in a report to the Legislature by November 1, 2003. (Violence Reduction and Drug Enforcement Account)
- Reduce & Consolidate TASC** - The Treatment Accountability for Safe Communities (TASC) Program is reduced by 30 percent in FY 2003. The Department shall implement this reduction in such a way that allows for a consolidation of remaining TASC funding with drug court funding by FY 2004. The intent is to provide consolidated state support for drug court and TASC services that have the greatest success in diverting offenders into successful treatment and recovery. The Division of Alcohol and Substance Abuse shall coordinate this reduction and consolidation with the Children's Administration in order to minimize any disruption with the purchase of TASC services involving child-dependency cases.
- Vendor Rate Change** - The implementation of the second year of the vendor rate increase of 2.3 percent for the Department of

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

Social and Health Services (DSHS) is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

- 9. Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million General Fund-State during the last six months of the current biennium and at \$5.4 million General Fund-State in 2003-05. (General Fund-State, General Fund-Federal)

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

**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	<u>Estimated</u>	
									2002	2003
<b>ADATSA - Assessment</b>										
Avg Monthly Assessments	1,195	1,278	1,284	1,199	1,194	1,162	1,167	1,112	1,100	1,100
% Change from prior year		6.5%	0.5%	-7.1%	-0.4%	-2.8%	0.4%	-4.9%	-1.1%	0.0%
<b>ADATSA - Outpatient Treatment</b>										
Avg Monthly Admissions	272	295	325	308	322	340	351	357	370	370
% Change from prior year		7.8%	9.2%	-5.5%	4.3%	5.3%	3.1%	1.7%	3.5%	0.0%
<b>ADATSA - Residential</b>										
Avg Monthly Admissions	586	608	610	631	673	633	574	596	578	578
% Change from prior year		3.6%	0.3%	3.3%	6.2%	-6.3%	-10.3%	3.7%	-3.1%	0.0%

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

Data Sources:

*FY 1994 through FY 2001 actuals provided by the DSHS Budget Division.*

*FY 2002 and FY 2003 estimates provided by the Division of Alcohol and Substance Abuse*

**Department of Social and Health Services  
Medical Assistance Payments**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>2,159,789</b>	<b>4,966,168</b>	<b>7,125,957</b>
<b>Total Maintenance Changes</b>	<b>90,719</b>	<b>-12,853</b>	<b>77,866</b>
<b>Policy Changes</b>			
1. HIV Cost Controls	-301	0	-301
2. Vendor Rate Incr-Select Providers	3,730	3,709	7,439
3. Hospital Settlement	8,500	0	8,500
4. Treatment of Resources	-330	-331	-661
5. Don't Implement In-Home Waiver	-314	-316	-630
6. Vendor Rate Change	-4,171	-5,233	-9,404
7. Increase Discount on AWP	-12,385	-11,992	-24,377
8. OPPS Rate Reduction	-1,061	-1,064	-2,125
9. Direct Legal Immigrants to BHP	-8,925	0	-8,925
10. Direct Undocumented Children to BHP	-14,446	0	-14,446
11. Maternity Support Services	-8,602	8,602	0
12. Interpreter Services Efficiencies	-728	-1,022	-1,750
13. GA-U Medical Savings	-5,567	0	-5,567
<b>Total Policy Changes</b>	<b>-44,600</b>	<b>-7,647</b>	<b>-52,247</b>
<b>2001-03 Revised Appropriations</b>	<b>2,205,908</b>	<b>4,945,668</b>	<b>7,151,576</b>
Fiscal Year 2002 Total	1,081,150	2,818,960	3,900,110
Fiscal Year 2003 Total	1,124,758	2,126,708	3,251,466

**Comments:**

- HIV Cost Controls** - The Evergreen Health Insurance Program provides insurance coverage for persons with AIDS who do not qualify for Medicaid, but whose incomes are below 370 percent of the federal poverty level. In coordination with the Department of Health, the Department of Social and Health Services (DSHS) is to establish mechanisms to assure that the program operates within appropriated levels. Such mechanisms are to include, but are not limited to, adjusting the state's contribution on a sliding-basis, so that higher-income recipients are required to contribute more toward their cost of care.
- Vendor Rate Incr-Select Providers** - The state Medical Assistance Program pays primary care providers substantially less than either the federal Medicare Program, or private insurance. This is particularly the case for services to adults, for which payments are lower than for comparable pediatric and maternity services. For example, in calendar year 2000, Medicaid paid only about 53 percent as much as private insurers for an adult office visit, and only about 62 percent as much as Medicare. This is reportedly creating substantial financial problems for physician practices across the state, and resulting in Medical Assistance recipients delaying necessary care, or seeking it in emergency rooms. Ambulance operators also report that Medical Assistance rates are substantially below their costs, creating significant financial problems for their operations, and cost-shifts to other payers.  
  
To address these concerns, the budget provides an approximately 5 percent increase in average Medical Assistance payment rates for physician-related services to adults; and also a 25 percent increase in ambulance payment rates. Both types of increase are to be targeted toward procedures with the greatest need, as evidenced by access problems and difference from prevailing-rate benchmarks, rather than distributed on an across-the-board basis. Both increases will be effective January 1, 2003, and so will cost more than four times the amount shown here to continue next biennium. (General Fund-State, Health Services Account-State, General Fund-Federal)
- Hospital Settlement** - Funds are provided for the Department to settle a lawsuit, *Providence St. Peter Hospital, et. al. v. DSHS*, regarding reimbursement to hospitals with Medicare-certified stand-alone psychiatric units.
- Treatment of Resources** - SHB 3002, which was not enacted, would have reduced the maximum asset level for married applicants for Medicaid-funded long-term care services to \$30,000, from the current level of \$89,000. As a result, an estimated 200 persons would have been ineligible for Medicaid-funded medical assistance and long-term care in FY 2003, while spending down their excess assets. (General Fund-State, General Fund-Federal)
- Don't Implement In-Home Waiver** - The 2001 Legislature authorized DSHS to seek federal authority to provide Medicaid-funded in-home care to up to 200 persons whose incomes are too high to qualify for such services under current rules. Because the waiver has not yet been approved and no one is

## Department of Social and Health Services Medical Assistance Payments

being served, the program will not be implemented. (General Fund-State, General Fund-Federal)

6. **Vendor Rate Change** - DSHS contractors will receive a 1.5 percent vendor rate increase in July 2002 rather than a 2.3 percent increase as originally budgeted. (General Fund-State, General Fund-Federal, Health Services Account)
7. **Increase Discount on AWP** - The average wholesale price (AWP) is the list price assigned to a drug by its manufacturer. Manufacturers typically sell the drug to wholesalers and retailers for substantially less than this list price, and most third-party payers in turn pay participating pharmacies a discounted percentage of the AWP. Washington's Medical Assistance Program has for a number of years paid 89 percent of the AWP for single-source drugs, and 89 percent of the AWP of the third lowest-priced generally available label for multiple-source drugs.

A recent study by the federal Office of the Inspector General (OIG) concluded that pharmacies in Washington are in fact paying an average of only about 79 percent of the AWP for single-source drugs, and 35 percent of the AWP for generics. The Governor's budget proposed reducing the Medical Assistance Program's payments to pharmacies to those levels. As an alternative, the legislative budget anticipates that the Medical Assistance Program will pay 86 percent of the AWP for single-source drugs and 50 percent of AWP for drugs for which there are at least four generic labels. Such rates are comparable to, and competitive with, those paid by the Uniform Medical Plan, and other major insurers. The budget further anticipates that the Medical Assistance Program will begin providing a mail-order pharmacy option for its clients no later than January 2003. This will result in a substantial discount on drug prices for taxpayers and increased convenience for elderly and disabled recipients with chronic conditions.

The Department may pay higher rates for drug ingredients than identified here, to the extent that the cost of the higher payment rates is offset by alternative cost-control mechanisms in the pharmacy program. Such alternative mechanisms must be: 1) developed in consultation with the state pharmacy association; 2) likely to prove effective, based upon the documented experience of other similar programs; and 3) not necessary to achieve the utilization and cost-control initiative savings targets already established for the pharmacy program. (General Fund-State, General Fund-Federal)

8. **OPPS Rate Reduction** - The outpatient prospective payment system (OPPS) is an incentive-based payment mechanism which pays for a "bundle" of procedures typically associated with a particular condition rather than for each specific procedure. Implementation is expected to reduce Medicaid outpatient expenditures by approximately 6 percent, but it has been delayed since April 2000 in order to minimize the burden on hospitals by assuring that the state system is consistent with the one required by the federal Medicare Program. Implementation is now not expected until April 2004. To

compensate for this, an across-the-board reduction in outpatient rates is to be implemented effective July 1, 2002, to approximate the savings which would occur had the system not been repeatedly delayed. (General Fund-State, General Fund-Federal)

9. **Direct Legal Immigrants to BHP** - The 1996 federal welfare and immigration reform legislation made some legal immigrants entering the country after 1996 ineligible for Medicaid for a five-year period. Washington's response was to use "state-only" funding to provide such families with the same level of medical coverage as they would receive if they qualified for the state/federal Medicaid Program. In accordance with Chapter 366, Laws of 2002 (SSB 6833 - Immigrant Medical Care), such coverage is terminated effective October 2002. The approximately 2,400 adults and 1,900 children affected by this termination will instead be eligible to enroll in some of the new Basic Health Plan (BHP) slots available as a result of the passage of Initiative 773. As required by federal law, those who do not obtain coverage through the BHP or other sources will continue to qualify for Medicaid coverage for emergency conditions.
10. **Direct Undocumented Children to BHP** - Since approximately 1989, Washington has used "state-only" funds to provide the same level of medical and dental coverage to children who are not in the country legally, and whose families have incomes below 100 percent of the federal poverty level, as the children would receive if they qualified for Medicaid. In accordance with Chapter 366, Laws of 2002 (SSB 6833 - Immigrant Medical Care), this coverage is terminated effective October 2002. The children will be eligible to enroll in the additional BHP slots which are available as a result of the passage of Initiative 773. As required by federal law, those who do not enroll in the BHP or obtain other insurance coverage will continue to be eligible for Medicaid coverage of emergent conditions.
11. **Maternity Support Services** - In accordance with Initiative 773, which directs that \$5 million per year is to be expended upon programs that address conditions which disproportionately affect the health of low-income persons, funding for Maternity Support Services (MSS) is transferred from the general fund to the Health Services Account. MSS includes preventative health services for pregnant and post-pregnancy women. Program services include inter-disciplinary needs assessment and intervention; childbirth education; and childcare during medical appointments, labor and delivery, and physician-ordered bed rest. (General Fund-State, Health Services Account)
12. **Interpreter Services Efficiencies** - As an alternative to the proposed elimination of funding for interpreter services in the Medical Assistance Program, the budget anticipates that the current method of purchasing interpreter services is replaced with a new "brokerage" model by January 2003 for all DSHS programs. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency and will also contract with intermediaries who will schedule and link

## Department of Social and Health Services Medical Assistance Payments

interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and also from better service coordination and utilization review.

Department-wide savings from this approach are estimated at \$2.6 million during the last six months of the current biennium and at \$5.4 million in 2003-05. (General Fund-State, General Fund-Federal)

13. **GA-U Medical Savings** - The DSHS Economic Services Administration is to make a number of administrative changes which will reduce the average length of stay for persons in the General Assistance for the Unemployed (GA-U) Program. This is expected to reduce the number of persons who receive state-funded medical assistance as a result of their GA-U enrollment by one-third by the end of FY 2003.

**Department of Social & Health Services  
Medical Assistance Payments**

**WORKLOAD HISTORY**  
By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
<b>Categorically Needy</b>	<b>559,686</b>	<b>613,968</b>	<b>653,083</b>	<b>697,456</b>	<b>704,900</b>	<b>691,838</b>	<b>725,838</b>	<b>763,861</b>	<b>814,511</b>	<b>831,633</b>
AFDC/TANF	329,660	329,519	320,540	310,247	286,965	254,023	257,490	266,029	270,470	271,726
Elderly	35,823	36,892	38,716	42,050	45,047	47,336	50,408	52,187	53,500	54,872
Disabled	85,454	91,261	94,848	94,962	95,010	96,640	100,187	105,958	113,214	118,494
Non-AFDC Children	75,602	121,343	162,748	211,707	239,487	254,069	276,272	294,436	327,540	351,410
Non-AFDC Pregnant Women	17,845	18,299	19,043	20,853	21,430	21,851	21,702	22,380	23,420	22,994
Undocumented Children	12,361	12,786	13,000	13,468	13,050	13,297	15,328	18,217	20,981	5,549
Medicare Beneficiaries	2,941	3,868	4,188	4,169	3,911	4,622	4,451	4,654	5,121	5,328
Breast & Cervical Cancer									55	134
Medicaid Buy-In									210	1,126
<b>Medically Needy</b>	<b>17,012</b>	<b>14,425</b>	<b>11,395</b>	<b>10,245</b>	<b>11,059</b>	<b>11,596</b>	<b>12,566</b>	<b>13,473</b>	<b>14,424</b>	<b>15,003</b>
AFDC-Related	5,822	3,895	1,433	0	0	0	0	0	0	0
Elderly	5,208	4,837	4,295	4,341	4,625	4,822	5,158	5,628	6,023	6,634
Disabled	5,537	5,559	5,576	5,765	6,356	6,650	7,299	7,761	8,318	8,286
All Others	445	134	91	139	78	124	109	84	83	83
<b>Children's Health Insurance Program</b>							2	355	3,360	6,184
<b>General Assistance/ADATSA</b>										
# Persons/Month	10,049	10,955	11,786	12,997	13,179	12,911	11,716	12,322	12,329	10,231
<b>State Medically Indigent</b>										
# Persons/Month	2,634	2,407	2,060	2,003	2,284	2,271	2,457	2,734	3,338	3,628
<b>Refugees</b>										
# Persons/Month	1,546	1,665	1,411	1,064	1,353	1,319	1,004	1,190	1,234	1,233
<b>Total Eligibles per Month</b>	<b>590,927</b>	<b>643,420</b>	<b>679,735</b>	<b>723,765</b>	<b>732,775</b>	<b>719,935</b>	<b>753,936</b>	<b>796,940</b>	<b>852,020</b>	<b>871,153</b>
% Change from prior year		8.9%	5.6%	6.5%	1.2%	-1.8%	4.7%	5.7%	6.9%	2.2%

Data Sources:

DSHS Budget Division, Office of Forecasting and Policy Analysis, November 2001 and March 2002 Forecasts, adjusted by legislative fiscal for eligibility changes adopted in 2002 session.



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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>21,089</b>	<b>84,098</b>	<b>105,187</b>
<b>Policy Changes</b>			
1. Transfer to Services for the Blind	-406	-1,503	-1,909
2. Phase Out Extended Support Services	-163	0	-163
<b>Total Policy Changes</b>	<b>-569</b>	<b>-1,503</b>	<b>-2,072</b>
<b>2001-03 Revised Appropriations</b>	<b>20,520</b>	<b>82,595</b>	<b>103,115</b>
Fiscal Year 2002 Total	11,135	40,797	51,932
Fiscal Year 2003 Total	9,385	41,798	51,183

**Comments:**

- 1. Transfer to Services for the Blind** - The Division of Vocational Rehabilitation (DVR) and the Department of Services for the Blind (DSB) have agreed to assign 14 percent of the annual federal vocational rehabilitation grant to DSB rather than 12 percent as in the past. This results in an allocation between the two programs more consistent with national averages and is expected to enable DSB to avoid the "order of selection" waiting lists under which DVR has operated since fall 2000. Reduction of DVR's federal allocation results in a corresponding reduction in the amount of state general funds needed to match the federal grant. The DSB will be able to match the additional federal revenues without an increase in its state general fund appropriation because of an interagency agreement with the School for the Blind. (General Fund-State, General Fund-Federal)
- 2. Phase Out Extended Support Services** - The Extended Support Services Program provides subsidized sheltered employment for 89 adults whose cognitive and/or physical impairments and life experiences have prevented them from obtaining permanent employment in the regular workforce. As an alternative to elimination of the program July 1, 2002, the budget provides for it to be phased out over the course of the following year. This will provide families and case managers additional time to find alternative ways for the affected individuals to productively spend the workday.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>59,813</b>	<b>51,372</b>	<b>111,185</b>
<b>Total Maintenance Changes</b>	<b>75</b>	<b>13</b>	<b>88</b>
<b>Policy Changes</b>			
1. IT Systems Streamlining	-1,503	-1,000	-2,503
2. Administrative Reductions	-5,547	-2,440	-7,987
<b>Total Policy Changes</b>	<b>-7,050</b>	<b>-3,440</b>	<b>-10,490</b>
<b>2001-03 Revised Appropriations</b>	<b>52,838</b>	<b>47,945</b>	<b>100,783</b>
Fiscal Year 2002 Total	30,419	26,383	56,802
Fiscal Year 2003 Total	22,419	21,562	43,981

**Comments:**

- IT Systems Streamlining** - Information technology efficiencies will be achieved by centralizing purchasing and support functions that will result in greater economies of scale. In addition, a planned mainframe system change achieves savings by using existing technology platforms.
- Administrative Reductions** - The Department shall implement reductions in administrative expenditures that achieve ongoing savings, reduce duplicative and redundant work processes and, where possible, eliminate entire administrative functions and offices. The Department may transfer amounts among sections and programs to achieve these savings provided that reductions in direct services to clients and recipients of the Department shall not be counted as administrative reductions. The Department shall report to the appropriate committees of the Legislature a spending plan to achieve these reductions by July 1, 2002, and shall report actual achieved administrative savings by December 1, 2002. (General Fund-State, General Fund-Federal)

## OTHER HUMAN SERVICES

### **Health Care Authority**

With \$34 million of the new revenue generated by Initiative 773, Basic Health Plan enrollment will expand from 125,000 in July 2002 to 172,000 by the end of the biennium. During July through October 2002, opportunities for subsidized coverage will be offered on a phased-in basis for 27,000 non-citizen children and adults who will no longer be eligible for state medical assistance programs in the Department of Social and Health Services (DSHS). Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees.

State grant support for nonprofit community clinics is increased by \$3 million. These funds will be used for dental care and medical interpreter services, particularly for the 27,000 non-citizen children and adults who will no longer be eligible for coverage through DSHS Medical Assistance programs.

### **Department of Health**

As required by Initiative 773, funding for the state's comprehensive effort to reduce tobacco use is increased by \$8.7 million, to a total of \$43.2 million for the biennium, of which \$26.2 million will be expended in the second year.

State expenditures to make federally-recommended childhood vaccines universally available in the state, at no cost to the family, are projected to be \$5.5 million less than originally budgeted for the biennium. This is because the purchase of several vaccines has been delayed by a nationwide supply shortage, and because federal funds are covering a larger percentage of program costs than originally anticipated.

Increased federal funding is also being used to avoid approximately \$2.1 million of state expenditures on a number of different programs, including AIDS drug and medical services, education and case management services through the AIDS Networks, and administration of the childhood vaccines and Women, Infants, and Children (WIC) nutrition programs.

Approximately \$0.5 million of increased expenditures on AIDS drugs and medical assistance is to be avoided by requiring participants to shoulder a larger share of costs, based upon income.

The agency is to reduce administrative costs by \$1 million department-wide, with \$0.6 million of the reduction in fee-supported health professional licensing programs.

### **Department of Corrections**

A total of \$36 million from the state general fund and \$500,000 from the Cost of Supervision Fund is provided for the increased operating costs associated with the projected population changes based on the current forecasts prepared by the Caseload Forecast Council. The Department of Corrections' residential population is expected to be 335 offenders higher in fiscal year 2002 and 413 offenders higher in fiscal year 2003 than the November 2000 forecasted levels. Funding levels are also adjusted for significant increased workload in the community supervision program. Additionally, funding is provided for increased health care inflation.

Savings of \$4.3 million are achieved through the initiation of a variety of actions to reduce operating costs and achieve administrative savings. These steps include: identifying efficiencies in business, human resources, and information technology support activities; reducing administrative costs associated with offender programs; mitigating the need for outside training resources by using Department staff to perform these functions; standardizing meal plans to lower overall food costs; and reducing administrative costs at the regional level.

The Department of Corrections will achieve savings by removing community corrections officer positions at contracted work release facilities and only performing pre-sentence investigations for sex offenders and mentally-ill offenders. The budget assumes that \$3.5 million in savings will be achieved by these changes.

Savings of \$100,000 are achieved through the implementation of Chapter 290, Laws of 2002 (2SHB 2338), which reduces sentences for certain narcotics drug dealers and, with the exception of methamphetamine-related offenses, eliminates the triple scoring of prior drug offenses in determining an offenders presumptive sentence. The legislation also establishes a new drug grid for the sentencing of most felony drug crimes committed on or after July 1, 2004. Beginning in the 2003-05 biennium, 25 percent of the state savings resulting from the sentencing changes in this act will be dedicated towards providing drug treatment to offenders in the prison system and 75 percent of the state savings will be distributed to local governments for drug treatment and related services for individuals involved in the criminal justice system.

The Governor vetoed funding for the implementation of Chapter 324, Laws of 2002 (ESSB 6490), and therefore funding in the amount of \$53,000 lapses.

## Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>13,309</b>	<b>669,578</b>	<b>682,887</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-3,997</b>	<b>-3,997</b>
<b>Policy Changes</b>			
1. Transfer Community Health Services	-6,654	6,654	0
2. Basic Health Enrollment Expansion	0	41,238	41,238
3. Low-Income Clinics	0	3,000	3,000
4. Efficiencies & Savings	0	-766	-766
5. PEBB Participation for K-12	0	183	183
6. Consolidated Drug Purchasing	0	1,359	1,359
7. Lapse	0	-1,359	-1,359
<b>Total Policy Changes</b>	<b>-6,654</b>	<b>50,309</b>	<b>43,655</b>
<b>2001-03 Revised Appropriations</b>	<b>6,655</b>	<b>715,890</b>	<b>722,545</b>
Fiscal Year 2002 Total	6,655	323,390	330,045
Fiscal Year 2003 Total	0	392,500	392,500

**Comments:**

1. **Transfer Community Health Services** - Funding for Community Health Services is shifted from the General Fund-State to the Health Services Account beginning July 1, 2002. (General Fund-State, Health Services Account)
2. **Basic Health Enrollment Expansion** - With revenue generated by Initiative 773, Basic Health Plan (BHP) enrollment will expand from 125,000 in July 2002 to 172,000 by the end of the biennium. During July-October 2002, opportunities for subsidized coverage will be offered on a phased-in basis for 27,000 non-citizen children and adults who will no longer be eligible for state medical assistance programs in the Department of Social and Health Services (DSHS). Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees. (Health Services Account-State, BHP Trust Account-Non-Appropriated)
3. **Low-Income Clinics** - State grant support is increased for dental care and medical interpreter services through nonprofit community clinics. These funds are targeted towards the 27,000 non-citizen children and adults who will no longer be eligible for coverage through DSHS Medical Assistance programs. (Health Services Account-State)
4. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
5. **PEBB Participation for K-12** - Funding is provided to implement Chapter 142, Laws of 2002 (SHB 2536 - School District Employees Health Care). The bill allows school districts that purchase health and other insurance benefits through the Health Care Authority (HCA) to be charged a composite rate, rather than a tiered rate based on family size. The bill directs HCA to charge a tiered rate to districts enrolling in the future if applying the composite rate to them would increase costs to the state and its employees. (HCA Administration Account-State)
6. **Consolidated Drug Purchasing** - Funding was appropriated for implementation of SSB 6368 (Prescription Drug Utilization and Education). (Health Services Account-State, General Fund-Medicaid, Medical Aid Account-State)
7. **Lapse** - Because SSB 6368 was not enacted, the appropriation lapsed.

# Washington State Health Care Authority

## WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
<b>Basic Health Plan (Subsidized &amp; HCW) <sup>(1)</sup></b>	29,731	37,580	61,773	124,348	127,582	129,873	130,995	132,667	126,014	154,480
% Change from prior year		26.4%	64.4%	101.3%	2.6%	1.8%	0.9%	1.3%	-5.0%	22.6%
Regular Enrollees	29,731	37,580	61,590	123,555	126,472	128,610	129,530	131,111	124,533	153,030
% Change from prior year		26.4%	63.9%	100.6%	2.4%	1.7%	0.7%	1.2%	-5.0%	22.9%
Subsidized Homecare Workers			184	792	1,110	1,263	1,464	1,556	1,481	1,450
% Change from prior year				331.2%	40.1%	13.8%	15.9%	6.3%	-4.8%	-2.1%

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

Data Source :

*FY 1992 through FY 2001 from the Health Care Authority.*

*FY 2002 and FY 2003 estimates from legislative fiscal staff.*

### Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>5,388</b>	<b>1,644</b>	<b>7,032</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-81	0	-81
<b>Total Policy Changes</b>	<b>-81</b>	<b>0</b>	<b>-81</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>5,307</b>	<b>1,644</b>	<b>6,951</b>
Fiscal Year 2002 Total	2,688	838	3,526
Fiscal Year 2003 Total	2,619	806	3,425

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**Board of Industrial Insurance Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>29,406</b>	<b>29,406</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>213</b>	<b>213</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>29,619</b>	<b>29,619</b>
Fiscal Year 2002 Total	0	14,914	14,914
Fiscal Year 2003 Total	0	14,705	14,705

**Comments:**

No budget changes were made that reflect a change in statute or agency policy.



## Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>19,047</b>	<b>19,047</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>85</b>	<b>85</b>
<b>Policy Changes</b>			
1. Public Safety and Education	0	-369	-369
2. Vendor Rate Change	0	-7	-7
<b>Total Policy Changes</b>	<b>0</b>	<b>-376</b>	<b>-376</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>18,756</b>	<b>18,756</b>
Fiscal Year 2002 Total	0	9,537	9,537
Fiscal Year 2003 Total	0	9,219	9,219

**Comments:**

1. **Public Safety and Education** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
  
2. **Vendor Rate Change** - The Washington Association of Sheriffs and Police Chiefs and the Criminal Justice Training Commission's food service contractor will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted. (Public Safety and Education Account-State)

## Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>15,420</b>	<b>439,723</b>	<b>455,143</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>1,322</b>	<b>1,322</b>
<b>Policy Changes</b>			
1. Increased Farm Safety Inspections	0	507	507
2. Apprenticeship Transfer	-2,103	2,103	0
3. Employment Standards Transfer	-2,223	2,223	0
4. Crime Victims' Program Reduction	0	-397	-397
5. Plumbing Contractors	0	96	96
6. Crime Victims' Revenue Adjustment	0	0	0
7. Boiler Safety Inspection Increases	0	251	251
8. Occupational Safety & Health Grants	0	5,000	5,000
9. Increased Litigation Costs	0	529	529
10. Center for Occupational Health	0	300	300
11. ESHB 2304 - Transportation	0	950	950
<b>Total Policy Changes</b>	<b>-4,326</b>	<b>11,562</b>	<b>7,236</b>
<b>2001-03 Revised Appropriations</b>	<b>11,094</b>	<b>452,607</b>	<b>463,701</b>
Fiscal Year 2002 Total	5,577	226,739	232,316
Fiscal Year 2003 Total	5,517	225,868	231,385

**Comments:**

1. **Increased Farm Safety Inspections** - Funding is provided to increase labor law enforcement and workplace safety inspections for agricultural workers. (Accident Account, Medical Aid Account)
2. **Apprenticeship Transfer** - The apprenticeship activities are transferred from General Fund-State funding to the workers' compensation funds. Apprenticeships promote a better trained and stable workforce, thus reducing workplace accidents. (General Fund-State, Accident Account, Medical Aid Account)
3. **Employment Standards Transfer** - The employment standards activities are transferred from General Fund-State funding to the workers' compensation funds. Enforcement of employment standards promotes a safer workplace. (General Fund-State, Accident Account, Medical Aid Account)
4. **Crime Victims' Program Reduction** - Due to a revenue shortfall in the Public Safety and Education Account (PSEA), a 2 percent across-the-board reduction is made to all agencies funded from the account. (PSEA-State)
5. **Plumbing Contractors** - Funding is provided to implement Chapter 82, Laws of 2002 (ESHB 2470 - Plumbing Contractors), which requires plumbing contractors to verify plumbing trainees' hours and that the hours were properly supervised. The Department of Labor and Industries is permitted, in certain circumstances, to audit records and issue infractions to plumbing contractors that verify trainees' hours. (Plumbing Certificate Account-State)
6. **Crime Victims' Revenue Adjustment** - The Crime Victims' Program is funded from state, federal, and private/local sources. Due to a revenue projection showing an increase in private/local sources, state funds are reduced and private/local funds are increased by the same amount. (PSEA-State, PSEA-Private/Local)
7. **Boiler Safety Inspection Increases** - Funding is provided for increased boiler inspections. The Board of Boiler Rules is requiring boiler installers to notify the Department about new boiler installations and to obtain safety inspections. Previously, boiler owners were responsible for notifying the Department. Increased inspections are anticipated as a result of the change in notification requirements. Revenue to pay the cost of the boiler inspection program comes from boiler permit and inspection fees. (Pressure Systems Safety Account)
8. **Occupational Safety & Health Grants** - Funding is provided to improve worker safety and health. The Department may operate time-limited programs to reduce work-related injury and disease, including providing grants to employee and employer organizations for worker safety programs such as educational efforts, training, and testing new safety methods. (Medical Aid Account)
9. **Increased Litigation Costs** - Litigation costs continue to increase as a result of increased appeals and lawsuits before the Board of Industrial Insurance Appeals and the courts. Litigation costs include expert witnesses, court-ordered attorney fees, court reporters, couriers, medical records, medical consultations and court filing fees. Funding is increased in the first year based on the assumption that actual deficits for legal service to date will continue for the remainder of FY 2002. The second year increase is estimated to be twice the deficit level projected for FY 2002. (Accident Account, Medical Aid Account)

## Department of Labor and Industries

10. **Center for Occupational Health** - Funding is provided for a second center of occupational health and education to be located on the east side of the state. These centers train physicians on best practices for occupational medicine and work with labor and business to improve the quality and outcomes of medical care provided to injured workers.  
(Medical Aid Account-State)
11. **ESHB 2304 - Transportation** - Chapter 5, Laws of 2002 (ESHB 2304), makes changes to chapter 39.12 RCW.

## Indeterminate Sentence Review Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,998</b>	<b>0</b>	<b>1,998</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-30	0	-30
<b>Total Policy Changes</b>	<b>-30</b>	<b>0</b>	<b>-30</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,968</b>	<b>0</b>	<b>1,968</b>
Fiscal Year 2002 Total	999	0	999
Fiscal Year 2003 Total	969	0	969

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>19,756</b>	<b>56,221</b>	<b>75,977</b>
<b>Total Maintenance Changes</b>	<b>97</b>	<b>0</b>	<b>97</b>
<b>Policy Changes</b>			
1. Reduce Vendor Rate	-12	0	-12
2. Efficiencies & Savings	-244	0	-244
3. Bed Conversions Shortfall	-7	-1,532	-1,539
4. Facility Start-Up Delays	0	-2,516	-2,516
5. Homeless Veterans' Reintegration	0	155	155
<b>Total Policy Changes</b>	<b>-263</b>	<b>-3,893</b>	<b>-4,156</b>
<b>2001-03 Revised Appropriations</b>	<b>19,590</b>	<b>52,328</b>	<b>71,918</b>
Fiscal Year 2002 Total	9,961	24,640	34,601
Fiscal Year 2003 Total	9,629	27,688	37,317

**Comments:**

1. **Reduce Vendor Rate** - Department of Veterans' Affairs Field Services contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Bed Conversions Shortfall** - In its original 2001-03 budget, the Department of Veterans' Affairs proposed to reduce state expenditures by converting 65 beds to a higher level of care which would generate more federal and private revenues than the marginal additional cost of their operation. This has not proved feasible, both because of implementation of new federal accreditation standards, and also because earlier-than-anticipated federal approval of construction funding for a new nursing facility on the Retsil campus is requiring demolition of buildings in which the new level of care was to be provided. These factors have combined to result in a projected \$2.3 million revenue deficit at the homes. The agency proposes to manage this deficit by: 1) not incurring the \$1.45 million of additional staffing and other costs authorized for delivery of the planned higher level of care; and 2) applying \$786,000 of federal and private revenues whose receipt was "deferred" last biennium to resolution of the shortfall. (General Fund-State, General Fund-Federal, General Fund-Local)
4. **Facility Start-Up Delays** - Acquisition, accreditation, and implementation of the new Eastern Washington Veterans' Home did not proceed as quickly as originally planned. As a result, expenditures and revenues will both be lower during the first fiscal year than the agency originally projected. The agency now expects the facility to be serving its full capacity of 97 veterans by July 2002, rather than by December 2001 as planned. (General Fund-Federal, General Fund-Local)
5. **Homeless Veterans' Reintegration** - Federal funding is provided to extend the Homeless Veterans' Reintegration Grant. (General Fund-Federal)

## Home Care Quality Authority

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Maintenance Changes</b>	<b>152</b>	<b>0</b>	<b>152</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>152</b>	<b>0</b>	<b>152</b>
Fiscal Year 2002 Total	0	0	0
Fiscal Year 2003 Total	152	0	152

**Comments:**

Funding is provided for the establishment of the Home Care Quality Authority (HCQA), pursuant to the passage of Initiative 775 in November 2001. Solely for the purposes of collective bargaining, the HCQA acts as the public employer for home care workers, who provide services to the elderly and to people with disabilities. The HCQA is also responsible for establishing home care worker qualifications, developing referral services, and providing training opportunities and recruitment activities. The funding level assumes a start date of July 1, 2002, with a phasing in of costs to account for the recruitment of staff. This funding represents approximately 50 percent of the costs to operate the HCQA; an interagency agreement with the Department of Social and Health Services Aging and Adult Services Administration and the Division of Developmental Disabilities covers the other 50 percent with federal Medicaid matching funds.

## Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>132,249</b>	<b>498,912</b>	<b>631,161</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>2,325</b>	<b>2,325</b>
<b>Policy Changes</b>			
1. Maximize Use of Federal Funds	-1,111	788	-323
2. HIV Early Intervention Funding	-757	724	-33
3. Cost-Sharing for HIV Assistance	-484	0	-484
4. I-773 Tobacco Plan Enhancement	0	8,745	8,745
5. Childhood Vaccines Fund Shift	-11,641	11,641	0
6. Efficiencies & Savings	0	-574	-574
7. Administrative Reductions	-421	0	-421
8. Federal Bio-Terrorism Funding	0	18,121	18,121
9. Upgrade Hospital Reporting System	0	599	599
10. Certificate of Need Staff Increase	105	0	105
11. Disciplinary Tracking System	0	294	294
12. Recreation Therapy	0	56	56
13. Infant-Friendly Certification	-83	0	-83
14. Northwest Family Center	-174	0	-174
15. Vaccine Funding Savings	-3,680	-1,828	-5,508
16. Initiate Fees for Syphilis Testing	-80	80	0
17. Initiate Fees for Shellfish Testing	-702	702	0
18. Water Conservation and Reuse	-182	182	0
19. Group B Water Inventory Completion	-220	0	-220
20. Reduce Children's Hospital Contract	-182	0	-182
21. AIDSNETS Funding Reduction	-360	360	0
22. Regulate Adult Family Homes	0	-224	-224
23. SSB 6037 Veterinary Services	0	37	37
<b>Total Policy Changes</b>	<b>-19,972</b>	<b>39,703</b>	<b>19,731</b>
<b>2001-03 Revised Appropriations</b>	<b>112,277</b>	<b>540,940</b>	<b>653,217</b>
Fiscal Year 2002 Total	57,337	257,328	314,665
Fiscal Year 2003 Total	54,940	283,612	338,552

**Comments:**

1. **Maximize Use of Federal Funds** - Increased federal funding is substituted for state general funds in the following areas: 1) administrative costs in the Childhood Immunization Program; 2) technical assistance to hospitals in the Early Hearing Loss Detection, Diagnosis and Intervention Program; and 3) nutrition services and administration costs in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Additionally, substantial increases in state tobacco funding over the last three years enable the Department to reallocate a portion of the Preventive Health and Health Services Block Grant from tobacco prevention to support health promotion and education activities which were previously state-funded. (General Fund-State, General Fund-Federal)
2. **HIV Early Intervention Funding** - The Human Immunodeficiency Virus (HIV) Early Intervention Program uses state and federal funds to provide prescription drugs, limited medical and dental services, and insurance premium assistance for persons with HIV disease. Because of increased federal funding and drug manufacturer rebates, state general fund support for the program only needs to increase by \$327,000 in FY 2003, to \$2.65 million, rather than by \$970,000

as originally budgeted. (General Fund-State, General Fund-Federal, General Fund-Local)

3. **Cost-Sharing for HIV Assistance** - The HIV Early Intervention Program provides financial assistance with drug costs, insurance premiums, and medical, dental, and laboratory testing for persons with HIV disease. Due to the expense of drug therapies, and enrollment increases associated with increased longevity and earlier onset of therapy, expenditures on the program are growing about 17 percent annually. Enrollment in the program is open to any HIV-infected person with an income below 370 percent of poverty (\$31,000 for a single person) and less than \$10-15,000 in liquid assets.

The agency is directed to implement cost-control mechanisms sufficient to limit the increase in program expenditures to approximately 8 percent in FY 2003. Such mechanisms are to include, but are not limited to, a system under which recipients will be required to cover an increased portion of their cost of care, on a sliding-scale basis adjusted for income.

## Department of Health

4. **I-773 Tobacco Plan Enhancement** - Initiative 773 requires an appropriation of no less than \$26,240,000 each fiscal year starting with FY 2003 for implementation of the state tobacco prevention and control plan. This item brings the total appropriation to the required level. (Tobacco Prevention and Control Account)
5. **Childhood Vaccines Fund Shift** - The 2001-03 state funding for the Childhood Vaccine program is shifted from the state general fund to the Health Services Account. (General Fund-State, Health Services Account)
6. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
7. **Administrative Reductions** - Funding for a variety of administrative functions is reduced. The corneal eye bank will no longer be subject to regulation by both the state and federal governments. The Department of Health (DOH) will no longer review and approve applications by integrated health systems for immunity from federal anti-trust laws. The Department will reduce its capacity to conduct sunrise reviews of proposed insurance benefit mandates. Various administrative services within the Division of Community and Family Health will be reduced, and a position will be eliminated in the Policy, Legislative, and Constituent Relations Office. The Board of Health will reduce its number of formal meetings, staff time, and contracted research.
8. **Federal Bio-Terrorism Funding** - In consultation with the federal government, local public health departments, hospitals, medical professionals, and state and local public safety agencies, DOH will develop and begin implementation of a comprehensive plan for improving state and local response to public health emergencies and threats, including acts of bio-terrorism. Major components of the comprehensive plan will include: statewide and regional response to bio-terrorism incidents and infectious disease outbreaks; mass distribution of antibiotics, vaccines, and medical material from the National Pharmaceutical Stockpile; assessment of needed statutory and regulatory changes regarding medical professional credentialing and liability in the event of a public health emergency; development of a communications system which assures 24/7 sharing of critical health information among emergency departments, state and local health officials, and law enforcement personnel; and training for such personnel. (General Fund-Federal)
9. **Upgrade Hospital Reporting System** - A one-time fund balance in the Hospital Data Collection Account is to be used to modernize the Comprehensive Hospital Abstract Reporting System (CHARS) to a secure, Internet-based application. This is expected to improve data quality and timeliness, while at the same time reducing reporting costs for hospitals, and ongoing operating costs to the state by \$180-200,000 per year. Development of this system will enable the Legislature to reduce the current \$750,000 per year Health Services Account subsidy of CHARS next biennium by the projected operating costs savings. (Hospital Commission Account)
10. **Certificate of Need Staff Increase** - In order to reduce the backlog in the number of pending applications and exemption requests, an additional FTE is added to the Certificate of Need Program. DOH will increase fees for this function as needed to support the additional FTE. (General Fund-Local)
11. **Disciplinary Tracking System** - During the 1999-01 biennium, DOH received \$2.4 million to obtain a new licensing and disciplinary tracking system that would consolidate reporting for all health professions. It was determined that an "off-the-shelf" product that met the Department's business needs was not available. The spending authority for this project lapsed. This funding enables the Department to link and enhance the current separate disciplinary tracking systems. (Health Professions Account)
12. **Recreation Therapy** - Funding is provided to implement Chapter 216, Laws of 2002 (HB 2315 - Recreation Therapy). The legislation creates a registration program for recreational therapists. (Health Professions Account)
13. **Infant-Friendly Certification** - Chapter 88, Laws of 2001 (2SHB 1590), allows an employer to use the designation of "infant-friendly" on promotional materials should it develop workplace policies supportive of women who breastfeed their babies. Under the law, DOH is to develop and implement criteria, and review and certify businesses with policies that meet the criteria. Due to budget constraints, the certification function will not be performed.
14. **Northwest Family Center** - State grant support to the Northwest Family Center is discontinued. The center provides case management, prevention and risk reduction, outreach, and chemical dependency counseling for women and children with HIV disease. State grant support is less important now than when it began in 1990, because: 1) HIV transmission from mothers to infants has been dramatically reduced as a result of more effective treatments; 2) federal grant and Medicaid funding to the center has increased substantially in recent years without any corresponding reduction in state grant assistance; and 3) other obstetric and pediatric providers now have technological links to specialists in the field.
15. **Vaccine Funding Savings** - The state purchases medically-recommended childhood vaccines, so that they are available at no cost to families and medical providers. State expenditures for this function are less than originally projected because: 1)



## Department of Health

federal Vaccines for Children funding is available to cover a larger share of expenditures than originally budgeted; and 2) manufacturer shortages have delayed purchase of two vaccines, most notably the new "Prevnar" vaccine recently available on the market. (General Fund-State, Health Services Account)

16. **Initiate Fees for Syphilis Testing** - Current law requires the state public health laboratory to provide syphilis testing free of charge upon request. While intended to support public health and community health agencies, physicians and laboratories in the general medical community also use this service. SB 6584, which was not enacted, would have imposed an approximately \$25 fee to cover the cost of tests ordered by all other individuals and organizations. (General Fund-State, General Fund-Local)
17. **Initiate Fees for Shellfish Testing** - The state public health laboratory tests shellfish from public beaches and commercial growers for the presence of bacteria or biotoxins to ensure that contaminated shellfish are not consumed by the public. This item requires commercial shellfish growers to pay for testing related to their commercial product beginning July 1, 2002, at an average fee of approximately \$100 per test. SSB 6790, which was not enacted, would also have required that the fee for recreational shellfish licenses issued by the Department of Fish and Wildlife be increased by approximately \$2 effective April 1, 2002, so that lab testing and on-site inspection of recreationally-harvested shellfish would also be fee-supported rather than state-subsidized. (General Fund-State, General Fund-Local)
18. **Water Conservation and Reuse** - Funding for the water conservation and reuse program is transferred from the state general fund to the Salmon Recovery Account. State funding for this function will be considered for reduction or elimination in the 2003-05 biennium if a comprehensive water strategy is enacted that includes a significant municipal conservation and re-use component. (General Fund-State, Salmon Recovery Account)
19. **Group B Water Inventory Completion** - The 2001 Legislature appropriated funds which are being used to provide \$800,000 per calendar year (CY) to assist local health departments assure the safety of very small water systems. This item reduces the CY 2003 appropriation level for start-up and baseline inventory activities already completed in CY 2002. Sufficient funds remain to continue financial assistance grants at the \$800,000 per year level in CY 2003.
20. **Reduce Children's Hospital Contract** - State funding to Children's Hospital and Regional Medical Center (CHRMC) is reduced. The CHRMC develops assessment strategies, quality assurance processes, and family involvement strategies for children with special health care needs. It also informs and educates providers, policy makers, and others about children with special health care needs.
21. **AIDSNETS Funding Reduction** - The six regional Acquired Immune Deficiency Syndrome networks (AIDSNETs) receive state and federal funding: to provide outreach and prevention activities for people at high risk of contracting HIV disease; to conduct education and testing programs for the general public; and to coordinate care and case management for affected individuals. State funding for these functions is reduced by approximately 4.5 percent (or 2 percent, counting all state and federal funding available to the networks in CY 2001). Increased federal funding is expected to offset this reduction in state financial support. (General Fund-State, General Fund-Federal)
22. **Regulate Adult Family Homes** - Chapter 223, Laws of 2002 (HB 2444 - Regulation of Adult Family Home Providers) eliminates the requirement that owners and managers of adult family homes register with DOH. The Department of Social and Health Services will be solely responsible for inspecting adult family home facilities, and for assuring that staff meet statutory and regulatory standards. The fees which adult family home providers and managers paid to support the registration requirement are also eliminated. (Health Professions Account)
23. **SSB 6037 Veterinary Services** - Funds are provided for implementation of Chapter 157, Laws of 2002 (SSB 6037), which allows animal control agencies and humane societies to provide services such as veterinary sterilizations and vaccinations for certain low-income households. (Health Professions Account-State)

## Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,039,588</b>	<b>40,839</b>	<b>1,080,427</b>
<b>Total Maintenance Changes</b>	<b>41,103</b>	<b>-2,709</b>	<b>38,394</b>
<b>Policy Changes</b>			
1. Public Safety and Education Account	0	-348	-348
2. Drug Offender Sentencing	-100	0	-100
3. Elim Pre-Sentence Investigation	-2,173	0	-2,173
4. Education Contract Consolidation	-1,223	0	-1,223
5. Food Service Efficiencies	-464	0	-464
6. Eliminate Mental Health Contract	-330	0	-330
7. Efficiencies & Savings	-2,263	0	-2,263
8. Motor Vehicle Theft	53	0	53
9. Vendor Rate Change	-221	0	-221
10. Violence Reduction & Drug Enf Acct	0	-18	-18
11. Contracted Work Release Facilities	-1,358	0	-1,358
12. Governor Veto	-53	0	-53
<b>Total Policy Changes</b>	<b>-8,132</b>	<b>-366</b>	<b>-8,498</b>
<b>2001-03 Revised Appropriations</b>	<b>1,072,559</b>	<b>37,764</b>	<b>1,110,323</b>
Fiscal Year 2002 Total	528,472	20,013	548,485
Fiscal Year 2003 Total	544,087	17,751	561,838

**Comments:**

1. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
2. **Drug Offender Sentencing** - Savings are achieved through the implementation of Chapter 290, Laws of 2002 (2SHB 2338), which reduces sentences for the manufacture, delivery, or possession with intent to deliver heroin or cocaine from seriousness level VIII to seriousness level VII on the adult felony sentencing grid. Additionally, when calculating the effect of accompanying drug offense convictions, each prior conviction will count as one instead of three for the purposes of determining an offender's standard range sentence under the Sentencing Reform Act. Methamphetamine manufacturing offenses will not be eligible for these sentencing changes.
3. **Elim Pre-Sentence Investigation** - A portion of the funding for the Department to conduct pre-sentence investigations (PSI) is eliminated. Currently, the Department provides PSIs upon request of the courts for use in determining an offender's sentence. The Department will continue to conduct PSIs for sex offenders and dangerous mentally-ill offenders.
4. **Education Contract Consolidation** - The Department of Corrections (DOC) contracts with several community colleges for educational services in prison facilities. Savings are achieved as a result of the Department reducing administrative costs in the delivery of these educational services. The Department, in consultation with the State Board for Community and Technical Colleges, will develop a plan for achieving this level of savings with the least possible impact on current direct service levels.
5. **Food Service Efficiencies** - Savings are achieved as a result of the Department utilizing standardized meal plans and menus in their correctional facilities, thereby eliminating duplicative workload between facilities. These efficiencies will not directly affect services or compromise cultural or health requirements of incarcerated offenders.
6. **Eliminate Mental Health Contract** - DOC contracts with a third-party reviewer to conduct staff training, program evaluation, and periodic updates for the Department's mental health program. DOC will investigate existing services for efficiencies and eliminate the contract with the University of Washington. This change will not affect mental health services to offenders.
7. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
8. **Motor Vehicle Theft** - Funding is provided for the implementation of Chapter 324, Laws of 2002 (ESSB 6490),

## Department of Corrections

which increases the penalties for taking a motor vehicle without permission.

9. **Vendor Rate Change** - The Department's education, chemical dependency, and work release contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.
10. **Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
11. **Contracted Work Release Facilities** - Savings are achieved by DOC no longer having community corrections officers (CCOs) located at contracted work release facilities. It is assumed that the CCOs will be moved to direct supervision activities.
12. **Governor Veto** - The Governor vetoed Section 221(2)(i) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided funding for the implementation of Chapter 324, Laws of 2002 (ESSB 6490). Therefore, funding in the amount of \$53,000 lapses.

# Department of Corrections

## WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	<u>Estimated</u>	
									2002	2003
<b>Community Supervision <sup>(1)</sup></b>										
# Active (Non-Monetary) Offenders	24,987	26,458	28,700	28,961	31,173	30,973	30,278	31,323	35,473	37,214
% Change from prior year		5.9%	8.5%	0.9%	7.6%	-0.6%	-2.2%	3.5%	13.3%	4.9%
# of Monetary Only Offenders	19,726	21,291	22,284	22,997	23,115	22,979	26,458	27,364	28,146	28,674
% Change from prior year		7.9%	4.7%	3.2%	0.5%	-0.6%	15.1%	3.4%	2.9%	1.9%
<b>Work Release</b>										
Avg Daily Pop/Month	542	576	604	622	612	636	642	656	699	699
% Change from prior year		6.3%	4.9%	3.0%	-1.6%	3.9%	0.9%	2.2%	6.6%	0.0%
<b>Institutions</b>										
Avg Daily Pop/Month	9,949	10,421	11,177	11,968	12,694	13,629	13,910	14,386	14,585	14,731
% Change from prior year		4.7%	7.3%	7.1%	6.1%	7.4%	2.1%	3.4%	1.4%	1.0%
<b>Average Cost Per Inmate <sup>(2)</sup></b>										
Annual	22,903	23,610	23,394	22,906	22,986	22,849	23,775	24,685	25,600	25,962
% Change from prior year		3.1%	-0.9%	-2.1%	0.3%	-0.6%	4.1%	3.8%	3.7%	1.4%

(1) Data reflect end of year caseloads. With the enactment of the Offender Accountability Act (Chapter 196, Laws of 1999), and beginning in FY 2000, the Department may contract out for the supervision of monetary only offenders.

(2) Cost per offender includes institutions, pre-releases, and work-releases.

Data Source:

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

## Department of Services for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>3,321</b>	<b>13,013</b>	<b>16,334</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-81	0	-81
2. Transfer from DSHS Voc Rehab	0	1,503	1,503
<b>Total Policy Changes</b>	<b>-81</b>	<b>1,503</b>	<b>1,422</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>3,240</b>	<b>14,516</b>	<b>17,756</b>
Fiscal Year 2002 Total	1,652	7,152	8,804
Fiscal Year 2003 Total	1,588	7,364	8,952

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Transfer from DSHS Voc Rehab** - The Department of Social and Health Services (DSHS) Division of Vocational Rehabilitation (DVR) and the Department of Services for the Blind (DSB) have agreed to assign 14 percent of the annual federal vocational rehabilitation grant to DSB, rather than 12 percent as in the past. This results in an allocation between the two programs more consistent with national averages, and is expected to enable DSB to avoid the "order of selection" waiting lists under which DVR has operated since fall 2000. The DSB will be able to match the additional federal revenues without an increase in its state general fund appropriations because of an interagency agreement with the School for the Blind. (General Fund-State, General Fund-Federal)

### Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,793</b>	<b>0</b>	<b>1,793</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-25	0	-25
<b>Total Policy Changes</b>	<b>-25</b>	<b>0</b>	<b>-25</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,768</b>	<b>0</b>	<b>1,768</b>
Fiscal Year 2002 Total	936	0	936
Fiscal Year 2003 Total	832	0	832

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>426,339</b>	<b>426,339</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>10,964</b>	<b>10,964</b>
<b>Policy Changes</b>			
1. Unemployment Insurance Program	0	1,370	1,370
2. Redetermination for FML	0	156	156
3. Unemployment Insurance (EHB 2901)	0	1,600	1,600
4. Lapse	0	-156	-156
<b>Total Policy Changes</b>	<b>0</b>	<b>2,970</b>	<b>2,970</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>440,273</b>	<b>440,273</b>
Fiscal Year 2002 Total	0	222,903	222,903
Fiscal Year 2003 Total	0	217,370	217,370

**Comments:**

1. **Unemployment Insurance Program** - The Department receives federal funds for one-time unemployment insurance administrative expenses. These funds will be used to make technology improvements that will reduce the time intake agents are on the phone with a client. Space at the telecenters will be reconfigured to meet the increase in seasonal staff that are needed to respond to expected increases in unemployment insurance claims. The funds will also be used to increase the accuracy of the employer tax system. (Unemployment Compensation Administrative Account-Federal)
  
2. **Redetermination for FML** - Funding is provided for the administrative costs of implementing SHB 2355 (Unemployment Insurance), which allows for redetermination of unemployment insurance benefits for persons who took unpaid family and medical leave (FML). (Unemployment Compensation Administrative Account-Federal)
  
3. **Unemployment Insurance (EHB 2901)** - Funding is provided for implementation of Chapter 149, Laws of 2002, Partial Veto (EHB 2901 - Unemployment Insurance). (Administrative Contingency Account-State)
  
4. **Lapse** - SHB 2355 did not pass the Legislature. The funding provided lapses.





# NATURAL RESOURCES

The 2002 supplemental budget for the natural resources agencies reduces funding from the 2001-03 biennium budget by \$39.8 million from the general fund and \$21.2 million total funds. The general fund reductions include \$21.5 million in shifts of ongoing activities to other accounts, primarily the Water Quality Account, State Toxics Control Account, and the Wildlife Account. In addition, the budget includes general fund reductions totaling \$4.5 million for the Departments of Ecology and Fish and Wildlife, with the assumption that these activities would be considered for funding by the Salmon Recovery Funding Board. The budget also makes reductions in dedicated accounts, primarily the Department of Natural Resources trust management funds, totaling \$10.7 million to reflect decreased revenues to these accounts.

## **Department of Ecology**

The operating budget provides \$700,000 each from the general fund and the Water Quality Account to the Department of Ecology for a dedicated rescue tug stationed at Neah Bay for at least 200 days during fiscal year 2003.

The budget provides \$176,000 from the general fund to the Office of the Attorney General and the Department of Ecology for a series of studies to continue the progress on the water strategy. In addition, the budget provides \$100,000 from the general fund to the Department to continue facilitation of the strategy.

The budget shifts watershed planning grant funding through the Department of Ecology from the general fund to the Water Quality Account. Within the appropriation, Ecology will provide technical assistance, local planning units will address water quality, quantity, and habitat issues and a grant will be made for facilitation of the Puget Sound regional initiative. The Water Quality Account will assume \$8 million of the \$11.9 million program – resulting in a \$2.9 million reduction in grants and staffing. The budget assumes that the Department will apply to the Salmon Recovery Funding Board to fund in-stream flow components of watershed plans.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings – resulting in \$5 million in general fund savings. These steps include identifying efficiencies in business, human resources, and information technology support activities. Reductions include: limiting the Neah Bay rescue tug to 200 days in fiscal year 2002; reducing the auto emission program to reflect a small population of vehicles subject to testing; and reducing technical assistance under the state environmental policy act and in shoreline planning.

## **State Parks and Recreation Commission**

The budget reduces the general fund appropriation by \$1.5 million for state park operations and assumes that some state parks may be closed. Based on an assessment of state park facility attributes, the State Parks and Recreation Commission may temporarily close some state parks. In addition, the Commission will assess whether to continue to operate parks owned by others, such as public utility districts, counties, and federal agencies. If the owners are unable to pay State Parks' operating costs, the facilities will be returned to the owners.

The budget assumes that the Commission will take a variety of actions to reduce operating costs and achieve administrative savings totaling \$500,000. In addition, a 2001 enhancement for parks maintenance is reduced by \$500,000.

## **Conservation Commission**

The budget provides \$600,000 from the Water Quality Account to the Conservation Commission for engineering grants to conservation districts for project design and approval of dairy waste management systems, irrigation systems, salmon recovery projects, and other natural resource protection activities that benefit salmon.

**Department of Fish and Wildlife**

The budget provides \$400,000 from the general fund to the Department of Fish and Wildlife to match federal funding to continue the commercial fishing license buy-back program under the terms of the Pacific Salmon Treaty.

The budget reduces the general fund appropriation by \$273,000 and assumes that the McAllister Creek fish hatchery will be closed.

The budget makes shifts totaling \$7 million. The Salmon Recovery Funding Board will consider funding grants to lead entities that recommend projects to the board and smolt production monitoring. The development of a forest roads management plan, Pacific coastal license buy-back, and the Lower Skykomish habitat conservation plan are shifted to the Salmon Recovery Account.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings by \$2.4 million general fund. An additional \$3.9 million in general fund savings are made through the following program reductions: one position is eliminated and vacancies are maintained in the enforcement program; various construction crews are consolidated; watershed technical assistance is reduced and the Salmonid Screening, Habitat Enhancement, and Restoration and screen functions are reduced.

**Department of Natural Resources**

The budget provides \$1.8 million from the State Toxics Control Account to partially resolve the Department of Natural Resources (DNR) Superfund liability for cleanup of contamination in the Thea Foss waterway in Tacoma.

During the summer of 2001, there were a series of wildfires that significantly affected state and local fire fighting agencies. An additional \$33 million is provided for costs associated with the 2001 fire season and replenishing the fire contingency pool for future fires. This funding, combined with the \$3 million provided in the original 2001-03 budget, will fund the following costs: \$24.2 million for DNR and other natural resource agencies costs in fire suppression activities; \$7.8 million for fire mobilizations coordinated by the Military Department; and \$4 million as a contingency for fire mobilization and suppression activities in the future. In addition, the supplemental budget continues to fund \$15.2 million General Fund-State for fire suppression in DNR.

The budget provides \$400,000 from the general fund and \$800,000 from other fund sources to the Department for correction camp supervisors.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings of \$2.6 million from the general fund. In addition, funding in the forest practices program is reduced for development of the small forest landowners database, postponement of the "reasonable use rule," and postponement of the program's wetlands database. Funding is reduced for recreation lands management, including management of natural areas, public use enforcement, and urban-interface campgrounds.

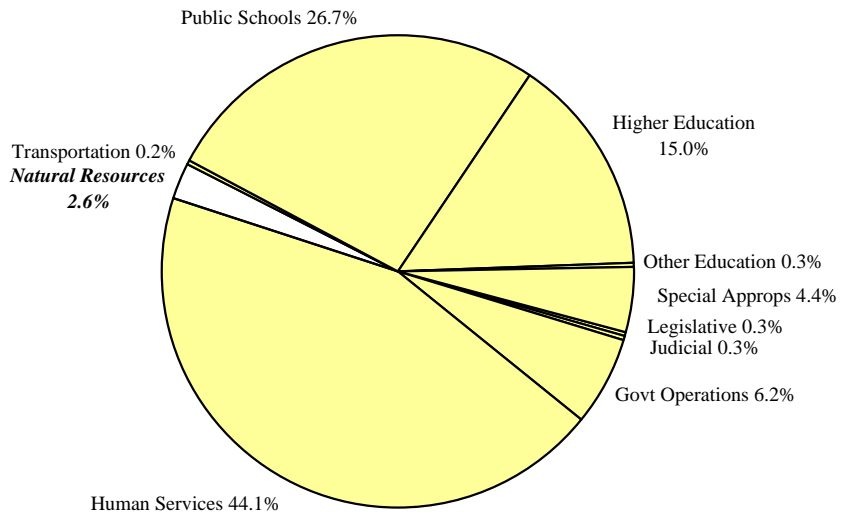
**Department of Agriculture**

A \$700,000 general enhancement in the 2001-03 biennial budget for market development in the Department of Agriculture is replaced by federal funds. In October 2001, the state received federal funding of \$10.1 million to promote agriculture and specialty crops.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

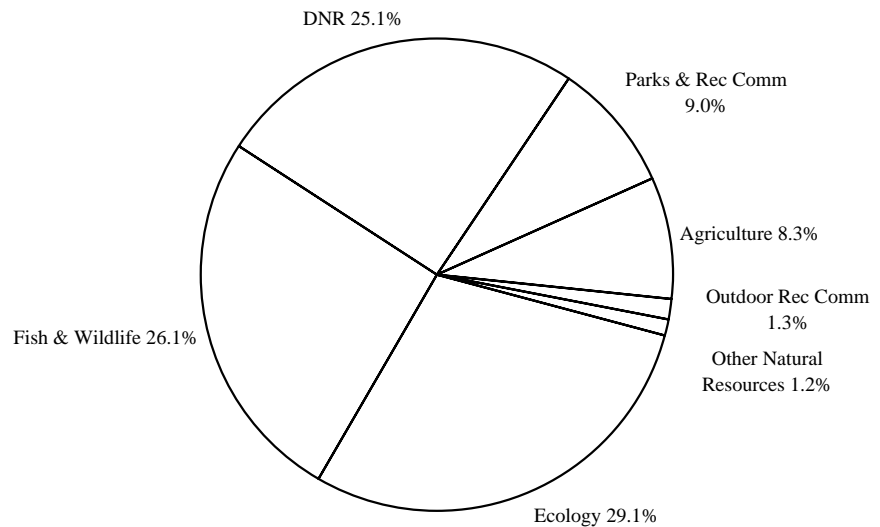
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
<b>Natural Resources</b>	<b>1,102,464</b>
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Dept of Ecology	320,271
Dept of Fish & Wildlife	287,586
Dept of Natural Resources	276,766
Parks & Recreation Comm	99,285
Dept of Agriculture	91,172
Outdoor Recreation	14,270
Other Natural Resources	13,114
<b>Natural Resources</b>	<b>1,102,464</b>

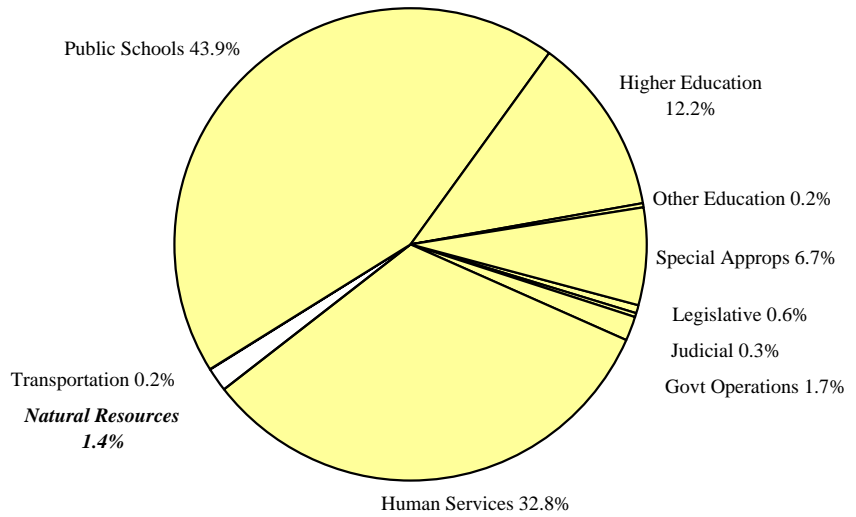


### Natural Resources

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

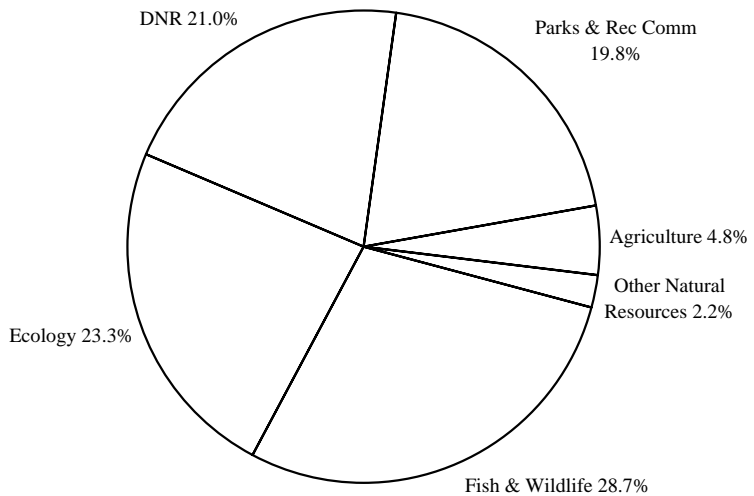
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
<b><i>Natural Resources</i></b>	<b><i>315,637</i></b>
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Dept of Fish & Wildlife	90,709
Dept of Ecology	73,687
Dept of Natural Resources	66,414
Parks & Recreation Comm	62,538
Dept of Agriculture	15,249
Other Natural Resources	7,040
<b><i>Natural Resources</i></b>	<b><i>315,637</i></b>



### *Natural Resources*

### Columbia River Gorge Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>789</b>	<b>749</b>	<b>1,538</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-12	0	-12
<b>Total Policy Changes</b>	<b>-12</b>	<b>0</b>	<b>-12</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>777</b>	<b>749</b>	<b>1,526</b>
Fiscal Year 2002 Total	398	378	776
Fiscal Year 2003 Total	379	371	750

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>91,114</b>	<b>235,222</b>	<b>326,336</b>
<b>Policy Changes</b>			
1. U.S. v. Washington (Culverts)	16	28	44
2. Agricultural Burning Costs	0	300	300
3. Administrative Reduction	-1,400	0	-1,400
4. Drought Response Reduction	0	-3,000	-3,000
5. Stream Gauging Fund Shift	-500	500	0
6. Reduce Auto Emission Program	-711	0	-711
7. Aquatic Pesticides Shift to Fees	-359	359	0
8. Limit Rescue Tug to 200 Days	-348	0	-348
9. Ground Water Data System	0	125	125
10. Water Quality Certifications	-600	600	0
11. Shorelines Management	-180	0	-180
12. Loan Tracking System	0	555	555
13. Neah Bay Rescue Tug	700	700	1,400
14. Watershed Grants & Assistance	-11,900	9,000	-2,900
15. Salmon Recovery Office	-82	0	-82
16. Forest Management	-200	0	-200
17. Hanford Liaison	-108	108	0
18. Contaminated Sediments	-362	362	0
19. Salmon Recovery Monitoring	-182	0	-182
20. Stormwater Phase 2	-600	600	0
21. SEPA Technical Assistance	-150	0	-150
22. Willapa River TMDL	0	200	200
23. Permit Assistance Center	-580	0	-580
24. Wetlands Technical Assistance	-70	0	-70
25. Local Litter Clean-Up Assistance	0	750	750
26. Septic Management Strategy	0	175	175
27. Water Strategy 2002 Legislation	189	0	189
<b>Total Policy Changes</b>	<b>-17,427</b>	<b>11,362</b>	<b>-6,065</b>
<b>2001-03 Revised Appropriations</b>	<b>73,687</b>	<b>246,584</b>	<b>320,271</b>
Fiscal Year 2002 Total	39,404	122,995	162,399
Fiscal Year 2003 Total	34,283	123,589	157,872

**Comments:**

- |   |  |
|---|--|
| <p>1. <b>U.S. v. Washington (Culverts)</b> - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation. (General Fund-State, Water Quality Permit Account, Water Quality Account)</p> <p>2. <b>Agricultural Burning Costs</b> - Funding is provided for the Department of Ecology (DOE) to comply with the direction of the court regarding the public health impacts associated with cereal grain burning. DOE will complete a health assessment to better quantify human health impacts, improve ambient monitoring and smoke management, and carry out other tasks outlined in a recent settlement agreement. Existing fund balance will support these one-time activities. (Air Pollution Control Account)</p> <p>3. <b>Administrative Reduction</b> - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of</p> | <p>Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>4. <b>Drought Response Reduction</b> - The unexpended balance from the State Drought Preparedness Account is transferred back into the state general fund. (State Drought Preparedness Account)</p> <p>5. <b>Stream Gauging Fund Shift</b> - The enhanced streamflow monitoring activities funded in the biennial budget are shifted from the state general fund to the State Drought Preparedness Account and the Salmon Recovery Account. (General Fund-State, State Drought Preparedness Account, Salmon Recovery Account)</p> |
|---|--|

## Department of Ecology

6. **Reduce Auto Emission Program** - The emission testing program is downsized to fit the revenue from a statutorily-reduced population of vehicles being tested.
7. **Aquatic Pesticides Shift to Fees** - State general fund activities related to aquatic pesticides permitting are shifted to the Water Quality Permit Account. Adequate fund balance and revenue is projected in this account to allow for this permanent transfer. (General Fund-State, Water Quality Permit Account)
8. **Limit Rescue Tug to 200 Days** - The contract for the Neah Bay rescue tug is reduced from 222 to 200 days during FY 2002. This reduction conforms with the 2001-03 omnibus budget proviso regarding the rescue tug. Funding for "other safety tug services" for emergency (preventive) tug contracting in Puget Sound is eliminated.
9. **Ground Water Data System** - Funding is provided to upgrade the DOE data system used to track and manage well drilling information. This system will be updated to provide data on water wells (location, driller licensing, unique well number, size, etc.) via the Internet. Updating and modernizing the Well Drilling Information System will assist local watershed planning units, local government, and DOE in managing water resources. (Reclamation Account)
10. **Water Quality Certifications** - Funding for water quality certifications is shifted from the state general fund to the Water Quality Account. (General Fund State, Water Quality Account)
11. **Shorelines Management** - Funding for DOE's shoreline planning and technical assistance is reduced. Two FTEs from a staff of 14 are eliminated.
12. **Loan Tracking System** - Funding is provided to develop and implement an automated loan tracking system. The system will track current and future loan portfolio and support long-term loan account administration, revenue tracking and forecasting, and loan activity reporting and analysis. (Water Pollution Control Revolving Account)
13. **Neah Bay Rescue Tug** - Funding is provided for a dedicated rescue tug stationed at Neah Bay. The existing contract for the rescue tug will be extended to provide tug services to respond to vessel emergencies. (General Fund-State, Water Quality Account)
14. **Watershed Grants & Assistance** - DOE's watershed planning grant funding is shifted from the state general fund to the Water Quality Account. Watershed planning grants are provided to local planning units to address water quantity, water quality, and habitat issues, and DOE will provide technical assistance. The Department may apply to the Salmon Recovery Funding Board for resources to fund instream flow components of watershed plans for watersheds where flows are a limiting factor for salmon. (General Fund-State, Water Quality Account)
15. **Salmon Recovery Office** - Funding is eliminated for a DOE position in the Governor's Salmon Recovery Office.
16. **Forest Management** - Staffing is reduced for work on a Memorandum of Agreement with the Forest Service to improve water quality on federal forest lands.
17. **Hanford Liaison** - Funding is shifted from the state general fund to the State Toxics Control Account for a Congressional liaison position. (General Fund-State, State Toxics Control Account)
18. **Contaminated Sediments** - Funding is shifted from the state general fund to the State Toxics Control Account for contaminated sediment clean-up. (General Fund-State, State Toxics Control Account)
19. **Salmon Recovery Monitoring** - Funding for monitoring activities associated with salmon recovery is eliminated. The budget assumes the Department will apply to the Salmon Recovery Funding Board to fund these activities.
20. **Stormwater Phase 2** - Funding is shifted from the state general fund to the State Toxics Control Account for activities associated with implementation of Stormwater Phase II rules. (General Fund-State, State Toxics Control Account)
21. **SEPA Technical Assistance** - Funding for DOE's State Environmental Policy Act (SEPA) document management, technical assistance, and streamlining is reduced. One FTE from a staff of nine working on SEPA is eliminated.
22. **Willapa River TMDL** - Funding is provided for DOE to contract with Pacific County for development of the Willapa River total maximum daily load. (Water Quality Account)
23. **Permit Assistance Center** - The Permit Assistance Center is transferred to the Office of Financial Management within the Governor's Office under Chapter 153, Laws of 2002, Partial Veto (E2SHB 2671).
24. **Wetlands Technical Assistance** - Funding and staff are reduced for the wetlands program at the Department affecting the amount of staff time available for technical assistance.
25. **Local Litter Clean-Up Assistance** - Funding is provided for an interagency agreement with the Department of Natural Resources (\$500,000) and counties (\$250,000) to utilize corrections crews to increase litter pickup activities. (Waste Reduction, Recycling and Litter Control Account)
26. **Septic Management Strategy** - A one-time fund balance is provided for DOE to create a stakeholder advisory committee to develop a statewide septic strategy. The strategy will address septic permit requirements, changes to existing rules, clarification of state and local responsibilities, technical assistance needs, and fee structure changes that are necessary to support the program in future biennia. (Biosolids Permit Account)
27. **Water Strategy 2002 Legislation** - Funding is provided for a series of studies to continue the policy discussions on water strategy. The study topics include: federal and Indian reserved

## Department of Ecology

water rights, alternatives for resolving water disputes, streamlining the water right general adjudication process, conducting negotiations with other states and Canada, and improving the administration of water right records. Funding is also provided for facilitation of water law reform.



## State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>65,164</b>	<b>35,475</b>	<b>100,639</b>
<b>Policy Changes</b>			
1. San Juan Island Parks	157	68	225
2. Reservation System Savings	-105	0	-105
3. U.S. v. Washington (Culverts)	22	0	22
4. Parks Maintenance	-500	0	-500
5. Forest Road Inventory	-200	200	0
6. Increased Revenue Options	0	500	500
7. Sno-Park Compliance	0	-1	-1
8. Better Financial Information	0	115	115
9. Computer Compatibility	0	90	90
10. Efficiencies & Savings	-500	0	-500
11. Temporary Park Closure	-1,500	0	-1,500
12. Non-Motorized Winter Recreation	0	300	300
<b>Total Policy Changes</b>	<b>-2,626</b>	<b>1,272</b>	<b>-1,354</b>
<b>2001-03 Revised Appropriations</b>	<b>62,538</b>	<b>36,747</b>	<b>99,285</b>
Fiscal Year 2002 Total	32,198	17,207	49,405
Fiscal Year 2003 Total	30,340	19,540	49,880

**Comments:**

- |  |  |
|--|--|
| <p>1. <b>San Juan Island Parks</b> - Funding is provided for the Commission to assume ownership and management of sites closed by the Department of Natural Resources (DNR) in the San Juan Islands (Griffin Bay, Upright Channel, Obstruction Pass, and Pt. Doughty). State Parks will also resume management of three State Parks facilities (Blind Island, James Island, and Doe Island) previously managed by DNR. (General Fund-State, Parks Renewal and Stewardship Account)</p> <p>2. <b>Reservation System Savings</b> - On October 1, 2001, the State Parks' on-line reservation system was switched from the Oregon Parks and Recreation Department to Camis, a Canadian call center provider. Cost savings have been realized due to this successful negotiation.</p> <p>3. <b>U.S. v. Washington (Culverts)</b> - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation.</p> <p>4. <b>Parks Maintenance</b> - During the 2001 legislative session, State Parks received \$4 million in funding to address a deferred maintenance backlog. Ongoing funding is reduced to \$1.5 million per year.</p> <p>5. <b>Forest Road Inventory</b> - The State Parks forest road inventory project is shifted from the state general fund to the Salmon Recovery Account. This project is currently evaluating, surveying, and mapping all forest roads on state park lands to determine future actions needed to protect salmon and water quality. (General Fund-State, Salmon Recovery Account)</p> <p>6. <b>Increased Revenue Options</b> - Additional spending authority is provided to support increased enterprise and revenue</p> | <p>generating opportunities implemented by the Commission. (Parks Renewal and Stewardship Account)</p> <p>7. <b>Sno-Park Compliance</b> - Due to a revenue shortfall in the Public Safety and Education Account, a 2.0 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)</p> <p>8. <b>Better Financial Information</b> - Funding is provided to develop information to strengthen management decisions by capturing financial data across numerous cost centers. (Parks Renewal and Stewardship Account)</p> <p>9. <b>Computer Compatibility</b> - Funding is provided for State Parks to contract with the Department of Information Services (DIS) to upgrade its current computer systems and manage future computer needs. (Parks Renewal and Stewardship Account)</p> <p>10. <b>Efficiencies &amp; Savings</b> - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>11. <b>Temporary Park Closure</b> - Based on an assessment of state parks facility attributes, the Commission may close parks to achieve cost savings. In addition, State Parks will assess</p> |
|--|--|

## State Parks and Recreation Commission

whether to continue operating facilities owned by others, such as Public Utility Districts, counties, the U.S. Army Corps of Engineers, and the Bureau of Reclamation. If the owners are unable to pay for State Parks' operating costs, operation of the parks will be returned to the owners.

12. **Non-Motorized Winter Recreation** - A good snow season in 2001-02 has increased revenue to the Winter Recreation Account and allows more non-motorized Sno-Park grooming and clearing of snow from parking lots. (Winter Recreation Account)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The State Parks & Recreation Commission received an appropriation of \$1,582,000 in the original 2001-03 transportation budget.

## Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>788</b>	<b>13,447</b>	<b>14,235</b>
<b>Policy Changes</b>			
1. Statewide Monitoring Strategy	-500	500	0
2. Biodiversity Conservation Strategy	35	0	35
<b>Total Policy Changes</b>	<b>-465</b>	<b>500</b>	<b>35</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>323</b>	<b>13,947</b>	<b>14,270</b>
Fiscal Year 2002 Total	143	6,987	7,130
Fiscal Year 2003 Total	180	6,960	7,140

**Comments:**

1. **Statewide Monitoring Strategy** - Funding for the state general fund portion of the statewide monitoring strategy is shifted to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)
  
2. **Biodiversity Conservation Strategy** - Funding is provided to convene and facilitate a biodiversity conservation committee to develop recommendations for a state biodiversity program.

## Environmental Hearings Office

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,693</b>	<b>0</b>	<b>1,693</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-25	0	-25
<b>Total Policy Changes</b>	<b>-25</b>	<b>0</b>	<b>-25</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,668</b>	<b>0</b>	<b>1,668</b>
Fiscal Year 2002 Total	846	0	846
Fiscal Year 2003 Total	822	0	822

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

## State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>4,403</b>	<b>3,739</b>	<b>8,142</b>
<b>Policy Changes</b>			
1. CREP Technical Assistance	-100	0	-100
2. Efficiencies & Savings	-31	-40	-71
3. Engineering Grants	0	600	600
4. Limiting Factors Analysis	0	-801	-801
<b>Total Policy Changes</b>	<b>-131</b>	<b>-241</b>	<b>-372</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>4,272</b>	<b>3,498</b>	<b>7,770</b>
Fiscal Year 2002 Total	2,141	1,995	4,136
Fiscal Year 2003 Total	2,131	1,503	3,634

**Comments:**

1. **CREP Technical Assistance** - Technical assistance grants to Conservation Districts will be reduced by an average of \$1,600 dollars per district qualified to receive Conservation Reserve Enhancement Program (CREP) technical assistance grants.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Engineering Grants** - Funding is provided for engineering grants to conservation districts for project design and approval of dairy waste management systems, irrigation systems, salmon recovery projects, and other natural resource protection activities that benefit salmon. (Water Quality Account)
4. **Limiting Factors Analysis** - Funding for Limiting Factors Analysis for FY 2003 is eliminated. The Conservation Commission may apply to the Salmon Recovery Funding Board to fund this activity for FY 2003. (Water Quality Account)

## Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>102,362</b>	<b>194,275</b>	<b>296,637</b>
<b>Total Maintenance Changes</b>	<b>72</b>	<b>60</b>	<b>132</b>
<b>Policy Changes</b>			
1. Administrative Program Savings	-1,444	482	-962
2. Enforcement Reductions and Savings	-822	0	-822
3. Hatchery and Production Elimination	-273	0	-273
4. Resource Program Reductions	-512	0	-512
5. Public Safety and Education Account	0	-12	-12
6. Salmon Recovery Reallocation	-1,612	1,612	0
7. Puget Sound Action Plan Reductions	-493	0	-493
8. Resource Program Fund Shifts	-1,064	1,064	0
9. U.S. v. Washington (Culverts)	111	0	111
10. Enforcement Staff Settlement	0	400	400
11. Efficiencies & Savings	-550	0	-550
12. Critical Wildlife Disease Testing	0	180	180
13. Lake Whatcom Kokanee	0	200	200
14. Emergency Fire Costs	0	148	148
15. Regional Fisheries Enhancement	0	429	429
16. Governor's Salmon Team	-173	0	-173
17. Pacific Salmon Treaty State Match	400	0	400
18. Regional Salmon Recovery Planning	0	-1,000	-1,000
19. SSHEAR Construction	-300	0	-300
20. Priority Habitat and Species	-80	0	-80
21. Coordinate Salmon Recovery Grants	-3,250	0	-3,250
22. Salmon Recovery Monitoring	-1,100	0	-1,100
23. Construction Crew Consolidation	-500	0	-500
24. Watershed Technical Assistance	-200	0	-200
25. HPA Advisory Group	62	0	62
26. JLARC Fish Program Review	75	0	75
27. ALEA Adjustment to Revenue	0	-961	-961
<b>Total Policy Changes</b>	<b>-11,725</b>	<b>2,542</b>	<b>-9,183</b>
<b>2001-03 Revised Appropriations</b>	<b>90,709</b>	<b>196,877</b>	<b>287,586</b>
Fiscal Year 2002 Total	46,375	96,077	142,452
Fiscal Year 2003 Total	44,334	100,800	145,134

**Comments:**

1. **Administrative Program Savings** - Funding is reduced for administrative programs to achieve state general fund savings. The Legislative and External Affairs Program as well as positions in the Intergovernmental Policy Unit will be restructured. Funding for habitat and recreational lands leased from the Department of Natural Resources are shifted to the State Wildlife Account. The Department will eliminate the third of three mailings that encourages anglers to return catch record cards. Closer management of Attorney General time and expenses will be utilized to achieve savings. One-time savings are accrued from holding vacancies for two customer service positions in regional offices. (General Fund-State, General Fund-Federal, Wildlife Account-State)
2. **Enforcement Reductions and Savings** - One permanent position will be eliminated. Current and anticipated vacancies within the Department's Enforcement Program will remain unfilled until the start of the 2003-05 biennium.
3. **Hatchery and Production Elimination** - Funding for the hatchery program is reduced and the McAllister Creek hatchery will be closed. Savings to the Puget Sound Recreational Enhancement Account as a result of closing McAllister Creek hatchery must be used to increase production for recreational fishers elsewhere in Puget Sound under the Puget Sound Recreational Enhancement Program.
4. **Resource Program Reductions** - Half of an FTE position that provides public information will be eliminated. Departmental property management will be reduced on agency lands. Pilot projects relating to fish screen, fishway, and fish passage barrier assessments for landowners seeking Endangered Species Act (ESA) cooperative compliance agreements will be reduced from four to three. One-half FTE position relating to shellfish policy coordination, development and policy analysis and one-half FTE position relating to shellfish and salmon fishery

## Department of Fish and Wildlife

management will be eliminated. A support position related to steelhead data management will be reduced.

5. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2.0 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
6. **Salmon Recovery Reallocation** - Funding for one-time activities supporting salmon recovery will be shifted from the state general fund to the Salmon Recovery Account. Activities include Forest Roads Management Plans, Pacific Salmon Coastal License Buyback, and the Lower Skykomish Habitat Conservation Plan. (General Fund-State, Salmon Recovery Account)
7. **Puget Sound Action Plan Reductions** - Data collection, contaminant monitoring, and technical assistance activities for the Puget Sound Water Quality Action Plan are reduced or eliminated to achieve state general fund savings. Annual contaminant monitoring of marine fish will be replaced by biennial monitoring.
8. **Resource Program Fund Shifts** - Funding for Dusky Goose hunting is shifted from the state general fund to federal funding to maintain current opportunities and the number of hunting days. Resident native non-game fish management and stock assessment activities are shifted to a federal funding source for one year. The substitution of funding sources will affect data entry of native non-game species. ESA take permits for activities related to federal hatcheries, fisheries, and research activities are shifted from the state general fund to federal funding sources available for one year. Partial Habitat program funding as well as a resident game fish manager is shifted from the state general fund to the State Wildlife Account. (General Fund-Federal, Wildlife Account-State)
9. **U.S. v. Washington (Culverts)** - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation.
10. **Enforcement Staff Settlement** - Funding is provided to fully compensate eligible union members for overtime back pay. During the 1997-99 biennium, the Department eliminated overtime compensation for the Enforcement Program as part of the response to the agency's fiscal situation. The Sergeant's Union filed and won their grievance with the Department and was awarded overtime back pay. (Wildlife Account-State)
11. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
12. **Critical Wildlife Disease Testing** - Chronic Wasting Disease (CWD) has been documented in free-ranging deer and elk in several states and provinces although no cases have been confirmed in Washington. Nearly one-third of a local trumpeter swan population in Whatcom County was killed by an unknown source of lead shot poisoning. In order to stop the continued demise of trumpeter swans and to determine the status of CWD in Washington State, funding is provided for the Department to conduct a study and implement steps to control and clean up affected areas and diseased animals. (Wildlife Account-State)
13. **Lake Whatcom Kokanee** - The Department and tribes have begun implementing a plan to restore anadromous fish passage above a barrier in the middle fork of the Nooksack River. Once passage is achieved, the water supply to Lake Whatcom will be contaminated with fish pathogens and thus prevent transfer of the current disease-free Kokanee eggs to other watersheds in the state. (Kokanee are the land-locked form of sockeye salmon.) Funding is provided for the Department to investigate the feasibility of, and to initiate actions for, establishing a viable Kokanee brood program at an alternative location. (Wildlife Account-State)
14. **Emergency Fire Costs** - Funding is provided to pay for fire suppression costs during the 2001 fire season. Special Appropriations to the Governor provides \$60,000 to the Department for fire suppression costs. (Wildlife Account-State)
15. **Regional Fisheries Enhancement** - The Puget Sound Recreational Enhancement Program and the Regional Fishery Enhancement Program provide financial assistance to regional and recreational fisheries enhancement groups to participate in enhancing the state's salmon population including salmon research, increased natural and artificial production, and habitat improvement. Additional funding will allow these groups to complete additional enhancement and habitat restoration projects. (Regional Fisheries Enhancement Group Account-Non-Appropriated, Recreational Fisheries Enhancement Account)
16. **Governor's Salmon Team** - Funding is eliminated for two Fish and Wildlife positions in the Governor's Salmon Recovery Office.
17. **Pacific Salmon Treaty State Match** - Funding is provided as a state match to federal funding to implement the Pacific Salmon Treaty. Funds will be used to continue the commercial license buyback program.
18. **Regional Salmon Recovery Planning** - Funding for regional salmon recovery planning grants is shifted from the Omnibus Operating budget to the Capital Budget. (Water Quality Account)
19. **SSHEAR Construction** - Funding is reduced for Salmonid Screening, Habitat Enhancement, and Restoration (SSHEAR)

## Department of Fish and Wildlife

construction projects to limit competition between Department construction crews and private contractors performing projects on non-Department lands.

20. **Priority Habitat and Species** - Funding is reduced for the Priority Habitats and Species System, delaying the development and dissemination of information.
21. **Coordinate Salmon Recovery Grants** - Funding for grants to lead entities established under chapter 77.85 RCW is eliminated. Funding for lead entities will be considered by the Salmon Recovery Funding Board.
22. **Salmon Recovery Monitoring** - Funding for salmon smolt production monitoring is eliminated. The Department may apply to the Salmon Recovery Funding Board for funding this activity.
23. **Construction Crew Consolidation** - Savings are realized from the consolidation of habitat engineering and construction crews, hatcheries maintenance crews, and the business services construction crew.
24. **Watershed Technical Assistance** - Funding is reduced for technical assistance for lead entities, Regional Fisheries Enhancement Groups, and local watershed efforts working on salmon recovery activities.
25. **HPA Advisory Group** - Funding is provided for the Department to assist the hydraulic project approval (HPA) permit program technical advisory group.
26. **JLARC Fish Program Review** - Funding is provided for the Joint Legislative Audit and Review Committee (JLARC) to conduct a review of the fish management division of the Fish Program.
27. **ALEA Adjustment to Revenue** - Because of declining revenue, expenditures from the Aquatic Lands Enhancement Account (ALEA) will be reduced. Reductions will be made to fish management programs and cooperative volunteer grants and technical assistance. (ALEA-State)



## Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>72,975</b>	<b>210,241</b>	<b>283,216</b>
<b>Policy Changes</b>			
1. Thea Foss Waterway Settlement	0	1,865	1,865
2. Natural Resource Conservation Areas	-175	175	0
3. Agricultural College Trust Lands	-541	0	-541
4. U.S. v. Washington (Culverts)	0	310	310
5. Surface Mining Reclamation	0	-133	-133
6. Efficiencies & Savings	-1,200	0	-1,200
7. GIS Statewide Radio System	22	44	66
8. Regulatory Technical Assistance	-138	0	-138
9. Forest Practices	-900	0	-900
10. Fire Suppression Transfer	-3,504	0	-3,504
11. Derelict Vessel Removal	0	89	89
12. Recreational Lands Management	-525	0	-525
13. Fire Suppression	0	7,496	7,496
14. Correctional Camps Funding	400	800	1,200
15. Trust Land Management	0	-10,000	-10,000
16. Aquatic Lands Enhancement Account	0	-535	-535
<b>Total Policy Changes</b>	<b>-6,561</b>	<b>111</b>	<b>-6,450</b>
<b>2001-03 Revised Appropriations</b>	<b>66,414</b>	<b>210,352</b>	<b>276,766</b>
Fiscal Year 2002 Total	35,949	107,203	143,152
Fiscal Year 2003 Total	30,465	103,149	133,614

**Comments:**

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|---|---|
| <p>1. <b>Thea Foss Waterway Settlement</b> - Funding is provided to partially resolve the Department of Natural Resources' (DNR's) Superfund liability for cleanup of contamination in the Thea Foss Waterway. (State Toxics Control Account)</p> <p>2. <b>Natural Resource Conservation Areas</b> - Natural area program costs are temporarily shifted to the Natural Resources Conservation Areas Stewardship Account. Funding will continue educational programs and maintenance activities for natural resource conservation areas. (General Fund-State, Natural Resources Conservation Areas Stewardship Account)</p> <p>3. <b>Agricultural College Trust Lands</b> - Funding from the state general fund for management of Agricultural College trust lands is reduced, and the existing fund balance remaining in the Agricultural Trust Land Management Account will be used to manage these lands.</p> <p>4. <b>U.S. v. Washington (Culverts)</b> - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation. (Forest Development Account, Resource Management Cost Account)</p> <p>5. <b>Surface Mining Reclamation</b> - Funding is reduced to bring appropriation authority in line with revenue from surface mining permits. DNR will reduce surface mining compliance activities. (Surface Mine Reclamation Account)</p> <p>6. <b>Efficiencies &amp; Savings</b> - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration</p> | <p>to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>7. <b>GIS Statewide Radio System</b> - Funding is provided for development of a geographic information system (GIS) database of existing communication systems and networks to make decisions regarding the coordination of communication systems statewide. (General Fund-State, Resource Management Cost Account, Forest Development Account)</p> <p>8. <b>Regulatory Technical Assistance</b> - A funding reduction postpones development of the small forest landowner database. Funding is retained for the acquisition of riparian easements and the development of alternative plans.</p> <p>9. <b>Forest Practices</b> - The Forest Practices Board's consideration of "reasonable use rules" will be delayed by one year. The upgrade of the Forest Practices Program's wetlands database is delayed one year.</p> <p>10. <b>Fire Suppression Transfer</b> - A portion of the funding for fire suppression in FY 2003 is shifted to the fire contingency pool which is included in the Special Appropriations to the Governor section of the budget.</p> |
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## Department of Natural Resources

11. **Derelict Vessel Removal** - Funding is provided for DNR's costs associated with implementation of Chapter 286, Laws of 2002 (ESHB 2376). (Derelict Vessels Removal Account)
12. **Recreational Lands Management** - Funding is reduced for management of natural areas, public use enforcement, and campgrounds closest to urban areas.
13. **Fire Suppression** - Funding is provided to pay for fire suppression costs during the 2001 fire season. DNR anticipates receiving \$7.496 million in Federal Emergency Management Assistance for some of these fires and additional funds from the U.S. Forest Service and other federal agencies for their share of the fire costs. Special Appropriations to the Governor provide \$24.009 million to DNR for fire suppression costs. (General Fund-Federal)
14. **Correctional Camps Funding** - Funding is provided for correctional camp supervisors at DNR. In addition to these funds, DNR shall receive funds through an interagency agreement with the Department of Ecology for increased levels of litter pickup. (General Fund-Local, Forest Development Account)
15. **Trust Land Management** - DNR projects a revenue decrease caused by a decline in timber sales. Trust land management activities are reduced, including a reduction in agency administration and silvicultural thinning activities. (Resource Management Cost Account, Forest Development Account)
16. **Aquatic Lands Enhancement Account** - DNR will reduce agency overhead expenses for the Aquatic Lands Enhancement grant program because of a projected revenue decrease. (Aquatic Lands Enhancement Account-State)

### *Governor's Vetoes:*

The Governor vetoed Section 308(18) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which required DNR, in managing recreation sites and natural resources conservation areas in the San Juan Islands, to employ cost recovery methods comparable to those employed at similarly situated state park facilities. No appropriations are affected by the veto.

## Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>16,189</b>	<b>72,873</b>	<b>89,062</b>
<b>Policy Changes</b>			
1. Fruit & Vegetable Inspection Acct	0	0	0
2. International Marketing	-700	700	0
3. Efficiencies & Savings	-240	0	-240
4. Microbiological Data Program	0	360	360
5. Citrus Longhorned Beetle	0	1,500	1,500
6. Pesticide Surface Water Monitoring	0	490	490
<b>Total Policy Changes</b>	<b>-940</b>	<b>3,050</b>	<b>2,110</b>
<b>2001-03 Revised Appropriations</b>	<b>15,249</b>	<b>75,923</b>	<b>91,172</b>
Fiscal Year 2002 Total	7,815	36,988	44,803
Fiscal Year 2003 Total	7,434	38,935	46,369

**Comments:**

1. **Fruit & Vegetable Inspection Acct** - Funding is provided to implement Chapter 322, Laws of 2002 (SSB 6254). Currently, revenue from fruit and vegetable inspections are deposited into one of three district bank accounts. The bill would move the deposit of program revenues from local district accounts to a new Fruit and Vegetable Inspection Account in the State Treasury that would be managed by the Department of Agriculture. (Agricultural Local Account-Non-Appropriated, Horticultural Districts Account-Non-Appropriated, Fruit and Vegetable Inspection Account-Non-Appropriated)
2. **International Marketing** - In October 2001, the Department of Agriculture received \$10.1 million in unanticipated federal funds to promote agriculture and specialty crops. A portion of these funds will replace the 2001 enhancements for market development. (General Fund-Federal)
3. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
4. **Microbiological Data Program** - Funding is provided to collect data on pathogens and indicator organisms in food to be used by state and federal agencies for policy making, regulatory, and educational purposes. (General Fund-Federal)
5. **Citrus Longhorned Beetle** - Funding is provided to survey for Citrus Longhorned Beetle in Washington. In August 2001, imported maple trees at a Tukwila nursery were found to be infested with the Citrus Longhorned Beetle, a tree-killing pest not known to occur in the United States. The Department of

Agriculture is in the process of surveying for infestation and plans to treat or remove suspect trees during the spring and summer of 2002. (General Fund-Federal)

6. **Pesticide Surface Water Monitoring** - Funding is provided to contract with the United States Geological Survey and/or the Department of Ecology to sample and analyze surface waters for pesticide residues. Surface water sampling will be completed in basins that represent the various agricultural cropping patterns in Washington State and provide habitat for salmon. (State Toxics Control Account, General Fund-Federal)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The Department of Agriculture received an appropriation of \$305,000 in the original 2001-03 transportation budget.



# 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 Department of Licensing and the Washington State Patrol. Therefore, the notes contained in this section are limited. For additional information on transportation funding, please see the Special Appropriations, Transportation Current Law Budget, and Transportation New Law Budget Sections of this document.

## **Washington State Patrol**

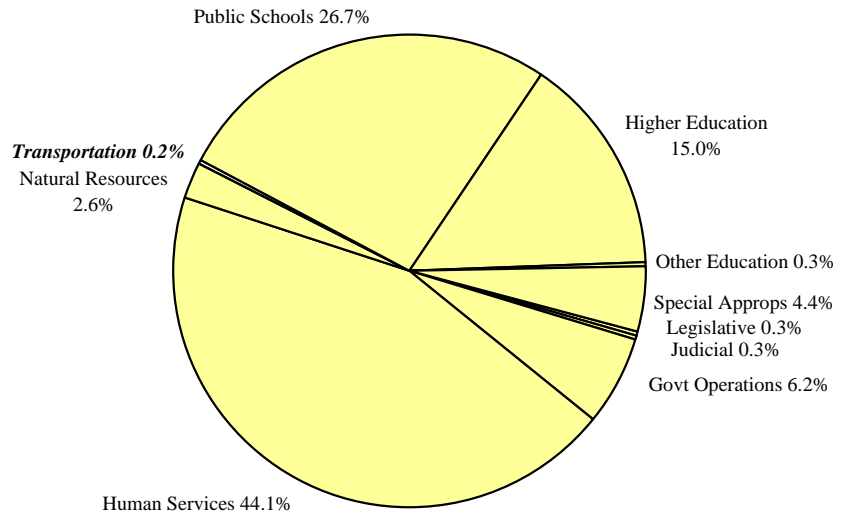
A total of \$1.1 million from the Fingerprint Identification Account is provided for improvements and upgrades to various criminal justice information systems maintained by the Washington State Patrol. These include: continued support of the Criminal History Backlog Elimination project; changes to keep the crime information and identification systems current with the needs of the public safety community; and implementing live-scan fingerprint technology throughout the state.

The Washington State Patrol, in cooperation with the Forensics Investigation Council, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys have developed a comprehensive improvement plan to improve the delivery of forensic services to Washington law enforcement agencies, cities, and counties. Additionally, funding is provided for Chapter 289, Laws of 2002 (SHB 2468), which expands DNA data banking to additional felony offenders and certain misdemeanants. A total of \$1.1 million from other funds is provided for the implementation of a portion of the Forensic Laboratory Services Improvement Plan.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

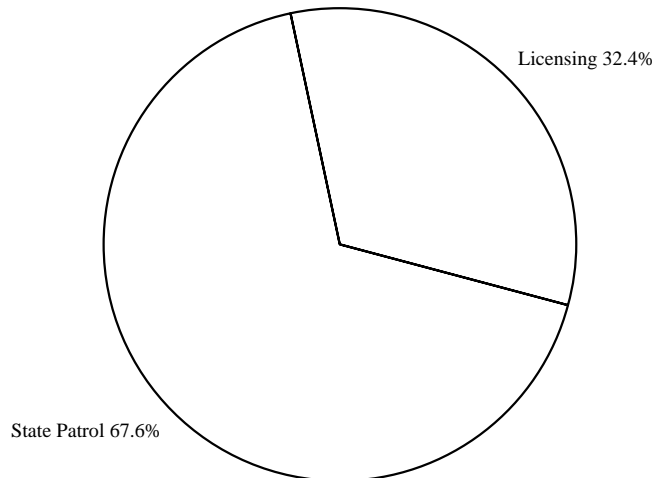
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
<b>Transportation</b>	<b>105,690</b>
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Washington State Patrol	71,397
Dept of Licensing	34,293
<b>Transportation</b>	<b>105,690</b>

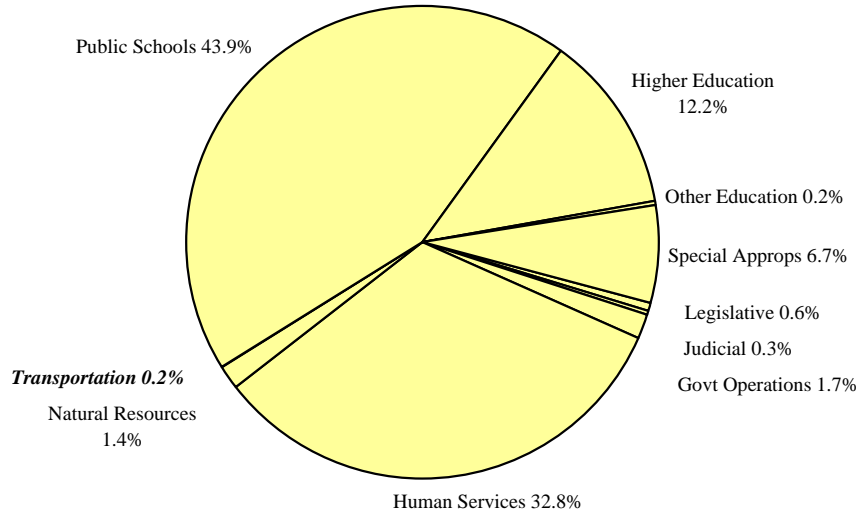


### *Transportation*

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

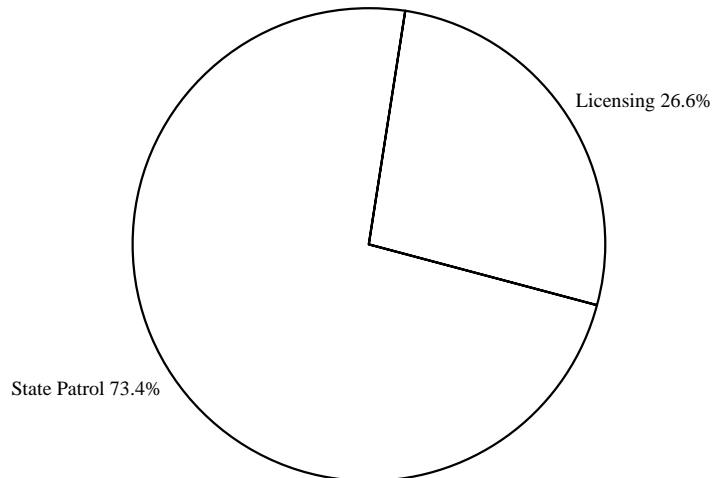
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
<b>Transportation</b>	<b>40,166</b>
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Washington State Patrol	29,500
Dept of Licensing	10,666
<b>Transportation</b>	<b>40,166</b>



### Transportation

## Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>10,766</b>	<b>23,799</b>	<b>34,565</b>
<b>Total Maintenance Changes</b>	<b>-51</b>	<b>-258</b>	<b>-309</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-49	0	-49
2. Derelict Vessels	0	86	86
<b>Total Policy Changes</b>	<b>-49</b>	<b>86</b>	<b>37</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>10,666</b>	<b>23,627</b>	<b>34,293</b>
Fiscal Year 2002 Total	5,366	12,132	17,498
Fiscal Year 2003 Total	5,300	11,495	16,795

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Derelict Vessels** - Funding is provided for Department of Licensing's administrative costs associated with the implementation of Chapter 286, Laws of 2002 (ESHB 2376), which imposes an additional fee on boat licenses to pay for the removal of derelict vessels on state waterways. (Derelict Vessels Removal Account)

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



## Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>29,956</b>	<b>39,973</b>	<b>69,929</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Public Safety and Education Account	0	-301	-301
2. Efficiencies & Savings	-456	0	-456
3. Criminal History System Update	0	245	245
4. Disposition Backlog Elimination	0	538	538
5. Forensic Lab Improvements	0	1,096	1,096
6. FBI Records Reconciliation	0	53	53
7. Live-Scan/AFIS Support	0	296	296
8. Violence Reduction & Drug Enf Acct	0	-3	-3
<b>Total Policy Changes</b>	<b>-456</b>	<b>1,924</b>	<b>1,468</b>
<b>2001-03 Revised Appropriations</b>	<b>29,500</b>	<b>41,897</b>	<b>71,397</b>
Fiscal Year 2002 Total	21,567	20,592	42,159
Fiscal Year 2003 Total	7,933	21,305	29,238

**Comments:**

1. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Criminal History System Update** - During the 1999-01 biennium, work was completed on the rewrite of the Washington State Identification System and the Washington Crime Information Center, now known as "W2." Funding is provided to support W2 system upgrades and changes to keep W2 current with local needs and to conform with federally-initiated programming changes. (Fingerprint Identification Account)
4. **Disposition Backlog Elimination** - One-time funding is provided to continue the Criminal History Backlog Elimination project. This project, originally funded in the 2001-03 biennial budget, will eliminate court disposition and address fingerprint card processing backlogs at the Washington State Patrol's (WSP's) Identification Section. This funding will allow WSP to fully eliminate the backlog. (Fingerprint Identification Account)
5. **Forensic Lab Improvements** - WSP, in cooperation with the Forensics Investigation Council, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys, have developed a comprehensive improvement plan to address deficiencies in the delivery of forensic services to Washington law enforcement agencies, cities, and counties. Funding is provided for a portion of the Forensic Laboratory Services Improvement Plan. Additionally, funding is provided for the implementation of Chapter 289, Laws of 2002 (SHB 2468), which expands DNA databanking to additional felony offenders and certain misdemeanants. Funding for increases beyond these levels is subject to appropriation in future budgets. (Death Investigations Account, County Criminal Justice Assistance Account, Municipal Criminal Justice Assistance Account, Federal Drug Seizure Account)
6. **FBI Records Reconciliation** - The Washington State Identification System automatically transmits criminal history information to the Federal Bureau of Investigation (FBI) Interstate Identification Index (III). For a number of reasons, the information does not always match, prompting an FBI-produced variance report. The variance reports are checked at the state repository and corrections are made to synchronize the systems. The FBI requires this record reconciliation now and for future participation in national efforts, such as the National Fingerprint File. Funding is provided for costs associated with reconciling the discrepancies in state and federal information. (Fingerprint Identification Account)
7. **Live-Scan/AFIS Support** - In partnership with local agencies, the WSP is implementing live-scan fingerprint technology throughout the state. As this technology is fully implemented, local law enforcement agencies will be able to electronically deliver fingerprints to the WSP's Automated Fingerprint Identification System (AFIS) while suspects are still in custody.

## Washington State Patrol

AFIS will then be able to search fingerprints in its database and return search results back to local agencies in a matter of minutes. Funds are provided to further implement live-scan technology and provide ongoing support to local agencies. (Fingerprint Identification Account)

8. **Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)

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

# PUBLIC SCHOOLS

## **Maintenance Level Adjustments — \$126.3 Million General Fund-State**

### **Enrollment and Workload Changes — \$105.3 Million General Fund-State**

The February 2002 enrollment forecast from the Caseload Forecast Council increased K-12 enrollment by 8,827 full-time equivalent (FTE) students for the 2001-02 school year and 12,531 FTE students for the 2002-03 school year. Also included in workload changes are other adjustments including staff mix and local deductible revenues.

### **Levy Equalization Update — \$12.7 Million General Fund-State**

Higher-than-expected assessed property values and local levy bases and increased voter approval of local levies increased the maintenance level amount for the Local Effort Assistance Program.

### **K-12 Inflation — \$6.2 Million General Fund-State Savings**

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast changed from 2.1 percent to 1.0 percent for fiscal year 2002 and from 2.3 percent to 1.7 percent for fiscal year 2003. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2001-02 school year. A budget adjustment is made for the 2002-03 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in a budgeted inflation rate of 1.01 percent for the 2002-03 school year.

### **Initiative 732 Cost-of-Living Adjustment (COLA) — \$14.5 Million General Fund-State**

The 2001 calendar year Seattle Consumer Price Index (CPI) used for the 2002-03 school year K-12 COLA mandated by Initiative 732 is higher than the 3.1 percent anticipated in the original 2001-03 budget. The new CPI estimate is 3.6 percent and results in a \$14.5 million increase for COLAs for state-funded K-12 staff.

## **Savings and Reductions**

### **Pension Rate Change — \$53.9 Million General Fund-State Savings**

Chapter 7, Laws of 2002 (HB 2782), changes employer and employee pension contribution rates based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. The change in rates is effective April 1, 2002.

### **Better Schools Class Size — \$24.6 Million General Fund-State Savings**

Beginning with the 2002-03 school year, the Better Schools K-4 staffing ratio enhancement is reduced from 2.2 certificated instructional staff per 1,000 students to 0.8 staff per 1,000 students.

### **Health Benefit Rate Changes — \$29.5 Million General Fund-State Savings**

The monthly funding rate for health, life, and disability insurance benefits for state-funded K-12 staff will increase from \$455.27 per month for the 2001-02 school year to \$457.07 for the 2002-03 school year. The original 2001-03 biennial budget provided \$493.59 per month for the 2002-03 school year.

### **Integrating Federal Funds — \$24.1 Million General Fund-State Savings, \$50.4 Million Federal Funds**

Federal funds are incorporated in the funding of three programs in the following amounts: Special Education (\$17.3 million); Learning Assistance (\$5.8 million); and the Washington Assessments of Student Learning (\$1.0 million).

### **Staff Mix Calculation Change — \$18.9 Million General Fund-State Savings**

Staff mix refers to the experience and education of a school district's certificated instructional staff. It is one of the components used to determine state funding in the General Apportionment and Special Education Programs and

adjusts state funding based on the profile of a school district's staff in these two programs. Beginning with the 2002-03 school year, all of a district's certificated instructional staff are used to calculate staff mix.

**Learning Improvement Days — \$12.1 Million General Fund-State Savings**

Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, only two extra days are provided.

**Transfer to State Flexible Education Funds — \$6.8 Million General Fund-State Savings**

A “State Flexible Education Fund” is created and funds are transferred into the program from various sources including various statewide grant programs. After a reduction of 24.7 percent, the funds are combined to create a flexible pool of funds for school districts allocated at a rate of \$21.55 per FTE student. The funds may be expended for local program enhancements as determined by school districts to improve student learning, including all the programs that were transferred into the new fund. The funds may not be expended to increase salary or compensation for existing teaching duties. Programs transferred and the amounts transferred are listed below.

<b>State Flexible Education Funds Program</b>	
<b>General Fund-State</b>	
(Dollars in Thousands)	
<b>Source of Amounts Transferred In</b>	
Block Grant Program	14,193
School Safety Allocation	6,084
Mentor/Beginning Teacher Assist at 50 Percent	2,347
Educational Centers	1,349
Complex Needs	1,075
Truancy	750
Superintendent/Principal Internships at 50 Percent	705
Paraprofessional Training at 50 Percent	547
Principal Assessment and Mentorships at 50 Percent	313
<b>Total Transferred Amount</b>	<u>27,363</u>
24.7 Percent Reduction	-6,751
<b>State Flexible Education Fund Amount</b>	<u>20,612</u>
<b>Rate Per FTE Student</b>	<b>\$21.55</b>

**Traffic Safety Education — \$2.3 Million General Fund-State Savings**

The General Fund-State subsidy for this program is eliminated. The budget was based on the assumption that \$6.6 million in Public Safety Education Account funds would become available for the program from enactment of HB 2573. The bill was not enacted resulting in no subsidy for the program for the 2002-03 school year.

**Levy Equalization — \$1.5 Million General Fund-State Savings**

The fiscal year 2003 levy equalization amount is adjusted to reflect the various policy changes in the K-12 supplemental budget. The budget also changes the per pupil inflator from 3.3 percent to 2.9 percent to reflect the change in per pupil spending in the 2002 supplemental budget. The change in per pupil expenditures is calculated using General Fund-State, General Fund-Federal, and Student Achievement Fund appropriations in fiscal year 2002 and fiscal year 2003. In addition, calendar year 2003 levy equalization allocations are reduced 1 percent as authorized by Chapter 317, Laws of 2002 (EHB 3011 – Local Effort Assistance).

**Efficiencies and Savings — \$1.4 Million General Fund-State Savings**

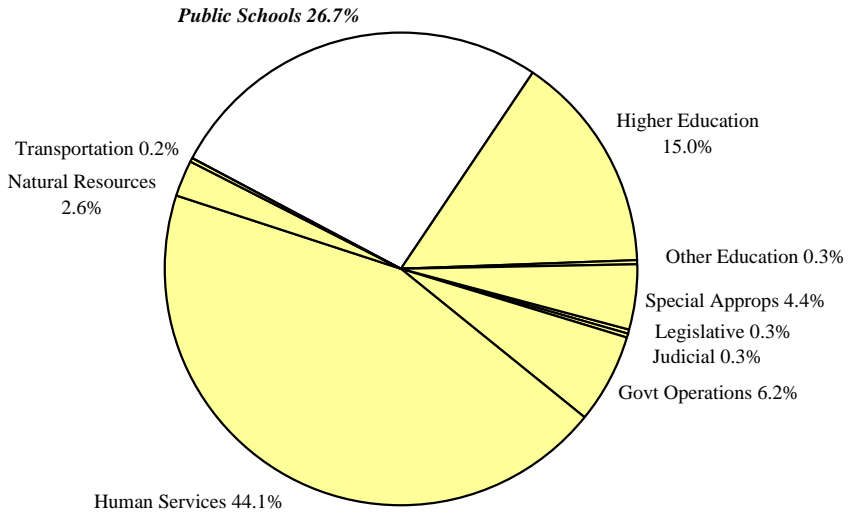
Most basic education programs not subject to transfer to the State Flexible Education Funds Program are reduced by 3.0 percent for fiscal year 2003. The major programs included in this reduction are: the Office of the Superintendent of Public Instruction; Educational Service Districts; Highly Capable; and summer Skills Center Programs.

<b>Public Schools 2002 Supplemental Budget</b>	
<b>General Fund-State</b>	
(Dollars in Thousands)	
<b>2002 Maintenance Changes</b>	126,324
<b>2002 Policy Changes</b>	
Pension Rate Change	-53,962
Health Benefit Changes	-29,509
Better Schools	-24,551
Integrating Federal Funds	-24,142
Staff Mix Calculation Change	-18,982
Learning Improvement Days	-12,109
Transfer to Flexible Education Fund	-6,751
Traffic Safety Education Allocation	-2,283
Efficiencies and Savings	-1,436
Levy Equalization	-1,472
Levy Equalization Task Force	49
National Board Certification	70
<b>Total Policy Changes</b>	<b>-175,078</b>
<b>Net Policy and Maintenance Changes</b>	<b>-48,754</b>

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

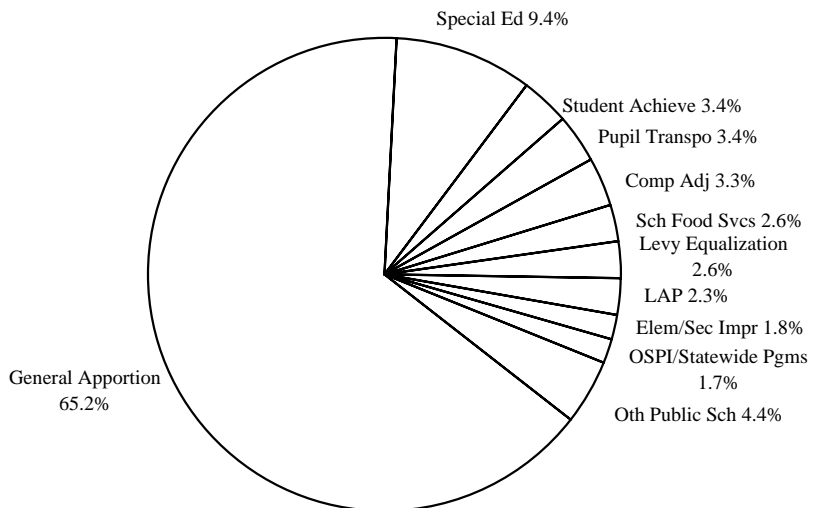
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
<b>Public Schools</b>	<b>11,503,685</b>
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

General Apportionment	7,498,021
Special Education	1,085,333
Student Achievement	391,149
Pupil Transportation	385,695
Compensation Adj	381,004
School Food Services	296,387
Levy Equalization	295,863
Learning Assist Pgm (LAP)	266,587
Elem/Second Sch Improve	201,737
OSPI & Statewide Pgms	192,176
Other Public Schools	509,733
<b>Public Schools</b>	<b>11,503,685</b>

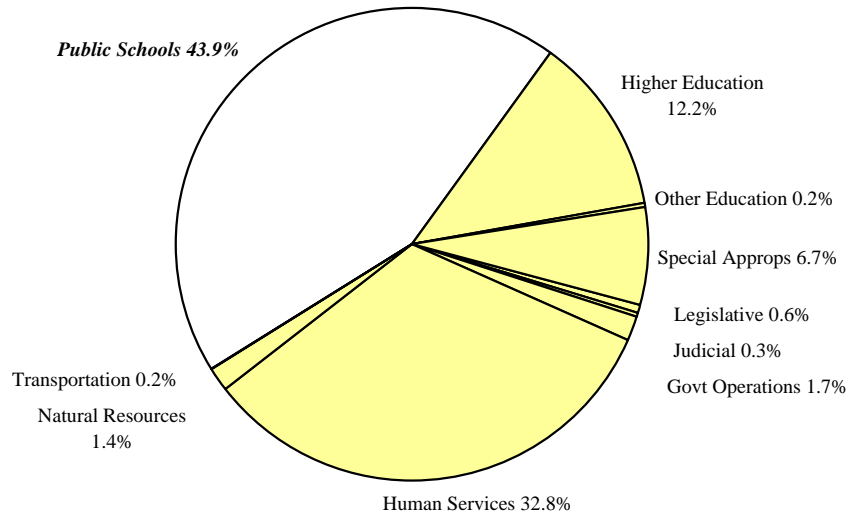


### Public Schools

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

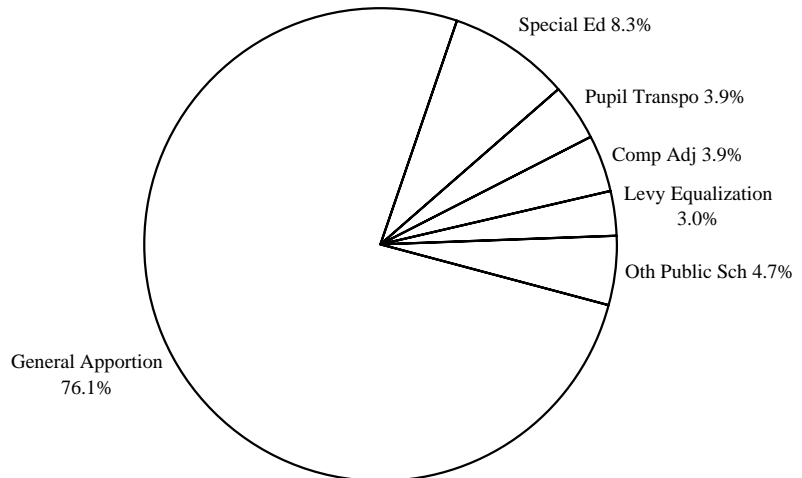
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
<b>Public Schools</b>	<b>9,854,332</b>
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

General Apportionment	7,498,021
Special Education	828,926
Pupil Transportation	385,695
Compensation Adj	380,813
Levy Equalization	295,863
Other Public Schools	465,014
<b>Public Schools</b>	<b>9,854,332</b>



### Public Schools

# Public Schools

## WORKLOAD HISTORY By School Year

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	<u>Estimated</u>		
								2001-02	2002-03	
<b>General Apportionment</b>										
FTE Enrollment	886,247	904,288	923,467	936,435	946,385	948,485	951,033	956,639	958,563	
% Change from prior year		2.0%	2.1%	1.4%	1.1%	0.2%	0.3%	0.6%	0.2%	
<b>Special Education</b>										
Funded Enrollment <sup>(1)</sup>	107,232	108,185	109,149	111,257	113,249	115,257	116,709	118,511	120,638	
% Change from prior year		0.9%	0.9%	1.9%	1.8%	1.8%	1.3%	1.5%	1.8%	
<b>Bilingual Education</b>										
Headcount Enrollment	39,888	42,981	46,029	47,975	52,040	55,656	59,514	62,889	66,866	
% Change from prior year		7.8%	7.1%	4.2%	8.5%	6.9%	6.9%	5.7%	6.3%	
<b>Learning Assistance Program</b>										
Entitlement Units <sup>(2)</sup>	117,112	154,867	157,482	159,556	159,481	184,804	177,763	174,275	172,316	
% Change from prior year		32.2%	1.7%	1.3%	0.0%	15.9%	-3.8%	-2.0%	-1.1%	

(1) 1995-96 through 2002-03 represent headcount enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

(2) Formula changed in 1995 – entitlement units used for allocation purposes only. Actual students served may vary. Allocation formula changed in 1999-00 school year to include 10th and 11th grades.

Data Sources :

1994-95 through 1998-99 amounts from SPI/OFM and Caseload Forecast Council.

2001-02 through 2002-03 estimates from Caseload Forecast Council and Legislative 2002 Supplemental Budget.



**Public Schools  
 OSPI & Statewide Programs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>61,304</b>	<b>238,025</b>	<b>299,329</b>
<b>Total Maintenance Changes</b>	<b>62</b>	<b>-97,329</b>	<b>-97,267</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-677	0	-677
2. Levy Equalization Task Force	49	0	49
3. Transfer to State Flexible Ed Fund	-9,258	0	-9,258
4. Technology Task Force	92	0	92
5. Governor Veto	-92	0	-92
<b>Total Policy Changes</b>	<b>-9,886</b>	<b>0</b>	<b>-9,886</b>
<b>2001-03 Revised Appropriations</b>	<b>51,480</b>	<b>140,696</b>	<b>192,176</b>
Fiscal Year 2002 Total	29,582	109,740	139,322
Fiscal Year 2003 Total	21,898	30,956	52,854

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
- 2. Levy Equalization Task Force** - One-time funding is provided to support the work of the Local Effort Assistance Task Force created by Chapter 317, Laws of 2002 (HB 3011 - Local Effort Assistance).
- 3. Transfer to State Flexible Ed Fund** - A "State Flexible Education Fund" is created and funds are transferred into the program from various sources including various statewide grant programs. After a reduction of 24.7 percent, the funds are combined to create a flexible pool of funds for school districts allocated at a rate of \$21.55 per full time equivalent (FTE) student. Programs transferred from this budget program to the State Flexible Education Funds program are: Truancy, Complex Needs, Educational Centers, and the School Safety Allocation.
- 4. Technology Task Force** - Funds are provided for the formation of the Technology Task Force to study the technology currently available in schools, the training in technology, how technology is currently funded, and recommendations for the future. The task force consists of 19 members, and the study is to be completed by November 1, 2002.
- 5. Governor Veto** - The Governor vetoed Section 501(2)(b)(iii) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided funding for a study of technology in public schools. Therefore, funding in the amount of \$92,000 lapses.

**Public Schools  
General Apportionment**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>7,512,176</b>	<b>0</b>	<b>7,512,176</b>
<b>Total Maintenance Changes</b>	<b>78,318</b>	<b>0</b>	<b>78,318</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-78	0	-78
2. Pension Rate Change	-43,707	0	-43,707
3. Better Schools	-22,938	0	-22,938
4. Staff Mix Calculation Change	-15,913	0	-15,913
5. Learning Improvement Days	-9,837	0	-9,837
<b>Total Policy Changes</b>	<b>-92,473</b>	<b>0</b>	<b>-92,473</b>
<b>2001-03 Revised Appropriations</b>	<b>7,498,021</b>	<b>0</b>	<b>7,498,021</b>
Fiscal Year 2002 Total	3,786,124	0	3,786,124
Fiscal Year 2003 Total	3,711,897	0	3,711,897

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
 

Beginning with the 2002-03 school year, all of a district's certificated instructional staff are used to calculate staff mix.
2. **Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
3. **Better Schools** - Beginning with the 2002-03 school year, the Better Schools K-4 staffing ratio enhancement is reduced from 2.2 certificated instructional staff per 1,000 students to 0.8 staff per 1,000 students.
4. **Staff Mix Calculation Change** - Staff mix refers to the experience and education of a school district's certificated instructional staff. It is one of the components used to determine state funding in the apportionment and special education programs and adjusts state funding based on the profile of a school district's staff in these two programs.
5. **Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.

**Public Schools  
Compensation Adjustments**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>398,659</b>	<b>0</b>	<b>398,659</b>
<b>Total Maintenance Changes</b>	<b>19,310</b>	<b>0</b>	<b>19,310</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	-29,509	0	-29,509
2. Efficiencies & Savings	-10	0	-10
3. Pension Rate Change	-3,243	0	-3,243
4. Better Schools	-1,613	0	-1,613
5. Staff Mix Calculation Change	-1,307	0	-1,307
6. Learning Improvement Days	-833	0	-833
7. Integrating Federal Funds	-641	191	-450
<b>Total Policy Changes</b>	<b>-37,156</b>	<b>191</b>	<b>-36,965</b>
<b>2001-03 Revised Appropriations</b>	<b>380,813</b>	<b>191</b>	<b>381,004</b>
Fiscal Year 2002 Total	124,903	0	124,903
Fiscal Year 2003 Total	255,910	191	256,101

**Comments:**

- Health Benefit Changes** - The monthly funding rate for health, life, and disability insurance benefits for state-funded K-12 staff will increase from \$455.27 per month in the 2001-02 school year to \$457.07 in the 2002-03 school year. The original 2001-03 biennial budget provided \$493.59 per month for the 2002-03 school year.
- Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
- Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
- Better Schools** - Beginning with the 2002-03 school year, the Better Schools K-4 staffing ratio enhancement is reduced from 2.2 certificated instructional staff per 1,000 students to 0.8 staff per 1,000 students.
- Staff Mix Calculation Change** - Staff mix refers to the experience and education of a school district's certificated instructional staff. It is one of the components used to determine state funding in the apportionment and special education programs and adjusts state funding based on the profile of a school district's staff in these two programs. Beginning with the 2002-03 school year, all of a district's certificated instructional staff are used to calculate staff mix.
- Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.
- Integrating Federal Funds** - Integrating federal funds to fund a portion of the Special Education and Learning Assistance Programs reduces the amount needed for General Fund-State funded compensation increases by \$641,000.

**Public Schools  
 Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>387,491</b>	<b>0</b>	<b>387,491</b>
<b>Total Maintenance Changes</b>	<b>-1,212</b>	<b>0</b>	<b>-1,212</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-24	0	-24
2. Pension Rate Change	-560	0	-560
<b>Total Policy Changes</b>	<b>-584</b>	<b>0</b>	<b>-584</b>
<b>2001-03 Revised Appropriations</b>	<b>385,695</b>	<b>0</b>	<b>385,695</b>
Fiscal Year 2002 Total	192,402	0	192,402
Fiscal Year 2003 Total	193,293	0	193,293

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
- 2. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**Public Schools  
Special Education**

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>839,908</b>	<b>256,092</b>	<b>1,096,000</b>
<b>Total Maintenance Changes</b>	<b>13,779</b>	<b>-14,686</b>	<b>-907</b>
<b>Policy Changes</b>			
1. Pension Rate Change	-4,851	0	-4,851
2. Staff Mix Calculation Change	-1,762	0	-1,762
3. Learning Improvement Days	-1,089	0	-1,089
4. Integrating Federal Funds	-17,059	15,001	-2,058
<b>Total Policy Changes</b>	<b>-24,761</b>	<b>15,001</b>	<b>-9,760</b>
<b>2001-03 Revised Appropriations</b>	<b>828,926</b>	<b>256,407</b>	<b>1,085,333</b>
Fiscal Year 2002 Total	420,165	112,780	532,945
Fiscal Year 2003 Total	408,761	143,627	552,388

**Comments:**

1. **Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
2. **Staff Mix Calculation Change** - Staff mix refers to the experience and education of a school district's certificated instructional staff. It is one of the components used to determine state funding in the apportionment and special education programs and adjusts state funding based on the profile of a school district's staff in these two programs. Beginning with the 2002-03 school year, all of a district's certificated instructional staff are used to calculate staff mix.
3. **Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.
4. **Integrating Federal Funds** - Federal funds to Washington State for special education will increase by \$24 million for the 2002-03 school year. The budget incorporates a portion of the increase to fund the special education safety net and to increase the maximum percentage of a district's enrollment funded under special education from the current 12.7 percent to 13.0 percent. (General Fund-State, General Fund-Federal)

**Public Schools**  
**Traffic Safety Education**

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>6,183</b>	<b>0</b>	<b>6,183</b>
<b>Total Maintenance Changes</b>	<b>377</b>	<b>0</b>	<b>377</b>
<b>Policy Changes</b>			
1. Traffic Safety Education Allocation	-2,283	6,567	4,284
2. Lapse	0	-6,567	-6,567
<b>Total Policy Changes</b>	<b>-2,283</b>	<b>0</b>	<b>-2,283</b>
<b>2001-03 Revised Appropriations</b>	<b>4,277</b>	<b>0</b>	<b>4,277</b>
Fiscal Year 2002 Total	3,765	0	3,765
Fiscal Year 2003 Total	512	0	512

**Comments:**

1. **Traffic Safety Education Allocation** - The remaining General Fund-State subsidy for traffic safety education is eliminated beginning with the 2002-03 school year. The budget was based on the assumption that \$6.6 million in Public Safety Education Account funds would become available for the program from the enactment of EHB 2573. The bill was not enacted resulting in no subsidy for the program for the 2002-03 school year. (General Fund-State, Public Safety Education Account)
2. **Lapse** - Traffic Safety Education Allocation - The budget was based on the assumption that \$6.6 million in Public Safety and Education Account (PSEA) funds would become available for the program from enactment of HB 2573. The bill was not enacted resulting in the lapse of the PSEA funding.

**Public Schools  
 Educational Service Districts**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>9,536</b>	<b>0</b>	<b>9,536</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-156	0	-156
2. Pension Rate Change	-47	0	-47
3. Learning Improvement Days	-5	0	-5
<b>Total Policy Changes</b>	<b>-208</b>	<b>0</b>	<b>-208</b>
<b>2001-03 Revised Appropriations</b>	<b>9,328</b>	<b>0</b>	<b>9,328</b>
Fiscal Year 2002 Total	4,757	0	4,757
Fiscal Year 2003 Total	4,571	0	4,571

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
- 2. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
- 3. Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.

**Public Schools  
 Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>284,644</b>	<b>0</b>	<b>284,644</b>
<b>Total Maintenance Changes</b>	<b>12,691</b>	<b>0</b>	<b>12,691</b>
<b>Policy Changes</b>			
1. Levy Equalization Update	-583	0	-583
2. Levy Equalization Policy	-889	0	-889
<b>Total Policy Changes</b>	<b>-1,472</b>	<b>0</b>	<b>-1,472</b>
<b>2001-03 Revised Appropriations</b>	<b>295,863</b>	<b>0</b>	<b>295,863</b>
Fiscal Year 2002 Total	140,932	0	140,932
Fiscal Year 2003 Total	154,931	0	154,931

**Comments:**

1. **Levy Equalization Update** - The various adjustments in the K-12 budget for school year 2002-03 reduce the amount needed for levy equalization by \$583,000.
2. **Levy Equalization Policy** - Calendar year 2003 levy equalization allocations are reduced 1 percent as authorized by Chapter 317, Laws of 2002 (HB 3011 - Local Effort Assistance).



**Public Schools  
 Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>38,248</b>	<b>8,548</b>	<b>46,796</b>
<b>Total Maintenance Changes</b>	<b>-231</b>	<b>0</b>	<b>-231</b>
<b>Policy Changes</b>			
1. Pension Rate Change	-233	0	-233
2. Learning Improvement Days	-53	0	-53
<b>Total Policy Changes</b>	<b>-286</b>	<b>0</b>	<b>-286</b>
<b>2001-03 Revised Appropriations</b>	<b>37,731</b>	<b>8,548</b>	<b>46,279</b>
Fiscal Year 2002 Total	19,073	4,274	23,347
Fiscal Year 2003 Total	18,658	4,274	22,932

**Comments:**

1. **Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
2. **Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.

**Public Schools**  
**Education of Highly Capable Students**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>12,840</b>	<b>0</b>	<b>12,840</b>
<b>Total Maintenance Changes</b>	<b>119</b>	<b>0</b>	<b>119</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-166	0	-166
2. Pension Rate Change	-76	0	-76
3. Learning Improvement Days	-18	0	-18
<b>Total Policy Changes</b>	<b>-260</b>	<b>0</b>	<b>-260</b>
<b>2001-03 Revised Appropriations</b>	<b>12,699</b>	<b>0</b>	<b>12,699</b>
Fiscal Year 2002 Total	6,470	0	6,470
Fiscal Year 2003 Total	6,229	0	6,229

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
2. **Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
3. **Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.

**Public Schools  
 Elementary & Secondary School Improvement**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>288,166</b>	<b>288,166</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-86,429</b>	<b>-86,429</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>201,737</b>	<b>201,737</b>
Fiscal Year 2002 Total	0	142,639	142,639
Fiscal Year 2003 Total	0	59,098	59,098

**Comments:**

The recently enacted federal "No Child Left Behind Act" replaces the Elementary and Secondary Improvement Act. The \$86.4 million change in this program is not due to a reduction in federal funds, but rather to realignment of the federal funds to state programs with similar purposes, such as the Learning Assistance Program, the Bilingual Program, and the Education Reform Program.

**Public Schools  
 Education Reform**

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>72,245</b>	<b>3,233</b>	<b>75,478</b>
<b>Total Maintenance Changes</b>	<b>-48</b>	<b>3,858</b>	<b>3,810</b>
<b>Policy Changes</b>			
1. National Board Certification	70	0	70
2. Efficiencies & Savings	-325	0	-325
3. Transfer to State Flexible Ed Fund	-3,912	0	-3,912
4. Improving Teacher Quality	0	46,553	46,553
5. Integrating Federal Funds	-1,000	7,427	6,427
<b>Total Policy Changes</b>	<b>-5,167</b>	<b>53,980</b>	<b>48,813</b>
<b>2001-03 Revised Appropriations</b>	<b>67,030</b>	<b>61,071</b>	<b>128,101</b>
Fiscal Year 2002 Total	36,880	1,250	38,130
Fiscal Year 2003 Total	30,150	59,821	89,971

**Comments:**

1. **National Board Certification** - Currently, bonuses for attainment of national board certification for teachers are limited to three years. The budget extends the total bonus payments to four years.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Transfer to State Flexible Ed Fund** - A "State Flexible Education Fund" is created and funds are transferred into the program from various sources including a portion of the Education Reform Program. After a reduction of 24.7 percent, the funds are combined to create a flexible pool of funds for school districts and are allocated at a rate of \$21.55 per full-time equivalent (FTE) student. Fifty percent of the the following Education Reform programs are transferred: Mentor/Beginning Teacher Assistance, Paraprofessional Training, Principal Assessment and Mentorships, and Superintendent/Principal Internships.
4. **Improving Teacher Quality** - The recently enacted "No Child Left Behind Act" will provide \$44.2 million in federal funds allocated to school districts for improving teacher quality in the 2002-03 school year. Permissible uses of the funds include: 1) class size reduction in early grades; 2) programs to assist schools in retaining and recruiting teachers; 3) professional development activities for teachers, principals, and paraprofessionals; and 4) teacher mentoring. Prior to the 2002-03 school year, this same amount of federal funds was provided for class size reduction, grants to improve the teaching of science, and school building renovation. (General Fund-Federal)
5. **Integrating Federal Funds** - Under the "No Child Left Behind Act" of 2001, Washington will receive \$7.4 million to create reading, math, and science assessments for grades 3 through 8. The original budget assumption that \$3.0 million of federal funds would be available for this purpose is increased to \$4.0 million. (General Fund-Federal)

**Public Schools  
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>88,215</b>	<b>0</b>	<b>88,215</b>
<b>Total Maintenance Changes</b>	<b>132</b>	<b>20,280</b>	<b>20,412</b>
<b>Policy Changes</b>			
1. Pension Rate Change	-680	0	-680
2. Learning Improvement Days	-166	0	-166
<b>Total Policy Changes</b>	<b>-846</b>	<b>0</b>	<b>-846</b>
<b>2001-03 Revised Appropriations</b>	<b>87,501</b>	<b>20,280</b>	<b>107,781</b>
Fiscal Year 2002 Total	42,767	0	42,767
Fiscal Year 2003 Total	44,734	20,280	65,014

**Comments:**

The maintenance level budget contains an increase of \$20.3 million in federal funds. Rather than being an increase, this is a realignment of federal funds which were previously appropriated in another section of the budget. The \$20.3 million consists of federal language acquisition state grants and migrant education funds provided under the "No Child Left Behind Act."

- 1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
- 2. Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>139,410</b>	<b>0</b>	<b>139,410</b>
<b>Total Maintenance Changes</b>	<b>2,661</b>	<b>125,189</b>	<b>127,850</b>
<b>Policy Changes</b>			
1. Pension Rate Change	-565	0	-565
2. Learning Improvement Days	-108	0	-108
3. Integrating Federal Funds	-5,442	5,442	0
<b>Total Policy Changes</b>	<b>-6,115</b>	<b>5,442</b>	<b>-673</b>
<b>2001-03 Revised Appropriations</b>	<b>135,956</b>	<b>130,631</b>	<b>266,587</b>
Fiscal Year 2002 Total	71,342	0	71,342
Fiscal Year 2003 Total	64,614	130,631	195,245

**Comments:**

- 1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with Chapter 7, Laws of 2002 (HB 2782 - Actuarial Experience Study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.
- 2. Learning Improvement Days** - Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The latest change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. Starting in the 2002-03 school year, the number of state-funded learning improvement days is reduced from three to two.
- 3. Integrating Federal Funds** - The formula for allocation of Learning Assistance Program funds is changed for the 2002-03 school year to incorporate increases in federal funds. Districts not receiving an increase of at least 3 percent in federal funds are held harmless.

NOTE: This section contains an increase of \$130.6 million in federal funds. Rather than being an increase, this is a realignment of federal funds which were previously appropriated in another section of the budget. The \$130.6 million consists of federal Title I basic grants to school districts which under the "No Child Left Behind Act" are very similar in purpose to the state Learning Assistance Program.

**Public Schools  
 Block Grants**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>37,031</b>	<b>0</b>	<b>37,031</b>
<b>Total Maintenance Changes</b>	<b>366</b>	<b>0</b>	<b>366</b>
<b>Policy Changes</b>			
1. Transfer to State Flexible Ed Fund	-14,193	0	-14,193
<b>Total Policy Changes</b>	<b>-14,193</b>	<b>0</b>	<b>-14,193</b>
<b>2001-03 Revised Appropriations</b>	<b>23,204</b>	<b>0</b>	<b>23,204</b>
Fiscal Year 2002 Total	19,663	0	19,663
Fiscal Year 2003 Total	3,541	0	3,541

**Comments:**

- 1. Transfer to State Flexible Ed Fund** - Starting with the 2002-03 school year, \$14.1 million in block grant funds are transferred to the State Flexible Education Fund.

**Public Schools  
 State Flexible Education Funds**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Transfer to State Flexible Ed Fund	20,612	0	20,612
<b>Total Policy Changes</b>	<b>20,612</b>	<b>0</b>	<b>20,612</b>
<b>2001-03 Revised Appropriations</b>	<b>20,612</b>	<b>0</b>	<b>20,612</b>
Fiscal Year 2002 Total	0	0	0
Fiscal Year 2003 Total	20,612	0	20,612

**Comments:**

- 1. Transfer to State Flexible Ed Fund** - A State Flexible Education Funds Program is created for the 2002-03 school year to be allocated at a rate of \$21.55 per full-time equivalent (FTE) student. The fund is created from transfers of funds previously provided for various statewide grant programs, education reform programs, and the block grant program. The amount transferred to this program is \$27.4 million and it is reduced by \$6.8 million, or 24.7 percent. School districts may prioritize use of the funds to improve student learning among all the various original purposes of the moneys. The moneys may not be used to increase salaries or compensation for existing teaching duties.



**Public Schools  
 Student Achievement Program**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>393,300</b>	<b>393,300</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-2,151</b>	<b>-2,151</b>
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>391,149</b>	<b>391,149</b>
Fiscal Year 2002 Total	0	180,837	180,837
Fiscal Year 2003 Total	0	210,312	210,312

**Comments:**

Initiative 728, which created the Student Achievement Fund, requires that a portion of lottery revenues and \$140 per FTE student from state property taxes be placed in the fund for the 2001-02 and 2002-03 school years. Enrollment increases require an additional \$1.3 million diversion of state property taxes to this fund. This is offset by a reduction in the forecast for lottery revenues of \$3.5 million for FY 2002.

The lower lottery revenues reduce the allocation per student from \$193.92 to \$190.19 for school year 2001-02 and from \$220.59 to \$219.84 for the 2002-03 school year.

**Public Schools**  
**Common School Construction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>191,220</b>	<b>191,220</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-64</b>	<b>-64</b>
<b>Policy Changes</b>			
1. Education Construction Acct	0	-42,700	-42,700
<b>Total Policy Changes</b>	<b>0</b>	<b>-42,700</b>	<b>-42,700</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>0</b>	<b>148,456</b>	<b>148,456</b>
Fiscal Year 2002 Total	0	129,736	129,736
Fiscal Year 2003 Total	0	18,720	18,720

**Comments:**

- Education Construction Acct** - The Education Construction Account transfer to the Common School Construction Account is adjusted consistent with the requirements of the 2002 Supplemental Capital Budget.

# HIGHER EDUCATION

## **Enrollment Increases**

A one-time supplement of \$4 million from the state general fund and \$2.6 million from the State Administrative Contingency Account is provided to expand two-year college enrollment in workforce training by 1,320 full-time equivalent students. This enhancement is made in response to substantially increased demands for retraining from dislocated workers affected by restructuring and layoffs in the Washington State economy.

## **Financial Aid**

A supplement of \$2.2 million from the state general fund is added to the State Need Grant Program to help support higher tuition charges expected in the second year. The Higher Education Coordinating Board is directed to adjust awards, where necessary, to ensure that students who meet the eligibility requirements of 55 percent of the state's median family income are served. Budget savings of \$2.4 million in state financial aid are realized by restricting new Promise scholarship awards to a maximum of \$1,000 a year.

## **College and University Operations**

In enacting a supplemental budget, the Legislature approved \$53.9 million in undesignated, across-the-board reductions to operations supported by the general fund. The cuts amount to 5 percent of original, fiscal year 2003 appropriations to each four-year university and 3 percent of original, fiscal year 2003 appropriations to the State Board on behalf of community and technical colleges. Additional reductions for internal agency services, travel, and equipment are described in the Special Appropriations Section of this document.

## **Compensation**

A cost-of-living adjustment (COLA) is increased from 3.1 percent to 3.6 percent effective July 1, 2002. This increase is funded with a \$1.3 million supplemental appropriation from the general fund for employees of state community and technical colleges who are covered by Initiative 732. Eliminating a 2.6 percent COLA budgeted for state employees not covered by Initiative 732 accounts for savings of \$21.5 million during fiscal year 2003.

The 2002 Legislature intended to make \$6 million in state general funds available for competitively awarded salary adjustments by four-year universities and The Evergreen State College to recruit and retain key faculty and professional staff. The Governor vetoed the recruitment and retention appropriations. For faculty at state community and technical colleges, increment increases during fiscal year 2003 are eliminated, resulting in general fund savings of \$1.2 million.

Benefit savings of \$6.6 million to the general fund are realized by approving new actuarial valuations that change contributions to pensions and by increasing the employee's assumed share of rising health benefit premiums at the state level. Additionally, a one-time appropriation of \$9.5 million from the state general fund and \$2.5 million from the College Faculty Awards Account provide for the settlement costs of a lawsuit involving retirement contributions for part-time instructors employed by state community and technical colleges during the years 1977 to 1999.

## **Tuition Policy**

Governing boards of each institution and the State Board for Community and Technical Colleges are granted authority to decide the appropriate level of tuition for enrolled students during academic year 2002-03. Limits apply to tuition increases, but only for **undergraduates** as follows:

- For residents attending the University of Washington or Washington State University, no greater increase than 16 percent over current year rates;

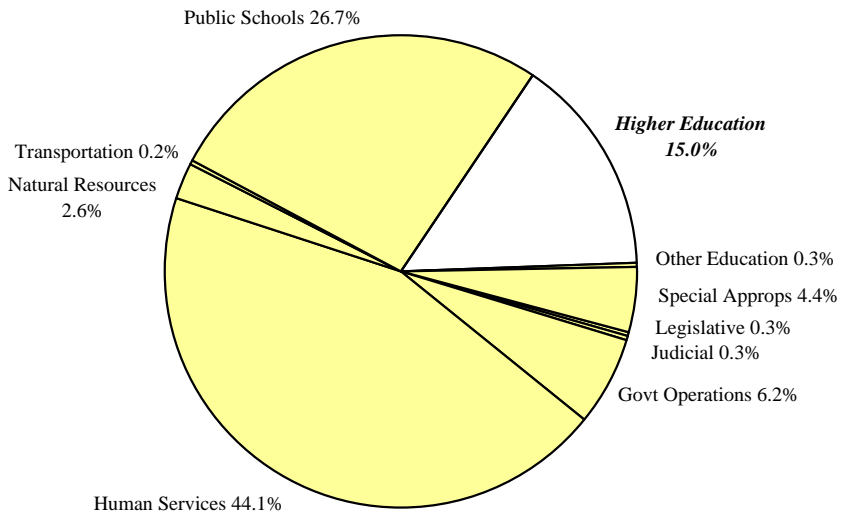
- For residents attending the regional universities of Eastern, Western, Central, or The Evergreen State College, no greater increase than 14 percent over current year rates;
- For residents attending state community and technical colleges, no greater increase than 12 percent over current year rates.

The 2002 Legislature chose not to limit tuition action by institutions with respect to **non-resident students and graduate students** for the coming academic year. For the remainder of the biennium, the Legislature encourages state colleges and universities to reduce waiver activity recognizing the need to preserve the quality of academic programs supported by tuition.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

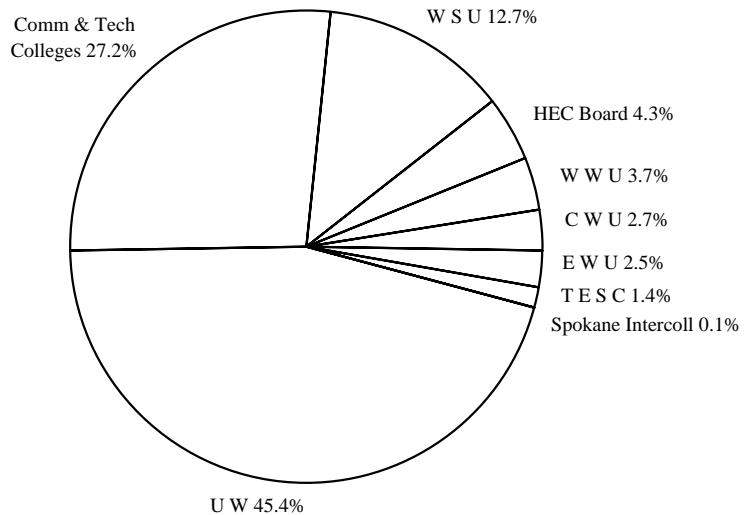
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
<b>Higher Education</b>	<b>6,439,607</b>
Other Education	110,984
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Univ of Washington	2,925,540
Community/Tech Colleges	1,750,405
Washington State Univ	817,324
Higher Ed Coord Bd	279,943
Western Washington Univ	235,470
Central Washington Univ	175,149
Eastern Washington Univ	162,729
The Evergreen State Coll	88,824
Spokane Intercoll	4,223
<b>Higher Education</b>	<b>6,439,607</b>

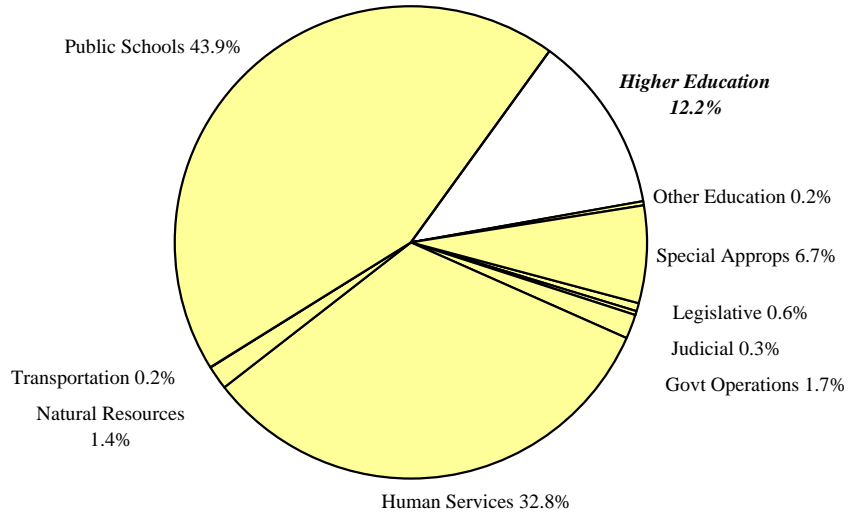


### Higher Education

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

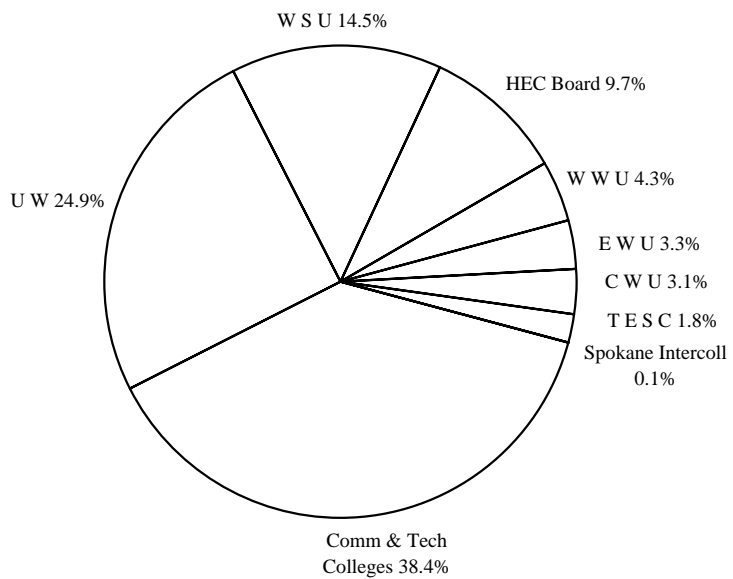
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
<b>Higher Education</b>	<b>2,731,564</b>
Other Education	54,473
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Community/Tech Colleges	1,047,641
Univ of Washington	679,674
Washington State Univ	395,169
Higher Ed Coord Bd	264,158
Western Washington Univ	117,700
Eastern Washington Univ	89,241
Central Washington Univ	85,572
The Evergreen State Coll	49,513
Spokane Intercoll	2,896
<b>Higher Education</b>	<b>2,731,564</b>



### Higher Education

**Higher Education**  
**FTE Student Enrollment History**  
 By Academic Year

	Actual Enrollment							Budgeted	
	1994-95 <sup>1</sup>	1995-96 <sup>1</sup>	1996-97 <sup>1</sup>	1997-98 <sup>1</sup>	1998-99 <sup>1</sup>	1999-00 <sup>1</sup>	2000-01 <sup>1</sup>	2001-02	2002-03
<b>Community &amp; Technical Colleges</b>	<b>113,609</b>	<b>118,075</b>	<b>118,653</b>	<b>117,925</b>	<b>121,302</b>	<b>125,131</b>	<b>128,093</b>	<b>125,082</b>	<b>128,222</b>
General Enrollment <sup>(2)</sup>	113,609	109,907	111,129	110,808	114,885	117,623	120,830	117,852	119,672
Dislocated Workers <sup>(2)</sup>	0	8,168	7,524	7,117	6,417	7,508	7,263	7,200	8,520
Two-plus-Two <sup>(3)</sup>	0	0	0	0	0	0	0	30	30
<b>Four-Year Schools</b>	<b>77,305</b>	<b>77,977</b>	<b>79,435</b>	<b>80,458</b>	<b>81,814</b>	<b>82,734</b>	<b>84,784</b>	<b>84,523</b>	<b>85,290</b>
University of Washington	31,493	31,811	32,858	33,398	33,592	34,058	34,966	34,820	35,146
Washington State University	18,007	18,425	18,594	18,584	19,148	18,983	19,473	19,570	19,694
Eastern Washington University	7,605	7,364	6,945	6,907	7,244	7,712	8,081	7,933	8,017
Central Washington University	7,337	7,339	7,448	7,474	7,471	7,463	7,287	7,470	7,470
The Evergreen State College	3,377	3,387	3,489	3,728	3,822	3,697	3,786	3,754	3,837
Western Washington University	9,486	9,651	10,101	10,367	10,537	10,821	11,191	10,976	11,126
HECB Timber Workers <sup>(4)</sup>	104	118	139	148	177	45	48	0	0
<b>Total Higher Education</b>	<b>191,018</b>	<b>196,170</b>	<b>198,227</b>	<b>198,531</b>	<b>203,293</b>	<b>207,910</b>	<b>212,925</b>	<b>209,605</b>	<b>213,512</b>

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

(3) Specific funding has been provided since 2000-01 for Olympic Community College to facilitate the delivery of upper division courses by accredited, four-year guest institutions for 30 FTE students. Because the supporting funds do not generate lower division enrollment, there are no actual FTE to report for the two-year college system.

(4) Actual Timber Worker enrollments reported for 1994-95, 1995-96, 1996-97 and 1998-99 include Pullman extended degree students.

Data Source :

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

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

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

**Higher Education**  
**Budgeted Enrollment Increases**  
 By Academic Year

	<b>FTE Student Enrollment</b>				
	<b>Budgeted Level 2000-2001</b>	<b>Increase for 2001-2002</b>	<b>Total Budgeted 2001-2002</b>	<b>Increase for 2002-03</b>	<b>Total Budgeted 2002-2003</b>
<b>Community &amp; Technical Colleges</b>	<b>123,762</b>	<b>1,320</b>	<b>125,082</b>	<b>3,140</b>	<b>128,222</b>
General Enrollments	116,032	1,820	117,852	1,820	119,672
Dislocated Workers <sup>(1)</sup>	7,200	0	7,200	1,320	8,520
Timber Workers	500	(500)	0	0	0
Two-plus-Two	30	0	30	0	30
<b>Four-Year Schools</b>	<b>84,855</b>	<b>(332)</b>	<b>84,523</b>	<b>767</b>	<b>85,290</b>
University of Washington	34,688	132	34,820	326	35,146
Seattle <sup>(2)</sup>	32,266	55	32,321	106	32,427
Bothell <sup>(2)</sup>	1,136	33	1,169	66	1,235
Tacoma <sup>(2)</sup>	1,286	44	1,330	154	1,484
Washington State University	19,847	(277)	19,570	124	19,694
Main	17,609	(277)	17,332	0	17,332
Spokane <sup>(2)</sup>	551	0	551	42	593
Tri-Cities	616	0	616	0	616
Vancouver <sup>(2)</sup>	1,071	0	1,071	82	1,153
Eastern Washington University	7,864	69	7,933	84	8,017
Central Washington University	7,867	(397)	7,470	0	7,470
The Evergreen State College	3,713	41	3,754	83	3,837
Western Washington University	10,826	150	10,976	150	11,126
HECB Timber Workers	50	(50)	0	0	0
<b>Total Higher Education</b>	<b>208,617</b>	<b>988</b>	<b>209,605</b>	<b>3,907</b>	<b>213,512</b>

(1) The State Board for Community and Technical Colleges is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program in academic year 2001-02, and up to 8,520 FTEs in academic year 2002-03.

(2) Subject to reporting requirements, the research universities may reallocate up to 10 percent of newly budgeted FTEs to a campus other than that designated by lawmakers to focus on high demand areas.



## 2001-2003 New Tuition and Services and Activities Fee Authority <sup>(1)</sup>

	Current Rate	Maximum New Rate	
	2000-2001	2001-2002	2002-2003
<b>Research Universities</b>			
Resident Undergraduate	3,650	3,898	4,522
Resident Graduate - Business (UW)	5,642	6,490	TBD
Resident Graduate - Business (WSU)	5,642	6,319	TBD
Resident Graduate - All Other	5,642	6,022	TBD
Resident Law	6,099	6,834	TBD
Resident MD/DDS/DVM	9,338	9,963	TBD
Nonresident Undergraduate	11,456	12,225	TBD
Nonresident Graduate - Business (UW)	14,018	16,119	TBD
Nonresident Graduate - Business (WSU)	14,018	15,703	TBD
Nonresident Graduate - All Other	14,018	14,955	TBD
Nonresident Law	15,207	17,034	TBD
Nonresident MD/DDS/DVM	23,462	25,035	TBD
<b>Regional Universities</b>			
Resident Undergraduate	2,831	3,019	3,442
Resident Graduate - Business	4,532	5,075	TBD
Resident Graduate - All Other	4,532	4,834	TBD
Nonresident Undergraduate	9,966	10,634	TBD
Nonresident Graduate - Business	13,674	15,315	TBD
Nonresident Graduate - All Other	13,674	14,591	TBD
<b>Community &amp; Technical Colleges</b>			
Resident Undergraduate	1,641	1,751	1,961
Nonresident Undergraduate	6,459	6,893	TBD

(1) These are average tuition and fees rates by sector; individual institutions may vary slightly from these averages. "TBD" reflects rates yet to be determined by the governing boards of the respective institutions. See notes below.

**Notes:**

The budget grants institutions' governing boards the flexibility to increase tuition rates up to certain limits set out in section 601 of the act. The tuition and fee levels above illustrate the maximum amounts that could be set by institutions where caps exist. For most students, tuition fees could not increase by more than 6.7 percent in academic year 2001-02. For academic year 2002-03, only undergraduate tuition fees for residents are capped. The maximum increase governing boards may adopt for undergraduate study by residents is 12 percent at state community and technical colleges, 14 percent at state regional universities of Eastern, Western, Central and The Evergreen State College, and 16 percent at state research universities of Washington State and the University of Washington. For graduate and non-resident students, institutional governing boards have full discretion to raise tuition fees as deemed appropriate in the 2002-03 academic year. Institutions may adopt tuition rate increases that vary by student category. Institutions may also adjust tuition rates based upon time of day, day of week, delivery method, or campus.

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

## Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>1,058,130</b>	<b>697,664</b>	<b>1,755,794</b>
<b>Total Maintenance Changes</b>	<b>1,357</b>	<b>0</b>	<b>1,357</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-1,905	0	-1,905
2. Operating Cost Reduction	-16,312	0	-16,312
3. Pension Rate Change	-1,295	0	-1,295
4. Expand Worker Retraining Program	4,000	2,600	6,600
5. No 2nd Year COLA	-4,644	0	-4,644
6. No 2nd Year Increments	-1,190	0	-1,190
7. Mader Settlement	9,500	2,500	12,000
<b>Total Policy Changes</b>	<b>-11,846</b>	<b>5,100</b>	<b>-6,746</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,047,641</b>	<b>702,764</b>	<b>1,750,405</b>
Fiscal Year 2002 Total	514,141	338,961	853,102
Fiscal Year 2003 Total	533,500	363,803	897,303

**Comments:**

1. **Health Benefits Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.

2. **Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 3 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

4. **Expand Worker Retraining Program** - In response to increased layoffs during the present economic downturn, 1,320 full-time equivalent (FTE) enrollments are added on a one-time basis for worker retraining efforts by the colleges. Funding is

provided at \$5,000 per student. (General Fund-State, Administrative Contingency Account-State)

5. **No 2nd Year COLA** - No further cost-of-living adjustments (COLAs) are funded except for those higher education employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.

6. **No 2nd Year Increments** - No further increments are assumed for faculty during the remainder of the biennium. A reduction is taken in FY 2003 to reflect this change.

7. **Mader Settlement** - Provides for the settlement of a lawsuit (Mader v. Health Care Authority) involving retirement contributions for part-time faculty employed by State colleges. (General Fund-State, College Faculty Awards Trust Account)

## University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>707,088</b>	<b>2,245,885</b>	<b>2,952,973</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-1,150	-14	-1,164
2. Operating Cost Reduction	-18,056	0	-18,056
3. Pension Rate Change	-353	-5	-358
4. Recruitment & Retention	2,774	0	2,774
5. No 2nd Year COLA	-7,855	0	-7,855
6. Governor Veto	-2,774	0	-2,774
<b>Total Policy Changes</b>	<b>-27,414</b>	<b>-19</b>	<b>-27,433</b>
<b>2001-03 Revised Appropriations</b>	<b>679,674</b>	<b>2,245,866</b>	<b>2,925,540</b>
Fiscal Year 2002 Total	345,904	1,099,768	1,445,672
Fiscal Year 2003 Total	333,770	1,146,098	1,479,868

**Comments:**

- |  |  |
|--|--|
| <p>1. <b>Health Benefits Changes</b> - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.</p> | <p>5. <b>No 2nd Year COLA</b> - No further cost-of-living adjustments (COLAs) are funded except for those higher education employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.</p> |
| <p>2. <b>Operating Cost Reduction</b> - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.</p>  | <p>6. <b>Governor Veto</b> - The Governor vetoed Section 604(10) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for recruitment and retention (see item above).</p>  |

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now. (General Fund-State, Accident Account, Medical Aid Account)

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782). (General Fund-State, Death Investigations Account, Accident Account, Medical Aid Account)
4. **Recruitment & Retention** - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructional and research faculty and staff.

## Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>411,355</b>	<b>422,155</b>	<b>833,510</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-648	0	-648
2. Operating Cost Reduction	-10,497	0	-10,497
3. Pension Rate Change	-274	0	-274
4. Recruitment & Retention	1,726	0	1,726
5. No 2nd Year COLA	-4,767	0	-4,767
6. Governor Veto	-1,726	0	-1,726
<b>Total Policy Changes</b>	<b>-16,186</b>	<b>0</b>	<b>-16,186</b>
<b>2001-03 Revised Appropriations</b>	<b>395,169</b>	<b>422,155</b>	<b>817,324</b>
Fiscal Year 2002 Total	201,362	207,976	409,338
Fiscal Year 2003 Total	193,807	214,179	407,986

**Comments:**

1. **Health Benefits Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.

6. **Governor Veto** - The Governor vetoed Section 605(4) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for recruitment and retention (see item above).

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.

2. **Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

4. **Recruitment & Retention** - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructional and research faculty and staff.

5. **No 2nd Year COLA** - No further cost-of-living adjustments (COLAs) are funded except for those higher education

## Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>92,914</b>	<b>73,488</b>	<b>166,402</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-166	0	-166
2. Operating Cost Reduction	-2,369	0	-2,369
3. Pension Rate Change	-73	0	-73
4. Recruitment & Retention	450	0	450
5. No 2nd Year COLA	-1,065	0	-1,065
6. Governor Veto	-450	0	-450
<b>Total Policy Changes</b>	<b>-3,673</b>	<b>0</b>	<b>-3,673</b>
<b>2001-03 Revised Appropriations</b>	<b>89,241</b>	<b>73,488</b>	<b>162,729</b>
Fiscal Year 2002 Total	45,517	35,973	81,490
Fiscal Year 2003 Total	43,724	37,515	81,239

**Comments:**

1. **Health Benefits Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.

6. **Governor Veto** - The Governor vetoed a portion of Section 606 of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for recruitment and retention (see item above).

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.

2. **Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

4. **Recruitment & Retention** - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructional faculty and staff.

5. **No 2nd Year COLA** - No further cost-of-living adjustments (COLAs) are funded except for those higher education

## Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>89,140</b>	<b>89,577</b>	<b>178,717</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-180	0	-180
2. Operating Cost Reduction	-2,249	0	-2,249
3. Pension Rate Change	-85	0	-85
4. Enrollment Recovery	350	0	350
5. Recruitment & Retention	374	0	374
6. No 2nd Year COLA	-1,054	0	-1,054
7. Governor Veto	-724	0	-724
<b>Total Policy Changes</b>	<b>-3,568</b>	<b>0</b>	<b>-3,568</b>
<b>2001-03 Revised Appropriations</b>	<b>85,572</b>	<b>89,577</b>	<b>175,149</b>
Fiscal Year 2002 Total	44,147	44,119	88,266
Fiscal Year 2003 Total	41,425	45,458	86,883

**Comments:**

1. **Health Benefits Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.

2. **Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

4. **Enrollment Recovery** - Support is provided to assist with Central Washington University's enrollment recovery efforts.

5. **Recruitment & Retention** - Funding is provided for competitive faculty and exempt professional staff recruitment

and retention salary offers to attract and preserve quality instructional faculty and staff.

6. **No 2nd Year COLA** - No further cost-of-living adjustments (COLAs) are funded except for those higher education employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.

7. **Governor Veto** - The Governor vetoed Section 607(1) and (2) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for enrollment recovery as well as recruitment and retention (see items above).

## The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>51,594</b>	<b>39,311</b>	<b>90,905</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-97	0	-97
2. Operating Cost Reduction	-1,304	0	-1,304
3. Pension Rate Change	-44	0	-44
4. Recruitment & Retention	226	0	226
5. WSIPP Studies	60	0	60
6. No 2nd Year COLA	-636	0	-636
7. Governor Veto	-286	0	-286
<b>Total Policy Changes</b>	<b>-2,081</b>	<b>0</b>	<b>-2,081</b>
<b>2001-03 Revised Appropriations</b>	<b>49,513</b>	<b>39,311</b>	<b>88,824</b>
Fiscal Year 2002 Total	25,325	18,990	44,315
Fiscal Year 2003 Total	24,188	20,321	44,509

**Comments:**

- |  |   |
|--|---|
| <p>1. <b>Health Benefits Changes</b> - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.</p> <p>Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.</p> <p>2. <b>Operating Cost Reduction</b> - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.</p> <p>3. <b>Pension Rate Change</b> - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).</p> <p>4. <b>Recruitment &amp; Retention</b> - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructional faculty and staff.</p> | <p>5. <b>WSIPP Studies</b> - Funding is provided for the Washington State Institute for Public Policy (WSIPP) to conduct the following studies: At-Risk Youth Prevention Programs, Drug Sentencing Changes (under Chapter 290, Laws of 2002 - 2SHB 2338), Research University Branch Campus Study, and Higher Education Coordinating Board Study. In recognition of fiscal constraints the state faces, the Institute will conduct these studies with limited new funding along with available resources. For more information, see language contained in section 608 of the 2002 Supplemental Operating Budget Act.</p> <p>6. <b>No 2nd Year COLA</b> - No further cost-of-living adjustments (COLAs) are funded except for those higher education employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.</p> <p>7. <b>Governor Veto</b> - The Governor vetoed Section 608(1) and (11) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for recruitment and retention and studies to be conducted by WSIPP (see items above).</p> |
|--|---|

## Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>122,636</b>	<b>117,770</b>	<b>240,406</b>
<b>Policy Changes</b>			
1. Health Benefits Changes	-204	0	-204
2. Operating Cost Reduction	-3,144	0	-3,144
3. Pension Rate Change	-115	0	-115
4. Recruitment & Retention	450	0	450
5. No 2nd Year COLA	-1,473	0	-1,473
6. Governor Veto	-450	0	-450
<b>Total Policy Changes</b>	<b>-4,936</b>	<b>0</b>	<b>-4,936</b>
<b>2001-03 Revised Appropriations</b>	<b>117,700</b>	<b>117,770</b>	<b>235,470</b>
Fiscal Year 2002 Total	59,732	57,761	117,493
Fiscal Year 2003 Total	57,968	60,009	117,977

**Comments:**

1. **Health Benefits Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction. (See Agency 713 - State Employee Compensation Adjustments.) Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

employees eligible under Initiative 732. The original budget had included general funds sufficient to fund a 2.6 percent increase on July 1, 2002. A reduction is taken to reflect this change.

6. **Governor Veto** - The Governor vetoed Section 609(2) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided for recruitment and retention (see item above).

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now.

2. **Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 5 percent. Budgeted enrollment increases for the 2002-03 academic year are maintained.

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

4. **Recruitment & Retention** - Funding is provided for competitive faculty and exempt professional staff recruitment and retention salary offers to attract and preserve quality instructional faculty and staff.

5. **No 2nd Year COLA** - No further cost-of-living adjustments (COLAs) are funded except for those higher education



## Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>264,603</b>	<b>15,089</b>	<b>279,692</b>
<b>Total Maintenance Changes</b>	<b>361</b>	<b>696</b>	<b>1,057</b>
<b>Policy Changes</b>			
1. Operating Cost Reduction	-120	0	-120
2. HECB Admin of Financial Aid	-416	0	-416
3. State Need Grant	2,180	0	2,180
4. Promise Scholarships	-2,450	0	-2,450
<b>Total Policy Changes</b>	<b>-806</b>	<b>0</b>	<b>-806</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>264,158</b>	<b>15,785</b>	<b>279,943</b>
Fiscal Year 2002 Total	125,990	7,246	133,236
Fiscal Year 2003 Total	138,168	8,539	146,707

**Comments:**

1. **Operating Cost Reduction** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **HECB Admin of Financial Aid** - The Higher Education Coordinating Board (HECB) allowance for state-level administration of Financial Aid is reduced from the present, indirect rate of 2.1 percent of program appropriations to 1.8 percent beginning in FY 2003.
  
3. **State Need Grant** - Funds are provided to support tuition increases in FY 2003. HECB is directed to adjust grant levels as necessary to ensure that as many students as possible who meet the financial criteria of 55 percent of median family income are served.
  
4. **Promise Scholarships** - Promise Scholarships awarded to new student recipients for the 2002-03 academic year shall be valued at no more than \$1,000 a year.

**Spokane Intercollegiate Research & Technology Inst**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>3,000</b>	<b>1,327</b>	<b>4,327</b>
<b>Policy Changes</b>			
1. Operating Cost Reduction	-100	0	-100
2. Pension Rate Change	-4	0	-4
<b>Total Policy Changes</b>	<b>-104</b>	<b>0</b>	<b>-104</b>
<b>2001-03 Revised Appropriations</b>	<b>2,896</b>	<b>1,327</b>	<b>4,223</b>
Fiscal Year 2002 Total	1,499	771	2,270
Fiscal Year 2003 Total	1,397	556	1,953

**Comments:**

1. **Operating Cost Reduction** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided under Chapter 7, Laws of 2002 (HB 2782).

## OTHER EDUCATION

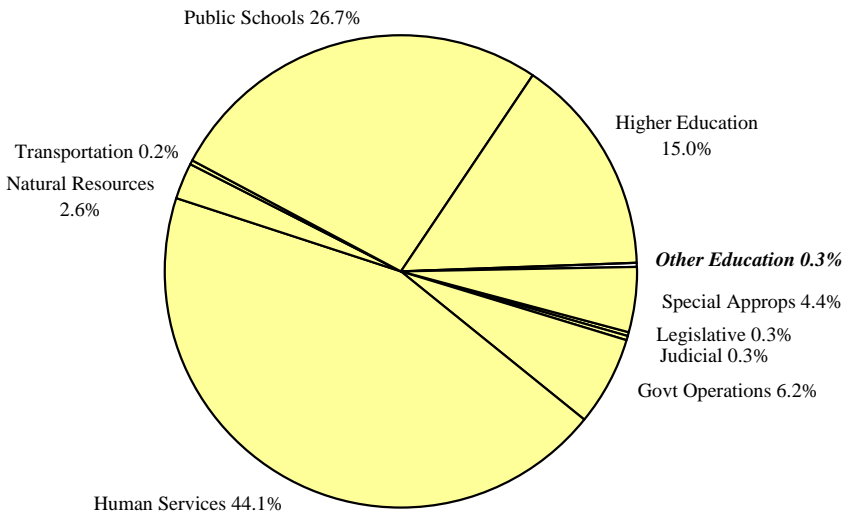
### **State Library**

The State Library is transferred to the Office of the Secretary of State. Funding for the Library is provided to the Governor; however, general funds are reduced by \$279,000 with the exception of grants for the Washington Talking Book and Braille Library.

## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

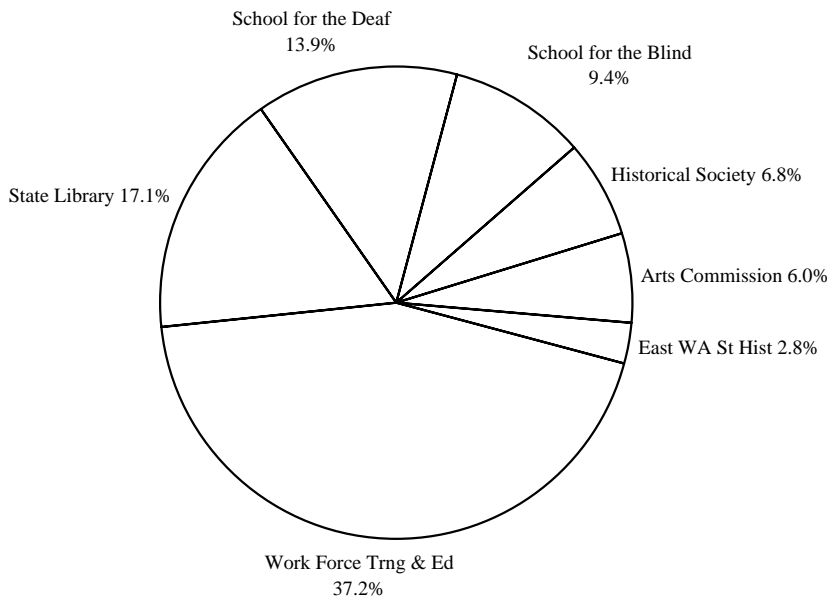
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
<b>Other Education</b>	<b>110,984</b>
Special Appropriations	1,904,368
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Work Force Trng & Ed	48,881
State Library	18,976
School for the Deaf	15,378
School for the Blind	10,428
State Hist Society	7,494
State Arts Comm	6,664
East WA State Hist Society	3,163
<b>Other Education</b>	<b>110,984</b>

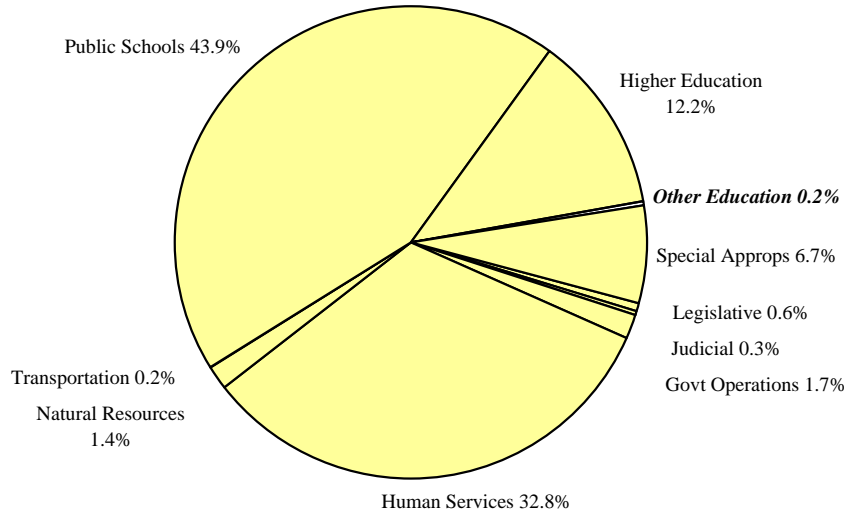


### Other Education

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

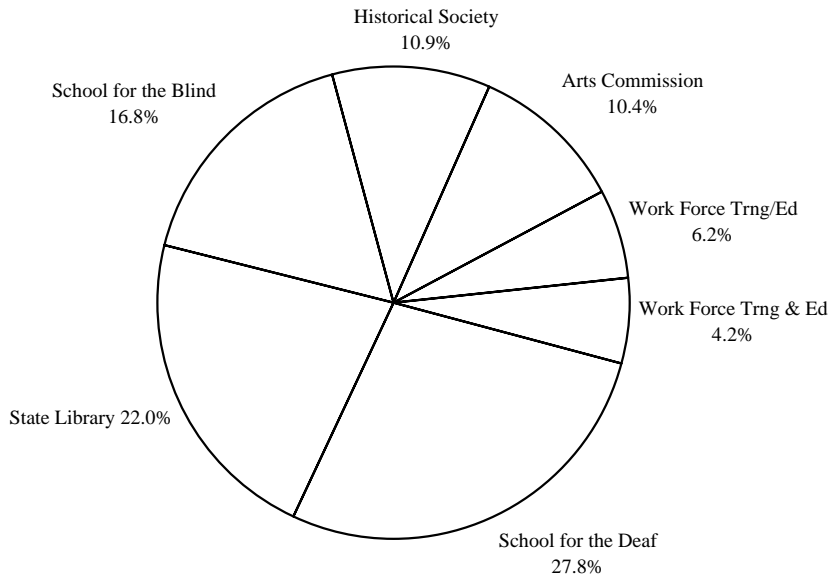
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
<b>Other Education</b>	<b>54,473</b>
Special Appropriations	1,506,941
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

School for the Deaf	15,146
State Library	12,000
School for the Blind	9,174
State Hist Society	5,934
State Arts Comm	5,661
Work Force Trng & Ed	3,395
East WA State Hist Society	3,163
<b>Other Education</b>	<b>54,473</b>



### Other Education

## Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>3,482</b>	<b>45,486</b>	<b>48,968</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-87	0	-87
<b>Total Policy Changes</b>	<b>-87</b>	<b>0</b>	<b>-87</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>3,395</b>	<b>45,486</b>	<b>48,881</b>
Fiscal Year 2002 Total	1,762	23,388	25,150
Fiscal Year 2003 Total	1,633	22,098	23,731

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

**State Library**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>17,577</b>	<b>6,976</b>	<b>24,553</b>
<b>Policy Changes</b>			
1. Trsf State Library to Secy of State	-5,577	0	-5,577
<b>Total Policy Changes</b>	<b>-5,577</b>	<b>0</b>	<b>-5,577</b>
<b>2001-03 Revised Appropriations</b>	<b>12,000</b>	<b>6,976</b>	<b>18,976</b>
Fiscal Year 2002 Total	8,791	3,980	12,771
Fiscal Year 2003 Total	3,209	2,996	6,205

**Comments:**

1. **Trsf State Library to Secy of State** - The State Library is transferred to the Secretary of State (Chapter 342, Laws of 2002 - SHB 2926), and the funding is included in the Governor's Emergency Fund appropriation.

## Washington State Arts Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>5,747</b>	<b>1,000</b>	<b>6,747</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-86	0	-86
2. TumbleWords Program	0	3	3
<b>Total Policy Changes</b>	<b>-86</b>	<b>3</b>	<b>-83</b>
<b>2001-03 Revised Appropriations</b>	<b>5,661</b>	<b>1,003</b>	<b>6,664</b>
Fiscal Year 2002 Total	2,873	407	3,280
Fiscal Year 2003 Total	2,788	596	3,384

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
  
2. **TumbleWords Program** - Spending authority is provided for the TumbleWords Readings and Residencies Program. One-time funds are provided by the Western States Arts Federation. (General Fund-Private/Local)



## Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>6,028</b>	<b>1,560</b>	<b>7,588</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-94	0	-94
<b>Total Policy Changes</b>	<b>-94</b>	<b>0</b>	<b>-94</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>5,934</b>	<b>1,560</b>	<b>7,494</b>
Fiscal Year 2002 Total	2,899	771	3,670
Fiscal Year 2003 Total	3,035	789	3,824

**Comments:**

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

### Eastern Washington State Historical Society

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>3,209</b>	<b>0</b>	<b>3,209</b>
<b>Policy Changes</b>			
1. Efficiencies & Savings	-46	0	-46
<b>Total Policy Changes</b>	<b>-46</b>	<b>0</b>	<b>-46</b>
<b>2001-03 Revised Appropriations</b>	<b>3,163</b>	<b>0</b>	<b>3,163</b>
Fiscal Year 2002 Total	1,674	0	1,674
Fiscal Year 2003 Total	1,489	0	1,489

**Comments:**

- 1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

### State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>9,111</b>	<b>1,173</b>	<b>10,284</b>
<b>Total Maintenance Changes</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>Policy Changes</b>			
1. Regional Services	0	81	81
2. Replacement Bus	65	0	65
3. Learning Improvement Days	-7	0	-7
<b>Total Policy Changes</b>	<b>58</b>	<b>81</b>	<b>139</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>9,174</b>	<b>1,254</b>	<b>10,428</b>
Fiscal Year 2002 Total	4,520	586	5,106
Fiscal Year 2003 Total	4,654	668	5,322

**Comments:**

1. **Regional Services** - Spending authority is provided for increased regional services to school districts for itinerant teachers, orientation, and mobility specialists. Services are provided on a fee-for-service basis. (General Fund-Private/Local)
  
2. **Replacement Bus** - One-time funding is provided for a special education bus to transport students. The current bus used to transport students does not meet school bus safety standards for transporting disabled students.
  
3. **Learning Improvement Days** - Savings will be achieved by reducing the number of student learning improvement days from three to two, effective in the 2002-03 school year. Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The most recent change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. The three extra days were added to the 180 day school year, and for teachers who worked the extra three days, the state provided an additional 1.64 percent of salary.

**State School for the Deaf**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>14,834</b>	<b>232</b>	<b>15,066</b>
<b>Total Maintenance Changes</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>Policy Changes</b>			
1. Bus Replacement	65	0	65
2. Safety Initiatives	250	0	250
3. Learning Improvement Days	-10	0	-10
<b>Total Policy Changes</b>	<b>305</b>	<b>0</b>	<b>305</b>
<b>2001-03 Revised Appropriations</b>	<b>15,146</b>	<b>232</b>	<b>15,378</b>
Fiscal Year 2002 Total	7,395	116	7,511
Fiscal Year 2003 Total	7,751	116	7,867

**Comments:**

1. **Bus Replacement** - One-time funding is provided for a special education bus to transport students. The current bus used to transport students does not meet school bus safety standards for transporting disabled students.
2. **Safety Initiatives** - Funding is provided for two residential deans, three residential student life counselors, and one bus monitor to increase student oversight. The School will improve staff communications by holding monthly academic and residential staff meetings and will implement a "train the trainer" program to build staff skills to deal with deaf children who present at-risk behaviors.
3. **Learning Improvement Days** - Savings will be achieved by reducing the number of student learning improvement days from three to two, effective in the 2002-03 school year. Since 1993, the Legislature has provided funding for student learning improvement days to implement education reform. The allocation of funds for this has changed over the years. The most recent change was in 1999 when the Legislature added three learning improvement days to the state salary allocation schedule for certificated instructional staff. The three extra days were added to the 180 day school year, and for teachers who worked the extra three days, the state provided an additional 1.64 percent of salary.

# SPECIAL APPROPRIATIONS

## **Cost-of-Living Adjustments**

Funding is eliminated that would have provided a 2.6 percent salary increase in fiscal year 2003 for state classified employees, exempt employees, and employee groups not under the jurisdiction of the Washington Personnel Resources Board, such as assistant attorneys general, judicial employees, and commissioned Washington State Patrol officers. This results in general fund savings of \$2.89 million.

Other General Fund-State salary savings for fiscal year 2003 include eliminating a 2.6 percent increase for higher education employees not covered by Initiative 732, saving \$21.5 million. (See agency detail in the Higher Education Section.) Vendor rate increases of 2.3 percent are reduced to 1.5 percent, saving \$9.4 million. (See agency detail in the Human Services Section and the Department of Community, Trade, and Economic Development.)

## **State Employee Health Benefits**

The state will increase its payments for state and higher education employee health benefits by 6.5 percent in fiscal year 2003, rather than by 8.8 percent as originally budgeted, for a savings of \$3.5 million General Fund-State. Specific impacts upon employee medical benefits and cost-sharing will be determined by the Public Employees' Benefits Board during the summer, following the review of price quotations submitted by participating insurance plans. By way of example, the new state contribution to health benefits is roughly equivalent to what would occur if: (a) office visit co-pays for employees enrolled in managed care plans were increased to \$15, from their current level of \$10; (b) the average employee paid \$57 of their family's monthly medical premium next year, compared to \$37 per month now; (c) the employer contribution to prescription drug benefits is reduced by 10 percent; and (d) recipient co-insurance on the Uniform Medical Plan is increased to 15 percent, from the current level of 10 percent.

## **Pension Contribution Rate Adjustments**

The budget, in separate legislation (Chapter 7, Laws of 2002 – HB 2782), includes reductions in employer and state contributions for the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS), Teachers' Retirement System (TRS), and Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement Plan 2 and employee contribution rates for the Plan 2 retirement systems. Most of the savings (\$54 million) are in the K-12 system.

The 1995-2000 Experience Study conducted by the Office of the State Actuary showed that the contribution rates for PERS, SERS, TRS, and LEOFF were higher than necessary to fully fund those systems. Effective April 1, 2002, employer contribution rates were reduced from 1.54 percent to 1.10 percent for PERS; 1.54 percent to 0.96 percent for SERS; and 2.75 percent to 1.05 percent for TRS. The basic state contribution rate for LEOFF 2 was reduced from 1.80 percent to 1.75 percent.

Plan 2 employees' contribution rates were reduced from 4.50 percent to 4.39 percent for LEOFF 2; 0.88 percent to 0.65 percent for PERS 2; 0.88 percent to 0.35 percent for SERS 2; and 1.23 percent to 0.15 percent for TRS 2.

## **Extraordinary Criminal Justice Assistance**

An amount of \$394,000 from the Public Safety and Education Account is provided for assistance to Franklin and Stevens Counties for extraordinary judicial and other criminal justice costs incurred in the adjudication of aggravated homicide cases.

## **Fire Mobilization and Fire Suppression**

During the summer of 2001, there were a series of wildfires that significantly affected state and local fire fighting agencies. An additional \$33 million is provided from the Disaster Response Account to cover costs associated

with the 2001 fire season and to replenish the fire contingency pool for future fires. This funding, combined with the \$3 million provided in the original 2001-03 budget, will fund the following costs: \$24.2 million for the Department of Natural Resources and other natural resource agencies costs in fire suppression activities; \$7.8 million for fire mobilizations coordinated by the Military Department; and \$4 million as a contingency for fire mobilization and suppression activities in the future.

### **Local Government Backfill**

After the passage of Initiative 695 in 1999, the Legislature replaced a portion of the lost Motor Vehicle Excise Tax (MVET) funding for local governments for the remainder of fiscal year 2000 and for fiscal year 2001. This backfill was continued in the 2001-03 operating budget, when \$48.3 million was appropriated for Public Health Districts, \$93.1 million for cities, and \$49.5 million for counties.

The 2002 Supplemental Operating Budget did not change the fiscal year 2002 appropriations but did eliminate or modify city and county appropriations for fiscal year 2003. The Public Health district appropriations were left unchanged.

The appropriation to cities was reduced from \$47.3 million to \$8.0 million and the money directed only to those cities hardest hit by the loss of MVET funds as measured by the percentage loss compared with unrestricted revenues. Those cities whose loss was less than 10 percent received no backfill. Those cities where the loss was greater than 10 percent received backfill that grew proportionally with the loss.

The county appropriation was reduced from \$25.1 million to \$5 million and directed to 18 counties most affected by the loss of MVET funds.

### **Efficiency Reductions**

A variety of efficiency reductions were made to state agencies' appropriations, as described below.

- Administrative reductions were made directly to agencies' fiscal year 2003 appropriations. Agencies are expected to achieve these savings in a manner consistent with the agency's mission, goals, and objectives while, to the greatest extent possible, maintaining client services. Examples of actions that may be taken by state agencies include hiring freezes, employee furloughs, and reductions in employee travel and training, equipment purchases, and personal service contracts. For the amount of each agency's reduction, see the table on the following pages.
- Revolving fund appropriations were reduced by \$3.7 million from the state general fund and by \$4.2 million from other funds. State agencies that provide services to other state agencies are directed to reduce their expenditures and to share the savings with their clients. The savings are captured in client state agencies' budgets through reductions in their revolving fund appropriations. The Office of Financial Management will distribute the revolving fund reductions to client state agencies through the allotment process.
- Across-the-board reductions in expenditures for employee travel (\$3.0 million general fund) and equipment purchases (\$2.3 million general fund) to reflect the elimination of nonessential travel and a freeze on equipment purchases. (Reductions in travel and equipment purchases for the Senate and House of Representatives were made directly to the appropriations of the two agencies.)
- A contingency fund of \$1.5 million is provided to the Governor to provide assistance to state agencies that are unable to absorb these efficiency reductions. The Governor may also use his Emergency Fund appropriation for this purpose.

## 2002 Supplemental Omnibus Operating Budget Efficiency Reductions

(Dollars in Thousands)

	FY 2003	2001-03	
	FTEs	GF-S	Total Funds
<b>Legislative</b>	<b>-14.0</b>	<b>-3,001</b>	<b>-3,030</b>
<b>Judicial</b>	<b>-3.0</b>	<b>-639</b>	<b>-639</b>
<b>Governmental Operations</b>			
Office of the Governor	-2.0	-136	-136
Lieutenant Governor		-23	-23
Public Disclosure Commission		-57	-57
Secretary of State	-3.0	-501	-501
Governor's Office of Indian Affairs		-8	-8
Salaries for Elected Officials		-5	-5
Caseload Forecast Council		-19	-19
Department of Financial Institutions	-2.0		-357
Department of Community, Trade, & Economic Development	-2.5	-274	-274
Economic & Revenue Forecast Council		-15	-15
Office of Financial Management	-3.6	-366	-366
Office of Administrative Hearings	-4.0		-330
Department of Personnel	-6.5		-262
State Lottery Commission	-4.5		-335
Washington State Gambling Commission	-6.0		-450
State Investment Board	-2.0		-194
Department of Revenue	-3.0	-699	-699
Tax Appeals Board		-31	-31
Department of General Administration		-19	-19
Washington Horse Racing Commission	-0.9		-68
Liquor Control Board	-4.0	-45	-2,104
Utilities & Transportation Commission	-4.0		-406
Military Department	-1.0	-269	-269
Public Employment Relations Commission	-1.0	-86	-86
Growth Management Hearings Board		-45	-45
<b>Total Governmental Operations</b>	<b>-50.0</b>	<b>-2,598</b>	<b>-7,059</b>
<b>DSHS</b>	<b>-45.5</b>	<b>-9,204</b>	<b>-14,577</b>
<b>Other Human Services</b>			
Health Care Authority	-9.0		-766
Human Rights Commission	-1.0	-81	-81
Indeterminate Sentence Review Board		-30	-30
Department of Health	-1.3	-421	-995
Department of Veterans' Affairs -- Headquarters	-0.7	-49	-49
Department of Veterans' Affairs -- Field Services	-0.9	-51	-51
Department of Veterans' Affairs -- Institutional Services	-1.9	-144	-144
Department of Corrections -- Admin & Support Services	-14.6	-943	-943
Department of Corrections -- Institutional	-7.1	-2,093	-2,093
Department of Corrections -- Community Corrections	-7.5	-450	-450
Department of Services for the Blind		-81	-81
Sentencing Guidelines Commission		-25	-25
<b>Total Other Human Services</b>	<b>-44.0</b>	<b>-4,368</b>	<b>-5,708</b>

## 2002 Supplemental Omnibus Operating Budget Efficiency Reductions

(Dollars in Thousands)

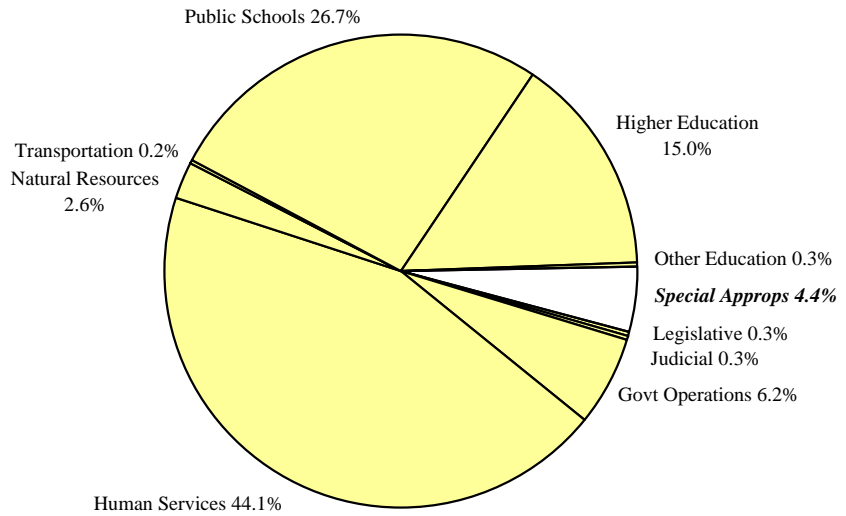
	FY 2003	2001-03	
	FTEs	GF-S	Total Funds
<b>Natural Resources</b>			
Columbia River Gorge Commission		-12	-12
Department of Ecology	-14.0	-1,400	-1,400
State Parks & Recreation Commission	-5.0	-500	-500
Environmental Hearings Office		-25	-25
State Conservation Commission	-1.0	-31	-71
Department of Fish & Wildlife	-5.0	-550	-550
Department of Natural Resources	-12.0	-1,200	-1,200
Department of Agriculture	-2.4	-240	-240
<b>Total Natural Resources</b>	<b>-39.4</b>	<b>-3,958</b>	<b>-3,998</b>
<b>Transportation</b>			
Washington State Patrol	-2.0	-456	-456
Department of Licensing	-0.5	-49	-49
<b>Total Transportation</b>	<b>-2.5</b>	<b>-505</b>	<b>-505</b>
<b>Public Schools</b>	<b>-8.0</b>	<b>-1,436</b>	<b>-1,436</b>
<b>Higher Education</b>	<b>-576.5</b>	<b>-54,567</b>	<b>-54,567</b>
<b>Other Education</b>			
Work Force Training & Education Coordinating Board	-0.1	-87	-87
Washington State Arts Commission	-0.5	-86	-86
Washington State Historical Society	-2.0	-94	-94
Eastern Washington Historical Society	-1.0	-46	-46
<b>Total Other Education</b>	<b>-3.6</b>	<b>-313</b>	<b>-313</b>
<b>Special Appropriations (All Agencies)</b>			
Agency Administrative Contingencies		1,500	1,500
Revolving Fund Reductions		-3,743	-7,984
State Agency Equipment Reduction		-2,300	-2,300
State Employee Travel Reduction		-3,000	-3,000
<b>Total Special Appropriations</b>		<b>-7,543</b>	<b>-11,784</b>
<b>Total Efficiency Reductions</b>	<b>-786.5</b>	<b>-88,132</b>	<b>-103,616</b>



## 2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

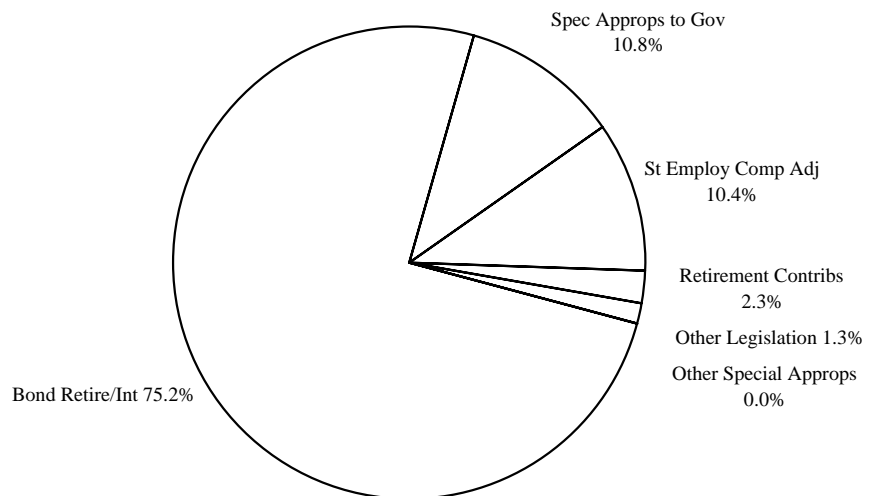
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
Natural Resources	1,102,464
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
<b><i>Special Appropriations</i></b>	<b><i>1,904,368</i></b>
<b>Statewide Total</b>	<b>43,069,870</b>



### Washington State

Bond Retire/Int	1,432,580
Special Approps to Governor	204,773
St Employ Comp Adj	197,491
Retirement Contributions	44,145
Other Legislation	25,100
Other Special Approps	279
<b><i>Special Appropriations</i></b>	<b><i>1,904,368</i></b>

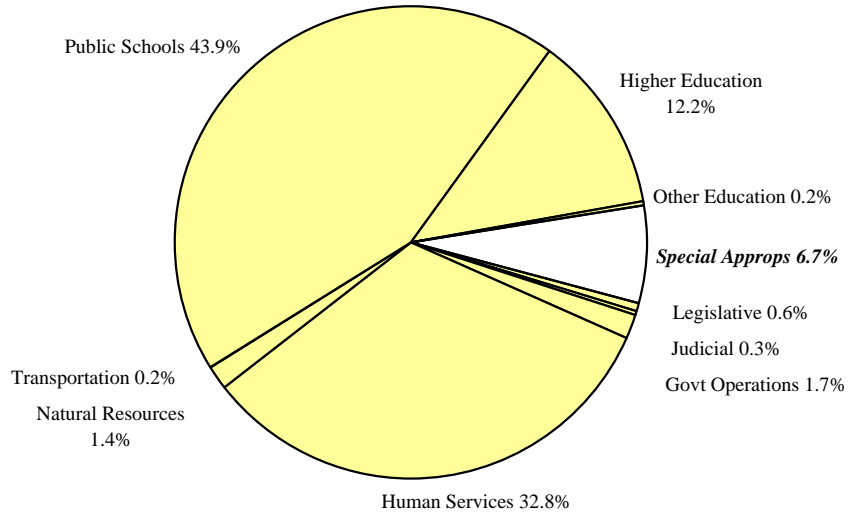


### *Special Appropriations*

## 2001-03 Washington State Omnibus Operating Budget General Fund-State

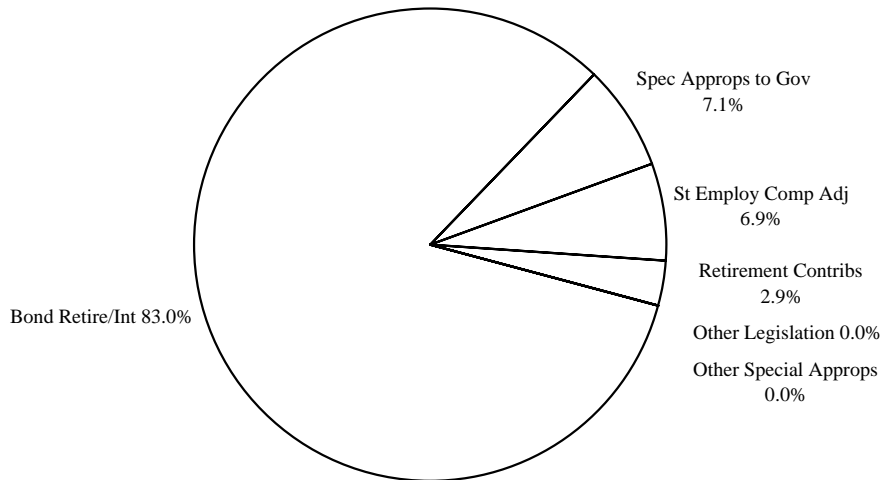
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
Natural Resources	315,637
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
<b><i>Special Appropriations</i></b>	<b><i>1,506,941</i></b>
<b>Statewide Total</b>	<b>22,451,191</b>



### Washington State

Bond Retire/Int	1,251,110
Special Approps to Governor	107,369
St Employ Comp Adj	103,943
Retirement Contributions	44,145
Other Legislation	100
Other Special Approps	274
<b><i>Special Appropriations</i></b>	<b><i>1,506,941</i></b>



### *Special Appropriations*

### Bond Retirement and Interest

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>1,248,770</b>	<b>196,509</b>	<b>1,445,279</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-15,039</b>	<b>-15,039</b>
<b>Policy Changes</b>			
1. Increase in GF-S Debt Service	2,250	0	2,250
2. Increase in Bond Sale Expenses	90	0	90
<b>Total Policy Changes</b>	<b>2,340</b>	<b>0</b>	<b>2,340</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>1,251,110</b>	<b>181,470</b>	<b>1,432,580</b>
Fiscal Year 2002 Total	601,206	97,978	699,184
Fiscal Year 2003 Total	649,904	83,492	733,396

**Comments:**

1. **Increase in GF-S Debt Service** - The increase reflects the increased debt service required by the passage of the supplemental capital budget.
2. **Increase in Bond Sale Expenses** - The increase reflects the increased bond sale expenses required by the passage of the supplemental capital budget.

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

## Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>179,406</b>	<b>64,764</b>	<b>244,170</b>
<b>Policy Changes</b>			
1. DCTED-County Corporation Assist	-25,138	0	-25,138
2. DCTED-Municipal Corporation Assist	-47,252	0	-47,252
3. Fire Contingency Initiative	0	32,983	32,983
4. Extraordinary Criminal Justice Cost	0	394	394
5. Governor's Emergency Fund	7,160	0	7,160
6. Fire Suppression Transfer	0	3,504	3,504
7. Liability Account	25,000	0	25,000
8. Adjust K-20 Network Fund Balance	-11,264	0	-11,264
9. Reduce Technology Pool Funding	-1,000	0	-1,000
10. State Employee Travel Reduction	-3,000	0	-3,000
11. State Agency Equipment Reduction	-2,300	0	-2,300
12. Agency Administrative Contingencies	1,500	0	1,500
13. Small County Assistance	5,000	0	5,000
14. Revolving Fund Reduction	-3,743	-4,241	-7,984
15. Municipal Assistance	8,000	0	8,000
16. Governor Veto	-25,000	0	-25,000
<b>Total Policy Changes</b>	<b>-72,037</b>	<b>32,640</b>	<b>-39,397</b>
<b>2001-03 Revised Appropriations</b>	<b>107,369</b>	<b>97,404</b>	<b>204,773</b>
Fiscal Year 2002 Total	86,460	48,347	134,807
Fiscal Year 2003 Total	20,909	49,057	69,966

**Comments:**

- |  |   |
|--|---|
| <p>1. <b>DCTED-County Corporation Assist</b> - State assistance provided to county governments following the passage of Initiative 695 is eliminated for counties, effective July 1, 2002. Partial assistance for counties most affected by Initiative 695 is provided under a separate appropriation.</p> <p>2. <b>DCTED-Municipal Corporation Assist</b> - State assistance provided to city governments following the passage of Initiative 695 is eliminated for all cities, effective July 1, 2002. Partial assistance for cities most affected by Initiative 695 is provided under a separate appropriation.</p> <p>3. <b>Fire Contingency Initiative</b> - An additional \$33 million is provided for costs associated with the 2001 fire season and replenishing the fire contingency pool for future fires. This funding, combined with the \$3 million provided in the original 2001-03 budget, will fund the following costs: 1) \$24.2 million for the Department of Natural Resources' (DNR's) and other natural resource agencies' costs in fire suppression activities; 2) \$7.8 million for fire mobilizations coordinated by the Military Department; and 3) \$4 million as a contingency pool for fire mobilization and suppression activities in the future. (Disaster Response Account-State)</p> <p>4. <b>Extraordinary Criminal Justice Cost</b> - Funding is provided for assistance to Franklin and Stevens Counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (Public Safety &amp; Education Account)</p> | <p>5. <b>Governor's Emergency Fund</b> - Funding is provided the Governor for emergency allocations to agencies to facilitate a quick response to critical needs that may emerge during FY 2003. Up to \$5,298,000 of the FY 2003 appropriation is provided for costs associated with implementing Chapter 342, Laws of 2002 (SHB 2926 - Transferring the State Library to the Office of the Secretary of the State).</p> <p>6. <b>Fire Suppression Transfer</b> - A portion of the FY 2003 fire suppression funding for DNR is shifted from the General Fund-State to the Disaster Response Account. (Disaster Response Account)</p> <p>7. <b>Liability Account</b> - The sum of \$25 million from the General Fund-State is deposited to the Liability Account to cover increased costs associated with tort claims and defense. The Governor vetoed this appropriation. (General Fund-State, Liability Account)</p> <p>8. <b>Adjust K-20 Network Fund Balance</b> - The \$11 million appropriation from the General Fund-State to the Education Technology Revolving Account is removed for FY 2003. The fund balance in the Education Technology Revolving Account shall be used to pay operating expenses for the K-20 Network in FY 2003. (Education Technology Revolving Account, General Fund-State)</p> <p>9. <b>Reduce Technology Pool Funding</b> - Funding for the technology pool is reduced by \$1 million.</p> |
|--|---|

## Special Appropriations to the Governor

10. **State Employee Travel Reduction** - State agency expenditures are reduced to reflect the elimination of non-essential travel by state employees and officials. (General Fund-State)
11. **State Agency Equipment Reduction** - State agency expenditures for equipment purchases are reduced.
12. **Agency Administrative Contingencies** - Funds are provided to the Governor for assisting state agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 Supplemental Appropriations Act.
13. **Small County Assistance** - Funding is provided for counties most affected by passage of Initiative 695: Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Yakima.
14. **Revolving Fund Reduction** - Client state agencies will realize savings of \$3.7 million General Fund-State and \$4.2 million Other Funds as a result of service and rate reductions implemented by the Attorney General, the State Auditor, General Administration, Department of Information Services, the Secretary of State, Office of Administrative Hearings, Department of Personnel, and Department of Retirement Systems. (General Fund-State, Other Funds)
15. **Municipal Assistance** - Funding is provided for assistance to cities most affected by the loss of revenue resulting from Initiative 695 (Repeal of the Motor Vehicle Excise Tax).
16. **Governor Veto** - The Governor vetoed Section 725 of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which appropriated \$25 million from the general fund for deposit to the Liability Account, which is used for state tort claims and defense costs.

## Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>44,720</b>	<b>0</b>	<b>44,720</b>
<b>Policy Changes</b>			
1. Pension Contributions	-575	0	-575
<b>Total Policy Changes</b>	<b>-575</b>	<b>0</b>	<b>-575</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>44,145</b>	<b>0</b>	<b>44,145</b>
Fiscal Year 2002 Total	21,687	0	21,687
Fiscal Year 2003 Total	22,458	0	22,458

**Comments:**

1. **Pension Contributions** - Effective April 1, 2002, the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent based on the 1995-2000 experience study and 2000 actuarial valuation of the state retirement systems, as provided in Chapter 7, Laws of 2002 (HB 2782).

## State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>2001-03 Original Appropriations</b>	<b>138,099</b>	<b>139,203</b>	<b>277,302</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	-5,144	-4,942	-10,086
2. State Employee Health Benefit Chgs	6,000	2,000	8,000
3. Pension Rate Change	-6,137	-6,080	-12,217
4. State Employee Salary Increase	-28,889	-36,707	-65,596
5. Salary Reclass Implementation	14	74	88
<b>Total Policy Changes</b>	<b>-34,156</b>	<b>-45,655</b>	<b>-79,811</b>
<b>2001-03 Revised Appropriations</b>	<b>103,943</b>	<b>93,548</b>	<b>197,491</b>
Fiscal Year 2002 Total	40,648	41,370	82,018
Fiscal Year 2003 Total	63,295	52,178	115,473

**Comments:**

1. **Health Benefit Changes** - The appropriation is reduced to reflect a change in the monthly employer funding rate from \$497.69 per eligible employee to \$482.38. However, a separate appropriation is provided to the Office of Financial Management (OFM) that restores part of this reduction (see item 2 below). Specific impacts upon employee medical benefits and cost sharing will be determined by the Public Employees' Benefits Board during the summer after reviewing the price quotations submitted by participating insurance plans.

General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Fund)

5. **Salary Reclass Implementation** - Funding is provided to correct for salary increases for certain positions which would have received salary increases pursuant to the recommendations of the Personnel Resources Board but which were overlooked in the original 2001-03 biennial budget. Funding is also provided for corrections to state employee COLAs. (General Fund-State, Salary and Insurance Increase Revolving Account)

Solely by way of example and taking into consideration the appropriation to OFM, this level of funding would be adequate if: a) office visit co-pays for employees enrolled in managed care plans were increased to \$15 from their current level of \$10; and b) the average employee paid \$53 of their family's monthly medical premium next year compared to \$37 per month now. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Account)

2. **State Employee Health Benefit Chgs** - Additional funding is provided solely for state employee health benefits. (General Fund-State, General Fund-Federal)

3. **Pension Rate Change** - Employer and employee contribution rates are changed based on the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. Effective April 1, 2002, the Public Employees' Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75 percent to 1.05 percent as provided in Chapter 7, Laws of 2002 (HB 2782). (General Fund-State, General Fund-Federal, General Fund-Private/Local, Special Account Retirement Contribution Increase Revolving Account)

4. **State Employee Salary Increase** - Funding is eliminated for a second year cost-of-living adjustment (COLA) for all state classified employees and exempt personnel, except for employees subject to Initiative 732. (General Fund-State,

**Sundry Claims**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2001-03 Original Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Maintenance Changes</b>	<b>274</b>	<b>5</b>	<b>279</b>
<hr/>			
<b>2001-03 Revised Appropriations</b>	<b>274</b>	<b>5</b>	<b>279</b>
Fiscal Year 2002 Total	274	5	279
Fiscal Year 2003 Total	0	0	0

**Comments:**

Supplemental appropriations are made for claims for damages to crops by wildlife (Wildlife Account-State) and claims for reimbursement for persons acquitted of crimes on the basis of self-defense (General Fund-State).



# 2002 TRANSPORTATION SUPPLEMENTAL BUDGET OVERVIEW

During the 2002 Legislative Session, the Washington State Legislature addressed transportation budget issues through the passage of several pieces of legislation.

- Chapter 359, Laws of 2002, Partial Veto (ESHB 2451), contains amendments to the 2001-03 biennial appropriations authorized by the Legislature in the 2001 2<sup>nd</sup> Special Session. These Transportation Current Law Budget amendments are necessary due to revenue shortfalls and additional necessary expenditures.
- Chapter 202, Laws of 2002 (ESHB 2969), contains a referendum to the voters on the question of whether fees and taxes should be raised to fund state and local transportation projects. This measure will be placed before the voters on the November 5, 2002, ballot.
- Chapter 201, Laws of 2002, Partial Veto (ESHB 6347), provides the 2001-03 biennium expenditure authority for the revenues generated by ESHB 2969. This Transportation New Law Budget takes effect only if the referendum is passed and ESHB 2969 becomes law.

Separate overviews can be found on page 254 for the Transportation Current Law Budget and page 308 for the Transportation New Law Budget.

**2001-03 Washington State Transportation Budget**  
**ESHB 2451 and ESSB 6347 (Subject to Passage of Referendum 51)**  
**TOTAL OPERATING AND CAPITAL BUDGET**

**Total Appropriated**  
(Dollars in Thousands)

	<b>ESHB 2451</b>	<b>ESSB 6347</b>	<b>Total</b>
<b>Department of Transportation</b>	<b>3,395,705</b>	<b>1,336,002</b>	<b>4,731,707</b>
Pgm D - Hwy Mgmt & Facilities	64,090	0	64,090
Pgm F - Aviation	5,509	0	5,509
Pgm I1 - Improvements - Mobility	444,862	1,028,659	1,473,521
Pgm I2 - Improvements - Safety	146,326	62,445	208,771
Pgm I3 - Improvements - Econ Init	125,367	64,437	189,804
Pgm I4 - Improvements - Env Retro	23,071	12,956	36,027
Pgm I7 - Tacoma Narrows Br	846,255	0	846,255
Pgm K - Transpo Economic Part	2,848	0	2,848
Pgm M - Highway Maintenance	279,959	0	279,959
Pgm P1 - Preservation - Roadway	276,165	0	276,165
Pgm P2 - Preservation - Structures	162,393	6,000	168,393
Pgm P3 - Preservation - Other Facil	119,102	0	119,102
Pgm Q - Traffic Operations	56,229	0	56,229
Pgm S - Transportation Management	107,374	0	107,374
Pgm T - Transpo Plan, Data & Resch	33,283	4,225	37,508
Pgm U - Charges from Other Agys	42,829	0	42,829
Pgm V - Public Transportation	14,239	39,000	53,239
Pgm W - WA State Ferries-Cap	177,362	33,137	210,499
Pgm X - WA State Ferries-Op	311,312	0	311,312
Pgm Y - Rail	54,441	70,743	125,184
Pgm Z - Local Programs	102,689	14,400	117,089
<b>Washington State Patrol</b>	<b>257,010</b>	<b>0</b>	<b>257,010</b>
Field Operations Bureau	171,594	0	171,594
Investigative Services Bureau	5,088	0	5,088
Support Services Bureau	77,718	0	77,718
Capital	2,610	0	2,610
<b>Department of Licensing</b>	<b>170,818</b>	<b>0</b>	<b>170,818</b>
Management & Support Services	12,524	0	12,524
Information Systems	9,723	0	9,723
Vehicle Services	63,035	0	63,035
Driver Services	85,536	0	85,536
Legislative Transportation Comm	3,596	0	3,596
LEAP Committee	488	0	488
Office of the State Auditor	126	0	126
Department of Revenue	0	100	100
Board of Pilotage Commissioners	305	0	305
Utilities and Transportation Comm	126	0	126
WA Traffic Safety Commission	8,813	0	8,813
County Road Administration Board	89,341	0	89,341
Transportation Improvement Board	239,181	10,000	249,181
Marine Employees' Commission	332	0	332
Transportation Commission	773	0	773
Freight Mobility Strategic Invest	717	0	717
State Parks and Recreation Comm	1,582	0	1,582
Department of Agriculture	305	0	305
<b>Total Appropriation</b>	<b>4,169,218</b>	<b>1,346,102</b>	<b>5,515,320</b>
Bond Retirement and Interest	307,628	0	307,628
<b>Total</b>	<b>4,476,846</b>	<b>1,346,102</b>	<b>5,822,948</b>

# TRANSPORTATION CURRENT LAW BUDGET

## *Operating and Capital*

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# 2001-03 Washington State Transportation Current Law Budget

## TOTAL OPERATING AND CAPITAL BUDGET

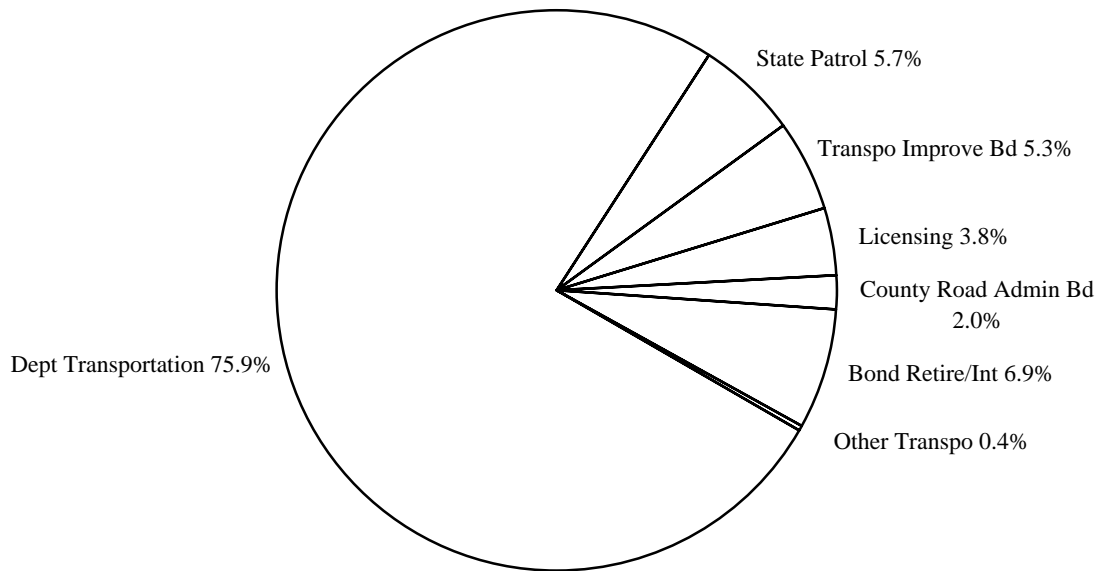
### Total Appropriated Funds

(Dollars in Thousands)

	Original 2001-03 Appropriations	2002 Supplemental Budget	Revised 2001-03 Appropriations
<b>Department of Transportation</b>	<b>2,682,728</b>	<b>712,977</b>	<b>3,395,705</b>
Pgm D - Hwy Mgmt & Facilities	64,095	-5	64,090
Pgm F - Aviation	5,012	497	5,509
Pgm I1 - Improvements - Mobility	478,839	-33,977	444,862
Pgm I2 - Improvements - Safety	144,957	1,369	146,326
Pgm I3 - Improvements - Econ Init	156,406	-31,039	125,367
Pgm I4 - Improvements - Env Retro	18,982	4,089	23,071
Pgm I7 - Tacoma Narrows Br	47,682	798,573	846,255
Pgm K - Transpo Economic Part	2,553	295	2,848
Pgm M - Highway Maintenance	279,973	-14	279,959
Pgm P1 - Preservation - Roadway	278,682	-2,517	276,165
Pgm P2 - Preservation - Structures	167,962	-5,569	162,393
Pgm P3 - Preservation - Other Facil	131,528	-12,426	119,102
Pgm Q - Traffic Operations	56,747	-518	56,229
Pgm S - Transportation Management	106,936	438	107,374
Pgm T - Transpo Plan, Data & Resch	33,283	0	33,283
Pgm U - Charges from Other Agys	28,080	14,749	42,829
Pgm V - Public Transportation	14,439	-200	14,239
Pgm W - WA State Ferries-Cap	187,376	-10,014	177,362
Pgm X - WA State Ferries-Op	321,673	-10,361	311,312
Pgm Y - Rail	54,644	-203	54,441
Pgm Z - Local Programs	102,879	-190	102,689
<b>Washington State Patrol</b>	<b>243,514</b>	<b>13,496</b>	<b>257,010</b>
Field Operations Bureau	169,334	2,260	171,594
Investigative Services Bureau	0	5,088	5,088
Support Services Bureau	70,695	7,023	77,718
Capital	3,485	-875	2,610
<b>Department of Licensing</b>	<b>165,999</b>	<b>4,819</b>	<b>170,818</b>
Management & Support Services	12,303	221	12,524
Information Systems	9,337	386	9,723
Vehicle Services	60,770	2,265	63,035
Driver Services	83,589	1,947	85,536
Legislative Transportation Comm	3,596	0	3,596
LEAP Committee	488	0	488
Office of the State Auditor	126	0	126
Board of Pilotage Commissioners	305	0	305
Utilities and Transportation Comm	126	0	126
WA Traffic Safety Commission	8,813	0	8,813
County Road Administration Board	80,620	8,721	89,341
Transportation Improvement Board	213,295	25,886	239,181
Marine Employees' Commission	332	0	332
Transportation Commission	773	0	773
Freight Mobility Strategic Invest	717	0	717
State Parks and Recreation Comm	1,582	0	1,582
Department of Agriculture	305	0	305
<b>Total Appropriation</b>	<b>3,403,319</b>	<b>765,899</b>	<b>4,169,218</b>
Bond Retirement and Interest	303,636	3,992	307,628
<b>Total</b>	<b>3,706,955</b>	<b>769,891</b>	<b>4,476,846</b>

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

**MAJOR COMPONENTS BY AGENCY**  
**Revised 2001-03 Budget**  
**Operating and Capital**



<b>Major Transportation Agency</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Department of Transportation	2,682,728	712,977	3,395,705
Washington State Patrol	243,514	13,496	257,010
Transportation Improvement Board	213,295	25,886	239,181
Department of Licensing	165,999	4,819	170,818
County Road Administration Board	80,620	8,721	89,341
Bond Retirement and Interest	303,636	3,992	307,628
Other Transportation	17,163	0	17,163
<b>Total</b>	<b>3,706,955</b>	<b>769,891</b>	<b>4,476,846</b>

## 2002 Supplemental Transportation Current Law Budget Highlights

### Chapter 359, Laws of 2002, Partial Veto (ESHB 2451)

<b>Transportation Budget Comparisons</b>	
(Dollars in Millions)	
<b>1999-01 Transportation Funding</b>	
1999-01 Final Funding Level	3,301.0
<b>2001-03 Transportation Funding</b>	
2001-03 Funding	* 3,403.3
Tacoma Narrows Bridge Bonds	800.0
2002 Supplemental Expenditure Differences	-34.1
<b>Revised 2001-03 Funding</b>	<u>4,169.2</u>
<i>* Includes \$47 million in reappropriated Tacoma Narrows Bridge funding. By fiscal year 2002, the agency had not spent \$39 million of the reappropriation.</i>	
<i>Note: \$307.6 million in Bond Retirement and Interest amounts are not included.</i>	

### 2001-03 Budget Challenges: \$165.6 Million

#### Funding Challenges

- In 2001, the original 2001-03 Omnibus Operating Budget provided support to transportation on the expectation of \$100 million in funding through anticipated enactment of 2ESSB 6166 (Restating Plan 1 of the Law Enforcement Officers' and Firefighters' (LEOFF) Retirement System). This support did not materialize as 2ESSB 6166 failed to pass the 2001 Legislature.
- Additional revenue losses resulted over the past year from a decline in federal funds and other miscellaneous revenues.

#### Emerging Budget Issues

- The Transportation Budget assumes one-time expenditure responsibility for the Washington State Patrol functions previously funded by the Omnibus Operating Budget.
- An increased demand on the state's self-insurance fund increased the premiums paid by transportation agencies.
- Additional expenditures were incurred due to increases in Attorney General and ferry insurance costs, local government statutory mandates, and a need for increased ferry security following the attacks of September 11, 2001.

**Revenue Shortfalls: \$121.5 Million**

- \$70 million reduction resulted from a transfer of revenue from the Multimodal Account to the general fund. If 2ESSB 6166 had been enacted, the funding would have been replaced by LEOFF funds.
- \$30 million reduction resulted when funds were not transferred to the Puget Sound Ferry Operations Account from the Pension Asset Reserve Account as contemplated in the LEOFF bill during the 2001 session.
- \$21.5 million reduction in federal funds, forecast adjustments, and overestimated reappropriations.

**New Expenditures: \$44.1 Million**

- \$14.9 million increase to adequately fund transportation’s share of the self-insurance fund.
- \$14.4 million to fund bills passed by the Legislature, office leases, and other maintenance level expenditures.
- \$12.6 million additional for one-time transportation funding of the Washington State Patrol’s Omnibus Operating Budget activities.
- \$2.2 million to enhance security of the state ferry system.

**2001-03 Budget Solutions: \$166.9 Million**

Revenue losses and new liabilities are partially mitigated through reductions in programs, transfers of available fund balances, and cost-recovery related increases in several license fees.

**Revenue Adjustments: \$33.4 Million**

- \$33.4 million generated through fee increases designed to allow the Department of Licensing (DOL) to reach cost recovery on selected services. (Chapter 240, Laws of 2002 -- SSB 6814)

**Expenditure Adjustments: \$133.5 Million**

- \$21.2 million in cost of living and pension rate withholding reductions along with \$112.3 million in funding adjustments.

<b>Balancing the 2001-03 Budget</b>	
(Dollars in Millions)	
<b>Problems</b>	
Revenue Shortfalls	121.5
New Budget Needs	44.1
<b>Total *</b>	<u>165.6</u>
<b>Solutions</b>	
Expenditure Reductions	112.3
DOL Fee Increases	33.4
COLA and Pension Withholding Reductions	21.2
<b>Total *</b>	<u>166.9</u>

*\* Does not include increased expenditure authority for the Transportation Improvement Board and the County Road Administration Board to the extent that available fund balances in their dedicated accounts were available (\$35 million).*

## Transportation Expenditures

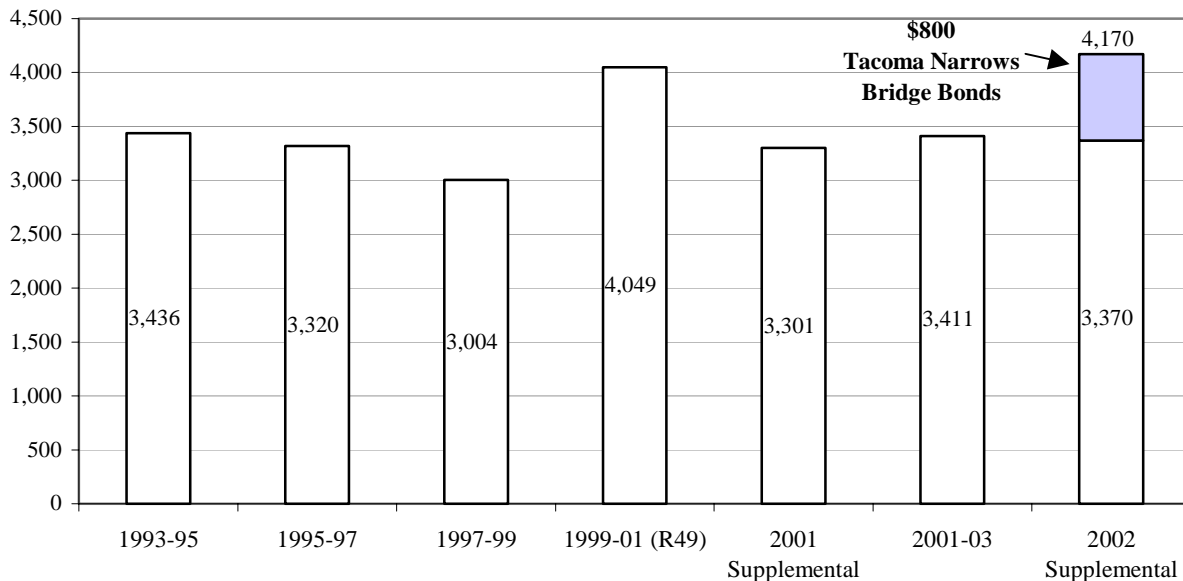
The net reduction in transportation expenditure authority of \$34.1 million is a compilation of expenditure changes, which includes:

- \$112 million in reductions;
  - o \$66 million in reductions to the Washington State Department of Transportation (WSDOT) Improvement Program. This includes project deferrals of \$40 million and reappropriation adjustments for project dollars spent in 1999-01;
  - o Other reductions include \$21 million in the WSDOT Highway Preservation Program for earthquake repair work where the actual costs were lower than the initial planned costs;
  - o \$10 million in Washington State Ferries for deferred preservation on vessels and terminals and \$12 million in savings for lower fuel costs; and,
  - o \$3 million are program reductions and technical adjustments.
- \$35 million in Transportation Improvement Board and County Road Administration Board fund balance appropriations; and
- \$44 million in new authority for emerging issues, security enhancements, and technical adjustments.

## Tacoma Narrows Bridge

Chapter 114, Laws of 2002 (EHB 2723), revised the financing for the Tacoma Narrows Bridge project by allowing the use of state bonds to finance construction of the bridge. The supplemental budget implements the change by appropriating \$839 million for the project. Of that amount, \$800 million is provided from the proceeds of the sale of state bonds and \$39 million is transferred from the Motor Vehicle Account to the Tacoma Narrows Bridge Toll Account.

**Transportation Appropriations  
1993-95 to 2001-03  
(Dollars in Millions)**





## Highlighted Revisions in Appropriation Authority

### Department of Transportation

#### Additions:

- \$800 million for construction of a second bridge over the Tacoma Narrows
- \$14.9 million for increased self-insurance liability premiums
- \$1.0 million for ferry insurance premium increase
- \$900,000 for maintaining existing levels of passenger rail service
- \$398,000 for U.S. v. Washington (Culverts) legal case preparation
- \$350,000 for grants to local airports
- \$300,000 for Public Private Initiative Study
- \$147,000 state match for federal aviation planning grants

#### Reductions:

- \$60 million to the Improvement Program for project deferrals and reappropriation adjustments
- \$21 million to the Preservation Program for earthquake repair over estimates
- \$11.7 million for ferry fuel price reductions
- \$518,000 reduction for motorist information panel program

### County Road Administration Board

- \$8.7 million for additional grants to counties

### Transportation Improvement Board

- \$25.9 million for additional mobility improvement grants to local jurisdictions

### Washington State Patrol

#### Additions:

- \$12.6 million for one-time Omnibus Operating Budget assistance
- \$1.9 million for state ferry security
- \$243,000 for Motor Carrier Safety Assistance Program Grant increase
- \$137,000 for Weigh in Motion maintenance

#### Reductions:

- \$1 million for technical adjustments
- \$455,000 for agency identified savings in commissioned officers overtime, mission vehicles, cell phone usage, supplies, equipment, travel, training, and fuel

### Department of Licensing

#### Additions:

- \$1.4 million to implement bills passed by the Legislature
- \$1.1 million for commercial driver license fraud
- \$1.1 million for field system equipment
- \$1 million for technical adjustments
- \$350,000 for motorcycle training
- \$109,000 for systems management software

**2001-03 Washington State Transportation Current Law Budget  
Fund Balances for Selected Funds**

(Dollars in Thousands)

	<b>Beginning Balance <sup>(1)</sup></b>	<b>Revenue <sup>(2)</sup></b>	<b>Expenditures <sup>(3)</sup></b>	<b>Ending Balance</b>
Pilotage Account	467	382	304	545
Essential Rail Assistance Account	255	754	600	409
Aeronautics Account	1,725	3,712	5,383	54
Air Search and Rescue Account	72	144	161	55
State Patrol Highway Account	13,843	239,645	252,607	881
Motorcycle Safety Education Account	1,266	2,778	2,682	1,362
Highway Infrastructure Account	1,478	1,624	1,734	1,368
Puget Sound Capital Construction Account	5,527	0	4,919	608
Rural Arterial Trust Account	24,258	33,714	57,694	278
Highway Safety Account	14,479	97,450	105,829	6,100
Motor Vehicle Account	158,387	1,965,863	2,102,314	21,936
Puget Sound Ferry Operations Account	23,553	305,471	328,729	295
Urban Arterial Trust Account	43,395	74,037	111,501	5,931
Transportation Improvement Account	35,311	97,572	132,036	847
County Arterial Preservation Account	3,395	26,178	29,374	199
Licensing Services Account	1,408	5,005	4,622	1,791
Special Category C Account	7,052	43,034	49,654	432
Multimodal Transportation Account	25,726	144,071	162,919	6,878
Impaired Driving Safety Account	602	61	0	663
Puyallup Tribal Settlement Account	9,706	800	0	10,506
School Zone Safety Account	1,343	1,368	1,504	1,207
Tacoma Narrows Bridge Toll Account	0	839,000	839,000	0

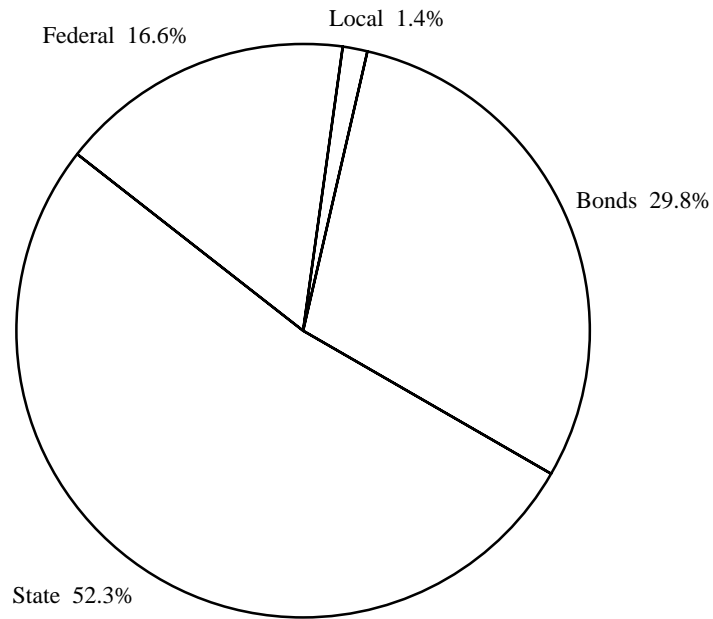
*(1) The beginning fund balance on June 30, 2001, reflects the fund balance after taking into account revisions for project reappropriations and unspent agency operating appropriations from the 1999-01 biennium.*

*(2) Revenues reflect the February 2002 forecast.*

*(3) Expenditure numbers reflect the 2001-03 transportation current law budget.*

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

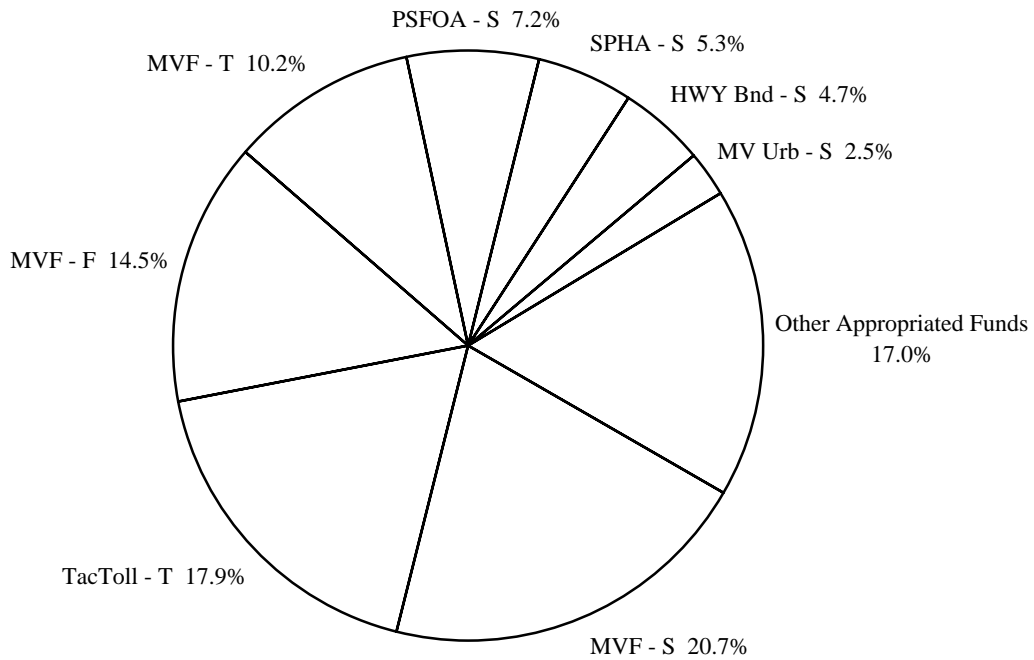
**COMPONENTS BY FUND TYPE**  
**Revised 2001-03 Budget**  
**Operating and Capital**



<b>Fund Type</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
State	2,336,362	3,627	2,339,989
Federal	746,059	-4,894	741,165
Local	54,922	6,453	61,375
Bonds	569,612	764,705	1,334,317
<b>Total</b>	<b>3,706,955</b>	<b>769,891</b>	<b>4,476,846</b>

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE**  
**Revised 2001-03 Budget**  
**Operating and Capital**



<b>Major Fund Source</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Motor Vehicle Account - State (MVF - S)	962,094	-36,011	926,083
Tacoma Narrows Bridge Toll Acct - Bonds (TacToll - T)	0	800,000	800,000
Motor Vehicle Account - Federal (MVF - F)	617,418	33,720	651,138
Motor Vehicle Account - Bonds (MVF - T)	458,787	0	458,787
Puget Sound Ferry Operations Acct - State (PSFOA - S)	333,005	-10,361	322,644
State Patrol Highway Account - State (SPHA - S)	233,747	3,842	237,589
Highway Bond Retirement Account - State (HWY Bnd - S)	207,900	306	208,206
Urban Arterial Trust Account - State (MV Urb - S)	99,364	12,142	111,506
Other Appropriated Funds	794,640	-33,747	760,893
<b>Total</b>	<b>3,706,955</b>	<b>769,891</b>	<b>4,476,846</b>

**2001-03 Washington State Transportation Budget  
Including 2002 Supplemental Budget**

**Fund Summary  
TOTAL OPERATING AND CAPITAL BUDGET  
(Dollars in Thousands)**

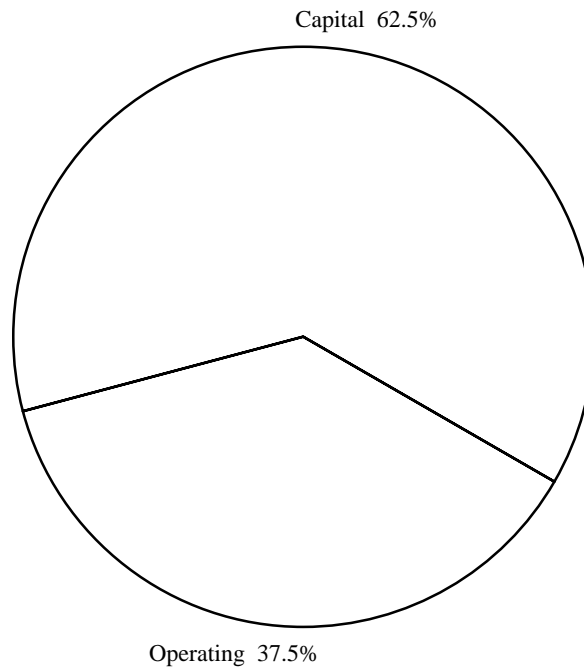
	<b>MVF State *</b>	<b>P.S. Ferry Op Acct State</b>	<b>WSP Hwy Acct State</b>	<b>Multimodal Acct State</b>	<b>Hwy Sfty Account State</b>	<b>Other Approp</b>	<b>Total Approp</b>
<b>Department of Transportation</b>	<b>1,301,866</b>	<b>322,312</b>	<b>926</b>	<b>81,505</b>	<b>0</b>	<b>3,394,779</b>	<b>3,395,705</b>
Pgm D - Hwy Mgmt & Facilities	63,690	0	0	0	0	64,090	64,090
Pgm F - Aviation	0	0	0	0	0	5,509	5,509
Pgm I1 - Improvements - Mobility	277,734	0	0	0	0	444,862	444,862
Pgm I2 - Improvements - Safety	79,542	0	0	0	0	146,326	146,326
Pgm I3 - Improvements - Econ Init	34,073	0	0	0	0	125,367	125,367
Pgm I4 - Improvements - Env Retro	18,868	0	0	0	0	23,071	23,071
Pgm I7 - Tacoma Narrows Br	7,255	0	0	0	0	846,255	846,255
Pgm K - Transpo Economic Part	2,848	0	0	0	0	2,848	2,848
Pgm M - Highway Maintenance	275,380	0	0	0	0	279,959	279,959
Pgm P1 - Preservation - Roadway	53,985	0	0	13,900	0	276,165	276,165
Pgm P2 - Preservation - Structures	28,404	0	0	100	0	162,393	162,393
Pgm P3 - Preservation - Other Facil	56,945	0	0	0	0	119,102	119,102
Pgm Q - Traffic Operations	39,426	0	0	0	0	56,229	56,229
Pgm S - Transportation Management	95,755	6,642	926	1,397	0	106,448	107,374
Pgm T - Transpo Plan, Data & Resch	11,496	0	0	987	0	33,283	33,283
Pgm U - Charges from Other Agy	38,471	4,358	0	0	0	42,829	42,829
Pgm V - Public Transportation	0	0	0	10,960	0	14,239	14,239
Pgm W - WA State Ferries-Cap	134,390	0	0	0	0	177,362	177,362
Pgm X - WA State Ferries-Op	0	311,312	0	0	0	311,312	311,312
Pgm Y - Rail	0	0	0	43,711	0	54,441	54,441
Pgm Z - Local Programs	83,604	0	0	10,450	0	102,689	102,689
<b>Washington State Patrol</b>	<b>1,830</b>	<b>0</b>	<b>236,663</b>	<b>10,335</b>	<b>0</b>	<b>20,347</b>	<b>257,010</b>
Field Operations Bureau	0	0	164,147	0	0	7,447	171,594
Investigative Services Bureau	0	0	0	5,088	0	5,088	5,088
Support Services Bureau	0	0	71,736	5,247	0	5,982	77,718
Capital	1,830	0	780	0	0	1,830	2,610
<b>Department of Licensing</b>	<b>66,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95,634</b>	<b>75,184</b>	<b>170,818</b>
Management & Support Services	4,400	0	0	0	7,724	4,800	12,524
Information Systems	3,695	0	0	0	5,735	3,988	9,723
Vehicle Services	58,191	0	0	0	0	63,035	63,035
Driver Services	0	0	0	0	82,175	3,361	85,536
Legislative Transportation Comm	3,596	0	0	0	0	3,596	3,596
LEAP Committee	488	0	0	0	0	488	488
Office of the State Auditor	126	0	0	0	0	126	126
Board of Pilotage Commissioners	0	0	0	0	0	305	305
Utilities and Transportation Comm	0	0	0	0	0	126	126
WA Traffic Safety Commission	0	0	0	0	1,638	7,175	8,813
County Road Administration Board	2,254	0	0	0	0	89,341	89,341
Transportation Improvement Board	0	0	0	0	0	239,181	239,181
Marine Employees' Commission	0	332	0	0	0	332	332
Transportation Commission	773	0	0	0	0	773	773
Freight Mobility Strategic Invest	717	0	0	0	0	717	717
State Parks and Recreation Comm	1,582	0	0	0	0	1,582	1,582
Department of Agriculture	305	0	0	0	0	305	305
<b>Total Appropriation</b>	<b>1,379,823</b>	<b>322,644</b>	<b>237,589</b>	<b>91,840</b>	<b>97,272</b>	<b>3,834,357</b>	<b>4,169,218</b>
Bond Retirement and Interest	5,047	0	0	0	0	307,628	307,628
<b>Total</b>	<b>1,384,870</b>	<b>322,644</b>	<b>237,589</b>	<b>91,840</b>	<b>97,272</b>	<b>4,141,985</b>	<b>4,476,846</b>

\* Includes Bond amounts.

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**

(Dollars in Thousands)

**OPERATING AND CAPITAL COMPONENTS**  
**Revised 2001-03 Budget**



<b>2001-03 Transportation Budget</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Operating	1,648,273	28,512	1,676,785
Capital	2,058,682	741,379	2,800,061
<b>Total</b>	<b>3,706,955</b>	<b>769,891</b>	<b>4,476,846</b>

# TRANSPORTATION CURRENT LAW BUDGET AGENCY DETAIL

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**GOVERNMENTAL OPERATIONS AGENCIES**

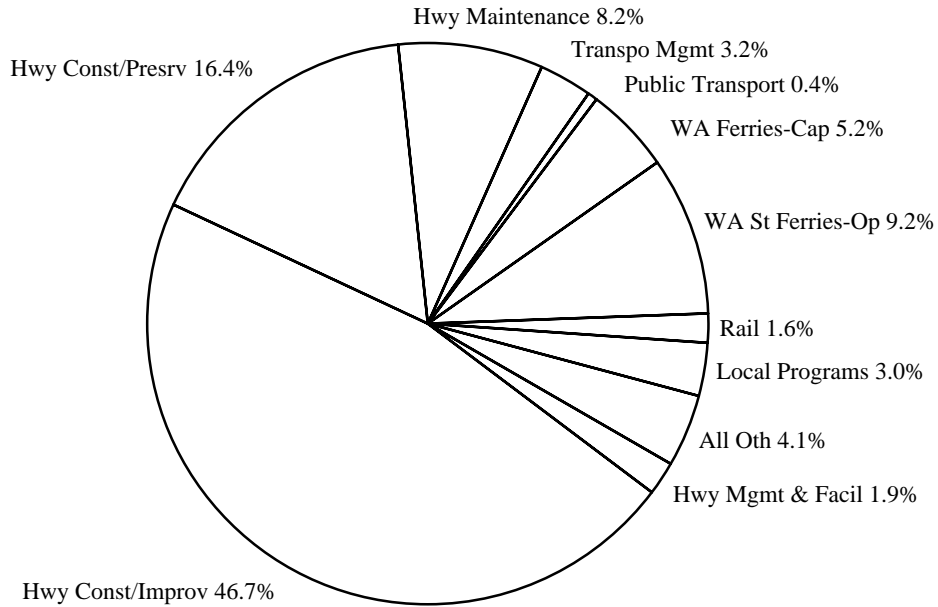
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**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION**  
**Revised 2001-03 Budget**  
**Total Operating and Capital**

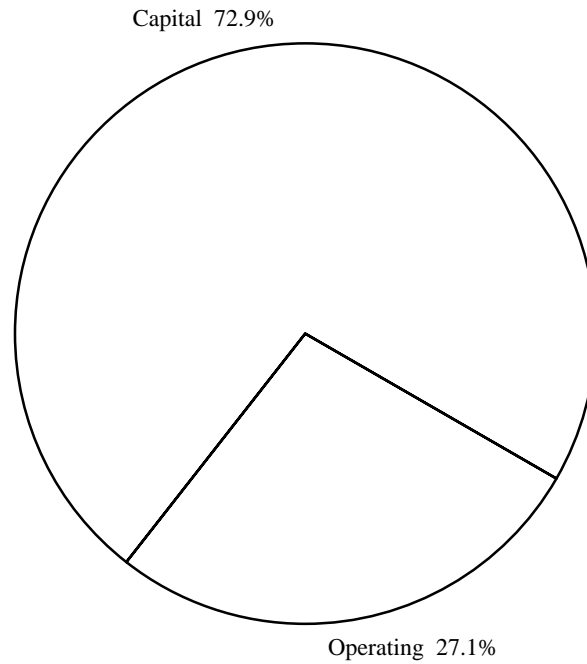


<b>Program</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Pgm D - Hwy Mgmt & Facilities	64,095	-5	64,090
Pgm I - Hwy Const/Improvements	846,866	739,015	1,585,881
Pgm P - Hwy Const/Preservation	578,172	-20,512	557,660
Pgm M - Highway Maintenance	279,973	-14	279,959
Pgm S - Transportation Management	106,936	438	107,374
Pgm V - Public Transportation	14,439	-200	14,239
Pgm W - WA State Ferries-Cap	187,376	-10,014	177,362
Pgm X - WA State Ferries-Op	321,673	-10,361	311,312
Pgm Y - Rail	54,644	-203	54,441
Pgm Z - Local Programs	102,879	-190	102,689
All Other Programs	125,675	15,023	140,698
<b>Total</b>	<b>2,682,728</b>	<b>712,977</b>	<b>3,395,705</b>

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

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**DEPARTMENT OF TRANSPORTATION**  
**Revised 2001-03 Budget**  
**Operating and Capital Comparison**



<b>Department of Transportation</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Operating	915,779	5,330	921,109
Capital	1,766,949	707,647	2,474,596
<b>Total</b>	<b>2,682,728</b>	<b>712,977</b>	<b>3,395,705</b>

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION**  
**Components by Fund Type**  
**Revised 2001-03 Budget**  
**Total Operating and Capital**



<b>Fund Type</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
State	1,373,119	-65,514	1,307,605
Federal	733,304	-5,962	727,342
Local	54,018	6,453	60,471
Bonds	522,287	778,000	1,300,287
<b>Total</b>	<b>2,682,728</b>	<b>712,977</b>	<b>3,395,705</b>

**Department of Transportation**  
**Program D - Highway Management & Facilities - Operating**

Total Appropriated Funds  
(Dollars in Thousands)

ESHB 2451 Enacted

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<b>2001-03 Original Appropriations</b>	<b>51,049</b>
<b>Total Maintenance Changes</b>	<b>-5</b>
<b>2001-03 Revised Appropriations</b>	<b>51,044</b>

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*Comments:*

The Department currently owns approximately 650 capital facilities buildings statewide, totaling more than 2.3 million square feet. Management of these facilities includes operation and maintenance expenditures for utilities, custodial services, and other required services for Department facilities. Maintenance covers both corrective and preventive efforts, as well as renovation projects required to maintain facilities in good working condition and compliant with environmental, Americans with Disabilities Act (ADA), and other code requirements.

**Department of Transportation**  
**Program F - Aviation**  
Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>5,012</b>
<b>Policy Changes</b>	
1. Additional State Airport Grants	350
2. Aviation Planning	147
<b>Total Policy Changes</b>	<b>497</b>
<b>2001-03 Revised Appropriations</b>	<b>5,509</b>

**Comments:**

The Aviation Program supports a number of aviation services, including conducting search and rescue operations, providing technical and financial aid to local public use airports, registering pilots and aircraft, managing the 15 state-owned or operated airports, and assisting local governments, the aviation community, and the general public to comply with federal and state aviation regulations.

1. **Additional State Airport Grants** - Funding is provided for additional grants to local public-use airports statewide to reduce the current backlog of projects needed to maintain the existing airport infrastructure and enhance aviation safety. (Aeronautics Account-State)
2. **Aviation Planning** - Funding is provided for the state match of federal grants to update the Washington State Airport System Plan Inventory and Forecast. Activities to be included in this planning effort are: 1) the exact determination of the spatial coordinates for the runway ends at all airports and the location of obstructions at each airport; and 2) planning for airports not in the National Plan of Integrated Airport Systems. (Aeronautics Account-State)

**Department of Transportation  
Program I1 - Improvements - Mobility**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>478,839</b>
<b>Total Maintenance Changes</b>	<b>-9,993</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	-23,984
<b>Total Policy Changes</b>	<b>-23,984</b>
<b>2001-03 Revised Appropriations</b>	<b>444,862</b>

**Comments:**

This program provides funding for the design, right of way, and construction of projects which improve mobility on the state highway system. Mobility improvements increase a highway's ability to carry more motor vehicles, with the long-term goal of reducing congestion. Examples include constructing carpool lanes and mitigating congestion on urban highways in cooperation with local and regional jurisdictions.

1. **Fund Balancing Reductions** - Funding is reduced to existing levels of available revenue. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonds)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.

**Governor's Vetoes:**

The Governor vetoed Section 216(8) of Chapter 359, Laws of 2002, Partial Veto (ESHB 2451), which would have prevented state investment in high-occupancy vehicle (HOV) lanes in Clark County until there are two and one-half times as many park and ride lot vehicle spaces as were in existence on January 1, 2002, or until the I-5 bridge over the Columbia River is retrofitted to include four southbound general-purpose lanes.

**Department of Transportation  
 Program I2 - Improvements - Safety**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>144,957</b>
<b>Total Maintenance Changes</b>	<b>2,161</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	-792
<b>Total Policy Changes</b>	<b>-792</b>
<b>2001-03 Revised Appropriations</b>	<b>146,326</b>

*Comments:*

This program provides funding for the design, right of way, and construction of safety projects which improve the state highway system by correcting deficiencies where accidents have occurred and making improvements at potentially hazardous locations. Examples include realigning curves and installing guardrails.

- Fund Balancing Reductions** - Funding is reduced to existing levels of available revenue. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonds)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.

**Department of Transportation  
 Program I3 - Improvements - Economic Initiatives**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>156,406</b>
<b>Total Maintenance Changes</b>	<b>-9,610</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	<u>-21,429</u>
<b>Total Policy Changes</b>	<u><b>-21,429</b></u>
<b>2001-03 Revised Appropriations</b>	<b>125,367</b>

*Comments:*

This program provides funding for design, right of way, and construction of economic initiative projects which improve the state highway system by focusing on the efficiency of moving freight and goods. Examples of projects include fixing highways where travel is restricted because of freeze-thaw closures, upgrading pavements to all-weather road status, constructing new rest areas, correcting bridges and overpasses that have height or weight restrictions, and widening of highway shoulders.

- Fund Balancing Reductions** - Funding is reduced to existing levels of available revenue. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonds, Special Category C-State, Special Category C-Bonds, Multimodal Transportation Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.



**Department of Transportation**  
**Program I4 - Improvements - Environmental Retrofit**  
 Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>18,982</b>
<b>Total Maintenance Changes</b>	<b>3,619</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	470
<b>Total Policy Changes</b>	<b>470</b>
<b>2001-03 Revised Appropriations</b>	<b>23,071</b>

**Comments:**

This program provides funding for the design, right of way, and construction of retrofit projects which improve the state highway system by correcting or reducing the impact of transportation facilities on the environment. Examples include fixing culverts under highways to enable fish to pass through them, rebuilding structures that discharge storm water, and reducing the public's exposure to noise by constructing noise walls along highways.

1. **Fund Balancing Reductions** - Funding is reduced to existing levels of available revenue. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonds)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.

**Department of Transportation**  
**Program I7 - SR 16 Tacoma Narrows Bridge Project**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	47,682
<b>Total Maintenance Changes</b>	-1,427
<b>Policy Changes</b>	
1. Fund Shift	0
2. Tacoma Narrows Bridge	800,000
<b>Total Policy Changes</b>	<u>800,000</u>
<b>2001-03 Revised Appropriations</b>	<u>846,255</u>

**Comments:**

This program provides funding for the state contribution to the design, right of way, and construction of the voter-approved Tacoma Narrows Bridge project.

- Fund Shift** - Chapter 114, Laws of 2002 (EHB 2723), creates the Tacoma Narrows Bridge Toll Account. This fund shift transfers the remaining state contribution for building the second bridge from the Motor Vehicle Account to the new bridge account. (Motor Vehicle Account-State, Tacoma Narrows Bridge Toll Account-State)
- Tacoma Narrows Bridge** - Funding is provided for the construction of a parallel bridge over the Tacoma Narrows and for related improvements to the existing bridge. (Tacoma Narrows Bridge Toll Account-Bonds)

**Department of Transportation**  
**Program K - Transportation Economic Partnership - Operating**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>1,153</b>
<b>Policy Changes</b>	
1. Revolving Fund Reductions	-5
2. Public-Private Initiative Study	300
<b>Total Policy Changes</b>	<b>295</b>
<b>2001-03 Revised Appropriations</b>	<b>1,448</b>

**Comments:**

This program is designed to foster partnerships with private firms to develop and operate needed transportation facilities throughout the state. The operating program funds administration and program support for economic partnership activities in the Department.

1. **Revolving Fund Reductions** - Funding is reduced for lower revolving fund charges. (Motor Vehicle Account-State)
2. **Public-Private Initiative Study** - Funding is provided for a study of public-private partnerships in transportation. The findings and recommendations of the Legislative Oversight Committee will be reported to the Legislature by December 1, 2003. (Motor Vehicle Account-State)

**Department of Transportation**  
**Program M - Highway Maintenance and Operations**

Total Appropriated Funds  
(Dollars in Thousands)

ESHB 2451 Enacted

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<b>2001-03 Original Appropriations</b>	<b>279,973</b>
<b>Total Maintenance Changes</b>	<b>-14</b>
<b>2001-03 Revised Appropriations</b>	<b>279,959</b>

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*Comments:*

This program provides funding for a variety of maintenance functions related to the state highway system. These functions include maintenance on roadways, drainage systems, slopes, roadsides, landscapes, bridges, tunnels, and rest areas. Additional functions include snow and ice control, traffic services, third party damage repair, and disaster maintenance activities.

**Department of Transportation**  
**Program P1 - Preservation - Roadway**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>278,682</b>
<b>Total Maintenance Changes</b>	<b>-3,109</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	<u>592</u>
<b>Total Policy Changes</b>	<u>592</u>
<b>2001-03 Revised Appropriations</b>	<b>276,165</b>

**Comments:**

The Preservation Program is responsible for preserving the structural integrity of the state highway system. The Roadway Preservation subprogram provides funds to repair, repave, and restripe state-owned highways, as well as restoring existing safety features.

1. **Fund Balancing Reductions** - Funding is realigned to reflect the existing roadway preservation projects currently programmed. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

**Department of Transportation**  
**Program P2 - Preservation - Structures**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>167,962</b>
<b>Total Maintenance Changes</b>	<b>-5,120</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	-449
<b>Total Policy Changes</b>	<b>-449</b>
<b>2001-03 Revised Appropriations</b>	<b>162,393</b>

*Comments:*

The Preservation Program is responsible for preserving the structural integrity of the state highway system. The Structures Preservation subprogram provides funds to repair or replace bridges, tunnels, and overpasses on state-owned highways. Work includes painting bridges, repairing bridge decks, and protecting structures against earthquake damage.

1. **Fund Balancing Reductions** - Funding is realigned to reflect the existing structures preservation projects currently programmed. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonds)

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**Department of Transportation**  
**Program P3 - Preservation - Other Facilities**

Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>131,528</b>
<b>Total Maintenance Changes</b>	<b>-13,021</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	595
<b>Total Policy Changes</b>	<b>595</b>
<b>2001-03 Revised Appropriations</b>	<b>119,102</b>

**Comments:**

The Preservation Program is responsible for preserving the structural integrity of the state highway system. The Other Facilities Preservation subprogram provides funds to rebuild and remodel rest areas, construct truck weigh stations, and stabilize slopes near highways to prevent erosion and mudslides.

1. **Fund Balancing Reductions** - Funding is realigned to reflect the existing other facilities preservation projects currently programmed. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

**Department of Transportation**  
**Program Q - Traffic Operations - Operating**

Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>32,527</b>
<b>Policy Changes</b>	
1. Lapse: 2SSB 5949	-518
<b>Total Policy Changes</b>	<b>-518</b>
<b>2001-03 Revised Appropriations</b>	<b>32,009</b>

**Comments:**

The Traffic Operations Program is responsible for working towards the highest usage of the existing highway transportation system, utilizing regulatory measures and traffic control devices as primary tools for maximizing existing capacity and improving safety. The operations subprogram provides funding for traffic flow control and low-cost enhancements such as express lane and tunnel operations, ramp meters, and traveler information.

1. **Lapse: 2SSB 5949** - Funding is reduced for transferring motorist information sign panel maintenance activities from being performed by Department of Transportation personnel to being managed by contractors, as authorized by Chapter 321, Laws of 2002 (2SSB 5949). Budget proviso language required the lapse in funding subject to 2SSB 5949 being enacted in the form passed by the Legislature. (Motor Vehicle Account-State)



**Department of Transportation**  
**Program S - Transportation Management and Support**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>106,936</b>
<b>Total Maintenance Changes</b>	<b>-27</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	0
2. U.S. vs. Washington (Culverts)	398
3. GIS Database	67
<b>Total Policy Changes</b>	<b>465</b>
<b>2001-03 Revised Appropriations</b>	<b>107,374</b>

**Comments:**

This program funds the administrative and core business support functions of the Department. These functions include Executive Management and Support, Finance and Administrative Services, Regional Management and Support, Management Information Systems Operations, Major Information Systems Maintenance, and Interjurisdictional Studies.

1. **Fund Balancing Reductions** - Funding is shifted to the Motor Vehicle Account. The enacted budget for the Department is underfunded, necessitating program cuts to balance to available revenue. Since highway construction projects are eliminated from the Multimodal Transportation Account, less program support will be required. (Motor Vehicle Account-State, Multimodal Transportation Account-State)
2. **U.S. vs. Washington (Culverts)** - Funding is provided for the Department's share of legal defense preparation costs associated with United States v. Washington State (Culverts). Within this case, the court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "building and managing its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing grounds." The trial is anticipated to be in June 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology, and the Washington State Parks and Recreation Commission. (Motor Vehicle Account-State)
3. **GIS Database** - Funding is provided for the development and implementation of a secure geographical information system (GIS) database to illustrate locations and specification of statewide radio and microwave towers. This database is to be developed jointly with the Department of Natural Resources, the Military Department, and the Washington State Patrol, in coordination with the State Interoperability Executive Committee. (Motor Vehicle Account-State)

**Department of Transportation**  
**Program U - Charges from Other Agencies**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>28,080</b>
<b>Total Maintenance Changes</b>	<b>-114</b>
<b>Policy Changes</b>	
1. Self Insurance Liability Prem/Admin	<u>14,863</u>
<b>Total Policy Changes</b>	<u><b>14,863</b></u>
<b>2001-03 Revised Appropriations</b>	<b>42,829</b>

**Comments:**

This program funds payments to other state agencies for services provided to the Department. These services include archives, legal services and self-insurance premiums, facilities, and personnel services.

1. **Self Insurance Liability Prem/Admin** - Funding is provided to pay for tort liability premiums, indemnity, and tort defense, based on actuarial supported projections combined with the needs of the state's self-insurance liability account for highway and ferry tort liabilities. (Motor Vehicle Account-State)

**Department of Transportation  
Program V - Public Transportation**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>14,439</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	-200
<b>Total Policy Changes</b>	<b>-200</b>
<b>2001-03 Revised Appropriations</b>	<b>14,239</b>

**Comments:**

This program provides support for public transportation and commute trip reduction (CTR) efforts throughout the state. Included in these efforts are the Rural Mobility Grant Program, Agency Council on Coordinated Transportation Program, High Capacity Transportation, Transportation Demand Management, and Modal Coordination.

- 1. Fund Balancing Reductions** - Funding is reduced for the "Relax" advertising campaign, leaving the minimum amount necessary to secure planned federal funding. (Multimodal Transportation Account-State)

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**Department of Transportation**  
**Program W - Washington State Ferries - Capital**  
 Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>187,376</b>
<b>Policy Changes</b>	
1. Revolving Fund Reductions	-14
2. Fund Balancing Reductions	-10,000
<b>Total Policy Changes</b>	<b>-10,014</b>
<b>2001-03 Revised Appropriations</b>	<b>177,362</b>

**Comments:**

This program provides funding for the investment in, or preservation of, boats and terminals in order to maintain a safe, efficient ferry system. Three major activities categories within this program are terminals, vessels, and emergency repairs.

1. **Revolving Fund Reductions** - Funding is reduced for lower revolving fund charges. (Motor Vehicle Account-State)
  
2. **Fund Balancing Reductions** - The ferry system will defer activities on the following: MV Elwha's propulsion control replacement, some preservation activities on the Issaquah class vessels, and the Port Townsend terminal. Although delayed projects have long-term higher cost implications and customer service effects, these delays do not affect vital systems or safety. Additional savings are derived from a lower-than-expected bid on the Clinton trestle reconstruction project -- phase II. (Motor Vehicle Account-State)

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**Department of Transportation**  
**Program X - Washington State Ferries - Operating**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>321,673</b>
<b>Total Maintenance Changes</b>	<b>-10,741</b>
<b>Policy Changes</b>	
1. Marine Emergency Management	<u>380</u>
<b>Total Policy Changes</b>	<u><b>380</b></u>
<b>2001-03 Revised Appropriations</b>	<b>311,312</b>

*Comments:*

This program provides for the maintenance and operations of the Washington State Ferry boats and terminals. It contains three major activity categories: daily operations of the boats and terminals, maintenance of both, and administrative support.

1. **Marine Emergency Management** - Funding is provided to comply with Coast Guard emergency management requirements for vessel security and emergency preparedness. (Puget Sound Ferry Operations Account-State)

**Department of Transportation**  
**Program Y - Rail - Operating**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>32,704</b>
<b>Total Maintenance Changes</b>	<b>-3</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	-600
2. Passenger Rail Service	900
<b>Total Policy Changes</b>	<b>300</b>
<b>2001-03 Revised Appropriations</b>	<b>33,001</b>

*Comments:*

This program manages, coordinates, and supports passenger and freight rail in cooperation with Amtrak and other rail lines.

1. **Fund Balancing Reductions** - Funding is reduced for Amtrak advertising. (Multimodal Transportation Account-State)
2. **Passenger Rail Service** - Funding is provided to maintain the current level of service for existing state-sponsored passenger rail service. (Multimodal Transportation Account-State)

**Department of Transportation**  
**Program Y - Rail - Capital**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>21,940</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	<u>-500</u>
<b>Total Policy Changes</b>	<b>-500</b>
<b>2001-03 Revised Appropriations</b>	<b>21,440</b>

*Comments:*

This program provides funding of the state's investment in passenger and freight rail systems.

1. **Fund Balancing Reductions** - Funding is eliminated for the remaining unprogrammed amount of the Yelm freight capital project, which is not expected to advance this biennium. (Multimodal Transportation Account-State, Essential Rail Assistance Account-State)

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**Department of Transportation**  
**Program Z - Local Programs - Operating**  
 Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>8,950</b>
<b>Policy Changes</b>	
1. Wahkiakum Ferry Operating Subsidy	152
<b>Total Policy Changes</b>	<b>152</b>
<b>2001-03 Revised Appropriations</b>	<b>9,102</b>

*Comments:*

This program provides for assistance to local agencies, including cities, counties, transit agencies, Indian tribes, and other state and federal agencies. Services include providing help in obtaining federal funds to plan and improve transportation facilities and equipment, engineering training and advice, technical training opportunities, and information on new technology applications in traffic engineering and safety analyses.

1. **Wahkiakum Ferry Operating Subsidy** - Funding is provided to the continue operating support of the Wahkiakum Ferry. Washington State Department of Transportation (WSDOT) participates in the support of the ferry according to statutory provisions. Funding is adjusted to match actual costs. Funding is also provided to cover the increased cost of operating the ferry 24 hours per day, rather than the usual 18 hours per day, during the WSDOT project to redeck the Lewis and Clark Bridge. (Motor Vehicle Account-State)



**Department of Transportation**  
**Program Z - Local Programs - Capital**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>93,929</b>
<b>Total Maintenance Changes</b>	<b>-150</b>
<b>Policy Changes</b>	
1. Fund Balancing Reductions	0
2. Red Wolf Bridge Project	150
3. Reduction & Funding Realignment	-342
<b>Total Policy Changes</b>	<b>-192</b>
<b>2001-03 Revised Appropriations</b>	<b>93,587</b>

*Comments:*

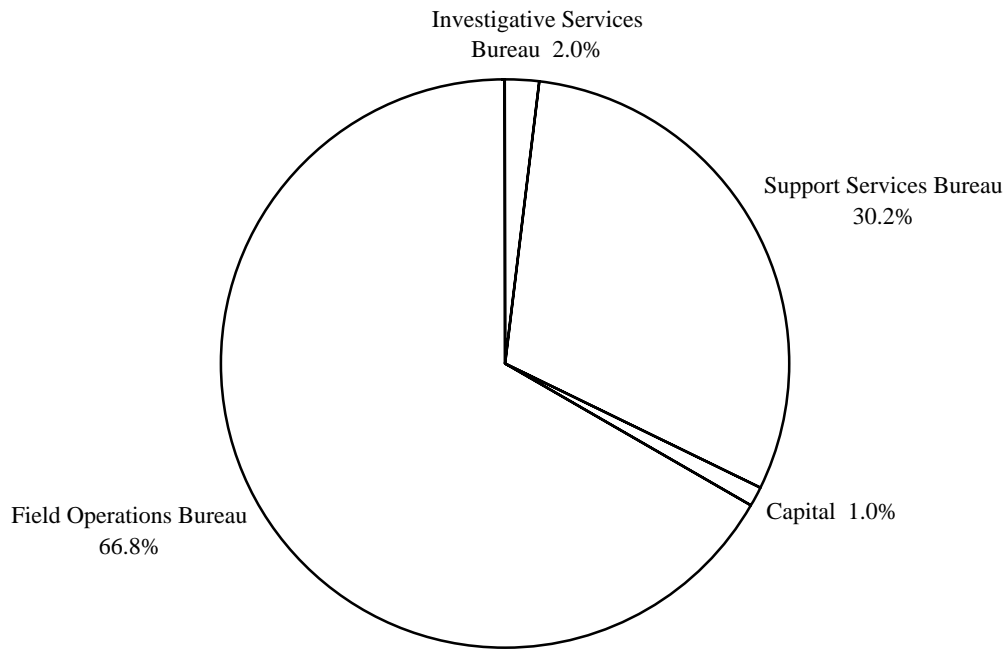
The Department manages federal aid to counties and cities for design, right of way, and construction work off the state highway system. This program assists local agencies by distributing federal funds to those local jurisdictions for enhancement projects and road and street construction projects.

1. **Fund Balancing Reductions** - Bonds are provided as the source of funding for eligible projects currently programmed. (Motor Vehicle Account-State, Motor Vehicle Account-Bonds)
2. **Red Wolf Bridge Project** - Funding is provided to fund the Red Wolf Bridge project as part of the Port of Wilma development project. (Multimodal Account-State)
3. **Reduction & Funding Realignment** - Funding is reduced to reflect 1999-01 work in progress and adjust the 2001-03 reappropriation estimated at the beginning of the biennium. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

**WASHINGTON STATE PATROL**  
**Revised 2001-03 Budget**  
**Total Operating and Capital**



<b>Program</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Field Operations Bureau	169,334	2,260	171,594
Investigative Services Bureau	0	5,088	5,088
Support Services Bureau	70,695	7,023	77,718
Capital	3,485	-875	2,610
<b>Total</b>	<b>243,514</b>	<b>13,496</b>	<b>257,010</b>

# 2001-03 Washington State Transportation Current Law Budget

## ESHB 2451 Enacted

### Total Appropriated Funds

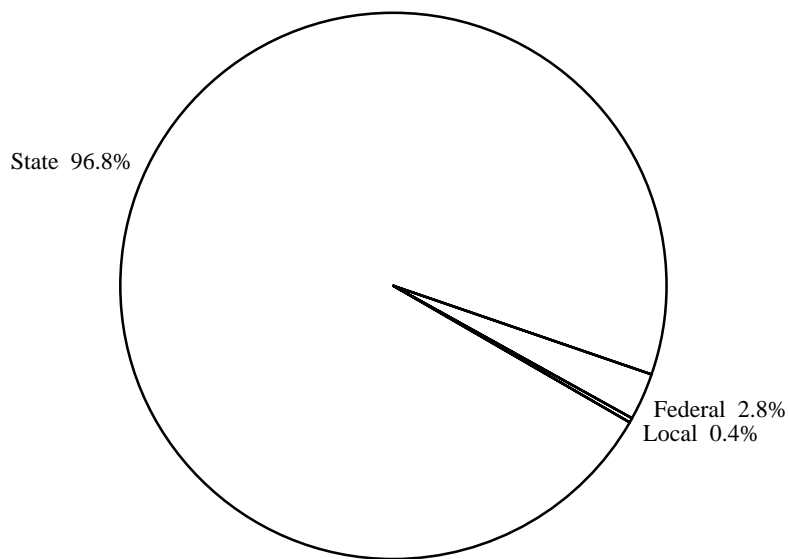
(Dollars in Thousands)

#### WASHINGTON STATE PATROL

#### Components by Fund Type

#### Revised 2001-03 Budget

#### Total Operating and Capital



<b>Fund Type</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
State	235,526	13,302	248,828
Federal	7,084	194	7,278
Local	904	0	904
<b>Total</b>	<b>243,514</b>	<b>13,496</b>	<b>257,010</b>

**Washington State Patrol**  
**Field Operations Bureau**  
 Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>169,334</b>
<b>Total Maintenance Changes</b>	<b>137</b>
<b>Policy Changes</b>	
1. State Ferry Security	1,880
2. MCSAP Grant Increase	243
<b>Total Policy Changes</b>	<b>2,123</b>
<b>2001-03 Revised Appropriations</b>	<b>171,594</b>

**Comments:**

The Field Operations Bureau includes Washington State Patrol (WSP) highway trooper activities related to transportation, commercial vehicle enforcement, rebuilt vehicle identification number (VIN) inspections, school bus inspections, auto theft, vessel and terminal security, and traffic investigations.

1. **State Ferry Security** - Following the attacks of September 11, 2001, in New York and Washington D.C., the United States Coast Guard contacted the Washington State Ferries to initiate steps to increase security in the Puget Sound area. Additional funding is required to meet the needs identified by the Washington State Department of Transportation and the Coast Guard for enhancement of the Vessel and Terminal Security program on state ferries. (State Patrol Highway Account-State)
  
2. **MCSAP Grant Increase** - Additional state funding is needed as a match to leverage an increase in federal funds available to the WSP for the Motor Carrier Safety Assistance Program (MCSAP). Funding will support commercial vehicle enforcement to increase vehicle safety inspections. (State Patrol Highway Account-State, State Patrol Highway Account-Federal)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Operating Budget Section of this document.

**Washington State Patrol  
 Support Services Bureau**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>70,695</b>
<b>Total Maintenance Changes</b>	<b>-135</b>
<b>Policy Changes</b>	
1. Administrative Reduction	-455
2. Restore General Fund Cut	7,546
3. GIS Radio and Tower Database	67
<b>Total Policy Changes</b>	<b>7,158</b>
<b>2001-03 Revised Appropriations</b>	<b>77,718</b>

**Comments:**

The Support Services Bureau (SSB) provides administrative support to the Field Operations and Investigative Services Bureaus. The SSB includes: the Office of the Chief, Legislative Liaison, revolving accounts, Office of Professional Standards, Budget and Fiscal Services, Vehicle Fleet Management, Vehicle Maintenance and Fuel, Information Technologies Division, Property Management Division, Communications Division, Personnel, Training, and the Administrative Division. This Bureau is multi-funded with the Transportation Budget paying for transportation-related activities and the Omnibus Operating Budget paying for the remaining activities.

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Operating Budget Section of this document.

**Governor's Vetoes:**

The Governor vetoed Section 208(4)(5) of Chapter 359, Laws of 2002, Partial Veto (ESHB 2451), for the WSP to contract with an independent consulting firm to develop a cost allocation system to qualify activities as "highway purposes" under Article II, Section 40 of the State Constitution - the 18th amendment - and that such findings shall be utilized in the development of the agency's 2003-05 budget request. The Governor directed the WSP to provide the Legislative Transportation Committee with an overview of its application of the constitutional limitations imposed on the spending of 18th amendment funds. The Governor recognized that the one-time influx of one-time transportation funds to assist the Omnibus Operating Budget will not continue in the future and the importance in maintaining the integrity and sustainability of the WSP's budget.

1. **Administrative Reduction** - The agency has identified the following savings: Monitor and reduce commissioned officers overtime \$200,000; Reduction in mission vehicles \$100,000; Savings in fuel usage and cost \$50,000; savings in supplies and small equipment \$50,000; Restrict travel and training \$30,000; Reduce cell phone usage \$25,000. (State Patrol Highway Account-State)
2. **Restore General Fund Cut** - One-time funding is provided to assist the Omnibus Operating Budget in the following areas: statewide criminal justice telecommunications services, executive protection, crime lab services, and criminal records and identification. The Omnibus Operating Budget will resume funding these activities in the 2003-05 biennium. (Multimodal Account-State, State Patrol Highway Account-State)
3. **GIS Radio and Tower Database** - The amount of \$67,000 is provided solely for the Washington State Patrol (WSP) for FY 2003 to work with the Department of Transportation, the Military Department, and the Department of Natural Resources, in coordination with the State Interoperability Executive Committee, on the development and implementation of a secure geographical information system (GIS) database to illustrate locations and specifications of statewide radio and microwave towers. (State Patrol Highway Account-State)

**Washington State Patrol  
Capital**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>3,485</b>
<b>Policy Changes</b>	
1. Sea-Tac South I-5 Weigh-in-Motion	<u>-875</u>
<b>Total Policy Changes</b>	<b>-875</b>
<b>2001-03 Revised Appropriations</b>	<b>2,610</b>

**Comments:**

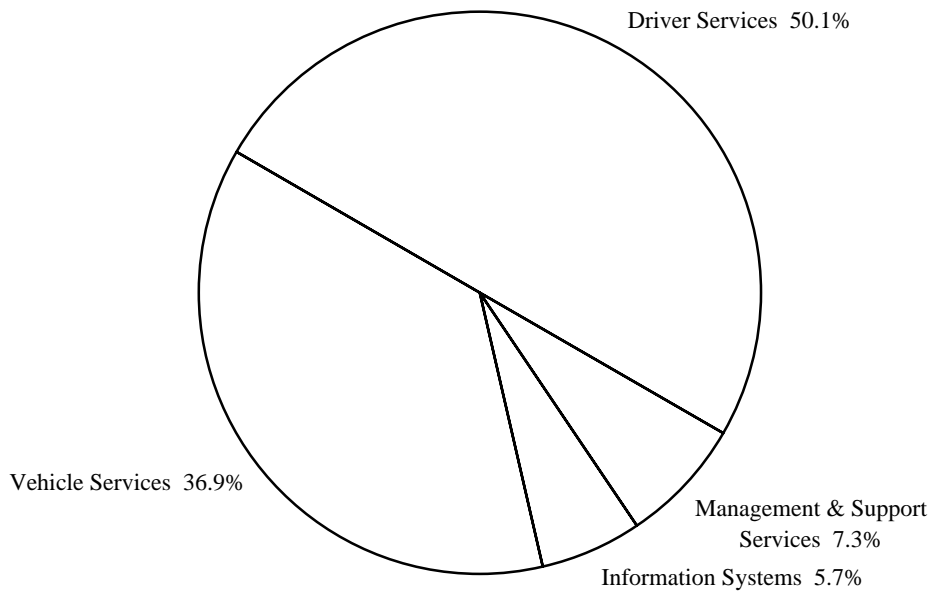
Capital project funding is provided for project phases that will be completed during the 2001-03 biennium. Funding is provided as a single appropriation for all of the projects.

1. **Sea-Tac South I-5 Weigh-in-Motion** - The Sea-Tac South I-5 Weigh-in-Motion is being financed by the Department of Transportation per an interagency agreement dated January 18, 2001. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Washington State Patrol's budget is shown in the Omnibus Operating Budget and Capital Budget Sections of this document.

**2001-03 Washington State Transportation Current Law Budget**  
**ESHB 2451 Enacted**  
**Total Appropriated Funds**  
(Dollars in Thousands)

**DEPARTMENT OF LICENSING**  
**Revised 2001-03 Budget**



<b>Program</b>	<b>2001-03 Original</b>	<b>2002 Supplemental</b>	<b>2001-03 Revised</b>
Management & Support Services	12,303	221	12,524
Information Systems	9,337	386	9,723
Vehicle Services	60,770	2,265	63,035
Driver Services	83,589	1,947	85,536
<b>Total</b>	<b>165,999</b>	<b>4,819</b>	<b>170,818</b>

**Department of Licensing  
 Management and Support Services**

Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>12,303</b>
<b>Total Maintenance Changes</b>	<b>13</b>
<b>Policy Changes</b>	
1. Commercial Drivers Compliance	4
2. Commercial Driver License Fraud	69
3. Vehicle Field System Equipment	53
4. IPO HP3000 Support	8
5. System Mgmt Software Support	7
6. SB 6748 Abandoned Vehicles	27
7. SSB 6461 Drugged Commercial Drivers	11
8. 2SSB 5354 - Mobile Home Relocation	6
9. SSB 6814 - Fees	17
10. SB 5626 - Definition of Veteran	6
<b>Total Policy Changes</b>	<b>208</b>
<b>2001-03 Revised Appropriations</b>	<b>12,524</b>

**Comments:**

Management and Support Services includes the Director's Office, Office Services, Accounting Services, Budget and Program Support, Revenue Forecasting, Internal Audit, Legislative Liaison, Supply, Mail Room, Forms and Records, Communications, Personnel, Public Relations, Facilities Management, and Management Analysis Unit.

1. **Commercial Drivers Compliance** - The Department of Licensing (DOL) will bring the state into compliance with federal laws requiring states to disqualify the driving privileges of any commercial driver who commits a traffic offense at a railroad-highway grade crossing. Funding would provide money to initiate computer programming changes to implement the legislation. (Highway Safety Account-State)
2. **Commercial Driver License Fraud** - Funding provides a state match for a federal grant to fund undercover investigations of third-party testing for commercial driver licensing and to bring Washington's computer systems into conformance with all other states in the exchange of commercial driving record information. (Highway Safety Account-State, Highway Safety Account-Federal)
3. **Vehicle Field System Equipment** - Enables the agency to replace existing computers and software, continue maintenance of the equipment in the agent and sub-agent offices, and replace essential computer servers supporting the Vehicle Services Field System. The funding would provide the agents and sub-agents additional Microsoft Windows software functionality and e-mail connectivity. (DOL Services Account-State)
4. **IPO HP3000 Support** - Funding would allow the agency to contract for technical expertise to help develop a new communications link between the Hewlett-Packard (HP) 3000

server environment and the Unisys mainframe environment. This is needed to replace the current communication hardware and software that will no longer be supported by the vendor and by the Department of Information Services. (DOL Services Account-State)

5. **System Mgmt Software Support** - Funding is provided for 1.0 FTE to support the operational requirements of DOL's electronic software and data distribution system (ESD). The ESD system allows headquarters staff to maintain and upgrade software and data on PCs and servers in 65 Licensing Services Offices (LSO) statewide without having to travel to the LSO. (Highway Safety Account-State)
6. **SB 6748 Abandoned Vehicles** - Funding is provided to carry out the provisions of Chapter 279, Laws of 2002 (SSB 6748). This bill will help law enforcement and tow operators identify the proper owner of an abandoned vehicle. (Motor Vehicle Account-State, Highway Safety Account-State)
7. **SSB 6461 Drugged Commercial Drivers** - Funding is provided to carry out the provisions of Chapter 272, Laws of 2002 (SSB 6461). This bill disqualifies commercial drivers who fail a drug or alcohol test. (Motor Vehicle Account-State, Highway Safety Account-State)
8. **2SSB 5354 - Mobile Home Relocation** - Funding is provided to carry out the provisions of Chapter 257, Laws of 2002 (2SSB 5354). This bill imposes a new fee on manufactured and mobile homes. (Motor Vehicle Account-State)
9. **SSB 6814 - Fees** - Funding is provided to carry out the provisions of Chapter 352, Laws of 2002 (SSB 6814). This bill



## Department of Licensing Management and Support Services

increases various fees at DOL. (Motor Vehicle Account-State,  
Highway Safety Account-State)

10. **SB 5626 - Definition of Veteran** - Funding is provided to carry out the provisions of Chapter 292, Laws of 2002 (ESB 5626). This bill changes the definition of a veteran. (Motor Vehicle Account-State, Highway Safety Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Operating Budget Section of this document.

**Department of Licensing  
 Information Systems**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>9,337</b>
<b>Total Maintenance Changes</b>	<b>252</b>
<b>Policy Changes</b>	
1. Commercial Drivers Compliance	2
2. Commercial Driver License Fraud	39
3. Vehicle Field System Equipment	40
4. IPO HP3000 Support	4
5. System Mgmt Software Support	7
6. SB 6748 Abandoned Vehicles	20
7. SSB 6461 Drugged Commercial Drivers	8
8. 2SSB 5354 - Mobile Home Relocation	4
9. SSB 6814 - Fees	6
10. SB 5626 - Definition of Veteran	4
<b>Total Policy Changes</b>	<b>134</b>
<b>2001-03 Revised Appropriations</b>	<b>9,723</b>

**Comments:**

Information Services includes Technology Planning, Intranet, Technology Security, Internet, Imaging, Agency Technology Services, Vehicle Systems, Driver Systems, and Administrative Systems.

current communication hardware and software is necessary because it will no longer be supported by the vendor and by the Department of Information Services. (DOL Services Account-State)

1. **Commercial Drivers Compliance** - The Department of Licensing (DOL) will bring the state into compliance with federal laws requiring states to disqualify the driving privileges of any commercial driver who commits a traffic offense at a railroad-highway grade crossing. Funding would provide money to initiate computer programming changes to implement the legislation. (Highway Safety Account-State)
2. **Commercial Driver License Fraud** - Funding provides a state match for a federal grant to fund undercover investigations of third-party testing for commercial driver licensing and to bring Washington's computer systems into conformance with all other states in the exchange of commercial driving record information. (Highway Safety Account-State, Highway Safety Account-Federal)
3. **Vehicle Field System Equipment** - Funding is provided to enable the agency to replace existing computers and software, continue maintenance of the equipment in the agent and sub-agent offices, and replace essential computer servers supporting the Vehicle Services Field System. The funding would provide the agents and sub-agents additional Microsoft Windows software functionality and e-mail connectivity. (DOL Services Account-State)
4. **IPO HP3000 Support** - Funding is provided to contract for technical expertise to help develop a new communications link between the Hewlett-Packard (HP) 3000 server environment and the Unisys mainframe environment. Replacement of the
5. **System Mgmt Software Support** - Funding is provided for 1.0 FTE to support the operational requirements of the Department of Licensing's electronic software and data distribution system (ESD). The ESD system allows headquarters staff to maintain and upgrade software and data on PCs and servers in 65 Licensing Services Offices (LSO) statewide without having to travel to the LSO. (Highway Safety Account-State)
6. **SB 6748 Abandoned Vehicles** - Funding is provided to carry out the provisions of Chapter 279, Laws of 2002 (SSB 6748). This bill will help law enforcement and tow operators identify the proper owner of an abandoned vehicle. (Motor Vehicle Account-State, Highway Safety Account-State)
7. **SSB 6461 Drugged Commercial Drivers** - Funding is provided to carry out the provisions of Chapter 272, Laws of 2002 (SSB 6461). This bill disqualifies commercial drivers who fail a drug or alcohol test. (Motor Vehicle Account-State, Highway Safety Account-State)
8. **2SSB 5354 - Mobile Home Relocation** - Funding is provided to carry out the provisions of Chapter 257, Laws of 2002 (2SSB 5354). This bill imposes a new fee on manufactured and mobile homes. (Motor Vehicle Account-State)
9. **SSB 6814 - Fees** - Funding is provided to carry out the provisions of Chapter 352, Laws of 2002 (SSB 6814). This bill increases various fees at DOL. (Motor Vehicle Account-State, Highway Safety Account-State)

## Department of Licensing Information Systems

10. **SB 5626 - Definition of Veteran** - Funding is provided to carry out provisions of Chapter 292, Laws of 2002 (ESB 5626). This bill changes the definition of a veteran. (Motor Vehicle Account-State, Highway Safety Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Operating Budget Section of this document.

**Department of Licensing  
 Vehicle Services**

Total Appropriated Funds  
 (Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>60,770</b>
<b>Total Maintenance Changes</b>	<b>591</b>
<b>Policy Changes</b>	
1. Vehicle Field System Equipment	1,005
2. IPO HP3000 Support	112
3. SB 6748 Abandoned Vehicles	376
4. 2SSB 5354 - Mobile Home Relocation	77
5. SSB 6814 - Fees	82
6. SB 5626 - Definition of Veteran	22
<b>Total Policy Changes</b>	<b>1,674</b>
<b>2001-03 Revised Appropriations</b>	<b>63,035</b>

**Comments:**

Vehicle Services includes Vehicle Dealer and Manufacturers Services, Vehicle Investigations, Prorate and Fuel Taxes, Vessel Registration and Titling, Vehicle Records, Communications, and Vehicle Registrations and Titling.

6. **SB 5626 - Definition of Veteran** - Funding is provided to carry out the provisions of Chapter 292, Laws of 2002 (ESB 5626). This bill changes the definition of a veteran. (Motor Vehicle Account-State)

1. **Vehicle Field System Equipment** - Funding is provided to enable the agency to replace existing computers and software, continue maintenance of the equipment in the agent and sub-agent offices, and replace essential computer servers supporting the Vehicle Services Field System. The one-time funding also provides the agents and sub-agents additional Microsoft Windows software functionality and e-mail connectivity. (DOL Services Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Operating Budget Section of this document.

2. **IPO HP3000 Support** - Funding is provided to contract for technical expertise to help develop a new communications link between the Hewlett-Packard (HP) 3000 server environment and the Unisys mainframe environment. Replacement of the current communication hardware and software is necessary because it will no longer be supported by the vendor and by the Department of Information Services. (DOL Services Account-State)

3. **SB 6748 Abandoned Vehicles** - Funding is provided to carry out the provisions of Chapter 279, Laws of 2002 (SSB 6748). This bill will help law enforcement and tow operators identify the proper owner of an abandoned vehicle. This will require several system upgrades. (Motor Vehicle Account-State)

4. **2SSB 5354 - Mobile Home Relocation** - Funding provided to carry out the provisions of Chapter 257, Laws of 2002 (2SSB 5354). This bill imposes a new fee on manufactured and mobile homes. (Motor Vehicle Account-State)

5. **SSB 6814 - Fees** - Funding is provided to carry out the provisions of Chapter 352, Laws of 2002 (SSB 6814). This bill increases various fees administered by DOL. (Motor Vehicle Account-State)

**Department of Licensing**  
**Driver Services**  
 Total Appropriated Funds  
 (Dollars in Thousands)

	<b>ESHB 2451 Enacted</b>
<b>2001-03 Original Appropriations</b>	<b>83,589</b>
<b>Total Maintenance Changes</b>	<b>190</b>
<b>Policy Changes</b>	
1. Motorcycle Funding	350
2. Commercial Drivers Compliance	52
3. Commercial Driver License Fraud	985
4. System Mgmt Software Support	95
5. SB 6748 Abandoned Vehicles	21
6. SSB 6461 Drugged Commercial Drivers	162
7. SSB 6814 - Fees	36
8. SB 5626 - Definition of Veteran	56
<b>Total Policy Changes</b>	<b>1,757</b>
<b>2001-03 Revised Appropriations</b>	<b>85,536</b>

**Comments:**

Driver Services includes Hearings and Interviews, Driver Reponsibility, Driver License Examining, Motorcycle Safety, and Commercial Driver Licensing.

1. **Motorcycle Funding** - Provides ongoing funding to address motorcycle training backlogs. Allocates money from the Motorcycle Safety Education Account (MSEA) to train 2,250 additional students and 24 additional instructors. (MSEA-State)
2. **Commercial Drivers Compliance** - The Department of Licensing (DOL) will bring the state into compliance with federal laws requiring states to disqualify the driving privilege of any commercial driver who commits a traffic offense at a railroad-highway grade crossing. Funding would provide money to initiate computer programming changes to implement the legislation. (Highway Safety Account-State)
3. **Commercial Driver License Fraud** - Funding provides a state match for a federal grant to fund undercover investigations of third-party testing for commercial driver licensing and to bring Washington's computer systems into conformance with all other states in the exchange of commercial driving record information. (Highway Safety Account-State, Highway Safety Account-Federal)
4. **System Mgmt Software Support** - Funding is provided for 1.0 FTE to support the operational requirements of DOL's electronic software and data distribution system (ESD). The ESD system allows headquarters staff from their PCs to maintain and upgrade software and data on PCs and servers in 65 Licensing Services Offices (LSO) statewide without having to travel to the LSO. (Highway Safety Account-State)
5. **SB 6748 Abandoned Vehicles** - Funding is provided to carry out the provisions of Chapter 279, Laws of 2002 (SSB 6748).

This bill will help law enforcement and tow operators identify the proper owner of an abandoned vehicle. (Highway Safety Account-State)

6. **SSB 6461 Drugged Commercial Drivers** - Funding is provided to carry out the provisions of Chapter 272, Laws of 2002 (SSB 6461). This bill disqualifies commercial drivers who fail a drug or alcohol test. (Highway Safety Account-State)
7. **SSB 6814 - Fees** - Funding is provided to carry out the provisions of Chapter 352, Laws of 2002 (SSB 6814). This bill increases various fees at the Department of Licensing. (Highway Safety Account-State)
8. **SB 5626 - Definition of Veteran** - Funding is provided to carry out the provisions of Chapter 292, Laws of 2002 (ESB 5626). This bill changes the definition of a veteran. (Highway Safety Account-State)

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Department of Licensing's budget is shown in the Omnibus Operating Budget Section of this document.

**County Road Administration Board  
Capital**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>77,293</b>
<b>Total Maintenance Changes</b>	<b>21</b>
<b>Policy Changes</b>	
1. Utilize Available Fund Balance	<u>8,700</u>
<b>Total Policy Changes</b>	<u><b>8,700</b></u>
<b>2001-03 Revised Appropriations</b>	<b>86,014</b>

**Comments:**

The County Road Administration Board maintains the statewide inventory of county roads, sets standards of operation for all county road agencies, and provides transportation-related technical and administrative assistance to counties, including training and computer system support.

1. **Utilize Available Fund Balance** - Additional funding is provided for grants to counties. (Rural Arterial Trust Account-State, County Arterial Preservation Account-State)

## Transportation Improvement Board Capital

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>210,192</b>
<b>Policy Changes</b>	
1. Utilize Available Fund Balance	<u>25,886</u>
<b>Total Policy Changes</b>	<u><b>25,886</b></u>
<b>2001-03 Revised Appropriations</b>	<b>236,078</b>

**Comments:**

The Transportation Improvement Board administers grant programs that provide funding to urban cities and counties for transportation projects that improve the mobility of people and goods in Washington State.

1. **Utilize Available Fund Balance** - Additional funding is provided for grants to local jurisdictions. (Urban Arterial Trust Account-State, Transportation Improvement Account-State, Transportation Improvement Account-Bonds)

NOTE: Amounts shown here reflect only the transportation current law budget. Additional funding authority may be available dependent on the passage of Referendum 51 by the voters in November. Please see the Transportation New Law Budget Section of this document for additional information.

**Bond Retirement and Interest**

## Total Appropriated Funds

(Dollars in Thousands)

	<u>ESHB 2451 Enacted</u>
<b>2001-03 Original Appropriations</b>	<b>303,636</b>
<b>Total Maintenance Changes</b>	<b>3,992</b>
<b>2001-03 Revised Appropriations</b>	<b>307,628</b>

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**Comments:**

NOTE: Amounts shown here reflect only the transportation current law budget. The remainder of the Bond Retirement & Interest budget is shown in the Omnibus Operating Budget Section of this document.



# TRANSPORTATION NEW LAW BUDGET

## *Operating and Capital*

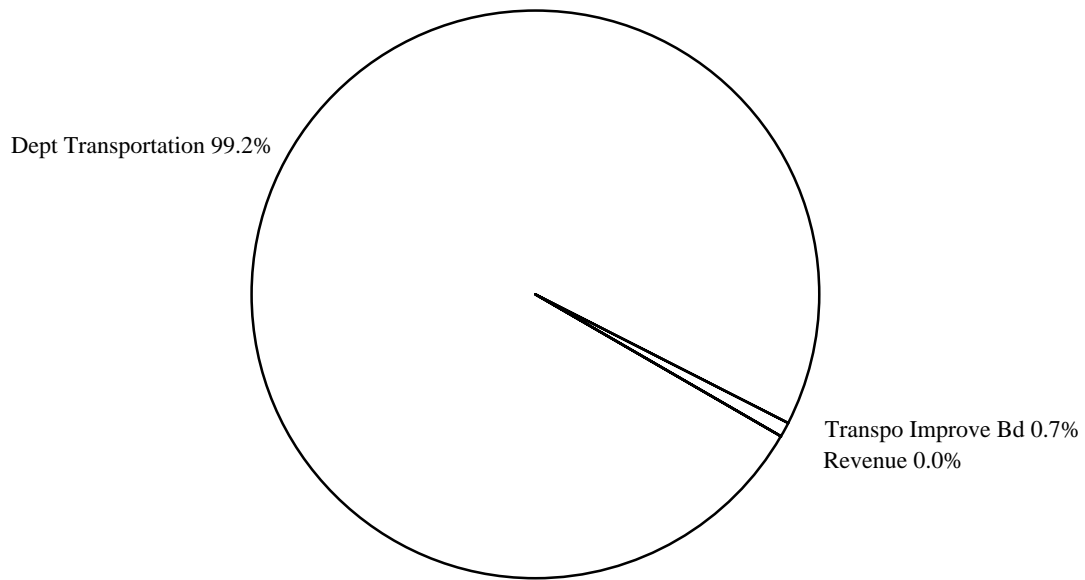
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**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**COMPONENTS BY AGENCY  
 Operating and Capital**



<u>Agency</u>	
Department of Transportation	1,336,002
Transportation Improvement Board	10,000
Department of Revenue	100
<b>Total</b>	<b>1,346,102</b>

# 2001-03 Washington State Transportation New Law Budget

## ESSB 6347 Enacted -- Subject to Passage of Referendum 51

### TOTAL OPERATING AND CAPITAL BUDGET

#### Total Appropriated Funds

(Dollars in Thousands)

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<b>Department of Transportation</b>	<b>1,336,002</b>
Pgm I1 - Improvements - Mobility	1,028,659
Pgm I2 - Improvements - Safety	62,445
Pgm I3 - Improvements - Econ Init	64,437
Pgm I4 - Improvements - Env Retro	12,956
Pgm P2 - Preservation - Structures	6,000
Pgm T - Transpo Plan, Data & Resch	4,225
Pgm V - Public Transportation	39,000
Pgm W - WA State Ferries-Cap	33,137
Pgm Y - Rail	70,743
Pgm Z - Local Programs	14,400
Department of Revenue	100
Transportation Improvement Board	10,000
<b>Total</b>	<b>1,346,102</b>

# Referendum 51 Revenue Package and Associated Budget

## Chapter 202, Laws of 2002 (ESHB 2969) and Chapter 201, Laws of 2002, Partial Veto (ESSB 6347)

<b>Transportation Budget Comparisons</b>	
(Dollars in Millions)	
<b>1999-01 Transportation Funding</b>	
1999-01 Final Funding Level	3,301.0
<b>2001-03 Transportation Funding</b>	
2001-03 Funding	* 3,403.3
Tacoma Narrows Bridge Bonds & 2002 Supplemental Expenditure Differences	765.9
2-Year New Law Budget (ESSB 6347) Expenditures	1,346.1
<b>Revised 2001-03 Funding (Assumes Passage of Referendum 51)</b>	<b>5,515.3</b>

*\* Includes \$47 million in reappropriated Tacoma Narrows Bridge funding. By fiscal year 2002, the agency had not spent \$39 million of the reappropriation.*

*Note: \$307.6 million in Bond Retirement and Interest amounts are not included.*

### 2002 New Law Revenue Legislation

ESHB 2969 raises revenue for statewide improvements and authorizes a gas tax increase, sales tax on vehicles, gross weight fees, and earmarking of sales tax on highway construction to additional transportation projects. This legislation is Referendum 51 and will be on the ballot for a statewide vote in November 2002.

### 2002 New Law Expenditure Legislation

ESHB 6347 provides the 2001-03 biennium expenditure authority for the revenues generated by ESHB 2969 and takes effect only if the voters approve the referendum and ESHB 2969 becomes law.

Individual appropriations are provided for specific projects, and appropriations are linked to project phases. In addition to the appropriations, future costs are shown for the ten-year planning period. The bill permits the Department of Transportation to transfer funds from one project to another if there are excess funds for the project and the Governor, through the Office of Financial Management, approves.

Appropriations for 2001-03 are dependent on cash receipts and bond proceeds supported by fees proposed in Referendum 51. Appropriations made by phases are based on work elements rather than estimated expenditures during a fiscal period. It is expected that the 2001-03 appropriations will require a significant level of reappropriation in subsequent biennia. Bond sales will be tailored to meet cash flow requirements.

## Summary of Revenue Legislation & Transportation Funding Impacts

### Addressing Transportation Improvement and Financing

ESHB 2969 contains a referendum to the voters on the question of whether fees and taxes should be raised to fund state and local transportation projects. The referendum will be presented to the voters in November 2002. The fee and tax increases, combined with the sale of bonds, are intended to raise approximately \$7.8 billion over ten years to improve highway capacity, auto and passenger ferries, public transportation, and passenger and freight rail.

Major elements of the referendum include:

- The establishment of the Legislative Transportation Accountability Committee for project review and oversight.
- A 15 percent increase in weight fees on trucks over 10,000 pounds on January 1, 2003, and an additional increase on January 1, 2004, to bring the total increase to 30 percent over two years. The increase does not apply to pickup trucks and recreational vehicles.
- An increase in the state gas tax of 9 cents per gallon. The increase is staged by applying a 5 cents per gallon increase January 1, 2003, and an additional 4 cents per gallon increase on January 1, 2004.
- A sales tax surcharge of 1 percent is applied to the sale of new and used vehicles beginning April 1, 2003.
- In fiscal year 2006, the sales tax paid on highway construction projects is moved from the general fund to transportation.

### Summary of New Law Expenditures

*Area of Investment*

*10-Year Plan / 2-Year Appropriation*

Mobility, Safety, and Freight Improvements \$5,557 million / \$1,184 million

The ten-year plan of \$5,557 million for mobility, safety, and freight projects includes: SR-405 (\$1,770 million), core High Occupancy Vehicle system (\$693 million), SR-509 (\$500 million), Alaskan Way Viaduct (\$450 million), SR-167 (\$343 million), SR-395 (\$207 million), local Freight Mobility Strategic Investment Board (\$116 million), Snoqualmie Pass (\$100 million), and SR-520 Translake (\$100 million), safety improvements (\$102 million), environmental retrofit improvements (\$26 million), and structure preservations (\$6 million). Anticipated state funding will not, in many cases, cover the full cost of the project. The initial 2001-03 appropriation for all of these activities totals \$1,184 million.

Local Programs

\$330 million / \$16 million

The ten-year plan includes a mix of direct gas tax distributions to city and county jurisdictions and funding of five grant programs targeted to cities, towns, counties, ports, and other local governments. Grant programs will target improvements to congested urban and rural corridors, transportation-related economic development projects, enhancements near schools, and a pavement management system in cities under 10,000 in population.

Ferries

\$688 million / \$33.1 million

The ten-year plan for ferries includes \$688 million to replace vessels, improve terminals, and expand passenger-only service in the Central Puget Sound. Four new auto ferries will be constructed over the next eight years to replace the steel-electric vessels that were built in 1927. Terminal enhancements are planned at Mukilteo, Anacortes, and Edmonds. Overall, system preservation levels will be enhanced for all of the terminals and vessels. Finally, additional passenger-only service will be initiated between Kingston and Seattle and Southworth and Seattle. The initial 2001-03 appropriation for all of these activities totals \$33.1 million.

Public Transportation

\$819.8 million / \$39 million

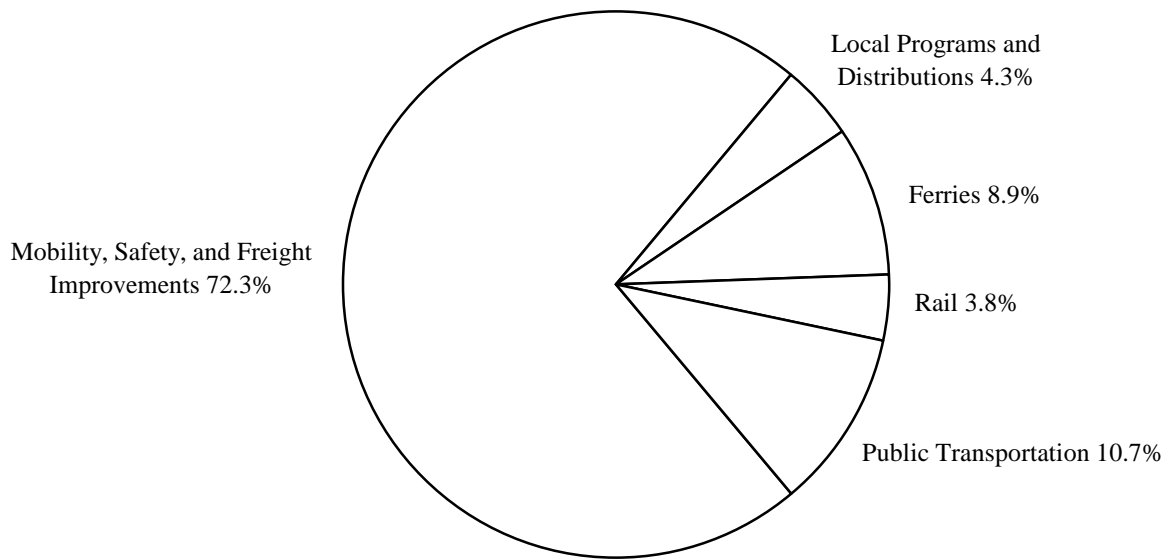
Public transportation's ten-year plan includes \$819.8 million to be distributed directly to programs and in the form of grants. Eligible transit systems, vanpool expansion projects, and park and ride projects will receive state funds directly. Grants will be available for rural mobility to connect rural areas and to paratransit for services for the elderly, disabled, and those with low-income status. In addition, the commute trip reduction program will receive funds in the form of grants and tax credits. The 2001-03 appropriations for the public transportation system are \$39 million.

Rail

\$294 million / \$28.6 million

Funding for the rail system includes \$294 million for passenger rail capital and operating expenses, the freight rail assistance program to fund capital projects, and the Washington Fruit Express Program for enhancing the transport of produce to the east coast. The 2001-03 appropriations for the rail program are \$28.6 million.

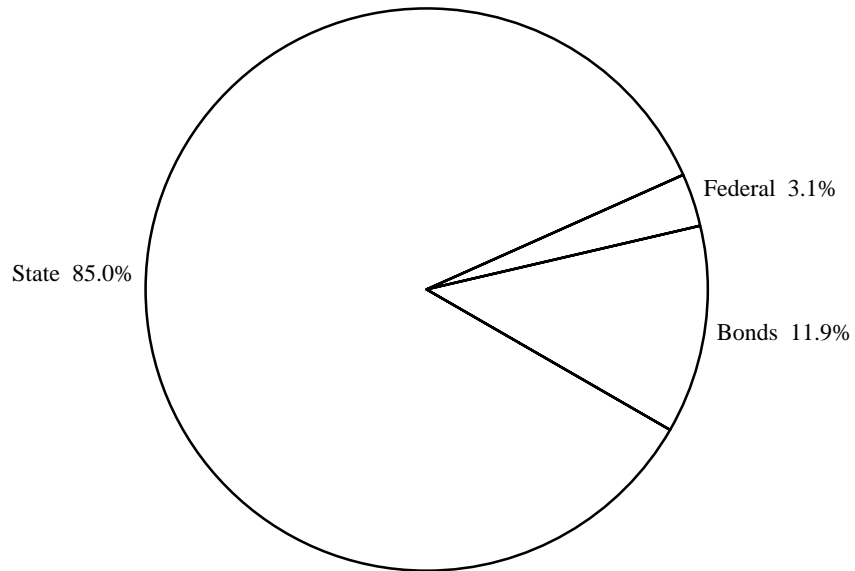
**10-Year Distribution of New Law Expenditures**



**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**COMPONENTS BY FUND TYPE  
 Operating and Capital**

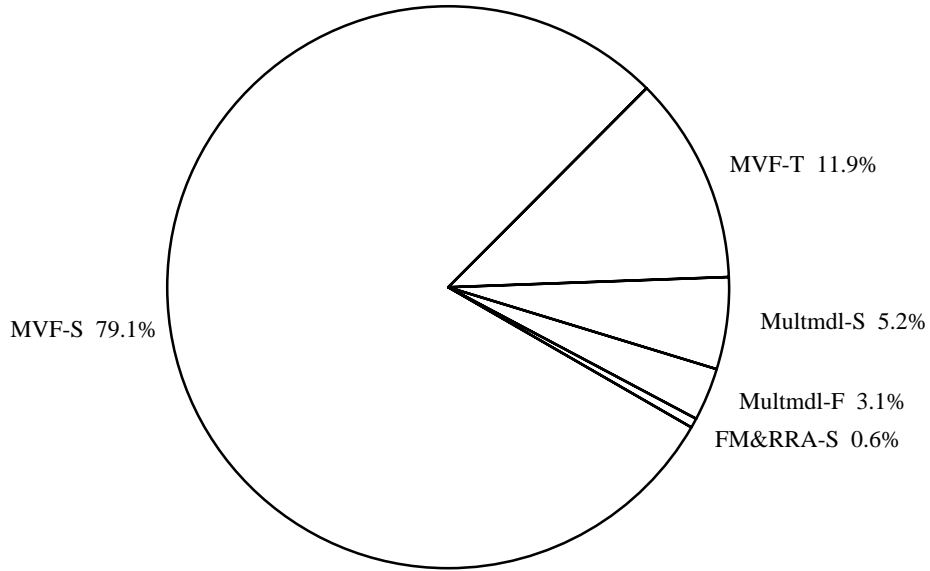


<b>Fund Type</b>	
State	1,143,918
Federal	42,056
Bonds	160,128
<b>Total</b>	<b>1,346,102</b>

**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE  
 Operating and Capital**



<b>Major Fund Source</b>	
Motor Vehicle Account - State (MVF-S)	1,065,015
Motor Vehicle Account - Bonds (MVF-T)	160,128
Multimodal Transportation Account - State (Multmdl-S)	70,503
Multimodal Transportation Account - Federal (Multmdl-F)	42,056
Freight Mobility/Rdwy Resurfacing - State (FM&RRA-S)	8,400
<b>Total</b>	<b>1,346,102</b>



**2001-03 Washington State Transportation New Law Budget**  
**ESSB 6347 Enacted -- Subject to Passage of Referendum 51**  
**Fund Summary**  
**TOTAL OPERATING AND CAPITAL BUDGET**  
(Dollars in Thousands)

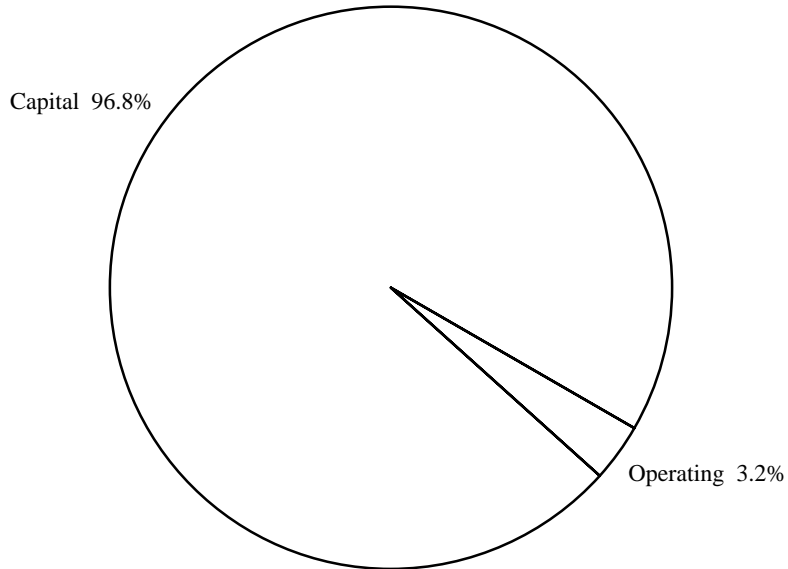
	MVF State *	Multi- Modal State	Multi- Modal Federal	FM&RRA State	Total Approp
<b>Department of Transportation</b>	<b>1,215,143</b>	<b>70,403</b>	<b>42,056</b>	<b>8,400</b>	<b>1,336,002</b>
Pgm I1 - Improvements - Mobility	1,028,659	0	0	0	1,028,659
Pgm I2 - Improvements - Safety	62,445	0	0	0	62,445
Pgm I3 - Improvements - Econ Init	64,437	0	0	0	64,437
Pgm I4 - Improvements - Env Retro	12,956	0	0	0	12,956
Pgm P2 - Preservation - Structures	6,000	0	0	0	6,000
Pgm T - Transpo Plan, Data & Resch	4,225	0	0	0	4,225
Pgm V - Public Transportation	3,000	36,000	0	0	39,000
Pgm W - WA State Ferries-Cap	27,421	5,716	0	0	33,137
Pgm Y - Rail	0	28,687	42,056	0	70,743
Pgm Z - Local Programs	6,000	0	0	8,400	14,400
Department of Revenue	0	100	0	0	100
Transportation Improvement Board	10,000	0	0	0	10,000
<b>Total</b>	<b>1,225,143</b>	<b>70,503</b>	<b>42,056</b>	<b>8,400</b>	<b>1,346,102</b>

\* Includes Bond amounts.

**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**OPERATING AND CAPITAL COMPONENTS**



<b>Component</b>	
Operating	43,325
Capital	1,302,777
<b>Total</b>	<b>1,346,102</b>

# TRANSPORTATION NEW LAW BUDGET

## AGENCY DETAIL

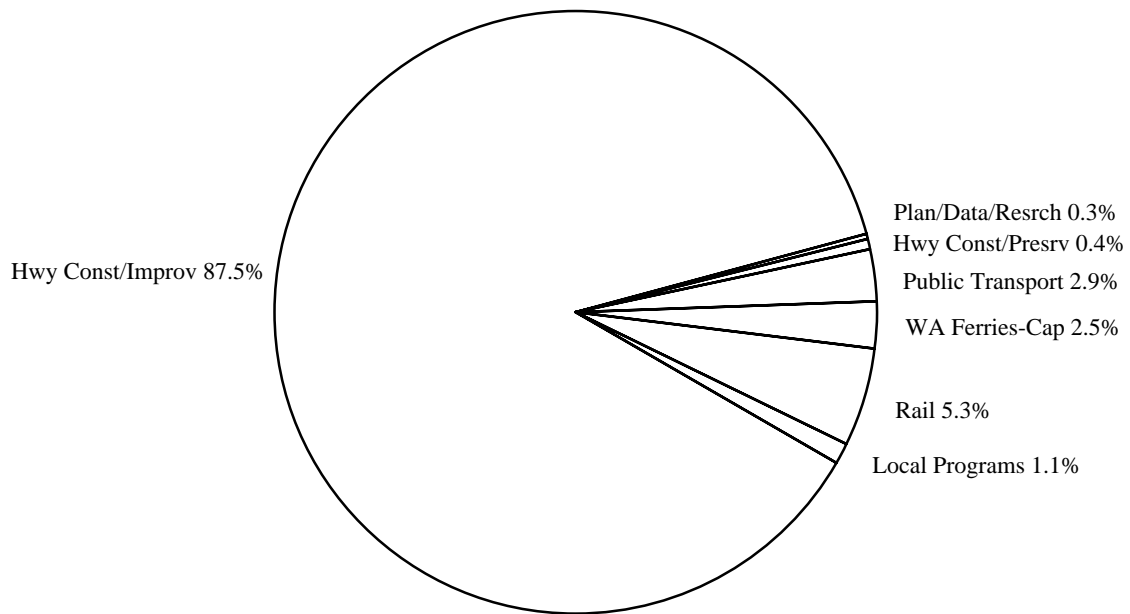
### DIRECTORY

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**2001-03 Washington State Transportation New Law Budget**  
**ESSB 6347 Enacted -- Subject to Passage of Referendum 51**  
**Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION**  
**Total Operating and Capital**

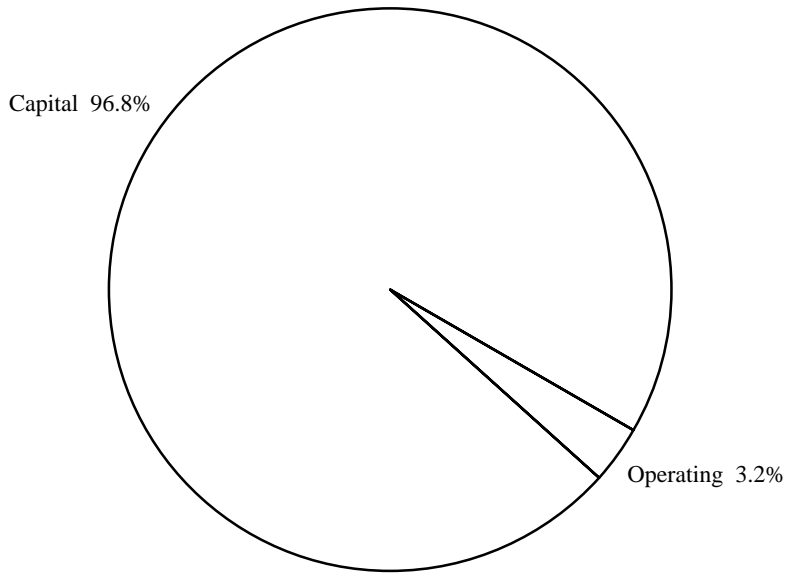


<b>Program</b>	
Pgm I - Highway Construction/Improvements	1,168,497
Pgm P - Highway Construction/Preservation	6,000
Pgm T - Transportation Planning, Data, and Research	4,225
Pgm V - Public Transportation	39,000
Pgm W - Washington State Ferries - Capital	33,137
Pgm Y - Rail	70,743
Pgm Z - Local Programs	14,400
<b>Total</b>	<b>1,336,002</b>

**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION  
 Operating and Capital Comparison**

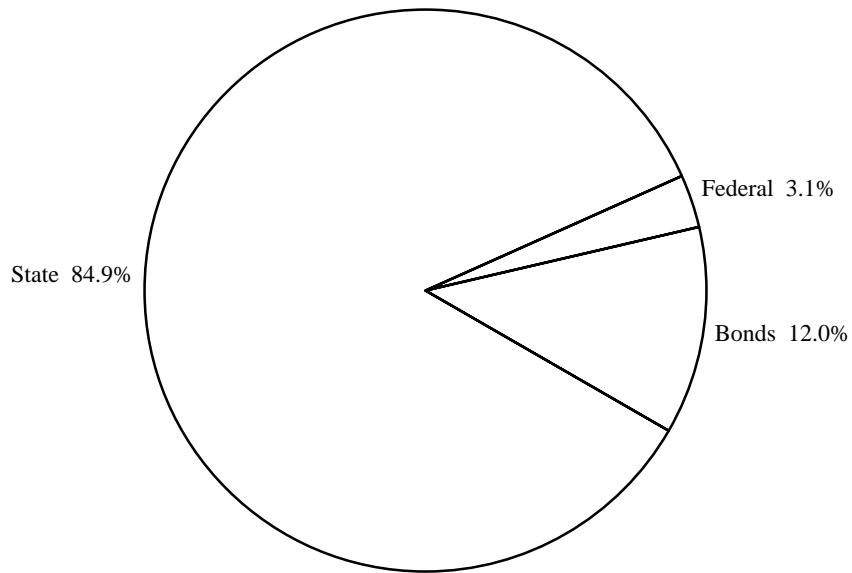


<b>Department of Transportation</b>	
Operating	43,225
Capital	1,292,777
<b>Total</b>	<b>1,336,002</b>

**2001-03 Washington State Transportation New Law Budget  
 ESSB 6347 Enacted -- Subject to Passage of Referendum 51  
 Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION  
 Components by Fund Type  
 Total Operating and Capital**



<b>Fund Type</b>	
State	1,133,818
Federal	42,056
Bonds	160,128
<b>Total</b>	<b>1,336,002</b>

**Department of Transportation**  
**Program I1 - Improvements - Mobility**

Total Appropriated Funds

(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Improvement Projects - New Law
2. Governor Veto

1,029,009  
-350

**Total**

**1,028,659**

---

**Comments:**

1. **Improvement Projects - New Law** - Funding is provided for highway construction projects. (Motor Vehicle Account-State, Motor Vehicle Account-Bonds)
2. **Governor Veto** - The Governor vetoed Section 302(45) of Chapter 201, Laws of 2002, Partial Veto (ESSB 6347) - SR 605 Toll Road - King County Bypass Study (20020084). (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Improvements - Mobility Program budget is shown in the Transportation Current Law Budget Section of this document.

**Department of Transportation**  
**Program I2 - Improvements - Safety**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Improvement Projects - New Law

62,445

**Total**

**62,445**

---

**Comments:**

1. **Improvement Projects - New Law** - Funding is provided for highway construction projects. (Motor Vehicle Account-State, Motor Vehicle Account-Bonds)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Improvements - Safety Program budget is shown in the Transportation Current Law Budget Section of this document.

**Governor's Vetoes:**

The Governor vetoed Section 304(2) of ESSB 6347, which limited the funds, for a specific project, to preconstruction activities only.



**Department of Transportation**  
**Program I3 - Improvements - Economic Initiatives**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

- 1. Improvement Projects - New Law

64,437

**Total**

**64,437**

---

**Comments:**

- 1. **Improvement Projects - New Law** - Funding is provided for highway construction projects. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Improvements - Economic Initiatives Program budget is shown in the Transportation Current Law Budget Section of this document.

**Department of Transportation**  
**Program I4 - Improvements - Environmental Retrofit**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Improvement Projects - New Law

12,956

**Total**

**12,956**

---

**Comments:**

1. **Improvement Projects - New Law** - Funding is provided for highway construction projects. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Improvements-Environmental Retrofit Program budget is shown in the Transportation Current Law Budget Section of this document.

**Governor's Vetoes:**

The Governor vetoed Section 305(2) of Chapter 201, Laws of 2002, Partial Veto (ESSB 6347), which placed the management of a project outside the Department.

**Department of Transportation**  
**Program P2 - Preservation - Structures**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

- 1. Preservation Projects - New Law

6,000

**Total**

**6,000**

---

**Comments:**

- 1. **Preservation Projects - New Law** - Funding of \$6.0 million is provided for the Purdy Creek Bridge project. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Preservation-Structures Program budget is shown in the Transportation Current Law Budget Section of this document.

**Department of Transportation**  
**Program T - Transportation Planning, Data, & Research**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESSB 6347 Enacted</u>
<b>Policy Changes</b>	
1. Transportation Efficiencies	1,225
2. Regional Transportation Planning	<u>3,000</u>
<b>Total</b>	<b>4,225</b>

---

**Comments:**

- 1. Transportation Efficiencies** - Funds are provided for the implementation of Chapter 5, Laws of 2002 (ESHB 2304 - Transportation Efficiencies). Implementation includes the development of analytical tools that use a common methodology to measure benefits and costs and provide a basis for policymakers to determine the most cost-effective modal investment to reduce congestion.
- 2. Regional Transportation Planning** - Funds are provided for expenses associated with the regional transportation investment district (RTID) planning committee responsibilities established in Chapter 56, Laws of 2002, Partial Veto (E2SSB 6140). It is intended that these funds will be repaid from RTID revenues upon voter approval of the regional package.

NOTE: Amounts shown here reflect only the transportation new law budget. The Transportation Planning, Data, and Research Program received an appropriation of \$33,283,000 in the original 2001-03 transportation budget.

**Department of Transportation  
Program V - Public Transportation**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Rural Mobility Grants	3,600
2. Vanpool Expansion	1,910
3. CTR Expansion Grants to Locals	4,000
4. Park and Ride Expansion	3,000
5. Park and Ride Expansion	1,000
6. Paratransit Grants	3,600
7. Transit Direct Distribution	19,890
8. CTR Tax Credits	2,000
<b>Total</b>	<b>39,000</b>

**Comments:**

1. **Rural Mobility Grants** - The Department of Transportation shall work cooperatively with the Washington State Transit Association to establish grant application procedures and selection criteria. Rural mobility establishes, preserves, and improves public transportation in and between rural communities. (Multimodal Transportation Account-State)

2. **Vanpool Expansion** - Provides funding to expand the vanpool program. Expenditures may include the acquisition of new vans. (Multimodal Transportation Account-State)

3. **CTR Expansion Grants to Locals** - Provides funds to further implement the commute trip reduction (CTR) program and achieve trip reduction goals in metropolitan transportation plans. (Multimodal Transportation Account-State)

4. **Park and Ride Expansion** - Funds for highway purposes will be used to expand the Department's assessment, planning, development, and construction of additional park-and-ride facilities. (Motor Vehicle Account-State)

5. **Park and Ride Expansion** - Provides funding from flexible revenue sources to expand the Department's assessment, planning, development, and construction of additional park-and-ride facilities. (Multimodal Transportation Account-State)

6. **Paratransit Grants** - The Department will work cooperatively with the Agency Council on Coordinated Transportation and the Washington State Transit Association to establish grant application procedures and selection criteria. Paratransit assists the elderly, disabled, and those with low incomes. (Multimodal Transportation Account-State)

7. **Transit Direct Distribution** - Transit funds are distributed to transit systems according to whether they are identified as urbanized, small city, or rural in the following percentages: 50 percent of funds are be distributed to urbanized systems, based on service population; 30 percent of funds are distributed to small city systems, based on service population; 20 percent of funds are be distributed to rural systems, based on service population. (Multimodal Transportation Account-State)

8. **CTR Tax Credits** - Provides funding to reimburse the general fund for CTR tax credits to the Business and Occupation tax, as provided in Chapter 203, Laws of 2002 (ESSB 6008). (Multimodal Transportation Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Public Transportation Program budget is shown in the Transportation Current Law Budget Section of this document.

**Governor's Vetoes:**

The Governor vetoed Section 203(5) of Chapter 201, Laws of 2002, Partial Veto (ESSB 6347), which required interlocal agreements for service to paratransit and special needs be in place, in counties with both a public transportation benefit area and a city operated public transportation system, prior to any distribution of statewide transit funds.

**Department of Transportation**  
**Program W - Washington State Ferries - Capital**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Four New Auto Ferries	4,128
2. Mukilteo Multimodal	1,810
3. Anacortes Multimodal	518
4. Edmonds Crossing	2,200
5. Vessel and Terminal Preservation	11,690
6. Pier 48 Acquisition	7,075
7. Passenger-Only Capital	5,716

<b>Total</b>	<b>33,137</b>
--------------	---------------

**Comments:**

1. **Four New Auto Ferries** - Funds are provided for preconstruction activities on the first of four new auto ferries. (Motor Vehicle Account-Bond)
2. **Mukilteo Multimodal** - Funds are provided for preconstruction activities for the Mukilteo Multimodal Terminal. (Motor Vehicle Account-State)
3. **Anacortes Multimodal** - Funds are provided to relocate tie-up slips at the Anacortes Ferry Terminal. This activity represents initial preconstruction activities associated with the Anacortes Multimodal Terminal. (Motor Vehicle Account-State)
4. **Edmonds Crossing** - Funds are provided as a partnership with the city of Edmonds to match federal funds dedicated to the Edmonds Crossing Multimodal Terminal Project. These funds will be used to finish Environmental Impact Statement work, preserve and acquire property, conduct further engineering design, and obtain necessary permits. (Motor Vehicle Account-State)
5. **Vessel and Terminal Preservation** - Funds are provided for system-wide preservation of ferry terminals and vessels to the level recommended by the Legislature's Joint Task Force on Ferries in order to reach the preservation performance objectives recommended by the Task Force. (Motor Vehicle Account-State)
6. **Pier 48 Acquisition** - Funds are provided to acquire Pier 48 in Seattle. Acquisition of Pier 48 will enable the Washington State Ferry System to accommodate future growth in ferry traffic to downtown Seattle. (Motor Vehicle Account-State)
7. **Passenger-Only Capital** - Funds are provided to purchase one new or used passenger-only ferry vessel. An additional passenger-only vessel in the fleet will allow for service between Kingston and Seattle. (Multimodal Transportation Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the WSF-Capital Program budget is shown in the Transportation Current Law Budget Section of this document.

**Department of Transportation**  
**Program Y - Rail - Capital**

Total Appropriated Funds  
(Dollars in Thousands)

	<u>ESSB 6347 Enacted</u>
<b>Policy Changes</b>	
1. Passenger Rail Capital	60,543
2. Freight Rail Assistance Program	9,500
3. Washington Fruit Express	700
<b>Total</b>	<b>70,743</b>

**Comments:**

- 1. Passenger Rail Capital** - Provides for the Vancouver rail project, high-speed upgrades in King, Snohomish, and Whatcom Counties, and capacity improvements between Seattle and Everett. An amount of \$9.2 million is provided solely for capacity improvements between Seattle and Everett; however, should federal funding for this project be granted, the Department shall use any portion of the \$9.2 million not needed for state match purposes for other passenger rail high speed track improvements. (Multimodal Transportation Account-State)
- 2. Freight Rail Assistance Program** - Provides for the Grays Harbor County saw mill spur, lumber-to-tribal sawmill in Yakima County, Yakima County improvements, Cascade and Columbia River upgrades, various 286,000 pound projects, and city of Yelm railroad projects. (Multimodal Transportation Account-State)
- 3. Washington Fruit Express** - Provides funding for a truck-to-rail load site in Skagit County. (Multimodal Transportation Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Rail - Capital Program budget is shown in the Transportation Current Law Budget Section of this document.

**Department of Transportation**  
**Program Z - Local Programs - Capital**

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

1. Main Street Paving Program	2,000
2. Rural Economic Vitality Program	2,000
3. Traffic Safety Near Schools Program	1,000
4. Local Freight Projects	8,400
5. Cross Base Highway	1,000
	14,400

**Total**

**14,400**

**Comments:**

1. **Main Street Paving Program** - The Department shall develop a grant program based on a pavement maintenance system with a goal of maintaining in cities under 10,000 in total population, streets between pavement condition ratings of 60 and 100, or equivalent measure.

The agency shall develop appropriate application guidelines; however, it may only obligate funds or enter into a contract for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Motor Vehicle Account-State)

2. **Rural Economic Vitality Program** - The Department shall award grants for transportation capital investments that benefit economic development in rural areas. The Community Economic Revitalization Board and the highways and local programs service center at the Department of Transportation shall work cooperatively to administer the program. The grant criteria shall be the same as the 1999-2000 Rural Economic Vitality Program except, grants shall not be made to cities with a population of more than 10,000.

The agency shall develop appropriate application guidelines; however, it may only obligate funds or enter into contract for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Motor Vehicle Account-State)

3. **Traffic Safety Near Schools Program** - Funding is provided to continue the Traffic Safety Near Schools Program. The agency shall develop appropriate application guidelines; however, it may only obligate funds or enter into a contract for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Motor Vehicle Account-State)

4. **Local Freight Projects** - One-time funding is provided for local freight mobility projects as determined by the Freight Mobility Strategic Investment Board (FMSIB). Appropriated funds shall be spent on the projects listed below.

The Department and FMSIB shall develop appropriate application guidelines; however, funds may only be obligated or contracts let for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Freight Mobility Account-State)

- East Marginal Way Ramps
- Lincoln Avenue Grade Separation
- 41st Street/Riverfront Parkway (Phase 2)
- South Spokane Street Viaduct
- Shaw Road Extension
- State Route 397 Ainsworth Avenue Grade Crossing
- D Street Grade Separation
- North Canyon Road Extension/BNSF Overcrossing
- Columbia Center Boulevard Railroad Crossing
- Colville Alternate Truck Route
- State Route 125/State Route 12 Interconnect (Myra Road Extension)
- Edison Street Railroad Crossing
- Washington Street Railroad Crossing
- East Marine View Drive Widening
- Port of Kennewick Road (Extension of Piert Road)
- South 228th Street Extension & Grade Separation
- City of Yakima Grade Separated Rail Crossing
- Duwamish Intelligent Transportation System
- Lander Street Overcrossing
- Grain Terminal Track Improvements
- Park Road BNSF Grade Separation Project

5. **Cross Base Highway** - Funding is provided for preliminary engineering for the Cross Base Highway. (Motor Vehicle Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Local Programs - Capital Program budget is shown in the Transportation Current Law Budget Section of this document.



## Transportation Improvement Board Capital

Total Appropriated Funds  
(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

- |                            |       |
|----------------------------|-------|
| 1. City Corridor Program   | 5,000 |
| 2. County Corridor Program | 5,000 |

<b>Total</b>	<b>10,000</b>
--------------	---------------

**Comments:**

1. **City Corridor Program** - The Board shall consult with the highways and local programs service center at the Department of Transportation (DOT) to create a City Corridor Congestion Relief Program. The program shall provide funding for congested urban corridors, as defined and selected by the Transportation Improvement Board in consultation with the Association of Washington Cities. Eligible projects include roadway widening, channelization, signalization, high occupancy vehicle (HOV) lanes, and Intelligent Transportation Systems (ITS). The agency shall require a matching component for city corridor grants. Cities shall use motor fuel tax revenue distributed in RCW 46.68.090 to meet the agency match criteria. It is the intent of the Legislature that the City Corridor Program remains an ongoing program.

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Transportation Improvement Board - Capital Program budget is shown in the Transportation Current Law Budget Section of this document.

The agency shall develop appropriate application guidelines; however, it may only obligate funds or enter into a contract for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Motor Vehicle Account-State)

2. **County Corridor Program** - The Board shall consult with the highways and local programs service center at DOT and the Washington State Association of Counties to create a County Corridor Congestion Relief Program. For the purposes of this Program, a corridor is an existing or proposed set of county designated arterial roadways that provides continuous primary connectivity between major transportation facilities or destinations. Eligible projects include roadway widening, channelization, signalization, HOV lanes, and ITS. It is the intent of the Legislature that the County Corridor Program remains an ongoing program.

The agency shall develop appropriate application guidelines; however, it may only obligate funds or enter into a contract for projects to the extent that an appropriation is provided in the 2001-03 biennium. Projects awarded under the 2001-03 appropriation will be tracked separately and reappropriated as necessary. (Motor Vehicle Account-State)

**Department of Revenue**

Total Appropriated Funds

(Dollars in Thousands)

ESSB 6347 Enacted

**Policy Changes**

- 1. ESHB 2969 Sales Tax Increase

100

**Total**

**100**

*Comments:*

- 1. **ESHB 2969 Sales Tax Increase** - Provides funding to implement the sales tax increase on motor vehicles in Chapter 202, Laws of 2002 (ESHB 2969). (Multimodal Account-State)

NOTE: Amounts shown here reflect only the transportation new law budget. The remainder of the Department of Revenue's budget is shown in the Omnibus Operating Budget Section of this document.

**2002 SUPPLEMENTAL CAPITAL BUDGET**  
*Omnibus Capital Only*

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## 2002 Supplemental Capital Budget Highlights

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The 2002 Supplemental Capital Budget (ESB 6396) was enacted as Chapter 238, Laws of 2002, Partial Veto. The budget used \$88 million of new state bond proceeds, \$43 million of unspent Education Construction Account funds, and \$12 million of budget savings for a total of \$143 million of capital projects.

This new spending was in three major areas: \$108.5 million for economic stimulus projects; \$17.0 million in “routine” supplemental items; and \$17.5 million in changed financing for some projects.

The economic stimulus package was designed to create jobs throughout the state. For this reason, higher education institutions, State Parks and Recreation Commission, and Department of Fish and Wildlife projects were targeted, as well as the Military Department, the Department of Social and Health Services, and the Department of Corrections (DOC). In addition, \$17.7 million was included for the dredging of the Columbia River. The \$17.0 million of “routine” supplemental items was focused primarily on DOC caseload-driven needs and less-than-expected federal funds. Finally, the \$17.5 million of higher education projects previously financed from cash were reprogrammed with bond proceeds allowing for a transfer of funds to the operating budget to help address the revenue shortfall.

Governor Locke vetoed two sections of the bill: Section 104 which would have modified the underlying appropriation for a governance study of the Burke Museum and Section 126(3) which provided a direct appropriation to People for Salmon from Salmon Recovery Funding Board grants. This second veto reduced the total appropriation by \$649,000.

The combination of the national economy slipping into a recession, the state suffering the economic effects of September 11, 2001, and the announcement of 30,000 lost jobs at Boeing reduced the forecast of general fund revenues by \$813 million in November. These same factors led to a further reduction in forecasted revenues in February 2002. Due to the fact that the state’s debt limit is calculated based on a percentage of general state revenues, the forecast reduction lowered the statutory debt limit and put \$195 million of the projects in the underlying 2001-03 capital budget at risk.

To address this situation, the Legislature passed Chapter 240, Laws of 2002 (SB 6818 – The Bond Bill). This bill authorized the State Finance Committee to issue up to \$88 million of state general obligation bonds to finance projects appropriated in the 2002 supplemental capital budget. The traditional method of calculating “general state revenues,” used for calculating the statutory debt limit, was broadened to include the real estate excise tax, which already goes to the general fund. This change of definition had the effect of increasing the debt service capacity within the statutory 7 percent debt limit, covering the reduced bond capacity caused by the revenue reductions and allowing the financing of the economic stimulus package.

**2001-03 Washington State Capital Budget  
2002 Supplemental Appropriations**

	<b>Debt Limit Bonds</b>	<b>Total Funds</b>
<b>2001-03 Biennial Capital Budget <sup>(1)</sup></b>		
Total Appropriations	878,123,706	2,505,195,925
<b>2002 Supplemental Capital Budget <sup>(2)</sup></b>		
New Appropriations	100,360,050	230,465,712
Appropriation Reductions	-5,267,000	-147,888,650
Governor Veto	-649,000	-649,000
Reappropriation Reductions	-6,500,000	-6,500,000
Total Supplemental Capital Budget	87,944,050	75,428,062
<b>Total Revised 2001-03 Capital Budget</b>	<b>966,067,756</b>	<b>2,580,623,987</b>

(1) Chapter 8, Laws of 2001, Partial Veto (SSB 6155)

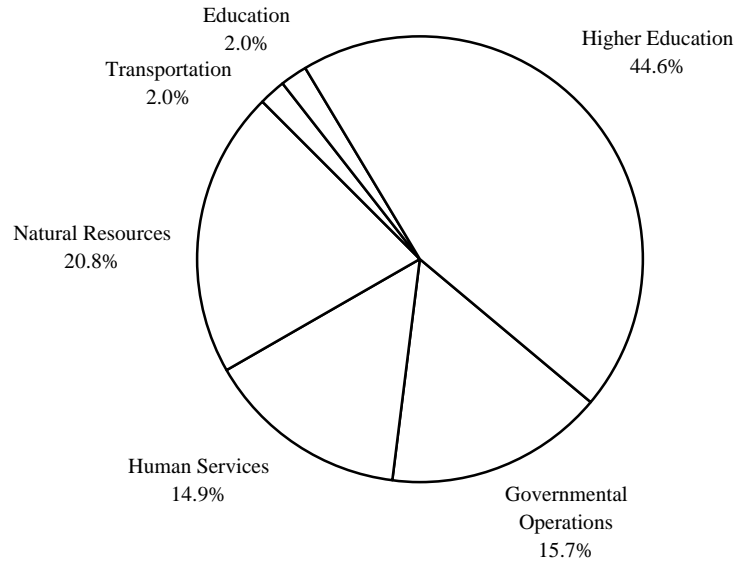
(2) Chapter 238, Laws of 2002, Partial Veto (ESB 6396)

## 2001-03 Washington State Capital Budget (Including 2002 Supplemental) By Functional Area

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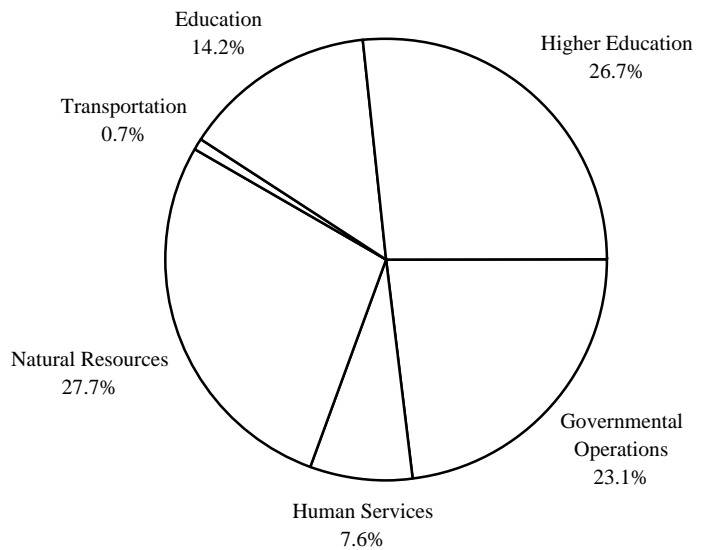
### Debt Limit Bonds

Governmental Operations	151,652,802
Human Services	143,664,329
Natural Resources	201,365,044
Transportation	19,150,000
Education	19,423,182
Higher Education	430,812,399
<b>Revised Statewide Total</b>	<b>966,067,756</b>



### Total New Appropriations

Governmental Operations	595,104,819
Human Services	195,326,504
Natural Resources	715,309,354
Transportation	19,150,000
Education	366,276,250
Higher Education	689,457,060
<b>Revised Statewide Total</b>	<b>2,580,623,987</b>



**2002 Washington State Capital Supplemental Budget**  
**New Appropriations Project List**  
**Chapter 238, Laws of 2002, Partial Veto (ESB 6396)**

	<b>State Bonds</b>	<b>Total</b>
<b>NEW PROJECTS</b>		
<b>Governmental Operations</b>		
<b>Dept of Community, Trade, &amp; Economic Development</b>		
Community Services Facilities Program	314,000	314,000
City of Grandview: Job Creation & Infrastructure Development	1,000,000	1,000,000
Highline School District Aircraft Noise Mitigation	600,000	5,000,000
Inland Northwest Regional Sports and Recreational Project	1,500,000	1,500,000
Local/Community Projects	17,213,000	17,213,000
Community Economic Revitalization (CERB)	0	3,656,000
Total	20,627,000	28,683,000
<b>Department of General Administration</b>		
Deschutes Parkway Repair	850,000	850,000
Engineering & Architect - Job Creation & Infrastructure Projects	750,000	750,000
Capitol Campus Parking	0	531,000
Total	1,600,000	2,131,000
<b>Military Department</b>		
Bremerton Readiness Center	1,649,000	1,649,000
Job Creation & Infrastructure Projects	2,000,000	2,000,000
Total	3,649,000	3,649,000
<b>Total Governmental Operations</b>	<b>25,876,000</b>	<b>34,463,000</b>
<b>Human Services</b>		
<b>Department of Social and Health Services</b>		
Regional Secure Community Transition Facilities - Preconstruction	200,000	200,000
Job Creation & Infrastructure Projects	1,000,000	1,000,000
Western State Hospital - Power Plant Revisions/Smokestack Removal	1,080,000	1,080,000
Total	2,280,000	2,280,000
<b>Department of Corrections</b>		
Expand Coyote Ridge Corrections Center	264,000	264,000
Local Criminal Justice Facilities	500,000	500,000
Monroe CC - 100 Bed Intensive Mgmt & Segregation Units	6,228,513	0
Statewide: Department of Corrections Emergency Funds	850,000	850,000
Job Creation & Infrastructure Projects	1,604,609	1,604,609
McNeil Island Corrections Center (MICC): Water Tank Replacement	1,394,000	1,394,000
McNeil Island Corrections Center: Fire Audit Requirements	140,500	140,500
Coyote Ridge Corrections Center - 210 Emergency Beds	3,394,000	3,394,000
Total	14,375,622	8,147,109
<b>Total Human Services</b>	<b>16,655,622</b>	<b>10,427,109</b>

**2002 Washington State Capital Supplemental Budget**  
**New Appropriations Project List**  
**Chapter 238, Laws of 2002, Partial Veto (ESB 6396)**

	State Bonds	Total
<b>Natural Resources</b>		
<b>Department of Ecology</b>		
Local Toxics Grants to Locals for Cleanup and Prevention	0	18,500,000
Water Pollution Control Revolving Account	0	43,300,000
Total	0	61,800,000
<b>State Parks and Recreation Commission</b>		
Job Creation & Infrastructure Projects	9,500,000	9,500,000
<b>Interagency Committee for Outdoor Recreation</b>		
Land and Water Conservation Fund (LWCF)	0	5,000,000
Salmon Recovery	0	21,000,000
Firearms and Archery Range (FARR) Program	0	400,000
Total	0	26,400,000
<b>Department of Fish and Wildlife</b>		
Deep Water Slough Restoration	407,000	562,800
Local and Regional Salmon Recovery Planning	0	1,000,000
Replace Culvert for Fish Passage: Job Creation & Infrastructure	500,000	500,000
Job Creation & Infrastructure Projects	3,040,400	3,040,400
Total	3,947,400	5,103,200
<b>Department of Natural Resources</b>		
Land Bank	0	6,000,000
Natural Resources Real Property Replacement Program	0	10,000,000
Total	0	16,000,000
<b>Department of Agriculture</b>		
Improve Fairground Health & Safety: Job Creation & Infrastructure	100,000	100,000
<b>Total Natural Resources</b>	<b>13,547,400</b>	<b>118,903,200</b>
<b>Transportation</b>		
<b>Washington State Patrol</b>		
Spokane Crime Laboratory - Design	235,000	235,000
Job Creation & Infrastructure Projects	250,000	250,000
Vancouver Crime Laboratory - Design	235,000	235,000
Total	720,000	720,000
<b>Department of Transportation</b>		
Columbia River Dredging	17,700,000	17,700,000
<b>Total Transportation</b>	<b>18,420,000</b>	<b>18,420,000</b>
<b>Higher Education</b>		
<b>University of Washington</b>		
UW Medical Center Improvements	0	2,100,000
Job Creation & Infrastructure Projects	0	3,500,000
Total	0	5,600,000



**2002 Washington State Capital Supplemental Budget**  
**New Appropriations Project List**  
**Chapter 238, Laws of 2002, Partial Veto (ESB 6396)**

	<b>State Bonds</b>	<b>Total</b>
<b>Washington State University</b>		
WSU Vancouver - Multimedia/Electronic Communication Classrm Bldg	3,000,000	0
Job Creation & Infrastructure Projects	0	3,000,000
Total	3,000,000	3,000,000
<b>Eastern Washington University</b>		
Infrastructure Savings	1	1
Job Creation & Infrastructure Projects	0	2,500,000
Total	1	2,500,001
<b>Central Washington University</b>		
Job Creation & Infrastructure Projects	0	2,500,000
<b>The Evergreen State College</b>		
Job Creation & Infrastructure Projects	0	2,500,000
<b>Western Washington University</b>		
Job Creation & Infrastructure Projects	0	3,000,000
<b>Community &amp; Technical College System</b>		
South Seattle Community College - Building A: Replacement	5,477,400	0
Pierce College Fort Steilacoom - Portables: Replacement	2,452,100	0
Lower Columbia College - Physical Science Portables: Replacement	1,959,800	0
Grays Harbor Community College - Library: Renovation	4,579,500	0
Infrastructure Savings	1	1
Job Creation & Infrastructure Projects	5,840,000	26,600,175
Total	20,308,801	26,600,176
<b>Total Higher Education</b>	<b>23,308,802</b>	<b>45,700,177</b>
<b>Other Education</b>		
<b>Washington State Historical Society</b>		
Lewis & Clark's Station Camp: Park and Infrastructure Development	2,552,226	2,552,226
<b>Total Other Education</b>	<b>2,552,226</b>	<b>2,552,226</b>
<b>New Projects Total</b>	<b>100,360,050</b>	<b>230,465,712</b>
<b>NEW APPROPRIATION ADJUSTMENTS</b>		
<b>Governmental Operations</b>		
<b>Department of General Administration</b>		
Office Building Two Rehabilitation	0	-1,100,000

**2002 Washington State Capital Supplemental Budget**  
**New Appropriations Project List**  
**Chapter 238, Laws of 2002, Partial Veto (ESB 6396)**

	State Bonds	Total
<b>Military Department</b>		
Spokane Combined Public Safety Training Center	-5,267,000	-15,263,000
Fort Lewis Readiness Center	0	-19,941,000
Combined Regional Training Institute	0	-14,712,000
Phase 2 Yakima Maneuver and Training Equipment Site	0	-11,304,000
Total	-5,267,000	-61,220,000
<b>Total Governmental Operations</b>	<b>-5,267,000</b>	<b>-62,320,000</b>
<b>Natural Resources</b>		
<b>Interagency Committee for Outdoor Recreation</b>		
Boating Facilities Projects	0	-1,384,000
<b>Department of Fish and Wildlife</b>		
Hatchery Reform Facility Retrofits	0	-8,000,000
Forest and Fish Road Upgrade and Abandonment on Agency Lands	0	-1,700,000
Facility and Infrastructure Standards and Renovations	0	-3,550,000
Endangered Species Act Compliance on Agency Lands	0	-4,500,000
Total	0	-17,750,000
<b>Department of Natural Resources</b>		
Larch Mountain Road Reconstruction	0	-1,000,000
Commencement Bay Freshwater Channel	0	-2,000,000
Total	0	-3,000,000
<b>Total Natural Resources</b>	<b>0</b>	<b>-22,134,000</b>
<b>Public Schools</b>		
<b>State Board of Education</b>		
State School Construction Assistance Grants	0	-63,434,650
<b>Total Public Schools</b>	<b>0</b>	<b>-63,434,650</b>
<b>New Appropriation Adjustments Total</b>	<b>-5,267,000</b>	<b>-147,888,650</b>
<hr/>		
<b>GOVERNOR VETO</b>		
<b>Natural Resources</b>		
<b>Interagency Committee for Outdoor Recreation</b>		
Salmon Recovery	-649,000	-649,000
<b>Total Natural Resources</b>	<b>-649,000</b>	<b>-649,000</b>
<b>Governor Veto Total</b>	<b>-649,000</b>	<b>-649,000</b>

**2002 Washington State Capital Supplemental Budget  
New Appropriations Project List  
Chapter 238, Laws of 2002, Partial Veto (ESB 6396)**

	State Bonds	Total
<b>REAPPROPRIATION ADJUSTMENTS</b>		
<b>Higher Education</b>		
<b>University of Washington</b>		
UW Bothell 2A/Cascadia Community College	-3,250,000	-3,250,000
<b>Community &amp; Technical College System</b>		
Cascadia Community College: Development	-3,250,000	-3,250,000
<b>Total Higher Education</b>	<b>-6,500,000</b>	<b>-6,500,000</b>
 <b>Reappropriation Adjustments Total</b>	<b>-6,500,000</b>	<b>-6,500,000</b>
<hr/>		
<b>TOTALS</b>		
New Projects Total	100,360,050	230,465,712
New Appropriation Adjustments Total	-5,267,000	-147,888,650
Governor Veto Total	-649,000	-649,000
Reappropriation Adjustments Total	-6,500,000	-6,500,000
<b>Statewide Total</b>	<b>87,944,050</b>	<b>75,428,062</b>

**2001-03 Washington State Capital Budget - 2002 Supplemental  
Alternative Financing Projects  
New Authorizations**

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**Military Department**

Bremerton Readiness Center	-807,000
Spokane Combined Public Safety Training Center	-653,000
Total	<u>-1,460,000</u>

**Community & Technical College System**

Bellevue Community College - Parking Garage	16,000,000
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**University of Washington**

Sand Point - Building 5 Renovation	1,600,000
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**Evergreen State College**

Expansion of Campus Children's Center	1,610,000
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<b>Statewide Total</b>	<b><u>17,750,000</u></b>
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**2001-03 Washington State Capital Budget - 2002 Supplemental  
Economic Stimulus Projects**

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**Governmental Operations**

**Department of Community, Trade, & Economic Development**

Grandview Infrastructure	1,000,000
Highline School District Aircraft Noise Mitigation	5,000,000
Inland Northwest Regional Sports/Rec Project	1,500,000
Local/Community Projects - Job Creation & Infrastructure	
Asia Pacific Center	50,000
Benton County Jail	2,000,000
Bremerton Maritime Park	500,000
Edmonds Waterfront Park	300,000
Grace Cole Memorial Park/Brookside Creek	400,000
Kent Station Infrastructure Improvements	900,000
Mill Creek Active Use Ball Fields	1,000,000
Nathan Chapman Trail	300,000
Penny Creek/9 <sup>th</sup> Avenue Crossing	400,000
Port Angeles Skills Center/Skills Consortium	3,000,000
Puget Sound Environmental Learning Center	2,000,000
Ridgefield Wastewater Treatment	585,000
Sammamish Surface Water Treatment	1,500,000
Shoreline Historical Museum	28,000
Snohomish County Children's Museum	300,000
Soundview Park/Playground	200,000
Stewart Heights Pool Project	500,000
Sundome Seating Expansion – Yakima	1,250,000
West Central Community Center Childcare Project	500,000
William H. Factory Small Business Incubator	250,000
Yakima Ball Fields	1,250,000
	24,713,000
Total	24,713,000

**Department of General Administration**

Job Creation & Infrastructure - Engineering & Architectural Services	750,000
Total	750,000

**Military Department**

Job Creation & Infrastructure Projects	
Port Orchard Readiness Center Renovation	785,000
Anacortes Readiness Center Renovation	825,000
Ephrata Readiness Center Renovation	390,000
Tacoma Readiness Center	
Total	2,000,000

**Washington State Historical Society**

Lewis & Clark's Station Camp: Park & Infrastructure Development	2,552,226
Total	2,552,226

<b>Total Governmental Operations</b>	<b>30,015,226</b>
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## 2001-03 Washington State Capital Budget - 2002 Supplemental Economic Stimulus Projects

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### Human Services

#### Department of Corrections (DOC)

Local Criminal Justice Facilities	500,000
Job Creation & Infrastructure Projects	
Washington State Penitentiary Roof Repairs	426,150
McNeil Island Ferry Slip	165,000
Reynolds Work Release Fire Repairs	56,000
Tacoma Pre-Release Roof	90,000
Clallam Bay Exterior Improvements	334,500
McNeil Island Roof	90,699
Pine Lodge Pre-Release	192,500
Monroe Corrections Center Minimum Security Unit	56,000
Ahtanum View Corrections Center Exterior Improvements	193,760
Airway Heights Exterior Improvements	80,000
Washington Corrections Center Roof Repairs	1,071,870
Olympic Corrections Center Energy Plant	179,000
McNeil Island Roof	146,700
	3,582,179
Total	3,582,179

*The appropriation level for DOC Job Creation & Infrastructure projects is \$1,604,609. Proviso language directs DOC to prioritize these projects to not exceed the amount appropriated.*

#### Department of Social & Health Services (DSHS)

Job Creation & Infrastructure Projects	
Rainier School Emergency Power Improvements	65,000
Rainier School Fire Hydrant Improvements	410,000
Eastern State Hospital Replace Failed Sewer Lines	135,000
Naselle Youth Camp Roofing Repairs at Cottages and School/Gymnasium	135,000
Ridgeview Group Home Replace Roofing	85,000
Rainier School Steam Distribution System Repairs	200,000
Parke Creek Group Home Remodel Kitchen and Group Home Improvements	150,000
Woodinville Treatment Center Replace Exterior Windows and Security Improvements	60,000
Lakeland Village Emergency Power Distribution to North Campus	110,000
Lakeland Village Replace Primary Electrical Feed and Switchgear	85,000
Naselle Youth Camp Stabilize Steep Hillsides	100,000
Sunrise Group Home Replace Exterior Windows and Security Improvements	135,000
Sunrise Group Home Replace Vinyl Siding	85,000
	1,755,000
Total	1,755,000

*The appropriation level for DSHS Job Creation & Infrastructure projects is \$1,000,000. Proviso language directs DSHS to prioritize these projects to not exceed the amount appropriated.*

### Total Human Services

**5,337,179**

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## 2001-03 Washington State Capital Budget - 2002 Supplemental Economic Stimulus Projects

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### Natural Resources

#### Department of Agriculture

Fairground Health & Safety Improvements	100,000
Total	100,000

#### State Parks & Recreation Commission

##### Job Creation & Infrastructure Projects

Bayview: Campground Comfort Station/Renovate Park Governor	400,000
Belfair: Phase 1 Sewer Replacement	200,000
Birch Bay: Replace Residence	175,000
Camano Island: Group Camp Comfort Station Replacement	250,000
Camano Island: New Comfort Station Connect to Utility System	734,000
Curlew Lake: Campground Comfort Station Replacement	120,000
Dalles Mountain Ranch: Installation of Potable Water Well and Distribution Lines	125,000
Fort Columbia: Exterior Improvements to Hostel	250,000
Fort Canby: North Head Duplex and Carriage House	290,000
Fort Simcoe: Officers Quarters	233,000
Gingko: Interpretive Center Renovation/Improvements	300,000
Iron Horse: FF-16 Trestle Replacement	500,000
Iron Horse: South Cle Elum Depot Complex	200,000
Kitsap Memorial: Campground Comfort Station Replacement	380,000
Lake Sylvia: Day Use Comfort Station Improvements	90,000
Lewis & Clark Trail: Comfort Stations Improvements	250,000
Lime Kiln: Garage Renovation to Interpretive Center	100,000
Millersylvania: Wastewater Treatment Plant Improvements	175,000
Millersylvania: Comfort Station 2	110,000
Millersylvania: Kitchen 2	60,000
Moran: Replace Residence	175,000
Moran: South Campground Comfort Station Improvements	100,000
Moran: Replacement of RV Trailer Sewage Disposal	150,000
Moran: Kitchen Shelters 8 and 21	112,000
Ocean Beach: Ocean Beach Access – Water Line Purveyors	50,000
Ocean City: North Beach Area (Replace Residence)/Gov Mobile Home	175,000
Old Fort Townsend: Replace Residence	175,000
Olmstead Place: Cabin Preservation Work	60,000
Olmstead Place: Smith House Preservation	115,000
Paradise Point: Campground Comfort Station Improvements	90,000
Pearrygin Lake: Comfort Station Improvements	350,000
Rainbow Falls: Pedestrian Suspension Bridge	250,000
Sacajawea: Interpretive Center Renovation/Improvements	600,000
Sacajawea: Caretakers Residence and Garage	170,000
Sequest: South Loop Water System Improvements	50,000
Sequim Bay: Fish Way Installation to Replace Fish Passage Barrier	250,000
Statewide: Campground Electrification Statewide (RV Hookups)	1,500,000
Statewide: Culvert Replacements for Fish Passage	750,000

**2001-03 Washington State Capital Budget - 2002 Supplemental  
Economic Stimulus Projects**

Statewide: Housing Renovation	1,348,000
Thorpe Bridge: Decking and Safety Railings	300,000
Twin Harbors: Potable Water Systems Improvements	185,000
Twin Harbors: West Campground Comfort Station Replacements	350,000
<b>Total</b>	<b>12,247,000</b>

*The appropriation level for State Parks Job Creation & Infrastructure projects is \$9.5 million. Proviso language directs State Parks to prioritize these projects to not exceed the amount appropriated.*

**Department of Fish & Wildlife**

***Hatchery Retrofits***

Job Creation & Infrastructure Projects

Tokul Creek Pathogen-Free Water	140,000
Whitehorse Well and Pond Renovation	300,000
Issaquah Phase 3	238,000
Dungeness Hatchery Intakes	290,000
Wallace River Hatchery Pollution Abatement Pond	175,000

*Total Hatchery Retrofits* 1,143,000

***Infrastructure Standards***

Job Creation & Infrastructure Projects

Crop & Orchard Protection Fencing	200,000
Well Replacement - Sunnyside, Washington	30,000
Storage Expansion and Hazmat - Region 5	45,000
Cedar Creek Trap Storage	30,000
Underground Storage Tank Removal	50,000
Chelan Hatchery Storage Building	75,000
Wenatchee Office Survey & Fence	25,000
Warehouse Renovation & Storage Building - Wenatchee	41,000
Office & Warehouse Paint - Wenatchee	12,000
Underground Sprinkler System - Region 2 Office	10,000
Americans with Disabilities Act (ADA) Toilet Installation 12 Locations	200,000
Irrigation Line Replacement - Sherman Creek	149,000
Replace Pivot Irrigation System (#8) - Windmill Ranch	121,400
Headquarters Renovations - Methow	43,800
Replace Heating & Windows - Johns River	40,200
Elk Fencing	500,000
Bridge Replacement - St Helens #502	175,000
Deck & Safety Improvements - Sunset Falls Bridge	75,000
Paving of Bridge Approaches	75,000

*Total Infrastructure Standards* 1,897,400

Fish & Wildlife - Culvert Replacement for Fish Passage 500,000

**Total** **3,540,400**

**Total Natural Resources** **15,887,400**



**2001-03 Washington State Capital Budget - 2002 Supplemental  
Economic Stimulus Projects**

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**Transportation**

**Washington State Patrol**

Job Creation & Infrastructure - Fire Training Academy Improvements	250,000
Total	250,000

**Department of Transportation**

Columbia River Dredging	17,700,000
Total	17,700,000

<b>Total Transportation</b>	<b>17,950,000</b>
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**Higher Education**

**State Board for Community & Technical Colleges**

Job Creation & Infrastructure Projects

Bates: Roof/Facilty Repairs	1,160,000
Bellevue: Roof Repairs and Elevator	2,374,000
Bellingham: HVAC Repairs	986,000
Big Bend: Facility Repairs	100,000
Clark: Structural Repairs	313,000
Columbia Basin: Heaters	225,000
Everett: Roof Repairs	57,000
Grays Harbor: Roof, Facility, and Electrical	745,000
Green River: Commons (Lighting, etc.)	600,000
Highline: Utility Tunnels, Pier, Roof	3,189,000
Lake Washington: Roof/Window Leaks	105,000
Lower Columbia: Portables Removal and Roof	290,175
Olympic: HVAC	1,354,000
Penninsula: HVAC, Water	2,366,000
Pierce: HVAC and Electical	156,000
Renton: Roof Repairs	526,000
Seattle Central: Roof and Miscellaneous Repairs	435,000
Shoreline: Roof Repairs	452,000
South Seattle Roof, HVAC, Fiber Optics	2,301,000
Spokane: Roof and Heating Unit	285,000
Spokane Falls: HVAC	378,000
Tacoma: HVAC and Electrical	2,354,000
Walla Walla: Enology Phase 2 and Misc Repairs	1,084,000
Wenatchee Valley: Portable, Roof	2,565,000
Whatcom: HVAC, Fungus	700,000
Yakima Valley: Electrical, HEC Equipment	1,500,000
Total	26,600,175

## 2001-03 Washington State Capital Budget - 2002 Supplemental Economic Stimulus Projects

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### University of Washington (UW)

#### Job Creation & Infrastructure Projects

Undergrad Library Ceiling	600,000
Oceanography/Fisheries Dock	420,000
Storm and Footing Drains	300,000
Eyewash Stations in Labs	1,000,000
Roof Replacements	1,380,000
Bagley Hall Lab Renovations	1,200,000
AA/BB Wings Pipe Replacement	1,025,000
Marine Studies Boiler Replacement	75,000
Total	6,000,000

*The appropriation level for UW Job Creation & Infrastructure projects is \$3.5 million. Proviso language directs UW to prioritize these projects to not exceed the amount appropriated.*

### Washington State University (WSU)

#### Job Creation & Infrastructure Projects

Library Road	450,000
Stadium Way	575,000
Storm/Sewer	360,000
Miscellaneous Road Improvements	246,500
Lighting	500,000
Upgrade Water System	435,000
Fire Alarm Retrofits	103,500
Hazardous Waste Projects	1,200,000
Miscellaneous Safety Projects	1,500,000
Spokane Renovation	500,000
Steam System Improvements	188,000
Total	6,058,000

*The appropriation level for WSU Job Creation & Infrastructure projects is \$3 million. Proviso language directs WSU to prioritize these projects to not exceed the amount appropriated.*

### Eastern Washington University (EWU)

#### Job Creation & Infrastructure Projects

Tawanka Commons Renovation	3,684,453
Campus Police Dispatch	2,740,000
Total	6,424,453

*The appropriation level for EWU Job Creation & Infrastructure projects is \$2.5 million. Proviso language directs EWU to prioritize these projects to not exceed the amount appropriated.*

## 2001-03 Washington State Capital Budget - 2002 Supplemental Economic Stimulus Projects

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### Central Washington University (CWU)

#### Job Creation & Infrastructure Projects

Omnibus Preservation	3,500,000
Roofing	1,500,000
Total	5,000,000

*The appropriation level for CWU Job Creation & Infrastructure projects is \$2.5 million. Proviso language directs CWU to prioritize these projects to not exceed the amount appropriated.*

### The Evergreen State College (TESC)

#### Job Creation & Infrastructure Projects

Library Roof Repairs and Safety	2,710,000
Mechanical Repairs	750,460
Reservoir Fences	15,000
Total	3,475,460

*The appropriation level for TESC Job Creation & Infrastructure projects is \$2.5 million. Proviso language directs TESC to prioritize these projects to not exceed the amount appropriated.*

### Western Washington University (WWU)

#### Job Creation & Infrastructure Projects

Miller Hall	1,650,000
Window Replacement	1,000,000
Steam Plant	765,000
Air Quality	743,000
Utilities	501,000
Viking Substation Switch Gear	103,000
Stormwater Detention	75,000
Old Main Restoration	582,000
Fire Safety	435,000
Total	5,854,000

*The appropriation level for WWU Job Creation & Infrastructure projects is \$3 million. Proviso language directs WWU to prioritize these projects to not exceed the amount appropriated.*

### Total Higher Education

**59,412,088**

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**2001-03 Washington State Capital Budget - 2002 Supplemental**  
**Washington Wildlife and Recreation Program**  
**LEAP Capital Document No. 2002-21**  
**Fiscal Year 2003 Capital Projects**  
**Developed March 12, 2002**

IAC #	Project Name	Project Sponsor	Request	Funding Level
<b>Local Parks Projects</b>				
01-1111A	Pleasant Glade Park	Lacey Parks & Rec Dept	388,586	388,586
01-1119A	Cascade View Park Expansion	Tukwila Parks & Rec Dept	95,628	95,628
01-1144A	Erwen Trust Park Acquisition	Franklin County Public Works	141,725	141,725
01-1075A	Sehmel Homestead	Pierce County Parks & Rec	500,000	500,000
01-1025A	Linden Ave Neighborhood Park Acquisition	Seattle Parks & Rec Dept	200,000	200,000
01-1117A	Juel Property Acquisition	Redmond Parks & Rec Dept	423,139	80,311
01-1180A	Sunnyland Neighborhood Park Acquisition	Bellingham Parks & Rec Dept	112,267	Alternate
01-1109A	West Valley Community Park Expansion	Yakima County Parks & Rec	134,500	Alternate
01-1093A	Squak Valley Park Expansion	Issaquah Parks & Rec Dept	417,200	Alternate
01-1178A	Asotin Aquatic Center Acquisition	Asotin County	259,800	Alternate
01-1122A	Winthrop Community Center Park	Town of Winthrop	149,917	Alternate
			<b>2,822,762</b>	<b>1,406,250</b>

**2002 Washington State Supplemental Capital Budget  
Project Descriptions**

**Department of Community, Trade, & Economic Development**

***Community Services Facilities Program (2002-4-007)***

***C 238, L02, PV, Sec 102***

Description: The program provides assistance to community-based, family service organizations to acquire and rehabilitate buildings used in providing non-residential social services to low-income people.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	0	4,411,000
2002 Supplemental Change		
State Building Construction Account - State	0	314,000
<b>Total</b>	<b>0</b>	<b>4,725,000</b>

Comments: Additional state bond funds are provided for the two alternate projects identified in Chapter 8, Laws of 2001, 2nd sp.s., Partial Veto (SSB 6155, Section 111).

**Department of Community, Trade, & Economic Development**

***Community Economic Revitalization (CERB) (2003-4-001)***

***C 238, L02, PV, Sec 105***

Description: CERB provides loans to assist local governments in constructing infrastructure to create or retain jobs through private, industrial, and commercial development.

	Reappropriation	Appropriation
2002 Supplemental Change		
Public Facility Const Loan Revolv Account - State	0	3,656,000

**Department of General Administration**

***Office Building Two Rehabilitation (1998-1-007)***

***C 238, L02, PV, Sec 106***

Description: Funds are provided for the continuation of the phased rehabilitation of Office Building 2. Improvements include renewal of building systems, correcting code deficiencies, improving access, and replacement of carpeting.

	Reappropriation	Appropriation
2001-03 Appropriation		
Thurston County Capital Facilities Account - State	2,000,000	5,850,000
2002 Supplemental Change		
Thurston County Capital Facilities Account - State	0	-1,100,000
<b>Total</b>	<b>2,000,000</b>	<b>4,750,000</b>

Comments: The appropriation is adjusted to reflect a reduction in revenue to the Thurston County Facilities Account and a change in methodology for determining the fund balance in the account. Replacement of the chillers and a portion of the 25-year old carpeting is deferred until future biennia.

**Department of General Administration**

***Deschutes Parkway Repair (2002-S-009)***

***C 238, L02, PV, Sec 107***

Description: Matching funds are provided to make earthquake repairs to the Deschutes Parkway in Thurston County.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	850,000

Comments: The total cost for earthquake repairs is estimated at \$7.1 million. It is expected that the Federal Highway Administration will fund approximately \$6 million in repairs. The state's portion is \$1.1 million, of which \$250,000 was previously approved by the Office of Financial Management from the Nisqually Earthquake Account.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Department of General Administration

#### *Capitol Campus Parking (2003-2-001)*

*C 238, L02, PV, Sec 108*

Description: Funds are provided for the Department of General Administration to add 109 new parking spaces to the Capitol Campus for use by tenants and/or guests in campus buildings. The addition of the new spaces will mitigate the loss of current parking and provide additional campus parking after the Legislative Rehabilitation Project construction is complete.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Vehicle Parking Account - State	0	531,000

Comments: The appropriation from the State Vehicle Parking Account assumes that West Campus parking fees will increase from \$15 to \$20 per month.

### Military Department

#### *Bremerton Readiness Center (2002-2-004)*

*C 238, L02, PV, Sec 110*

Description: Funds are provided for the construction of a new Readiness Center that will have joint use with local governments, Olympic Community College, and the U.S. Navy.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	5,446,000
State Building Construction Account - State	0	4,728,000
2002 Supplemental Change		
State Building Construction Account - State	0	1,649,000
<b>Total</b>	<b>0</b>	<b>11,823,000</b>

Comments: An additional \$1.6 million is provided to complete the project. While the Governor did not veto funding for the Bremerton Readiness Center project, in his veto message, the Governor stated that his lack of veto should not be seen as a commitment to support any future joint projects between the Military Department, community colleges, and local governments.

### Department of Social and Health Services

#### *Western State Hospital - Power Plant Revisions/Smokestack Removal (2003-1-012)*

*C 238, L02, PV, Sec 111*

Description: Funds are provided for activities related to the demolition of the existing 150-foot high, seismically unstable smokestack and the addition of a new 40,000-gallon diesel fuel tank for back-up fuel storage capacity.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,080,000

### Department of Social and Health Services

#### *Regional Secure Community Transition Facilities - Preconstruction (2003-H-002)*

*C 238, L02, PV, Sec 112*

Description: Funds are provided for pre-construction activities related to the siting of a Secure Community Transition Facility in a location other than McNeil Island for persons conditionally released from the Special Commitment Center to a less restrictive alternative.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	200,000

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Department of Corrections

#### *Expand Coyote Ridge Corrections Center (1998-2-011)*

*C 238, L02, PV, Sec 113*

Description: Funds are provided for preliminary activities in preparation for a 2,020-bed expansion at the minimum custody facility at the Coyote Ridge Corrections Center in Connell, Washington.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	447,348	1,150,000
2002 Supplemental Change		
State Building Construction Account - State	0	264,000
<b>Total</b>	<b>447,348</b>	<b>1,414,000</b>

Comments: The 2002 supplemental budget authorizes the Department of Corrections to expend up to \$264,000 on costs associated with renovation or expansion at other locations to accommodate the inmate population based on sentencing changes passed in the 2002 legislative session.

### Department of Corrections

#### *Monroe CC - 100 Bed Intensive Mgmt & Segregation Units (2000-2-008)*

*C 238, L02, PV, Sec 114*

Description: Funds are provided for the design and construction of a 100-bed Intensive Management Unit at the Monroe Corrections Complex.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	18,162,205
State Building Construction Account - State	40,665	2,521,795
2002 Supplemental Change		
General Fund - Federal	0	-6,228,513
State Building Construction Account - State	0	6,228,513
<b>Total</b>	<b>40,665</b>	<b>20,684,000</b>

Comments: The original 2001-03 capital budget assumed that \$6.2 million from the federal VOITIS grant program would be available to support the project. The final federal 2002 budget discontinued VOITIS funding; therefore, state bond funding is provided to allow the completion of the project.

### Department of Corrections

#### *Statewide: Department of Corrections Emergency Funds (2002-1-028)*

*C 238, L02, PV, Sec 115*

Description: The Department uses emergency funds for projects that present a potential life threatening, safety asset risk or for other unforeseen circumstances that may negatively affect the internal operations or security of an institution.

	Reappropriation	Appropriation
2001-03 Appropriation		
Char/Ed/Penal/Reform/Institutions Account - State	0	1,700,000
2002 Supplemental Change		
State Building Construction Account - State	0	850,000
<b>Total</b>	<b>0</b>	<b>2,550,000</b>

Comments: The Department of Corrections has already expended the \$1.7 million provided in the original 2001-03 budget for emergency projects; therefore, an additional \$850,000 is provided for new emergency projects during the remainder of the biennium.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Department of Corrections

#### *Coyote Ridge Corrections Center - 210 Emergency Beds (2003-2-002)*

*C 238, L02, PV, Sec 116*

Description: Funds are provided for housing unit and infrastructure improvements to allow for a 210-bed capacity increase at the Coyote Ridge Corrections Center in Connell, Washington.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	3,394,000

### Department of Corrections

#### *McNeil Island Corrections Center (MICC): Water Tank Replacement (2003-1-022)*

*C 238, L02, PV, Sec 117*

Description: Funds are provided to construct a new water storage tank at the McNeil Island Corrections Center.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,394,000

### Department of Corrections

#### *McNeil Island Corrections Center: Fire Audit Requirements (2003-2-001)*

*C 238, L02, PV, Sec 118*

Description: Funds are provided for the construction of a fire fighting facility at the McNeil Island Corrections Center.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	140,500

### Department of Ecology

#### *Local Toxics Grants to Locals for Cleanup and Prevention (1988-2-008)*

*C 238, L02, PV, Sec 119*

Description: Funds are provided from the Local Toxics Control Account for the Department to make additional remedial action grants to local governments.

	Reappropriation	Appropriation
2001-03 Appropriation		
Local Toxics Control Account - State	20,749,772	50,000,000
2002 Supplemental Change		
Local Toxics Control Account - State	0	18,500,000
<b>Total</b>	<b>20,749,772</b>	<b>68,500,000</b>

### Department of Ecology

#### *Water Pollution Control Revolving Account (2002-4-002)*

*C 238, L02, PV, Sec 120*

Description: Funds are provided for low-interest loans to state and local governments for high-priority water quality projects. Funds may be used for planning, design, acquisition, construction, and improvement of water pollution control facilities.

	Reappropriation	Appropriation
2001-03 Appropriation		
Water Pollution Control Revolving Account - State	0	113,835,792
Water Pollution Control Revolving Account - Federal	0	45,277,010
2002 Supplemental Change		
Water Pollution Control Revolving Account - State	0	43,300,000
Water Pollution Control Revolving Account - Federal	7,996,771	0
<b>Total</b>	<b>7,996,771</b>	<b>202,412,802</b>

Comments: The additional authority is provided to reflect the early repayment of a loan by the city of Seattle to the Water Pollution Control Revolving Account. The Legislature's intent was that these funds be available via reappropriation under project number 1990-2-002 rather than 2002-4-002.



**2002 Washington State Supplemental Capital Budget  
Project Descriptions**

**Interagency Committee for Outdoor Recreation**

*Boating Facilities Projects (2002-4-001)*

*C 238, L02, PV, Sec 122*

Description: Funds are provided for a grant program that acquires, develops, and renovates areas for motorized recreational boating facilities on fresh and saltwater to include boat launch ramps, transient moorage, and support facilities.

	<u>Reappropriation</u>	<u>Appropriation</u>
2001-03 Appropriation		
Recreation Resources Account - State	0	8,318,013
2002 Supplemental Change		
Recreation Resources Account - State	0	-1,384,000
<b>Total</b>	<b>0</b>	<b>6,934,013</b>

Comments: The appropriation is adjusted to reflect the change in revenue to the Recreation Resources Account-State.

**Interagency Committee for Outdoor Recreation**

*Land and Water Conservation Fund (LWCF) (2002-4-005)*

*C 238, L02, PV, Sec 125*

Description: Funds are provided for a federal grant program to assist state and local governments with acquisition and development of public outdoor recreation areas and facilities.

	<u>Reappropriation</u>	<u>Appropriation</u>
2001-03 Appropriation		
Recreation Resources Account - Federal	0	2,500,000
2002 Supplemental Change		
Recreation Resources Account - Federal	0	5,000,000
<b>Total</b>	<b>0</b>	<b>7,500,000</b>

Comments: Additional authority is provided to reflect a larger distribution of federal funds.

**Interagency Committee for Outdoor Recreation**

*Salmon Recovery (2002-4-007)*

*C 238, L02, PV, Sec 126*

Description: Funds are provided for a grant program for salmon habitat protection and restoration projects.

	<u>Reappropriation</u>	<u>Appropriation</u>
2001-03 Appropriation		
General Fund - Federal	0	27,642,000
State Building Construction Account - State	0	27,000,000
2002 Supplemental Change		
General Fund - Federal	0	21,000,000
State Building Construction Account - State	0	-649,000
<b>Total</b>	<b>0</b>	<b>74,993,000</b>

Comments: Additional authority is provided to reflect increased distribution of federal funds. The Legislature provided \$649,000 for a grant to the People for Salmon partnership which was vetoed by the Governor.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Interagency Committee for Outdoor Recreation

#### *Firearms and Archery Range (FARR) Program (2002-0-001)*

*C 238, L02, PV, Sec 127*

Description: Funds are provided for the Firearms and Archery Range Recreation grant program to acquire, develop, and renovate public and private nonprofit firearm and archery training, practice, and recreation facilities.

	Reappropriation	Appropriation
2002 Supplemental Change		
Firearms Range Account - State	0	400,000

Comments: The revenue for this program originates from a portion of the fees from concealed weapons permits. Revenues for this program have fluctuated significantly from year to year, because of changes to the concealed weapon permit laws. Revenues have stabilized and increased slightly. Authority is provided to offer a grant program in 2002.

### Department of Fish and Wildlife

#### *Hatchery Reform Facility Retrofits (2002-1-001)*

*C 238, L02, PV, Sec 128*

Description: Funds are provided for projects to bring hatchery facilities into compliance with state and federal water quality and quantity requirements. The projects address intake screening or in-stream flow requirements and provide adult fish passages above the intakes or formal pollution abatement ponds to purify cleaning waters before they enter state waters.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	10,000,000
2002 Supplemental Change		
General Fund - Federal	0	-8,000,000
<b>Total</b>	<b>0</b>	<b>2,000,000</b>

Comments: Funding authority is adjusted to reflect actual distribution of federal funds.

### Department of Fish and Wildlife

#### *Deep Water Slough Restoration (1998-2-021)*

*C 238, L02, PV, Sec 129*

Description: The U.S. Army Corps of Engineers was originally going to construct the bridge at Deepwater Slough, and the cost was to be shared between the Corps and the Department. The Department made payments for the bridge to the Corps in the 1997-99 and 1999-01 biennia. In 2001, the Corps opted not to construct the bridge, and the Department assumed responsibility for the project. The Corps returned the state's share of funding for construction of the bridge. Appropriation authority is provided for funds that have been returned or are still owed by the Corps.

	Reappropriation	Appropriation
2002 Supplemental Change		
General Fund - Federal	0	155,800
State Building Construction Account - State	0	407,000
<b>Total</b>	<b>0</b>	<b>562,800</b>

### Department of Fish and Wildlife

#### *Forest and Fish Road Upgrade and Abandonment on Agency Lands (2002-1-003)*

*C 238, L02, PV, Sec 130*

Description: Funds are provided for projects to bring Department-owned forest roads into compliance with the Forests and Fish Agreement and to abandon roads that are no longer needed.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	1,900,000
State Building Construction Account - State	0	500,000
2002 Supplemental Change		
General Fund - Federal	0	-1,700,000
<b>Total</b>	<b>0</b>	<b>700,000</b>

Comments: Funding authority is adjusted to reflect actual distribution of federal funds.

**2002 Washington State Supplemental Capital Budget  
Project Descriptions**

**Department of Fish and Wildlife**

*Facility and Infrastructure Standards and Renovations (2002-1-009)*

*C 238, L02, PV, Sec 131*

Description: Funds are provided for minor works projects across all agency programs.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	3,100,000
General Fund - Local	0	1,500,000
Aquatic Lands Enhancement Account - State	0	150,000
State Building Construction Account - State	0	7,571,000
Wildlife Account - State	0	300,000
2002 Supplemental Change		
General Fund - Federal	0	-2,400,000
General Fund - Local	0	-1,150,000
<b>Total</b>	<b>0</b>	<b>9,071,000</b>

Comments: Funding authority is adjusted to reflect actual distribution of federal and local funds.

**Department of Fish and Wildlife**

*Endangered Species Act Compliance on Agency Lands (2002-2-002)*

*C 238, L02, PV, Sec 132*

Description: Funds are provided for projects to bring the Department of Fish and Wildlife facilities into compliance with fish passage and screening laws and the new emergency rules for Forests and Fish.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	8,800,000
State Building Construction Account - State	0	1,000,000
2002 Supplemental Change		
General Fund - Federal	0	-4,500,000
<b>Total</b>	<b>0</b>	<b>5,300,000</b>

Comments: Funding authority is adjusted to reflect actual distribution of federal funds.

**Department of Fish and Wildlife**

*Local and Regional Salmon Recovery Planning (2003-H-001)*

*C 238, L02, PV, Sec 133*

Description: Funds are provided for grants to lead entities and watershed planning units that agree to coordinate the development of comprehensive local and regional salmon recovery plans.

	Reappropriation	Appropriation
2002 Supplemental Change		
Water Quality Account - State	0	1,000,000

**Department of Natural Resources**

*Land Bank (2002-2-013)*

*C 238, L02, PV, Sec 134*

Description: Additional funding authority is provided to the Land Bank, through which the Department will acquire desirable land, dispose of undesirable assets, and maintain or enhance the state trust land base.

	Reappropriation	Appropriation
2001-03 Appropriation		
Resource Management Cost Account - State	0	4,000,000
2002 Supplemental Change		
Resource Management Cost Account - State	0	6,000,000
<b>Total</b>	<b>0</b>	<b>10,000,000</b>

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Department of Natural Resources

#### *Natural Resources Real Property Replacement Program (2003-2-001)*

*C 238, L02, PV, Sec 135*

Description: Certain state trust lands are not desirable for retention because of low revenue generation potential, location, or other management factors. Many of these lands are in demand by other public agencies such as school districts and counties. The Department has authority under RCW 79.01.009 to make direct land transfers at market value to public agencies. Proceeds from transfers are deposited in the Department's Real Property Replacement Account and then used, through appropriation, to acquire replacement trust property.

	Reappropriation	Appropriation
2002 Supplemental Change		
Nat Res Real Property Replacement - State	0	10,000,000

Comments: The Department and trust beneficiaries are directed to study options for increasing revenue to the trusts. The study will include the costs and benefits over time for replacing trust lands with various trust assets including depositing funds from land transfers and sales in the permanent funds.

### Department of Natural Resources

#### *Larch Mountain Road Reconstruction (2001-S-001)*

*C 238, L02, PV, Sec 136*

Description: Funds are provided to reconstruct the Larch Mountain Road. The road provides safe access to the Larch Mountain Correction Camp and Department of Natural Resources-managed trust lands used to generate revenue for trust beneficiaries and recreational opportunities.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	0	1,000,000
Access Road Revolving Account - Non Appr	0	3,000,000
2002 Supplemental Change		
Access Road Revolving Account - Non Appr	0	-1,000,000
<b>Total</b>	<b>0</b>	<b>3,000,000</b>

Comments: Authority is reduced to reflect a new road reconstruction cost estimate.

### Washington State Patrol

#### *Spokane Crime Laboratory - Design (2002-2-013)*

*C 238, L02, PV, Sec 137*

Description: Funds are provided for the design of a new crime laboratory in Spokane.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	0	400,000
2002 Supplemental Change		
State Building Construction Account - State	0	235,000
<b>Total</b>	<b>0</b>	<b>635,000</b>

Comments: In the original 2001-03 budget, \$400,000 was provided for the design of the facility. The \$235,000 provided in the 2002 supplemental budget will allow the completion of additional design and development activities.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Washington State Patrol

#### *Vancouver Crime Laboratory - Design (2002-2-010)*

*C 238, L02, PV, Sec 138*

Description: Funds are provided for the design of a new crime laboratory in Vancouver.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	0	130,000
2002 Supplemental Change		
State Building Construction Account - State	0	235,000
<b>Total</b>	<b>0</b>	<b>365,000</b>

Comments: In the original 2001-03 budget, \$130,000 was provided for pre-design of the facility. The \$235,000 provided in the 2002 supplemental budget will allow the completion of additional design and development activities.

### State Board of Education

#### *State School Construction Assistance Grants (2002-4-001)*

*C 238, L02, PV, Sec 139*

Description: Funds are provided to support the revised state board request for state matching funds.

	Reappropriation	Appropriation
2001-03 Appropriation		
Common School Construction Account - State	0	408,356,729
2002 Supplemental Change		
Common School Construction Account - State	0	-63,434,650
<b>Total</b>	<b>0</b>	<b>344,922,079</b>

Comments: For a variety of reasons, several projects expected to receive funding this biennium were not expected to proceed.

### Eastern Washington University

#### *Infrastructure Savings (2003-1-001)*

*C 238, L02, PV, Sec 140*

Description: Provides for the transfer of savings from completed preservation and program projects to critical infrastructure projects identified within the current biennium.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1

### University of Washington

#### *UW Medical Center Improvements (1999-2-010)*

*C 238, L02, PV, Sec 142*

Description: The original budget reappropriated \$30 million of an \$80 million project authorized in 1999 to renovate and improve the University Medical Center (UMC).

	Reappropriation	Appropriation
2001-03 Appropriation		
Higher Education Construction Account - State	30,000,000	0
2002 Supplemental Change		
Higher Education Construction Account - State	0	2,100,000
<b>Total</b>	<b>30,000,000</b>	<b>2,100,000</b>

Comments: The new appropriation in 2002 reflects accrued interest earnings on bond proceeds for this project which are available to support UMC capital improvements.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Washington State University

#### *WSU Vancouver - Multimedia/Electronic Communication Classrm Bldg (2002-2-907)*

*C 238, L02, PV, Sec 143*

Description: The original budget authorized funds to construct a new 46,070 gross square foot academic building enabling enrollment growth of 545 FTE students in Vancouver.

	Reappropriation	Appropriation
2001-03 Appropriation		
State Building Construction Account - State	0	12,900,000
WSU Building Account - State	0	3,000,000
2002 Supplemental Change		
State Building Construction Account - State	0	3,000,000
WSU Building Account - State	0	-3,000,000
<b>Total</b>	<b>0</b>	<b>15,900,000</b>

Comments: The 2002 Legislature changed the source of funds supporting this project.

### State Board for Community & Technical Colleges

#### *Infrastructure Savings (2002-S-002)*

*C 238, L02, PV, Sec 150*

Description: Provides for the transfer of savings from completed preservation and program projects to critical infrastructure projects identified within the current biennium.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1

### State Board for Community & Technical Colleges

#### *South Seattle Community College - Building A: Replacement (2002-1-217)*

*C 238, L02, PV, Sec 151*

Description: The original budget authorized funds to replace a former chicken hatchery and four obsolete portables with a new 26,740 gross square foot (gsf) facility designed to suit the College's apprenticeship training programs.

	Reappropriation	Appropriation
2001-03 Appropriation		
Community/Technical Colleges Capital Projects Acct - State	0	5,477,400
2002 Supplemental Change		
State Building Construction Account - State	0	5,477,400
Community/Technical Colleges Capital Projects Acct - State	0	-5,477,400
<b>Total</b>	<b>0</b>	<b>5,477,400</b>

Comments: The 2002 Legislature changed the source of funds supporting this project.

### State Board for Community & Technical Colleges

#### *Pierce College Fort Steilacoom - Portables: Replacement (2002-1-223)*

*C 238, L02, PV, Sec 152*

Description: The original budget authorized funds to replace two portables (P11 and P13) with a 10,678 gsf addition to a building constructed this biennium at the Fort Steilacoom campus.

	Reappropriation	Appropriation
2001-03 Appropriation		
Community/Technical Colleges Capital Projects Acct - State	0	2,452,100
2002 Supplemental Change		
State Building Construction Account - State	0	2,452,100
Community/Technical Colleges Capital Projects Acct - State	0	-2,452,100
<b>Total</b>	<b>0</b>	<b>2,452,100</b>

Comments: The 2002 Legislature changed the source of funds supporting this project.

**2002 Washington State Supplemental Capital Budget  
Project Descriptions**

**State Board for Community & Technical Colleges**

*Lower Columbia College - Physical Science Portables: Replacement (2002-1-226)*

*C 238, L02, PV, Sec 153*

Description: The original budget authorized funds to replace five portables with a 9,557 gsf addition to the College's Physical Science Building.

	Reappropriation	Appropriation
2001-03 Appropriation		
Community/Technical Colleges Capital Projects Acct - State	0	1,959,800
2002 Supplemental Change		
State Building Construction Account - State	0	1,959,800
Community/Technical Colleges Capital Projects Acct - State	0	-1,959,800
<b>Total</b>	<b>0</b>	<b>1,959,800</b>

Comments: The 2002 Legislature changed the source of funds supporting this project.

**State Board for Community & Technical Colleges**

*Grays Harbor Community College - Library: Renovation (2002-1-311)*

*C 238, L02, PV, Sec 154*

Description: The original budget authorized funds to remodel, renovate, and expand the library to create a modern learning resource center for the College.

	Reappropriation	Appropriation
2001-03 Appropriation		
Community/Technical Colleges Capital Projects Acct - State	0	4,579,500
2002 Supplemental Change		
State Building Construction Account - State	0	4,579,500
Community/Technical Colleges Capital Projects Acct - State	0	-4,579,500
<b>Total</b>	<b>0</b>	<b>4,579,500</b>

Comments: The 2002 Legislature changed the source of funds supporting this project.

**Military Department**

*Spokane Combined Public Safety Training Center (2002-2-003)*

*C 238, L02, PV, Sec 156*

Description: Funds are provided for the construction of a new Readiness Center adjacent to the Spokane Valley Community College campus that will have joint use with local governments and colleges.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	0	9,996,000
State Building Construction Account - State	0	5,267,000
2002 Supplemental Change		
General Fund - Federal	0	-9,996,000
State Building Construction Account - State	0	-5,267,000
<b>Total</b>	<b>0</b>	<b>0</b>

Comments: The federal government has not authorized federal matching funds for this project; therefore, state and federal funding is removed.

**2002 Washington State Supplemental Capital Budget  
Project Descriptions**

**Military Department**

*Fort Lewis Readiness Center (2002-2-010)*

*C 238, L02, PV, Sec 156*

Description: Funds are provided for a 100 percent federally-funded project to design and construct a 105,000 square foot Readiness Center at Fort Lewis.

	Reappropriation	Appropriation
2001-03 Appropriation General Fund - Federal	0	19,941,000
2002 Supplemental Change General Fund - Federal	0	-19,941,000
<b>Total</b>	<b>0</b>	<b>0</b>

Comments: The revised plan for the facility calls for it to be built on federal government property; therefore, federal fund appropriation authority in the state budget is no longer necessary.

**Military Department**

*Combined Regional Training Institute (2002-2-012)*

*C 238, L02, PV, Sec 156*

Description: Funding is provided for a 100 percent federally-funded project to design and build the Camp Murray Regional Training Institute.

	Reappropriation	Appropriation
2001-03 Appropriation General Fund - Federal	0	14,712,000
2002 Supplemental Change General Fund - Federal	0	-14,712,000
<b>Total</b>	<b>0</b>	<b>0</b>

Comments: The federal government has not authorized funding for this project, and therefore, the federal appropriation is removed.

**Military Department**

*Phase 2 Yakima Maneuver and Training Equipment Site (2002-2-013)*

*C 238, L02, PV, Sec 156*

Description: Funds are provided for a 100 percent federally-funded project to construct Phase II of the Yakima Training Center Maneuver and Training Equipment Site.

	Reappropriation	Appropriation
2001-03 Appropriation General Fund - Federal	0	11,304,000
2002 Supplemental Change General Fund - Federal	0	-11,304,000
<b>Total</b>	<b>0</b>	<b>0</b>

Comments: The federal government has not authorized funding for this project, and therefore, the federal appropriation is removed.



## 2002 Washington State Supplemental Capital Budget Project Descriptions

**Department of Natural Resources**

*Commencement Bay Freshwater Channel (2002-2-020)*

*C 238, L02, PV, Sec 156*

Description: Funds are provided to match a grant through the State Salmon Recovery Funding Board to acquire key property and to design, permit, and construct a marsh channel restoration project in Commencement Bay.

	Reappropriation	Appropriation
2001-03 Appropriation		
Aquatic Lands Enhancement Account - State	0	2,000,000
2002 Supplemental Change		
Aquatic Lands Enhancement Account - State	0	-2,000,000
<b>Total</b>	<b>0</b>	<b>0</b>

Comments: Funding authority for the Commencement Bay freshwater channel is repealed at the request of the Governor and to reflect a reduced fund balance in the Aquatic Lands Enhancement Account.

**Department of Community, Trade, & Economic Development**

*Local/Community Projects (2002-S-005)*

*C 238, L02, PV, Sec 202*

Description: Funds are provided as the state's contribution for community job creation and infrastructure projects around the state. The Department of Community, Trade, and Economic Development will disburse the funds using standard criteria they have developed for determining project readiness and will retain a very small portion of the grant for administrative costs to avoid undue hardships on the Department and to implement the projects in a timely manner.

Asia Pacific Center - \$50,000

The Center will promote and expand relations and trade between Washington State and Asia and Pacific Rim countries. The project funding will contribute to the initial capital costs of establishing the Center.

Benton County Jail - \$2,000,000

Funds are provided to complete construction of the Benton County Jail.

Bremerton Maritime Park - \$500,000

The Puget Sound Naval Shipyard donated a one-block piece of land adjacent to the new Ferry Terminal to the city of Bremerton. State funds and a \$1 million match from the city will enable the city to develop a Maritime Park and revitalize the properties in the downtown area surrounding the Shipyard.

Edmonds Waterfront Park - \$300,000

Funds will enable the city of Edmonds to repair the existing bulkhead and construct a continuous shoreline walkway along the Edmonds waterfront.

Grace Cole Memorial Park/Brookside Creek - \$400,000

Funds are provided for the design and layout of trails, viewing platforms, and interpretive signage related to wetland functions, the salmon life cycle and environmental stewardship, and specifically for the Brookside Creek salmon habitat restoration project.

Kent Station Infrastructure Improvements - \$900,000

As part of the city of Kent's economic development effort, funds will provide infrastructure improvements such as water and sewer lines, traffic signals, and underground electrical utilities to extend Second Avenue to the historic downtown area.

Mill Creek Active Use Ball Fields - \$1,000,000

Funds will assist the city of Mill Creek's development of 4.75 acres of land for active use ball fields such as baseball, little league, and soccer. The city purchased the land for \$1.81 million with estimated development costs of \$1.7 million.

Nathan Chapman Trail - \$300,000

The Nathan Chapman Memorial Trail will connect two recreational complexes developed by Pierce County and slated for construction this year, the South Hill Community Park and the South Hill Sports Complex.

## 2002 Washington State Supplemental Capital Budget

### Project Descriptions

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**Penny Creek/9th Avenue Crossing - \$400,000**

Funds will enable the city of Mill Creek to replace the culvert and conduct salmon habitat restoration to allow salmon migration. The repaired creek crossing will further allow the city to repair 9th Avenue that leads to a zoned business park.

**Port Angeles Skills Center/Skills Consortium - \$3,000,000**

Funds are provided for the construction of a building in Port Angeles to co-locate the programs of the North Olympic Peninsula Skills Consortium with a new business incubation program. The North Olympic Peninsula Skills Consortium delivers job skills training programs to students and workers in rural Clallam County.

**Puget Sound Environmental Learning Center - \$2,000,000**

Funding is provided as the state's contribution to complete construction of the learning center that will provide environmental education programs for teachers, students, and families.

**Ridgefield Wastewater Treatment - \$585,000**

Funds are provided for the city of Ridgefield to complete expansion of the existing treatment plant, including additional treatment processes.

**Sammamish Surface Water Treatment - \$1,500,000**

The total funding represents two projects: \$1 million for the Central City Surface Water Management Project to reduce flooding and improve water quality in the city's surface waters; and \$500,000 for the Eden Creek/George Davis Creek Stabilization Project which will reduce the amount of sediment entering the creeks and flowing into Lake Sammamish.

**Shoreline Historical Museum - \$28,000**

Funds are provided for electrical improvements, including replacement of the aged electrical system.

**Snohomish County Children's Museum - \$300,000**

Funds are provided for both interior and exterior renovations to the Museum.

**Soundview Park/Playground - \$200,000**

Funds are provided to add additional playfields, seating areas, and Americans with Disabilities Act compliant play equipment.

**Stewart Heights Pool Project - \$500,000**

Funds are provided for the construction of a multi-purpose pool facility for residents of the South Tacoma area.

**Sundome Seating Expansion (Yakima) - \$1,250,000**

Funds are provided for a 2,000 seat expansion project to accommodate larger attendance at sporting events.

**West Central Community Center Childcare Project - \$500,000**

Funds are provided for the construction of a childcare facility in the Spokane area.

**William H. Factory Small Business Incubator - \$250,000**

Matching funds are provided for the construction of a new facility to house small start-up businesses. Pierce County provided the initial funding of \$250,000.

**Yakima Ball Fields - \$1,250,000**

Funds are provided for the construction of multi-use ball fields in Yakima.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	17,213,000

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## 2002 Washington State Supplemental Capital Budget Project Descriptions

**Department of Community, Trade, & Economic Development**

*City of Grandview: Job Creation & Infrastructure Development (2002-S-006)*

*C 238, L02, PV, Sec 203*

Description: Funds are provided for infrastructure development, including but not limited to streets, water, sewer, and other utilities associated with the siting of a warehouse distribution center.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,000,000

**Department of Community, Trade, & Economic Development**

*Inland Northwest Regional Sports and Recreational Project (2003-H-002)*

*C 238, L02, PV, Sec 204*

Description: Funds are provided as the state's contribution for the construction of the Inland Northwest Regional Sports and Recreational Project. Funds shall be retained in allotment reserve until the Office of Financial Management approves a plan by a nonprofit organization regarding the development and management of this project.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,500,000

**Department of Community, Trade, & Economic Development**

*Highline School District Aircraft Noise Mitigation (2003-H-001)*

*C 238, L02, PV, Sec 205*

Description: Funds are provided to contribute to a plan for building improvements to the Highline School District to mitigate aircraft noise.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	600,000
Education Construction Account - State	0	4,400,000
<b>Total</b>	<b>0</b>	<b>5,000,000</b>

Comments: While the plan proposes that each party contribute \$5 million per year for ten years, the state has not committed to funding this project beyond the current biennium. The plan participants include the Port of Seattle, the Federal Aviation Authority, and the Highline School District.

**Department of General Administration**

*Engineering & Architect - Job Creation & Infrastructure Projects (2003-I-001)*

*C 238, L02, PV, Sec 206*

Description: Funds are provided to the Department of General Administration to support project management activities for economic stimulus projects in state agencies.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	750,000

Comments: Appropriations for the job creation and infrastructure program are to be expended for direct costs of those projects, except where a very small amount of funding for project management is necessary to avoid undue hardship to some state agencies in the implementation of the program. This comment also applies to all state agencies receiving appropriations for job creation and infrastructure projects, including those that do not receive engineering and architectural service from the Department of General Administration. Other conditions and requirements of the job creation and infrastructure program are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Military Department

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 207*

Description: Funds are provided for minor repairs and renovation of the Port Orchard, Anacortes, and Ephrata Readiness Centers.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	2,000,000

Comments: Conditions and requirements of the job creation and infrastructure projects are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Social and Health Services

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 208*

Description: Funds are provided for minor repairs and improvements to existing facilities and assets. The new appropriation will support a subset of eligible projects which can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,000,000

Comments: The Department must prioritize identified work to manage within the available appropriation. Other conditions and requirements of the job creation and infrastructure program are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Corrections

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 209*

Description: Funds are provided for repairs and other minor works projects at various institutions.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	1,604,609

Comments: Conditions and requirements of the job creation and infrastructure projects are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Corrections

#### *Local Criminal Justice Facilities (1999-2-003)*

*C 238, L02, PV, Sec 210*

Description: Funds are provided from state bonds and the federal Violent Offender Incarceration and Truth-in-Sentencing (VOITIS) grant program for adding capacity to local jails and criminal justice facilities.

	Reappropriation	Appropriation
2001-03 Appropriation		
General Fund - Federal	2,952,091	1,335,619
State Building Construction Account - State	0	3,000,000
2002 Supplemental Change		
State Building Construction Account - State	0	500,000
<b>Total</b>	<b>2,952,091</b>	<b>4,835,619</b>

Comments: Funds are for grants to local jurisdictions in order to expand the capacity of local jails. Individual grants to local jurisdictions shall be limited to \$500,000. Up to \$750,000 of the \$3.5 million state bond appropriation may be expended on design and regional agreements. Moneys are not to be spent on land acquisition.

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### State Parks and Recreation Commission

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 211*

Description: Funds are provided for building renovation and utility upgrade projects in state parks. The new appropriation will support a subset of eligible projects that will be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	9,500,000

Comments: The Commission must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Fish and Wildlife

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 212*

Description: Funds are provided for improvements at fish hatcheries, Department facilities, and wildlife areas. The new appropriation will support a subset of eligible projects that will be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	3,040,400

Comments: The Department must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Fish and Wildlife

#### *Replace Culvert for Fish Passage: Job Creation & Infrastructure (2003-S-001)*

*C 238, L02, PV, Sec 213*

Description: Funds are provided for the Department of Fish and Wildlife to replace culverts on state lands that impair fish passage. The new appropriation will support a subset of eligible projects that will be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	500,000

Comments: The Department must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Department of Agriculture

#### *Improve Fairground Health & Safety: Job Creation & Infrastructure (2003-S-002)*

*C 238, L02, PV, Sec 214*

Description: As part of the Job Creation and Infrastructure initiative, funding is provided for the Department of Agriculture to make grants to counties for health and safety improvements at fairs and youth shows.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	100,000

### Washington State Patrol

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 215*

Description: Funds are provided for minor works projects at the fire training academy.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	250,000

Comments: Conditions and requirements of the job creation and infrastructure projects are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Department of Transportation

#### *Columbia River Dredging (2002-S-001)*

*C 238, L02, PV, Sec 216*

Description: Funding is provided for the second phase of a cooperative project with the state of Oregon to dredge the Columbia River.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	17,700,000

### Washington State Historical Society

#### *Lewis & Clark's Station Camp: Park and Infrastructure Development (2002-S-001)*

*C 238, L02, PV, Sec 217*

Description: Funds are provided to the Washington State Historical Society for the development and construction of Lewis and Clark's Station Camp in preparation for the Bicentennial.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	2,552,226

### University of Washington

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 218*

Description: Funds are provided principally for roof replacement, site-specific repairs, and lab renovations at the main campus in Seattle. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	3,500,000

Comments: The University must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Washington State University

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 219*

Description: Funds are provided for infrastructure repairs in Pullman as well as safety and waste containment improvements principally at facility outposts in rural parts of eastern and western Washington. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	3,000,000

Comments: The University must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Eastern Washington University

#### *Job Creation & Infrastructure Projects (2003-1-002)*

*C 238, L02, PV, Sec 220*

Description: Funds are provided to renovate Tawanka commons and improve dispatch facilities for campus police. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	2,500,000

Comments: The University must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

## 2002 Washington State Supplemental Capital Budget Project Descriptions

### Central Washington University

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 221*

Description: Funds are provided for roofing and other small capital modifications and improvements to preserve the suitability of facilities and grounds for their current use. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	2,500,000

Comments: The University must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### The Evergreen State College

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 222*

Description: Funds are provided principally for roof, mechanical repairs, and safety improvements to grounds and facilities. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	2,500,000

Comments: The College must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### Western Washington University

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 223*

Description: Funds are provided principally for the repair and restoration of facilities, utilities, plant, and building systems. The appropriation will support a subset of eligible projects that can be implemented expeditiously to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
Education Construction Account - State	0	3,000,000

Comments: The University must prioritize identified work to manage within the available appropriation. Other conditions and requirements are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

### State Board for Community & Technical Colleges

#### *Job Creation & Infrastructure Projects (2003-1-001)*

*C 238, L02, PV, Sec 224*

Description: Funds are provided principally for roof repairs, building system upgrades, and other improvements to campus facilities and sites at community and technical colleges located throughout Washington State. The appropriation will support a list of eligible projects that can be implemented expeditiously in order to create jobs for private firms and skilled trade specialists during this period of economic recession.

	Reappropriation	Appropriation
2002 Supplemental Change		
State Building Construction Account - State	0	5,840,000
Education Construction Account - State	0	20,760,175
<b>Total</b>	<b>0</b>	<b>26,600,175</b>

Comments: Conditions and requirements of the colleges, the State Board, and the Office of Financial Management are described in Sections 225 through 227 of Chapter 238, Laws of 2002, Partial Veto (ESB 6396).

## APPENDIX

### Historical Comparisons – Operating Only

Historical data displayed on the following pages differs from data displayed in previous Legislative Budget Notes documents. The differences result from reconstruction of historical data to optimize comparability with current budget formats. These differences include:

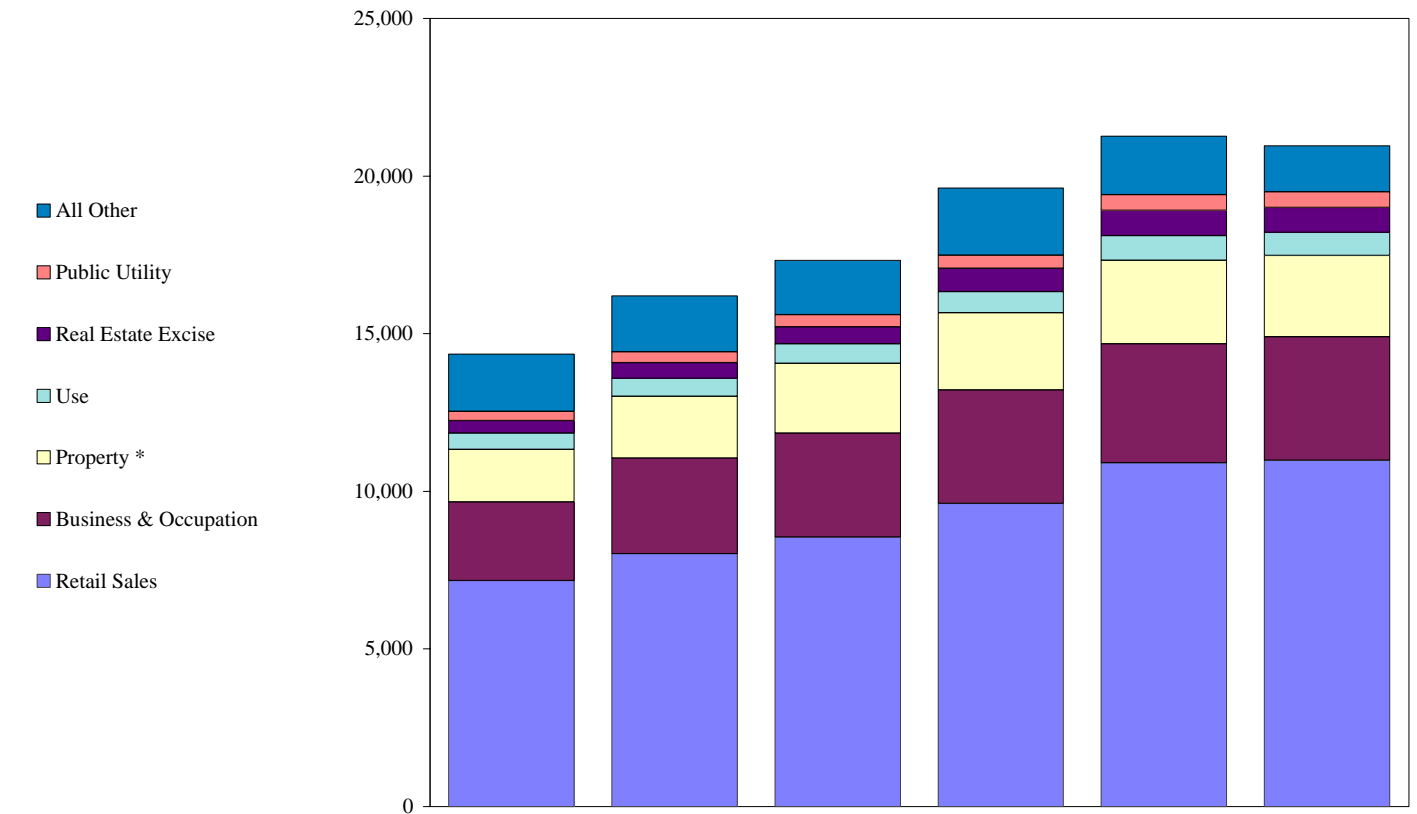
- *finalization of 1999-01 data:* previously, expenditure authority data was displayed for 1999-01; the following tables and graphs display actual data for 1999-01 recast to match the 2001-03 budget structure.
- *changes between or among agencies/programs/subprograms:* the Fish and Wildlife information systems and business practices study were transferred from the Office of Financial Management (OFM) to the Department of Fish and Wildlife; property management of the Washington State Training and Conference Center was transferred from the Department of General Administration to the Criminal Justice Training Commission per Chapter 166, Laws of 2001 (HB 1066); funding provided in 1999 to hookup and maintain K-20 network connections was transferred from higher education institutions and the Community and Technical College System to the Department of Information Systems; the child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and OFM were consolidated into a new division within DSHS Economic Services; within the DSHS Juvenile Rehabilitation Administration (JRA), the Office of Juvenile Justice and the Governor's Juvenile Justice Advisory Committee were consolidated into the administrative operations of JRA.
- *changes to agency totals:* the costs of legal services previously shown as interagency payments between DSHS and the Office of the Attorney General are now displayed as expenditures in DSHS programs.



# Washington State

## General Fund-State Revenues By Source

(Dollars in Millions)



	<b>1991-93</b>	<b>1993-95</b>	<b>1995-97</b>	<b>1997-99</b>	<b>1999-01</b>	<b>2001-03</b>
Retail Sales	7,163.0	8,020.5	8,541.8	9,609.8	10,903.5	10,986.4
Business & Occupation	2,503.5	3,031.5	3,300.1	3,603.6	3,772.9	3,914.9
Property *	1,661.8	1,960.4	2,211.7	2,452.8	2,651.9	2,581.9
Use	515.1	569.4	626.1	662.0	779.5	727.8
Real Estate Excise	399.0	493.0	532.6	746.3	801.5	789.9
Public Utility	292.9	345.2	388.1	415.8	495.3	499.5
All Other	1,817.0	1,780.9	1,729.5	2,129.2	1,857.5	1,461.5
<b>Total</b>	<b>14,352.3</b>	<b>16,200.9</b>	<b>17,329.9</b>	<b>19,619.5</b>	<b>21,262.1</b>	<b>20,961.9</b>

\* For 1999-01 and 2001-03, the state levy forecast reflects only the general fund portion. The portion of the state levy that is transferred to the Student Achievement Account by Initiative 728 is excluded.

Note: Data for 1999-01 and 2001-03 reflect the February 2002 Revenue Forecast (Cash Basis).

## Washington State General Fund-State Revenues By Source

### Dollars in Millions

	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03
Retail Sales	7,163.0	8,020.5	8,541.8	9,609.8	10,903.5	10,986.4
Business & Occupation	2,503.5	3,031.5	3,300.1	3,603.6	3,772.9	3,914.9
Property *	1,661.8	1,960.4	2,211.7	2,452.8	2,651.9	2,581.9
Use	515.1	569.4	626.1	662.0	779.5	727.8
Real Estate Excise	399.0	493.0	532.6	746.3	801.5	789.9
Public Utility	292.9	345.2	388.1	415.8	495.3	499.5
All Other	1,817.0	1,780.9	1,729.5	2,129.2	1,857.5	1,461.5
<b>Total</b>	<b>14,352.3</b>	<b>16,200.9</b>	<b>17,329.9</b>	<b>19,619.5</b>	<b>21,262.1</b>	<b>20,961.9</b>

### Percent of Total

Retail Sales	49.9%	49.5%	49.3%	49.0%	51.3%	52.4%
Business & Occupation	17.4%	18.7%	19.0%	18.4%	17.7%	18.7%
Property	11.6%	12.1%	12.8%	12.5%	12.5%	12.3%
Use	3.6%	3.5%	3.6%	3.4%	3.7%	3.5%
Real Estate Excise	2.8%	3.0%	3.1%	3.8%	3.8%	3.8%
Public Utility	2.0%	2.1%	2.2%	2.1%	2.3%	2.4%
All Other	12.7%	11.0%	10.0%	10.9%	8.7%	7.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Percent Change from Prior Biennium

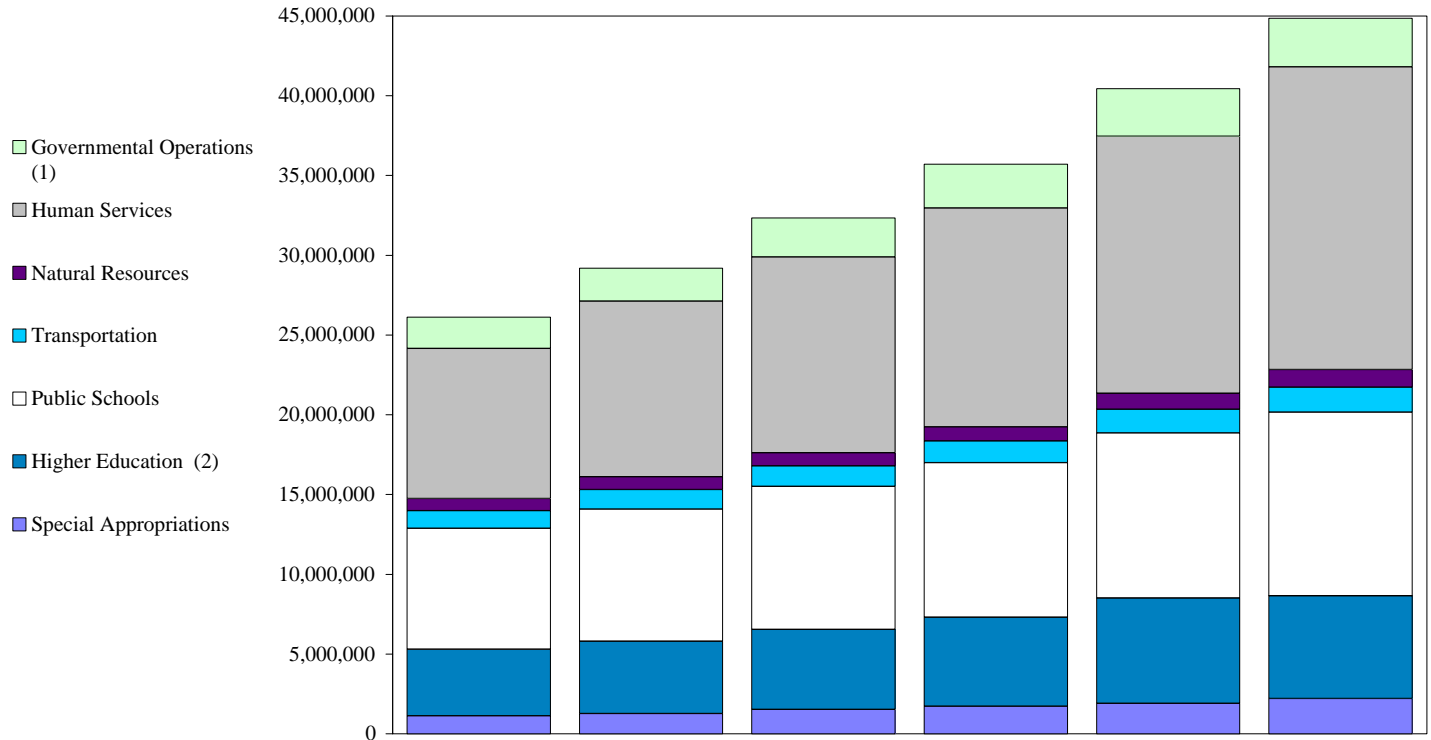
Retail Sales	12.0%	6.5%	12.5%	13.5%	0.8%
Business & Occupation	21.1%	8.9%	9.2%	4.7%	3.8%
Property	18.0%	12.8%	10.9%	8.1%	-2.6%
Use	10.5%	10.0%	5.7%	17.8%	-6.6%
Real Estate Excise	23.6%	8.0%	40.1%	7.4%	-1.5%
Public Utility	17.9%	12.4%	7.1%	19.1%	0.9%
All Other	-2.0%	-2.9%	23.1%	-12.8%	-21.3%
<b>Total</b>	<b>12.9%</b>	<b>7.0%</b>	<b>13.2%</b>	<b>8.4%</b>	<b>-1.4%</b>

\* For 1999-01 and 2001-03, the state levy forecast reflects only the General Fund portion. The portion of the state levy that is transferred to the Student Achievement Account by Initiative 728 is excluded.

Note: Data for 1999-01 and 2001-03 reflect the February 2002 Revenue Forecast (Cash Basis).

# Washington State Omnibus Operating Budget Total All Funds

(Dollars in Thousands)



	1991-93	1993-95	1995-97	1997-99	1999-01	Budget 2001-03 *
Governmental Operations <sup>(1)</sup>	1,966,115	2,062,986	2,435,242	2,752,526	2,979,828	3,041,707
Human Services	9,409,648	11,011,622	12,287,704	13,733,527	16,107,653	18,976,685
Natural Resources	755,156	808,766	824,451	878,349	1,002,892	1,103,588
Transportation	1,108,365	1,223,893	1,271,164	1,358,378	1,484,967	1,573,099
Public Schools	7,568,828	8,291,607	8,986,803	9,691,473	10,365,268	11,503,685
Higher Education <sup>(2)</sup>	4,175,541	4,520,609	5,006,093	5,579,854	6,597,554	6,439,607
Special Appropriations	1,129,400	1,271,107	1,525,138	1,724,197	1,905,343	2,211,996
<b>Statewide Total</b>	<b>26,113,053</b>	<b>29,190,589</b>	<b>32,336,596</b>	<b>35,718,304</b>	<b>40,443,507</b>	<b>44,850,367</b>

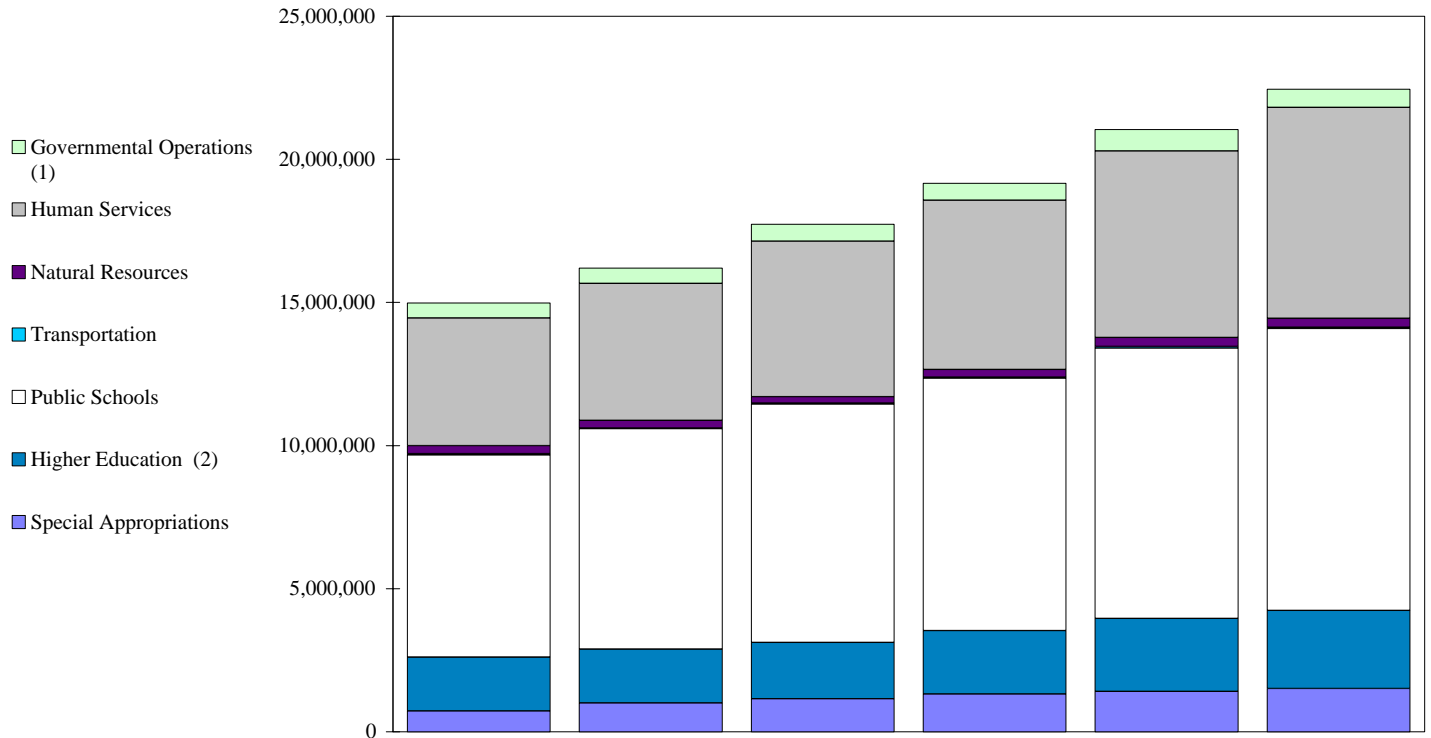
(1) Includes Legislative, Judicial, Other Education, and Governmental Operations agencies.

(2) Includes the Community & Technical College System, Four Year Schools, the Higher Education Coordinating Board, and the Spokane Intercollegiate Research & Technical Institute.

\* The 2001-03 Budget includes all operating amounts from both the Omnibus and Transportation Current Law Budgets enacted through the 2002 legislative session, but excludes \$43.3 million in operating amounts from the Transportation New Law Budget that is dependent on Referendum 51 passage by the voters in November 2002.

# Washington State Omnibus Operating Budget General Fund-State

(Dollars in Thousands)



	<b>1991-93</b>	<b>1993-95</b>	<b>1995-97</b>	<b>1997-99</b>	<b>1999-01</b>	<b>Budget 2001-03 *</b>
Governmental Operations <sup>(1)</sup>	518,298	537,565	586,163	585,193	758,509	641,354
Human Services	4,470,556	4,778,094	5,435,453	5,921,886	6,512,449	7,361,197
Natural Resources	278,785	275,334	224,700	259,038	318,216	315,637
Transportation	41,880	19,525	29,586	40,995	55,953	40,166
Public Schools	7,060,982	7,706,082	8,335,497	8,823,837	9,447,098	9,854,332
Higher Education <sup>(2)</sup>	1,881,123	1,880,198	1,968,836	2,207,042	2,543,226	2,731,564
Special Appropriations	728,733	1,002,950	1,149,088	1,320,769	1,410,968	1,506,941
<b>Statewide Total</b>	<b>14,980,357</b>	<b>16,199,747</b>	<b>17,729,323</b>	<b>19,158,760</b>	<b>21,046,419</b>	<b>22,451,191</b>

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

(2) Includes the Community & Technical College System, Four Year Schools, the Higher Education Coordinating Board, and the Spokane Intercollegiate Research & Technical Institute.

\* The 2001-03 Budget includes all legislative operating amounts through the 2002 legislative session.

## Washington State Operating Budget Total All Funds

Dollars in Thousands

	1991-93	1993-95	1995-97	1997-99	1999-01	Revised * 2001-03
Legislative	111,734	105,319	106,005	117,110	142,713	140,194
Judicial	92,316	102,124	111,710	117,533	123,650	140,864
Governmental Operations	1,672,467	1,762,639	2,122,219	2,416,017	2,600,239	2,649,665
Dept of Social & Health Services	7,741,372	8,993,827	9,862,898	10,960,620	12,894,854	15,437,738
Other Human Services	1,668,276	2,017,795	2,424,807	2,772,907	3,212,800	3,538,947
Natural Resources	755,156	808,766	824,451	878,349	1,002,892	1,103,588
Transportation	1,108,365	1,223,893	1,271,164	1,358,378	1,484,967	1,573,099
Total Education	11,833,967	12,905,119	14,088,204	15,373,193	17,076,049	18,054,276
Public Schools	7,568,828	8,291,607	8,986,803	9,691,473	10,365,268	11,503,685
Higher Education	4,175,541	4,520,609	5,006,093	5,579,854	6,597,554	6,439,607
Other Education	89,598	92,903	95,308	101,866	113,227	110,984
Special Appropriations	1,129,400	1,271,107	1,525,138	1,724,197	1,905,343	2,211,996
<b>Statewide Total</b>	<b>26,113,053</b>	<b>29,190,589</b>	<b>32,336,596</b>	<b>35,718,304</b>	<b>40,443,507</b>	<b>44,850,367</b>

### Percent of Total

Legislative	0.4%	0.4%	0.3%	0.3%	0.4%	0.3%
Judicial	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Governmental Operations	6.4%	6.0%	6.6%	6.8%	6.4%	5.9%
Dept of Social & Health Services	29.7%	30.8%	30.5%	30.7%	31.9%	34.4%
Other Human Services	6.4%	6.9%	7.5%	7.8%	7.9%	7.9%
Natural Resources	2.9%	2.8%	2.6%	2.5%	2.5%	2.5%
Transportation	4.2%	4.2%	3.9%	3.8%	3.7%	3.5%
Total Education	45.3%	44.2%	43.6%	43.0%	42.2%	40.3%
Public Schools	29.0%	28.4%	27.8%	27.1%	25.6%	25.7%
Higher Education	16.0%	15.5%	15.5%	15.6%	16.3%	14.4%
Other Education	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Special Appropriations	4.3%	4.4%	4.7%	4.8%	4.7%	4.9%
<b>Statewide Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Percent Change from Prior Biennium

Legislative	-5.7%	0.7%	10.5%	21.9%	-1.8%
Judicial	10.6%	9.4%	5.2%	5.2%	13.9%
Governmental Operations	5.4%	20.4%	13.8%	7.6%	1.9%
Dept of Social & Health Services	16.2%	9.7%	11.1%	17.7%	19.7%
Other Human Services	21.0%	20.2%	14.4%	15.9%	10.2%
Natural Resources	7.1%	1.9%	6.5%	14.2%	10.0%
Transportation	10.4%	3.9%	6.9%	9.3%	5.9%
Total Education	9.1%	9.2%	9.1%	11.1%	5.7%
Public Schools	9.6%	8.4%	7.8%	7.0%	11.0%
Higher Education	8.3%	10.7%	11.5%	18.2%	-2.4%
Other Education	3.7%	2.6%	6.9%	11.2%	-2.0%
Special Appropriations	12.6%	20.0%	13.1%	10.5%	16.1%
<b>Statewide Total</b>	<b>11.8%</b>	<b>10.8%</b>	<b>10.5%</b>	<b>13.2%</b>	<b>10.9%</b>

\* Includes all operating amounts from both the Omnibus and Transportation Current Law Budgets enacted through the 2002 legislative session, but excludes \$43.3 million in operating amounts from the Transportation New Law Budget that is dependent on Referendum 51 passage by the voters in November 2002.

## Washington State Operating Budget General Fund-State

Dollars in Thousands

	1991-93	1993-95	1995-97	1997-99	1999-01	Revised * 2001-03
Legislative	105,978	98,868	100,427	106,272	117,067	129,818
Judicial	64,688	54,851	55,879	60,118	66,848	73,294
Governmental Operations	302,490	339,274	382,234	367,656	517,536	383,769
Dept of Social & Health Services	3,762,490	3,975,158	4,536,072	4,886,820	5,363,988	6,126,587
Other Human Services	708,066	802,936	899,381	1,035,066	1,148,462	1,234,610
Natural Resources	278,785	275,334	224,700	259,038	318,216	315,637
Transportation	41,880	19,525	29,586	40,995	55,953	40,166
Total Education	8,987,246	9,630,852	10,351,956	11,082,026	12,047,381	12,640,369
Public Schools	7,060,982	7,706,082	8,335,497	8,823,837	9,447,098	9,854,332
Higher Education	1,881,123	1,880,198	1,968,836	2,207,042	2,543,226	2,731,564
Other Education	45,142	44,572	47,623	51,147	57,058	54,473
Special Appropriations	728,733	1,002,950	1,149,088	1,320,769	1,410,968	1,506,941
<b>Statewide Total</b>	<b>14,980,357</b>	<b>16,199,747</b>	<b>17,729,323</b>	<b>19,158,760</b>	<b>21,046,419</b>	<b>22,451,191</b>

Percent of Total

Legislative	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
Judicial	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Governmental Operations	2.0%	2.1%	2.2%	1.9%	2.5%	1.7%
Dept of Social & Health Services	25.1%	24.5%	25.6%	25.5%	25.5%	27.3%
Other Human Services	4.7%	5.0%	5.1%	5.4%	5.5%	5.5%
Natural Resources	1.9%	1.7%	1.3%	1.4%	1.5%	1.4%
Transportation	0.3%	0.1%	0.2%	0.2%	0.3%	0.2%
Total Education	60.0%	59.5%	58.4%	57.8%	57.2%	56.3%
Public Schools	47.1%	47.6%	47.0%	46.1%	44.9%	43.9%
Higher Education	12.6%	11.6%	11.1%	11.5%	12.1%	12.2%
Other Education	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%
Special Appropriations	4.9%	6.2%	6.5%	6.9%	6.7%	6.7%
<b>Statewide Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Percent Change from Prior Biennium

Legislative	-6.7%	1.6%	5.8%	10.2%	10.9%
Judicial	-15.2%	1.9%	7.6%	11.2%	9.6%
Governmental Operations	12.2%	12.7%	-3.8%	40.8%	-25.9%
Dept of Social & Health Services	5.7%	14.1%	7.7%	9.8%	14.2%
Other Human Services	13.4%	12.0%	15.1%	11.0%	7.5%
Natural Resources	-1.2%	-18.4%	15.3%	22.9%	-0.8%
Transportation	-53.4%	51.5%	38.6%	36.5%	-28.2%
Total Education	7.2%	7.5%	7.1%	8.7%	4.9%
Public Schools	9.1%	8.2%	5.9%	7.1%	4.3%
Higher Education	-0.1%	4.7%	12.1%	15.2%	7.4%
Other Education	-1.3%	6.8%	7.4%	11.6%	-4.5%
Special Appropriations	37.6%	14.6%	14.9%	6.8%	6.8%
<b>Statewide Total</b>	<b>8.1%</b>	<b>9.4%</b>	<b>8.1%</b>	<b>9.9%</b>	<b>6.7%</b>

\* Includes all operating appropriations enacted through the 2002 legislative session.

## Washington State Operating Budget Annual FTE Staff

	1991-93	1993-95	1995-97	1997-99	1999-01	Revised * 2001-03
Legislative	925.1	824.4	793.8	819.1	839.6	861.4
Judicial	490.8	494.2	513.2	536.6	557.0	598.0
Governmental Operations	6,849.0	6,873.6	6,779.6	6,879.6	7,077.7	7,361.5
Dept of Social & Health Services	16,956.8	16,525.0	16,842.3	17,788.2	18,286.7	18,081.8
Other Human Services	11,475.8	12,542.7	13,106.3	13,481.8	14,373.1	15,131.5
Natural Resources	6,028.5	6,043.4	5,794.4	5,717.5	5,881.9	6,029.6
Transportation	7,332.9	7,467.7	7,465.3	7,618.6	7,804.4	8,218.1
Total Education	36,453.1	37,027.9	38,662.4	40,855.8	43,304.5	42,709.1
Public Schools	256.0	248.3	260.7	271.8	293.8	300.5
Higher Education	35,782.7	36,388.4	37,992.3	40,158.0	42,587.5	41,990.8
Other Education	414.5	391.2	409.4	426.1	423.3	417.9
<b>Statewide Total</b>	<b>86,511.8</b>	<b>87,798.7</b>	<b>89,957.1</b>	<b>93,697.1</b>	<b>98,124.7</b>	<b>98,990.9</b>

### Percent of Total

Legislative	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%
Judicial	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Governmental Operations	7.9%	7.8%	7.5%	7.3%	7.2%	7.4%
Dept of Social & Health Services	19.6%	18.8%	18.7%	19.0%	18.6%	18.3%
Other Human Services	13.3%	14.3%	14.6%	14.4%	14.7%	15.3%
Natural Resources	7.0%	6.9%	6.4%	6.1%	6.0%	6.1%
Transportation	8.5%	8.5%	8.3%	8.1%	8.0%	8.3%
Total Education	42.1%	42.2%	43.0%	43.6%	44.1%	43.1%
Public Schools	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Higher Education	41.4%	41.5%	42.2%	42.9%	43.4%	42.4%
Other Education	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
<b>Statewide Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Percent Change from Prior Biennium

Legislative	-10.9%	-3.7%	3.2%	2.5%	2.6%
Judicial	0.7%	3.8%	4.6%	3.8%	7.4%
Governmental Operations	0.4%	-1.4%	1.5%	2.9%	4.0%
Dept of Social & Health Services	-2.6%	1.9%	5.6%	2.8%	-1.1%
Other Human Services	9.3%	4.5%	2.9%	6.6%	5.3%
Natural Resources	0.3%	-4.1%	-1.3%	2.9%	2.5%
Transportation	1.8%	0.0%	2.1%	2.4%	5.3%
Total Education	1.6%	4.4%	5.7%	6.0%	-1.4%
Public Schools	-3.0%	5.0%	4.2%	8.1%	2.3%
Higher Education	1.7%	4.4%	5.7%	6.1%	-1.4%
Other Education	-5.6%	4.7%	4.1%	-0.7%	-1.3%
<b>Statewide Total</b>	<b>1.5%</b>	<b>2.5%</b>	<b>4.2%</b>	<b>4.7%</b>	<b>0.9%</b>

\* Includes all legislative operating FTEs authorized through the 2002 legislative session.

Note: Does not include Capital FTEs.