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# **Proposed 2001 Supplemental Operating Budget**

## **BUDGET HIGHLIGHTS**

**March 27, 2001**

**Representative Barry Sehlin, Co-Chair  
Representative Helen Sommers, Co-Chair  
House Appropriations Committee**

<http://www.leg.wa.gov/house/opr/app/01/BudgRpt.htm>

# 2001 SUPPLEMENTAL BUDGET HIGHLIGHTS

GENERAL FUND-STATE (DOLLARS IN THOUSANDS)	
GENERAL GOVERNMENT <sup>1</sup>	\$ 3,917
HUMAN SERVICES <sup>2,4</sup>	165,162
NATURAL RESOURCES <sup>1</sup>	6,798
PUBLIC SCHOOLS <sup>3</sup>	16,520
HIGHER EDUCATION	700
SPECIAL APPROPRIATIONS <sup>1</sup>	<u>1,321</u>
<b>TOTAL</b>	<b>\$194,418</b>

## THE 2001 SUPPLEMENTAL BUDGET FUNDS ONLY UNAVOIDABLE COSTS, INCLUDING:

### <sup>1</sup> WILDFIRES FROM THE 2000 FIRE SEASON - \$10.4 MILLION

Spring and summer of the year 2000 brought an unexpected number of wildfires. Current funding levels in the Department of Natural Resources' and Military Department's budgets for wildfires were exceeded, requiring supplemental funding to cover the higher fire fighting expenses. The supplemental budget adds \$10.4 million General Fund-State, and \$6.2 million Other Funds to cover these unexpected costs.

### <sup>2</sup> MEDICAL ASSISTANCE COST & CASELOAD INCREASES - \$141 MILLION

Continuing current Medical Assistance services is projected to cost an additional \$141 million General Fund-State, a 9 percent increase over amounts originally budgeted for the 1999-01 biennium. Increased expenditures are due to increasing caseloads for entitlement programs and higher costs per person served. The number of individuals covered by Medical Assistance programs in fiscal year 2001 is projected to grow by approximately 36,000, or 5 percent over the original estimate. An additional \$23 million of TANF money is provided to pay for higher medical costs incurred during the first year of the biennium.

### <sup>3</sup> ENROLLMENT INCREASES - \$16.5 MILLION

Public school enrollments have increased and additional needs in the areas of pupil transportation and special education require supplemental funding. The supplemental budget includes an additional \$16.5 million GF-S to continue to provide the same level of educational opportunities to the children of our state.

### <sup>4</sup> MENTAL HEALTH, DD AND GAU CASELOAD - \$12.8 MILLION

Caseload levels in current state programs for mental health, developmental disabilities and general assistance-unemployable were increased by the February 2001 Caseload Forecast Council. The supplemental budget includes an additional \$12.8 million GF-S to continue the current levels of service for these programs.

# 1999-01 Balance Sheet

## Proposed House Supp. Budget

### General Fund-State

(Dollars in Millions)

	<b>FY 00</b>	<b>FY 01</b>	<b>1999-01</b>
<b>Resources</b>			
Beginning Fund Balance	462.0	477.9	462.0
November Revenue Forecast	10,433.1	10,735.8	21,168.9
March 2001 Changes	0.0	143.4	143.5
<b>Current Revenue Totals</b>	<b>10,433.2</b>	<b>10,879.2</b>	<b>21,312.4</b>
Changes in Reserves/Other Adjustments	(1.0)	-	(1.0)
Money Transfer from Health Services Account	-	121.0	121.0
<b>Total Resources (Revenue/Fund Balance)</b>	<b>10,894.2</b>	<b>11,478.1</b>	<b>21,894.4</b>
<b>Expenditures</b>			
<b>1999-01 Appropriations</b>	<b>10,158.9</b>	<b>10,413.9</b>	<b>20,572.8</b>
2000 Supplemental budget	60.6	217.7	278.3
2001 Supplemental budget	-	194.4	194.4
<b>Revised 1999-01 Appropriations</b>	<b>10,219.5</b>	<b>10,826.1</b>	<b>21,045.7</b>
<b>November 2000 I-601 Expenditure Limit</b>	<b>10,170.2</b>	<b>10,512.8</b>	<b>20,683.0</b>
2000 Supplemental budget changes	66.3	185.4	251.7
2001 Supplemental budget changes	-	128.7	128.7
<b>Preliminary I-601 Expenditure Limit</b>	<b>10,236.5</b>	<b>10,827.0</b>	<b>21,063.4</b>
<b>General Fund Balance</b>			
Total Ending Balance	674.6	652.0	848.7
Transfer to Emergency Reserve Fund	(196.7)	(52.2)	(248.9)
<b>Unreserved General Fund Balance</b>	<b>477.9</b>	<b>599.8</b>	<b>599.8</b>
<b>Emergency Reserve Fund</b>			
Beginning Balance	535.7	761.4	535.7
ERF Transfer to Transportation	-	(35.0)	(35.0)
Appropriations from ERF (HB 2222 and other estimated disaster costs)	-	(50.0)	(50.0)
Other Changes (Transfer from General Fund plus interest earnings)	225.6	83.3	308.9
Transfer to Education Construction Account	-	(215.7)	(215.7)
<b>Emergency Reserve</b>	<b>761.4</b>	<b>544.0</b>	<b>544.0</b>

**Note:**

The spending limit established by I-601 is an annual spending limit. Even though balance sheets typically show only biennial totals, the limit must be calculated and followed separately for each year.

**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Judicial</b>			
<b>Commission on Judicial Conduct</b>			
1. Investigations/Fact Finding Hearing	92	-	92
<b>Office of the Administrator for the Courts</b>			
2. Fall Conference	-	50	50
3. Superior Court Judge-Pierce County	45	-	45
4. Superior Court Judge Program	(105)	-	(105)
5. Adjustment to Carry Forward Level	(305)	-	(305)
Total	<u>(365)</u>	<u>50</u>	<u>(315)</u>
<b>Office of Public Defense</b>			
6. Workload Adjustment	-	(410)	(410)
<b>Total Judicial</b>	<b><u>(273)</u></b>	<b><u>(360)</u></b>	<b><u>(633)</u></b>
<b>Governmental Operations</b>			
<b>Public Disclosure Commission</b>			
7. Enforcement Case Costs	137	-	137
<b>Office of the Secretary of State</b>			
8. Presidential Primary Reimbursement	1,621	-	1,621
9. Microfilm Bureau	-	385	385
10. Southwest Archives Space Increase	-	11	11
11. Election Workload Reduction Savings	(250)	-	(250)
Total	<u>1,371</u>	<u>396</u>	<u>1,767</u>
<b>Comm on Asian-Pacific-American Affairs</b>			
12. Unexpected Unemployment Costs	6	-	6
<b>Commission on Salaries for Elected Officials</b>			
13. Office Relocation	5	-	5
<b>Office of the Attorney General</b>			
14. Initiative Defense Costs	(30)	-	(30)
<b>Office of Financial Management</b>			
15. AmeriCorps Funds	-	288	288
<b>Office of Administrative Hearings</b>			
16. Extraordinary Interpreter Costs	-	45	45
17. Court Reporter Cost Increase	-	54	54
18. Leased Facilities Renewals	-	32	32
Total	<u>-</u>	<u>131</u>	<u>131</u>
<b>Department of Personnel</b>			
19. PERS 3 Programming Changes	-	393	393

**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>WA State Commission on Hispanic Affairs</b>			
20. Facility Cost Increase	9	-	9
<b>WA State Comm on African-American Affairs</b>			
21. Facility Cost Increase	9	-	9
<b>Department of Revenue</b>			
22. Property Tax Deferred Payments	(1,015)	-	(1,015)
<b>Washington State Liquor Control Board</b>			
23. Mandatory Redemption of Certificate	-	2,885	2,885
24. Legal Services	242	170	412
25. Contract Agency Vendor Commission	-	925	925
26. Point of Sale System Failure	-	155	155
Total	<u>242</u>	<u>4,135</u>	<u>4,377</u>
<b>Military Department</b>			
27. Disaster Funding Adjustment	-	(5,797)	(5,797)
28. Fire Mobilization	3,227	4,003	7,230
29. Natural Gas Rate Increase	57	44	101
30. Mandatory Salary Increases	20	-	20
Total	<u>3,304</u>	<u>(1,750)</u>	<u>1,554</u>
<b>Total Governmental Operations</b>	<b><u>4,038</u></b>	<b><u>3,593</u></b>	<b><u>7,631</u></b>
<b>DSHS</b>			
<b>Children and Family Services</b>			
31. Mandatory Caseload Changes	(1,974)	(658)	(2,632)
32. Lease Costs	37	12	49
33. Staff Secure Group Homes	(1,070)	-	(1,070)
34. Administrative Reductions	(99)	(52)	(151)
35. Align Core Functions	(431)	(421)	(852)
Total	<u>(3,537)</u>	<u>(1,119)</u>	<u>(4,656)</u>
<b>Juvenile Rehabilitation</b>			
36. Mandatory Workload Changes	(5,162)	(521)	(5,683)
37. Utility Increase	133	-	133
38. Align Core Functions	(2,206)	-	(2,206)
39. Medication Utilization	321	-	321
Total	<u>(6,914)</u>	<u>(521)</u>	<u>(7,435)</u>
<b>Mental Health</b>			
40. Mandatory Caseload Changes	5,585	5,777	11,362
41. Utility Increase	529	-	529
42. Administrative Reductions	(170)	(19)	(189)
43. Align Core Functions	(737)	(337)	(1,074)
44. Community Transition	300	-	300
45. Special Commitment Center Changes	557	-	557
46. Disabilities Compliance	478	-	478
Total	<u>6,542</u>	<u>5,421</u>	<u>11,963</u>

**1999-01 Omnibus Budget -- 2001 Supplemental  
House Co-Chair Proposed 3-27  
(Dollars in Thousands)**

	GF-S	Other	Total
<b>Developmental Disabilities</b>			
47. Utility Increase	456	469	925
48. Rate Uniformity	498	573	1,071
49. Voluntary Placement Forecast	6,370	2,289	8,659
50. Medicaid Personal Care Forecast	(582)	(1,962)	(2,544)
51. Align Core Functions	(1,030)	(1,117)	(2,147)
52. Allen Lawsuit Attorney Fees	864		864
53. Voluntary Placement Program Target	(391)	(140)	(531)
Total	6,185	112	6,297
<b>Long-Term Care</b>			
54. Mandatory Caseload Changes	2,519	(1,862)	657
55. Rate Uniformity	(498)	(755)	(1,253)
56. Administrative Reductions	(49)	(17)	(66)
57. Align Core Functions	(211)	(160)	(371)
58. Home Care Worker Health Insurance	61	1,575	1,636
Total	1,822	(1,219)	603
<b>Economic Services Administration</b>			
59. Mandatory Caseload Changes	3,034	(2,583)	451
60. Administrative Reductions	(176)	(139)	(315)
61. Align Core Functions	(767)	(1,008)	(1,775)
62. Food Stamp Admin. Fund Split	2,281		2,281
63. Maintenance of Effort Funds	6,086		6,086
Total	10,458	(3,730)	6,728
<b>Alcohol and Substance Abuse</b>			
64. Administrative Reductions	(7)		(7)
65. Align Core Functions	(28)	(9)	(37)
Total	(35)	(9)	(44)
<b>Medical Assistance Payments</b>			
66. Mandatory Workload Changes	303	805	1,108
67. Mandatory Caseload Changes	83,593	65,906	149,499
68. Payment Integrity Program	(467)	(429)	(896)
69. Rate Changes	(15,876)	(23,333)	(39,209)
70. DSH Adjustment	(3,966)	3,966	
71. Administrative Reductions	(13)	(41)	(54)
72. Align Core Functions	(57)	(252)	(309)
73. Fractional Drug Pricing	(106)	(9)	(115)
74. Consolidated Savings Steps	(2,538)	(3,080)	(5,618)
75. FQHC/Rural Health Care Centers	2,286	5,715	8,001
76. Family Planning	(426)	926	500
77. Medicare Outreach	833	795	1,628
78. TANF Reinstatements	7,153	5,234	12,387
79. Medical Services Utilization	70,713	43,127	113,840
80. Pneumococcal Vaccine	(16)	(15)	(31)
81. TANF Asset Disregard	(221)	(229)	(450)
82. Expand Proshare and DSH Programs		98,254	98,254
Total	141,195	197,340	338,535

**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Vocational Rehabilitation</b>			
83. Administrative Reductions	(8)	(13)	(21)
84. Align Core Functions	(27)	(96)	(123)
Total	(35)	(109)	(144)
<b>Administration and Supporting Services</b>			
85. Administrative Reductions	522	281	803
86. Align Core Functions	5,494	3,400	8,894
87. Payment Integrity Program	-	249	249
Total	6,016	3,930	9,946
<b>Payments to Other Agencies</b>			
88. Administrative Hearings	-	52	52
<b>Total DSHS</b>	<b><u>161,697</u></b>	<b><u>200,148</u></b>	<b><u>361,074</u></b>
<b>Other Human Services</b>			
<b>WA State Criminal Justice Training Commission</b>			
89. Reimburse Law Enforcement Agencies	-	412	412
90. Workload Adjustment	-	(1,140)	(1,140)
Total	-	(728)	(728)
<b>Department of Labor and Industries</b>			
91. Crime Victims Program Accounting	-	1,400	1,400
<b>Department of Health</b>			
92. AIDS Prescription Drug Rebates	-	1,746	1,746
93. Women, Infants and Children Rebates	-	4,595	4,595
94. Hanford Reservation Wildfire	-	49	49
Total	-	6,390	6,390
<b>Department of Corrections</b>			
95. Community Custody Hearings	674	-	674
96. Lease Increases	499	-	499
97. Revolving Fund Adjustment	272	-	272
98. Intermediate Sanctions Delays	(638)	-	(638)
99. Workload Forecast Changes	(4,014)	(917)	(4,931)
100. Health Care Inflation	2,170	-	2,170
101. Utility Rate Increase	846	-	846
102. Safety and Health	69	-	69
103. Criminal Alien Assistance Program	7,747	(9,747)	(2,000)
104. Reduce General Fund-State Support	(3,373)	-	(3,373)
105. Debt Service Adjustment	(787)	-	(787)
Total	3,465	(10,664)	(7,199)
<b>Department of Services for the Blind</b>			
106. Federal Funds Adjustment	-	550	550
<b>Department of Employment Security</b>			
107. Increase Federal Fund Authority	-	7,814	7,814
<b>Total Other Human Services</b>	<b><u>3,465</u></b>	<b><u>4,762</u></b>	<b><u>8,227</u></b>

**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Natural Resources</b>			
<b>Department of Ecology</b>			
108. Legal Support for Hanford Actions	-	239	239
109. Flood Hazard Prevention Grants	-	52	52
110. Pine Hollow EIS	-	(325)	(325)
Total	-	(34)	(34)
<b>State Parks and Recreation Commission</b>			
111. Building 502 Renovation	-	108	108
112. Computer Equipment Replacement	22	10	32
Total	22	118	140
<b>Department of Fish and Wildlife</b>			
113. Non-Game Program Administration	-	360	360
114. Eastern Washington Wildfires	645	-	645
115. Recreational Site Enhancements	-	124	124
116. Warm Water Game Fish Enhancement	-	400	400
117. Hatchery Operations	-	7,050	7,050
118. Fishery Management	-	106	106
119. Administrative Program Adjustments	-	500	500
120. Commercial License Buyback	-	17,625	17,625
Total	645	26,165	26,810
<b>Department of Natural Resources</b>			
121. Emergency Fire Suppression	6,131	2,160	8,291
122. Agricultural Trust Lands	-	177	177
Total	6,131	2,337	8,468
<b>Total Natural Resources</b>	<b>6,798</b>	<b>28,586</b>	<b>35,384</b>
<b>Transportation</b>			
<b>Department of Licensing</b>			
123. Attorney General and Hearing Costs	102	-	102
124. Attorney General Regulatory Support	50	(50)	-
Total	152	(50)	102
<b>Total Transportation</b>	<b>152</b>	<b>(50)</b>	<b>102</b>



**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Public Schools</b>			
<b>OSPI &amp; Statewide Programs</b>			
125. Federal Funds Update	-	10,044	10,044
<b>General Apportionment</b>			
126. Enrollment/Workload Changes	9,305	-	9,305
<b>Pupil Transportation</b>			
127. Enrollment/Workload Changes	2,599	-	2,599
<b>Special Education</b>			
128. Enrollment/Workload Changes	5,894	-	5,894
129. Federal Funds Update	-	4,444	4,444
Total	<u>5,894</u>	<u>4,444</u>	<u>10,338</u>
<b>Traffic Safety Education</b>			
130. Enrollment/Workload Changes	(495)	-	(495)
<b>Levy Equalization</b>			
131. Levy Equalization Update	1,993	-	1,993
<b>Institutional Education</b>			
132. Enrollment/Workload Changes	(1,220)	-	(1,220)
<b>Education of Highly Capable Students</b>			
133. Enrollment/Workload Changes	(15)	-	(15)
<b>Education Reform</b>			
134. Enrollment/Workload Changes	(887)	-	(887)
<b>Transitional Bilingual Instruction</b>			
135. Enrollment/Workload Changes	171	-	171
<b>Learning Assistance Program (LAP)</b>			
136. Enrollment/Workload Changes	(1,078)	-	(1,078)
<b>Block Grants</b>			
137. Enrollment/Workload Changes	74	-	74
<b>Better Schools Program</b>			
138. Enrollment/Workload Changes	(1,404)	-	(1,404)
<b>Compensation Adjustments</b>			
139. Enrollment/Workload Changes	1,583	-	1,583
<b>Common School Construction</b>			
140. Transfer to Common School Construct	-	(50,535)	(50,535)
<b>Total Public Schools</b>	<u><b>16,520</b></u>	<u><b>(36,047)</b></u>	<u><b>(19,527)</b></u>

**2001 Supplemental Budget**  
**House Proposed Supplemental 3/27/2001**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Higher Education</b>			
<b>Community &amp; Technical College System</b>			
141. Legal Settlement	700	-	700
<b>Total Higher Education</b>	<b>700</b>	-	<b>700</b>
 <b>Special Appropriations</b>			
<b>Bond Retirement &amp; Interest</b>			
142. Debt Service Adjustment	-	(2,900)	(2,900)
 <b>Special Approps to the Governor</b>			
143. Agricultural Trust Lands Settlement	-	16,000	16,000
144. Fire Contingency Pool	1,000	1,000	2,000
145. Payroll System Programming/PERS 3	229	164	393
Total	1,229	17,164	18,393
 <b>Sundry Claims</b>			
146. Self Defense Claims	92	-	92
147. Wildlife Crop Damage Claims	-	221	221
Total	85	221	306
<b>Total Special Appropriations</b>	<b>1,321</b>	<b>14,485</b>	<b>15,806</b>
<b>Total 2001 Supplemental</b>	<b>194,418</b>	<b>215,117</b>	<b>409,535</b>