

WASHINGTON STATE LEGISLATURE

PROPOSED LEGISLATIVE FINAL BUDGET

Statewide Summary & Agency Detail

March 13, 2002

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2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Legislative	-1,990	-1,859	-3,059	-2,928	-3,094	-2,963
Judicial	2,048	-714	1,683	-801	2,115	-333
Governmental Operations	-8,429	-56,728	-11,483	-26,220	-8,031	-57,238
Other Human Services	2,138	101,981	-5,927	101,678	1,841	110,421
DSHS	-36,273	-31,697	-97,985	692,023	-54,584	-43,796
Natural Resources	-42,191	-29,693	-35,888	-14,620	-39,840	-21,184
Transportation	-556	1,090	-389	2,038	-556	1,196
Public Schools	-48,845	-25,563	-48,459	-19,035	-48,662	-61,513
Higher Education	-96,048	-64,437	-52,984	-47,767	-62,486	-56,709
Other Education	-644	-560	-5,824	-5,740	-5,515	-5,431
Special Appropriations	-92,137	-98,514	-69,564	-102,488	-79,154	-107,203
Total Budget Bill	-322,927	-206,694	-329,879	576,140	-297,966	-244,753
Appropriations in Other Legislation	35	35	0	5,000	0	0
Statewide Total	-322,892	-206,659	-329,879	581,140	-297,966	-244,753

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Legislative						
House of Representatives	-810	-810	-1,425	-1,425	-1,425	-1,425
Senate	-624	-624	-1,200	-1,200	-1,200	-1,200
Jt Leg Audit & Review Committee	-215	-215	-58	-58	-93	-93
LEAP Committee	-44	-44	-44	-44	-44	-44
Office of the State Actuary	0	131	0	131	0	131
Joint Legislative Systems Comm	-182	-182	-211	-211	-211	-211
Statute Law Committee	-115	-115	-121	-121	-121	-121
Total Legislative	-1,990	-1,859	-3,059	-2,928	-3,094	-2,963
Judicial						
Supreme Court	62	62	54	54	54	54
State Law Library	-59	-59	-59	-59	-59	-59
Court of Appeals	19	19	-6	-6	-6	-6
Commission on Judicial Conduct	-29	-29	-29	-29	-29	-29
Office of Administrator for Courts	1,655	-728	1,223	-904	1,655	-511
Office of Public Defense	400	21	500	143	500	218
Total Judicial	2,048	-714	1,683	-801	2,115	-333
Total Legislative/Judicial	58	-2,573	-1,376	-3,729	-979	-3,296

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Governmental Operations						
Office of the Governor	-277	-459	-226	-226	-536	-536
Office of the Lieutenant Governor	0	0	-23	-23	-23	-23
Public Disclosure Commission	-72	-72	-57	-57	-57	-57
Office of the Secretary of State	-2,694	501	-2,793	483	-2,289	987
Governor's Office of Indian Affairs	0	0	-8	-8	-8	-8
Asian-Pacific-American Affrs	-32	-32	-32	-32	-32	-32
Office of the State Treasurer	0	-194	0	-322	0	0
Office of the State Auditor	0	-193	36	-1,070	500	-606
Comm Salaries for Elected Officials	0	0	-5	-5	-5	-5
Office of the Attorney General	-797	-65	-2,725	36,027	-736	167
Caseload Forecast Council	-19	-19	-19	-19	-19	-19
Dept of Financial Institutions	0	1,182	0	616	0	616
Dept Community, Trade, Econ Dev	-9,458	-4,781	-10,946	-5,138	-10,565	-2,862
Economic & Revenue Forecast Council	-15	-15	-15	-15	-15	-15
Office of Financial Management	-409	1,038	-101	1,144	134	1,376
Office of Administrative Hearings	0	456	0	456	0	456
Department of Personnel	0	-508	0	-260	0	-807
State Lottery Commission	0	49,158	0	49,158	0	49,158
Washington State Gambling Comm	0	-450	0	-450	0	-450
WA State Comm on Hispanic Affairs	-24	-24	-24	-24	-24	-24
African-American Affairs Comm	-2	-2	-2	-2	-2	-2
Personnel Appeals Board	0	26	0	26	0	26
Department of Retirement Systems	0	582	0	333	0	466
State Investment Board	0	585	0	585	0	585
Department of Revenue	5,701	5,701	5,561	5,676	5,765	5,874
Board of Tax Appeals	-52	-52	-31	-31	-31	-31
Dept of General Administration	44	-2,036	-19	-3,415	25	-3,371
Department of Information Services	0	-96	0	-2,756	0	-2,091
Office of Insurance Commissioner	0	875	0	154	0	875
Washington Horse Racing Commission	0	-68	0	0	0	-68
WA State Liquor Control Board	-45	2,341	-45	1,834	-45	2,397
Utilities and Transportation Comm	0	-406	0	-6	0	-406
Military Department	-449	-109,293	-163	-109,007	-269	-109,009
Public Employment Relations Comm	246	246	199	199	246	246
Growth Management Hearings Board	-75	-75	-45	-45	-45	-45
State Convention and Trade Center	0	-579	0	0	0	0
Total Governmental Operations	-8,429	-56,728	-11,483	-26,220	-8,031	-57,238

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Other Human Services						
WA State Health Care Authority	-3,654	40,834	-6,654	38,578	-6,654	41,017
Human Rights Commission	-81	-81	-81	-81	-81	-81
Bd of Industrial Insurance Appeals	0	187	0	213	0	213
Criminal Justice Training Comm	0	-434	0	-263	0	-291
Department of Labor and Industries	-4,326	2,358	-4,492	2,169	-4,326	7,608
Indeterminate Sentence Review Board	-30	-30	-30	-30	-30	-30
Home Care Quality Authority	152	152	152	152	152	152
Department of Health	-17,107	25,090	-22,003	24,072	-19,972	22,056
Department of Veterans' Affairs	-263	-4,311	-139	-4,032	-166	-4,059
Department of Corrections	27,553	24,329	27,395	24,362	33,024	29,949
Dept of Services for the Blind	-81	1,422	-49	1,454	-81	1,422
Sentencing Guidelines Commission	-25	-25	-26	-26	-25	-25
Department of Employment Security	0	12,490	0	15,110	0	12,490
Total Other Human Services	2,138	101,981	-5,927	101,678	1,841	110,421

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
DSHS						
Children and Family Services	-9,097	-11,755	-14,751	-19,793	-8,656	-11,747
Juvenile Rehabilitation	-8,365	-10,306	-12,147	-14,830	-8,457	-10,242
Mental Health	-18,374	18,935	-16,983	20,889	-20,773	20,589
Developmental Disabilities	12,583	22,469	298	5,890	9,872	22,653
Long-Term Care	-39,104	-58,195	-42,082	-89,499	-37,681	-55,320
Economic Services Administration	-8,415	-3,169	-20,807	-15,522	-23,352	-18,106
Alcohol & Substance Abuse	-3,512	-4,802	-9,846	-9,054	-4,112	-4,768
Medical Assistance Payments	45,555	27,600	26,041	826,580	46,119	25,619
Vocational Rehabilitation	-569	-2,072	-733	-2,236	-569	-2,072
Administration/Support Svcs	-6,975	-10,402	-6,975	-10,402	-6,975	-10,402
Total DSHS	-36,273	-31,697	-97,985	692,023	-54,584	-43,796
Total Human Services	-34,135	70,284	-103,912	793,701	-52,743	66,625

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Natural Resources						
Columbia River Gorge Commission	-12	-12	0	0	-12	-12
Department of Ecology	-17,578	-8,503	-17,851	-5,649	-17,427	-6,065
State Parks and Recreation Comm	-3,164	-2,746	-2,886	885	-2,626	-1,354
Interagency Comm for Outdoor Rec	-451	49	-500	0	-465	35
Environmental Hearings Office	-25	-25	0	0	-25	-25
State Conservation Commission	-131	-1,772	-110	-1,061	-131	-372
Dept of Fish and Wildlife	-12,268	-11,020	-11,579	-9,144	-11,653	-9,051
Department of Natural Resources	-7,622	-7,707	-2,347	-1,386	-6,561	-6,450
Department of Agriculture	-940	2,043	-615	1,735	-940	2,110
Total Natural Resources	-42,191	-29,693	-35,888	-14,620	-39,840	-21,184

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Transportation						
Washington State Patrol	-456	1,348	-256	2,281	-456	1,468
Department of Licensing	-100	-258	-133	-243	-100	-272
Total Transportation	-556	1,090	-389	2,038	-556	1,196

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Public Schools						
OSPI & Statewide Programs	-15,823	-113,152	-2,813	-100,142	-9,732	-107,061
General Apportionment	-11,620	-11,620	-3,773	-3,773	-14,155	-14,155
Pupil Transportation	-1,796	-1,796	-1,772	-1,772	-1,796	-1,796
Special Education	-11,050	-10,735	-6,175	-6,175	-10,982	-10,667
Traffic Safety Education	308	308	-1,653	4,750	-1,906	4,661
Educational Service Districts	-218	-218	-47	-47	-208	-208
Levy Equalization	9,032	9,032	11,219	11,219	11,219	11,219
Elementary/Secondary School Improv	0	-86,429	0	-86,429	0	-86,429
Institutional Education	-623	-623	-464	-464	-517	-517
Ed of Highly Capable Students	-176	-176	43	43	-141	-141
Student Achievement Program	0	-2,151	0	-2,151	0	-2,151
Education Reform	-13,242	44,596	-8,730	49,108	-5,215	52,623
Transitional Bilingual Instruction	-1,041	19,239	-551	19,729	-714	19,566
Learning Assistance Program (LAP)	-3,668	126,963	-3,367	127,509	-3,454	127,177
Block Grants	-13,827	-13,827	-13,827	-13,827	-13,827	-13,827
State Flexible Education Funds	34,436	34,436	0	0	20,612	20,612
Compensation Adjustments	-19,537	-19,346	-16,549	-16,549	-17,846	-17,655
Common School Construction	0	-64	0	-64	0	-42,764
Total Public Schools	-48,845	-25,563	-48,459	-19,035	-48,662	-61,513

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Higher Education						
Higher Education Coordinating Board	553	553	444	1,140	-445	251
University of Washington	-37,999	-29,796	-20,118	-20,159	-24,640	-24,659
Washington State University	-19,533	-13,802	-11,909	-11,909	-14,460	-14,460
Eastern Washington University	-4,079	-3,007	-2,708	-2,708	-3,223	-3,223
Central Washington University	-3,698	-2,701	-2,303	-2,303	-2,844	-2,844
The Evergreen State College	-2,327	-1,514	-1,400	-1,400	-1,795	-1,795
Spokane Intercollegiate & Tech Inst	-49	-49	-504	-504	-104	-104
Western Washington University	-5,396	-3,983	-3,585	-3,585	-4,486	-4,486
Community/Technical College System	-23,520	-10,138	-10,901	-6,339	-10,489	-5,389
Total Higher Education	-96,048	-64,437	-52,984	-47,767	-62,486	-56,709
Other Education						
State School for the Blind	-92	-11	-68	13	63	144
State School for the Deaf	25	25	99	99	312	312
Work Force Training & Education Coord Board	-87	-87	-52	-52	-87	-87
State Library	-264	-264	-5,577	-5,577	-5,577	-5,577
Washington State Arts Commission	-86	-83	-86	-83	-86	-83
Washington State Historical Society	-94	-94	-94	-94	-94	-94
East Washington State Historical Society	-46	-46	-46	-46	-46	-46
Total Other Education	-644	-560	-5,824	-5,740	-5,515	-5,431
Total Education	-145,537	-90,560	-107,267	-72,542	-116,663	-123,653

2002 Supplemental Budget

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
Special Appropriations						
Bond Retirement and Interest	-2,000	2,786	0	-15,039	2,340	-12,699
Special Approps to the Governor	-49,680	-13,193	-41,258	-25,343	-47,037	-14,397
Sundry Claims	274	279	274	278	274	279
State Employee Compensation Adjust	-40,156	-87,811	-28,005	-61,809	-34,156	-79,811
Contributions to Retirement Systems	-575	-575	-575	-575	-575	-575
Total Budget Bill	-92,137	-98,514	-69,564	-102,488	-79,154	-107,203
Appropriations in Other Legislation	35	35	0	5,000	0	0
Total Special Appropriations	-92,102	-98,479	-69,564	-97,488	-79,154	-107,203

2001-03 Revised Omnibus Operating Budget (2002 Supp)**House of Representatives**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	56,810	56,855	56,810	56,855	56,810	56,855
2002 Policy Changes:						
1. Efficiencies & Savings	-810	-810	-1,425	-1,425	-1,425	-1,425
Total Policy Changes	-810	-810	-1,425	-1,425	-1,425	-1,425
2001-03 Revised Appropriations	56,000	56,045	55,385	55,430	55,385	55,430

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Senate**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	46,862	46,907	46,862	46,907	46,862	46,907
2002 Policy Changes:						
1. Efficiencies & Savings	-624	-624	-1,200	-1,200	-1,200	-1,200
Total Policy Changes	-624	-624	-1,200	-1,200	-1,200	-1,200
2001-03 Revised Appropriations	46,238	46,283	45,662	45,707	45,662	45,707

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Jt Leg Audit & Review Committee**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	4,374	4,374	4,374	4,374	4,374	4,374
2002 Policy Changes:						
1. Efficiencies & Savings	-45	-45	-58	-58	-58	-58
2. Developmental Disabilities Studies	-170	-170	0	0	0	0
3. Water Conservancy Boards	0	0	0	0	-35	-35
Total Policy Changes	-215	-215	-58	-58	-93	-93
2001-03 Revised Appropriations	4,159	4,159	4,316	4,316	4,281	4,281

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

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 2004; funding for this purpose in the 2001-03 biennium is removed. (General Fund--State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
LEAP Committee
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	2,791	2,994	2,791	2,994	2,791	2,994
2002 Policy Changes:						
1. Efficiencies & Savings	-44	-44	-44	-44	-44	-44
Total Policy Changes	-44	-44	-44	-44	-44	-44
2001-03 Revised Appropriations	2,747	2,950	2,747	2,950	2,747	2,950

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with its 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 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the State Actuary**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	1,923	0	1,923	0	1,923
2002 Policy Changes:						
1. Senior Research Analyst	0	160	0	160	0	160
2. Efficiencies and Savings	0	-29	0	-29	0	-29
Total Policy Changes	0	131	0	131	0	131
2001-03 Revised Appropriations	0	2,054	0	2,054	0	2,054

Comments:

1. Senior Research Analyst - Funding is provided to support the addition of a Senior Research Analyst in the 2001-2003 budget. (Department of Retirement Systems Expense Account)

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Department of Retirement Systems Expense Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Joint Legislative Systems Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	13,464	15,170	13,464	15,170	13,464	15,170
2002 Policy Changes:						
1. Efficiencies & Savings	-182	-182	-211	-211	-211	-211
Total Policy Changes	-182	-182	-211	-211	-211	-211
2001-03 Revised Appropriations	13,282	14,988	13,253	14,959	13,253	14,959

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Statute Law Committee**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	7,947	10,186	7,947	10,186	7,947	10,186
2002 Policy Changes:						
1. Efficiencies & Savings	<u>-115</u>	<u>-115</u>	<u>-121</u>	<u>-121</u>	<u>-121</u>	<u>-121</u>
Total Policy Changes	-115	-115	-121	-121	-121	-121
2001-03 Revised Appropriations	7,832	10,071	7,826	10,065	7,826	10,065

Comments:

1. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Supreme Court**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	10,933	10,933	10,933	10,933	10,933	10,933
2002 Policy Changes:						
1. Supreme Court Justice Salary Incr	219	219	219	219	219	219
2. Efficiencies & Savings	-157	-157	-165	-165	-165	-165
Total Policy Changes	62	62	54	54	54	54
2001-03 Revised Appropriations	10,995	10,995	10,987	10,987	10,987	10,987

Comments:

1. 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.

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
State Law Library
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,965	3,965	3,965	3,965	3,965	3,965
2002 Policy Changes:						
1. Efficiencies & Savings	<u>-59</u>	<u>-59</u>	<u>-59</u>	<u>-59</u>	<u>-59</u>	<u>-59</u>
Total Policy Changes	-59	-59	-59	-59	-59	-59
2001-03 Revised Appropriations	3,906	3,906	3,906	3,906	3,906	3,906

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Court of Appeals

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	25,624	25,624	25,624	25,624	25,624	25,624
2002 Policy Changes:						
1. Judges Salary Increase	380	380	380	380	380	380
2. Efficiencies & Savings	-361	-361	-386	-386	-386	-386
Total Policy Changes	19	19	-6	-6	-6	-6
2001-03 Revised Appropriations	25,643	25,643	25,618	25,618	25,618	25,618

Comments:

1. 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.

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Commission on Judicial Conduct**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,924	1,924	1,924	1,924	1,924	1,924
2002 Policy Changes:						
1. Efficiencies & Savings	<u>-29</u>	<u>-29</u>	<u>-29</u>	<u>-29</u>	<u>-29</u>	<u>-29</u>
Total Policy Changes	-29	-29	-29	-29	-29	-29
2001-03 Revised Appropriations	1,895	1,895	1,895	1,895	1,895	1,895

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of Administrator for Courts**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	28,633	86,025	28,633	86,025	28,633	86,025
Total Maintenance Changes	0	12	0	12	0	12
2002 Policy Changes:						
1. Superior Court Salary Increase	1,655	1,655	1,655	1,655	1,655	1,655
2. Efficiencies and Savings	0	0	-432	-432	0	0
3. PSEA Reduction	0	-777	0	-521	0	-560
4. Eliminate Juror Rate Increase	0	-1,618	0	-1,618	0	-1,618
Total Policy Changes	1,655	-740	1,223	-916	1,655	-523
2001-03 Revised Appropriations	30,288	85,297	29,856	85,121	30,288	85,514

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.

3. PSEA Reduction - 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)

4. Eliminate Juror Rate Increase - In the original 2001-03 biennial budget, FY 2003 funding from the Public Safety and Education Account (PSEA) was provided to increase juror compensation from \$10 per day to \$25 per day, beginning on the second day of juror service. Due to a revenue shortfall in PSEA, funding for the increase is eliminated. (Public Safety and Education Account-State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Office of Public Defense
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	600	13,226	600	13,226	600	13,226
2002 Policy Changes:						
1. Capital Defense Center	0	0	0	-100	0	0
2. PSEA Reduction	0	-350	0	-233	0	-253
3. Vendor Rate Change	0	-29	0	-24	0	-29
4. Dependency and Termination Pilot	400	400	500	500	500	500
Total Policy Changes	400	21	500	143	500	218
2001-03 Revised Appropriations	1,000	13,247	1,100	13,369	1,100	13,444

Comments:

2. PSEA Reduction - 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)

3. 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)

4. 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 prepare an updated final evaluation of the pilot program.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the Governor**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	9,061	13,188	9,061	13,188	9,061	13,188
2002 Policy Changes:						
1. Efficiencies and Savings	-257	-439	-226	-226	-136	-136
2. Salmon Recovery Office	-600	-600	-500	-500	-400	-400
3. Permit Assistance Center #	580	580	500	500	0	0
Total Policy Changes	-277	-459	-226	-226	-536	-536
2001-03 Revised Appropriations	8,784	12,729	8,835	12,962	8,525	12,652

Comments:

1. Efficiencies and Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the Lieutenant Governor**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	900	900	900	900	900	900
2002 Policy Changes:						
1. Efficiencies and Savings	0	0	-23	-23	-23	-23
Total Policy Changes	0	0	-23	-23	-23	-23
2001-03 Revised Appropriations	900	900	877	877	877	877

Comments:

1. Efficiencies and Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Public Disclosure Commission**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,813	3,813	3,813	3,813	3,813	3,813
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-72</u>	<u>-72</u>	<u>-57</u>	<u>-57</u>	<u>-57</u>	<u>-57</u>
Total Policy Changes	-72	-72	-57	-57	-57	-57
2001-03 Revised Appropriations	3,741	3,741	3,756	3,756	3,756	3,756

Comments:

1. Efficiencies and Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the Secretary of State**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	19,220	34,561	19,220	34,561	19,220	34,561
Total Maintenance Changes	0	-46	0	-46	0	-46
2002 Policy Changes:						
1. Corporations Fund Shift	-2,000	0	-2,000	0	-2,000	0
2. Efficiencies and Savings	-336	-417	-435	-435	-261	-261
3. Revolving Fund Reductions	0	-195	0	-195	0	-195
4. Blanket Primary Litigation Costs	212	212	212	212	212	212
5. Elections Savings and Efficiencies	-570	-570	-570	-570	-240	-240
6. Archives Security Microfilm Project	0	586	0	586	0	586
7. Microfilm Imaging	0	768	0	768	0	768
8. Training & Grants	0	163	0	163	0	163
Total Policy Changes	-2,694	547	-2,793	529	-2,289	1,033
2001-03 Revised Appropriations	16,526	35,062	16,427	35,044	16,931	35,548

Comments:

1. Corporations Fund Shift - 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-Nonappropriated)

2. Efficiencies and 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. 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 on-going 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)

4. Blanket Primary Litigation Costs - 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.

5. Elections Savings and Efficiencies - The Secretary of State reimburses local governments for the state's share of odd-year 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Office of the Secretary of State

6. Archives Security Microfilm Project - 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-Private/Local)

7. Microfilm Imaging - 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)

8. Training & Grants - Legislation passed during the 2001 session (Chapter 13, Laws of 2001, 2nd extraordinary special session) 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-Private/Local)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Governor's Office of Indian Affairs
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	551	551	551	551	551	551
2002 Policy Changes:						
1. Efficiencies and Savings	0	0	-8	-8	0	0
2. Efficiencies and Savings	0	0	0	0	-8	-8
Total Policy Changes	0	0	-8	-8	-8	-8
2001-03 Revised Appropriations	551	551	543	543	543	543

Comments:

2. Efficiencies and Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Asian-Pacific-American Affrs**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	466	466	466	466	466	466
2002 Policy Changes:						
1. Co-locate and Consolidate Administr	<u>-32</u>	<u>-32</u>	<u>-32</u>	<u>-32</u>	<u>-32</u>	<u>-32</u>
Total Policy Changes	-32	-32	-32	-32	-32	-32
2001-03 Revised Appropriations	434	434	434	434	434	434

Comments:

1. Co-locate and Consolidate Administr - 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the State Treasurer**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	12,870	0	12,870	0	12,870
2002 Policy Changes:						
1. Efficiencies & Savings	0	-194	0	-322	0	0
Total Policy Changes	0	-194	0	-322	0	0
2001-03 Revised Appropriations	0	12,676	0	12,548	0	12,870

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of the State Auditor**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,802	44,940	1,802	44,940	1,802	44,940
Total Maintenance Changes	0	0	0	0	0	0
2002 Policy Changes:						
1. Revolving Fund Reductions	0	0	0	-1,106	0	-1,106
2. Performance Audits	0	0	87	87	0	0
3. Efficiencies & Savings	0	-193	-51	-51	0	0
4. Performance Audits	0	0	0	0	500	500
Total Policy Changes	0	-193	36	-1,070	500	-606
2001-03 Revised Appropriations	1,802	44,747	1,838	43,870	2,302	44,334

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-Nonappropriated)

4. Performance Audits - Funding is provided for the State Auditor to conduct performance audits of the Department of Fish and Wildlife and the Division of Developmental Disabilities of the Department of Social and Health Services. (General Fund--State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Comm Salaries for Elected Officials**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	232	232	232	232	232	232
2002 Policy Changes:						
1. Efficiencies and Savings	0	0	-5	-5	-5	-5
Total Policy Changes	0	0	-5	-5	-5	-5
2001-03 Revised Appropriations	232	232	227	227	227	227

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Office of the Attorney General
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	9,617	164,806	9,617	164,806	9,617	164,806
2002 Policy Changes:						
1. Public Safety and Education Account	0	-50	0	-33	0	-36
2. Sexual Violent Predator Prosecution	0	0	0	0	0	0
3. Revolving Fund Reductions	0	0	0	-3,745	0	-1,543
4. Blanket Primary Litigation	0	183	0	183	0	183
5. United States vs. WA (Culverts)	0	885	0	885	0	885
6. Cockle Decision	0	642	0	642	0	642
7. Anti-Trust Transfer	0	0	-141	0	-141	0
8. Consumer Protection Transfer	0	0	-2,523	0	0	0
9. Reduce Growth Management Legal Svcs	0	0	0	-51	0	-51
10. Torts Division	0	0	0	38,087	0	0
11. Telephone Solicitations	0	0	0	120	0	0
12. Consumer Protection Costs	-682	0	0	0	-682	0
13. Efficiencies & Savings	-202	-1,812	-61	-61	0	0
14. Water Rights Study	87	87	0	0	87	87
Total Policy Changes	-797	-65	-2,725	36,027	-736	167
2001-03 Revised Appropriations	8,820	164,741	6,892	200,833	8,881	164,973

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 this account. (Public Safety and Education Account-State)

3. 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. 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)

4. Blanket Primary Litigation - 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. The case is set for trial in March 2002. (Legal Services Revolving Account)

5. United States vs. WA (Culverts) - 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." 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)

6. Cockle Decision - The Washington Supreme Court ruled in January 2001 that the value of employer-provided health care benefits must be included in the calculation workers' 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp) Office of the Attorney General

7. Anti-Trust Transfer - 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)

9. Reduce Growth Management Legal Svcs - 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)

10. Torts Division - Expenditure authority for tort defense legal services is provided through the legal services revolving account. This is a change in budgeting practices, as previously tort defense costs were not appropriated. It is assumed that the Office of Financial Management will transfer all existing FTE staff in the tort division to appropriated status in the financial reporting systems. (Legal Services Revolving Account-State)

11. Telephone Solicitations - Funding is provided for the Attorney General to enforce compliance with commercial telephone solicitation laws. Revenue for these enforcement activities comes from the Commercial Telephone Solicitation Account created by SHB 2611. This funding lapses if Substitute House Bill 2611 is not enacted by June 30, 2002. (Commercial Telephone Solicitation Account - Nonappropriated.)

12. Consumer Protection Costs - 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)

13. 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.

14. Water Rights Study - One-time funding is provided for a report to the Legislature on federal and Indian reserved water rights. (General Fund--State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Caseload Forecast Council**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,250	1,250	1,250	1,250	1,250	1,250
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-19</u>	<u>-19</u>	<u>-19</u>	<u>-19</u>	<u>-19</u>	<u>-19</u>
Total Policy Changes	-19	-19	-19	-19	-19	-19
2001-03 Revised Appropriations	1,231	1,231	1,231	1,231	1,231	1,231

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Dept of Financial Institutions**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	23,776	0	23,776	0	23,776
2002 Policy Changes:						
1. Job Class Realignment	0	973	0	973	0	973
2. Regulating Money Transfers	0	566	0	0	0	0
3. Efficiencies and Savings	0	-357	0	-357	0	-357
Total Policy Changes	0	1,182	0	616	0	616
2001-03 Revised Appropriations	0	24,958	0	24,392	0	24,392

Comments:

1. 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-Nonappropriated)

3. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Financial Services Regulation Account-Nonappropriated)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Dept Community, Trade, Econ Dev**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S		GF-S		GF-S	
2001-03 Original Appropriations	141,957	357,893	141,957	357,893	141,957	357,893
Total Maintenance Changes	0	-197	0	-197	0	-197
2002 Policy Changes:						
1. Public Safety and Education Account	0	-286	0	-192	0	-206
2. CTED Administrative Reduction	0	0	-187	-187	-187	-187
3. Salmon Recovery Fund Reallocation	-1,500	0	-1,500	0	-1,500	0
4. Low-Income Housing	0	0	0	2,306	0	2,783
5. Building Code Council Fee Increase	0	165	0	165	0	165
6. Mobile Home Relocation Funding	0	129	0	202	0	202
7. Senior Games	-23	-23	0	0	-23	-23
8. Archaeology Month	-15	-15	0	0	-15	-15
9. Growth Management Conferences	-15	-15	0	0	-15	-15
10. Local Government AG Costs	-51	-51	0	0	-51	-51
11. Walla Walla Community Connections	-75	-75	0	0	-75	-75
12. Public Broadcast Grants	0	0	0	0	-104	-104
13. Buildable Lands	-1,251	-1,251	0	0	-1,251	-1,251
14. Early Childhood Education (ECEAP)	-838	-838	0	0	-838	-838
15. Director's Office Special Projects	-10	-10	0	0	-10	-10
16. Special Trade Representative	-40	-40	-40	-40	-40	-40
17. Energy Policy Division Reduction	-42	-42	-42	-42	-42	-42
18. Community Empowerment Zones	-45	-45	-45	-45	-45	-45
19. Washington State Int'l Trade Fair	-35	-35	-168	-168	-35	-35
20. CERB Position	-56	-56	-56	-20	-56	-20
21. Tourism Office Reduction	-320	-320	-320	-320	-320	-320
22. Rural Opportunity Fund	0	0	-420	-420	0	0
23. Washington Technology Center	-93	-93	-247	-247	-247	-247
24. Community Services Administration	0	0	-11	-11	0	0
25. Community Connections	0	0	-75	-75	0	0
26. Community Services Block Grant	0	0	-673	-673	-673	-673
27. WA State Senior Games	0	0	-23	-23	0	0
28. Early Childhood Education Assistanc	0	0	-2,144	-2,144	0	0
29. Head Start State Match	0	0	-470	-470	-235	-235
30. Housing Division Administration	0	0	-12	-12	0	0
31. Local Government Division Administr	0	0	-18	-18	0	0
32. Archaeology Month	0	0	-15	-15	0	0
33. Growth Management Conferences	0	0	-15	-15	0	0
34. Growth Management Attorney General	0	0	-51	-51	0	0
35. Growth Mgmt Administration	0	0	-17	-17	0	0
36. Buildable Land Grants	0	0	-1,251	-1,251	0	0
37. Growth Mgmt Tech Assistance	0	0	-28	-28	-28	-28
38. Growth Mgmt Review & Response	0	0	-24	-24	-24	-24
39. Columbia River Scenic Gorge	0	0	-205	-205	0	0
40. Public Broadcasting Grants	0	0	-104	-104	0	0
41. Trade & Market Development Administ	0	0	-35	-35	0	0
42. WA-CERT	0	0	-69	-69	-69	-69
43. Economic Development Administration	0	0	-37	-37	0	0

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Dept Community, Trade, Econ Dev
(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
44. Washington Manufacturing Service	0	0	-300	-300	-300	-300
45. Rural WA Manufacturing Service	0	0	-100	-100	-100	-100
46. Reduce travel/ business enhancement	0	0	0	0	-280	-280
47. Civil Indigent Legal Representation	0	1,500	0	0	0	1,500
48. Emergency Shelter Program	-1,868	0	-1,868	0	-1,868	0
49. Violence Red./Drug Enforce Account	0	-122	0	0	0	-68
50. CTED Efficiencies and Reductions	-78	-78	0	0	0	0
51. Overnight Youth Shelters	-120	0	-120	0	-120	0
52. Artistic Organization Support	300	300	0	0	300	300
53. Energy Strategy Report	15	15	0	0	0	0
54. Mobile Home Park Manager Training	35	35	0	0	0	0
55. Community-Based Services Task Force	40	40	0	0	40	40
56. OTED Efficiencies and Savings	-504	-504	0	0	-504	-504
57. Tourism Marketing Activities	-1,000	-1,000	0	0	0	0
58. OCD Efficiencies and Savings	-1,641	-1,641	0	0	-1,641	-1,641
59. Vendor Rate Change	-209	-209	-256	-256	-209	-209
60. Film and Video Office	-19	-19	0	0	0	0
Total Policy Changes	-9,458	-4,584	-10,946	-4,941	-10,565	-2,665
2001-03 Revised Appropriations	132,499	353,112	131,011	352,755	131,392	355,031

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. CTED Administrative 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

3. Salmon Recovery Fund Reallocation - Funding for Fiscal Year 2003 critical area ordinance updates is shifted from General Fund-State to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)

4. Low-Income Housing - Funding is provided for operation and maintenance costs associated with emergency shelters, youth shelters, and other housing programs for very low-income persons. This funding lapses if House Bill 2060 or Senate Bill 5936 (low income housing) is not enacted to provide the revenue for these expenditures. (Washington Housing Trust Account)

5. Building Code Council Fee Increase - Funding for the State Building Code Council is provided through a fee increase on building permits pursuant to SB 5352. (Building Code Council Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp) Dept Community, Trade, Econ Dev

6. 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 2SSB 5354. (Mobile Home Park Relocation Account)

7. Senior Games - Funding for the FY 2003 state match for the Washington Senior Games is eliminated.

8. 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.

9. Growth Management Conferences - Funding for FY 2003 Growth Management conferences and related technical assistance workshops is eliminated.

10. Local Government AG Costs - Funding for Growth Management legal costs is reduced by fifty percent beginning for FY 2003. OCD will reduce its involvement in appeals of actions under the Growth Management Act.

11. Walla Walla Community Connections - Funding for the Walla Walla Community Connections program is eliminated in FY 2003.

12. Public Broadcast Grants - Funding is removed for grants to public radio and television stations in FY 2002, but funding is provided for grants in FY 2003.

13. 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. If House Bill 2846 is enacted, buildable land requirements will be suspended if funding is not available.

14. Early Childhood Education (ECEAP) - The Early Childhood Education and Assistance Program will reduce its FY 2003 administrative budget by three percent.

15. Director's Office Special Projects - The Office of Trade and Economic Development Director's Office budget for special economic development projects is reduced by 20 percent in FY 2003.

16. Special Trade Representative - The Special Trade Representative position in the Governor's Office is currently funded in the Office of Trade and Economic Development's budget. Beginning in FY 2003, the Department of Agriculture will pay \$40,000 of the cost of the position.

17. Energy Policy Division Reduction - The Energy Policy division will reduce various operating expenditures including training, travel, goods and services, and conference costs.

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

19. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept Community, Trade, Econ Dev

20. CERB Position - General Fund-State funding for an administrative support position is eliminated. If House Bill 2425 or Senate Bill 6543 (community economic revitalization board) is enacted, this FTE staff position will be funded from the Public Facility Construction Loan Revolving Account. (General Fund-State, Public Facility Construction Loan Revolving Account)

21. Tourism Office Reduction - The Tourism Office will reduce its fiscal year 2002 and fiscal year 2003 appropriation 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.

23. 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.

29. 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.

37. Growth Mgmt Tech Assistance - Funding for Growth Management Technical Assistance is reduced.

38. Growth Mgmt Review & Response - Funding is reduced for the Growth Management review and response unit.

42. WA-CERT - Funding for the Washington Economic Revitalization Team (WA-CERT) is reduced in FY 2003. The Certified Communities Initiative shall be discontinued.

44. Washington Manufacturing Service - Funding for the Washington Manufacturing Service contract is eliminated in FY 2003.

45. Rural WA Manufacturing Service - Funding for the Washington Manufacturer Service rural program is eliminated in FY 2003.

46. 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.

47. Civil Indigent Legal Representation - The Governor has recently notified the Department of Community, Trade and Economic Development 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)

48. 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)

49. Violence Red./Drug Enforce Account - 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept Community, Trade, Econ Dev

51. 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)

52. Artistic Organization Support - Funding is provided in FY 2003 to non-profit organizations for payment of back leasehold excise taxes assessed by the Department of Revenue.

55. 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 SB 6763.

56. OTED Efficiencies and Savings - The Office of Trade and Economic Development shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

58. OCD Efficiencies and Savings - The Office of Community Development shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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.

59. Vendor Rate Change - Funding for the second year vendor rate for ECEAP is reduced to 1.5 percent.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Economic & Revenue Forecast Council**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,026	1,026	1,026	1,026	1,026	1,026
2002 Policy Changes:						
1. Efficiencies and Savings	-15	-15	-15	-15	-15	-15
Total Policy Changes	-15	-15	-15	-15	-15	-15
2001-03 Revised Appropriations	1,011	1,011	1,011	1,011	1,011	1,011

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of Financial Management**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	24,480	69,226	24,480	69,226	24,480	69,226
2002 Policy Changes:						
1. Transfer Risk Management Office #	0	1,452	0	1,452	0	1,452
2. Efficiencies and Savings	-409	-409	-601	-601	-366	-366
3. Performance Audits	0	0	500	500	0	0
4. Revolving Fund Reductions	0	0	0	-339	0	-339
5. Agency Loss Prevention Reviews	0	0	0	132	0	132
6. VRDE Reduction	0	-5	0	0	0	-3
7. Permit Assistance Center	0	0	0	0	500	500
Total Policy Changes	-409	1,038	-101	1,144	134	1,376
2001-03 Revised Appropriations	24,071	70,264	24,379	70,370	24,614	70,602

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. (Risk Management Account-State, Risk Management Account-Local)

2. Efficiencies and 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. 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. The Office of Financial Management 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-Nonappropriated)

5. Agency Loss Prevention Reviews - Funding is provided to implement House Bill 2353 or Senate Bill 6428 (loss prevention review teams). This funding lapses if HB 2353 or SB 6428 is not enacted by June 30, 2002. (Risk Management Account)

6. VRDE Reduction - 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)

7. Permit Assistance Center - Funding and staff are transferred from the Department of Ecology's Permit Assistance Center to the Office of Financial Management pursuant to Engrossed Second Substitute House Bill 2671 (permit assistance center.)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Office of Administrative Hearings
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	21,988	0	21,988	0	21,988
2002 Policy Changes:						
1. Unemployment Insurance Appeals	0	786	0	786	0	786
2. Efficiencies and Savings	0	-330	0	-330	0	-330
Total Policy Changes	0	456	0	456	0	456
2001-03 Revised Appropriations	0	22,444	0	22,444	0	22,444

Comments:

1. Unemployment Insurance Appeals - Appropriation authority is provided for the costs of increased unemployment insurance appeals. The Employment Security Department 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)

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Administrative Hearings Revolving Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Personnel
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	33,693	0	33,693	0	33,693
2002 Policy Changes:						
1. Reduced Agency Billings	0	0	0	0	0	-545
2. Efficiencies and Savings	0	-508	0	-260	0	-262
Total Policy Changes	0	-508	0	-260	0	-807
2001-03 Revised Appropriations	0	33,185	0	33,433	0	32,886

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 and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Department of Personnel Service Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
State Lottery Commission
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	763,162	0	763,162	0	763,162
2002 Policy Changes:						
1. "Big Game" Multi-State Lottery *	0	64,604	0	64,604	0	64,604
2. Reduced Existing Lottery Activity	0	-15,111	0	-15,111	0	-15,111
3. Efficiencies and Savings	0	-335	0	-335	0	-335
Total Policy Changes	0	49,158	0	49,158	0	49,158
2001-03 Revised Appropriations	0	812,320	0	812,320	0	812,320

Comments:

1. "Big Game" Multi-State Lottery * - Funding reflects implementation of Senate Bill 6560, which authorizes the State Lottery Commission to join "The Big Game" shared lottery, a multi-state lottery consortium. Gross revenues from sales for fiscal year 2003 are estimated at \$108.3 million. Expenditures are estimated at \$64.6 million, which includes prize payouts (\$54.1million), retailer commissions (\$7.6 million), vendor contracts (\$2.1 million), and advertising (\$0.8 million). \$18.8 million is anticipated to 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 fiscal year 2003 is transferred to the Violence Reduction and Drug Enforcement account, exclusively for the treatment of pathological gambling. Participation in "The Big Game" will generate approximately \$24.4 million in additional revenue in fiscal year 2003 for the state general fund. (Shared Game Account--Non-Appropriated)

2. 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)

3. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Lottery Administration Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Washington State Gambling Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	29,803	0	29,803	0	29,803
2002 Policy Changes:						
1. Efficiencies and Savings	0	-450	0	-450	0	-450
Total Policy Changes	0	-450	0	-450	0	-450
2001-03 Revised Appropriations	0	29,353	0	29,353	0	29,353

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Gambling Revolving Account--Non-Appropriated)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**WA State Comm on Hispanic Affairs**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	460	460	460	460	460	460
2002 Policy Changes:						
1. Co-locate and Consolidate Administr	-24	-24	-24	-24	-24	-24
Total Policy Changes	-24	-24	-24	-24	-24	-24
2001-03 Revised Appropriations	436	436	436	436	436	436

Comments:

1. Co-locate and Consolidate Administr - 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**African-American Affairs Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	420	420	420	420	420	420
2002 Policy Changes:						
1. Co-locate and Consolidate Administr	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>
Total Policy Changes	-2	-2	-2	-2	-2	-2
2001-03 Revised Appropriations	418	418	418	418	418	418

Comments:

1. Co-locate and Consolidate Administr - 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Personnel Appeals Board**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	1,679	0	1,679	0	1,679
2002 Policy Changes:						
1. Leave Cash Out for Board Members	0	26	0	26	0	26
Total Policy Changes	0	26	0	26	0	26
2001-03 Revised Appropriations	0	1,705	0	1,705	0	1,705

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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Retirement Systems**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	52,917	0	52,917	0	52,917
Total Maintenance Changes	0	125	0	125	0	125
2002 Policy Changes:						
1. Monitoring and Actuarial Services	0	225	0	0	0	0
2. Efficiencies and Savings	0	-711	0	-711	0	0
3. PERS 3 Transfer Payment	0	96	0	96	0	96
4. TRS 1 Extended School Year	0	9	0	9	0	9
5. LEOFF 2 Part-Time Leave of Absence	0	12	0	12	0	12
6. Transferring Service Credit to WSPRS	0	122	0	122	0	122
7. Survivor Benefits	0	651	0	627	0	651
8. PERS 1 Terminated Vested	0	53	0	53	0	53
9. Administrative Rate Reduction	0	0	0	0	0	-732
10. EMT Service Credit Transfer	0	0	0	0	0	130
Total Policy Changes	0	457	0	208	0	341
2001-03 Revised Appropriations	0	53,499	0	53,250	0	53,383

Comments:

3. PERS 3 Transfer Payment - Funding is provided for DRS to modify computer systems, communication materials and member presentation materials relating to the new transfer payment dates created by SB 6376. (Department of Retirement Systems Expense Account)

4. TRS 1 Extended School Year - Funding is provided for DRS to update TRS Plan 1 communication materials and the retiree application for extended school year members pursuant to SB 6377. (Department of Retirement Systems Expense Account)

5. 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 SB 6378. (Department of Retirement Systems Expense Account)

6. Transferring Service Credit to WSPRS - Funding is provided to DRS to update communication materials, operations manual and the member information system for eligible members who elect to transfer all past PERS Plan 2 service credit into WSPRS pursuant to SB 6379. (Department of Retirement Systems Expense Account)

7. Survivor Benefits - Funding is provided to DRS for computer system modification costs related to the changes in automatic and optional survivor benefits pursuant to ESB 6380. (Department of Retirement Systems Expense Account)

8. 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 SB 6381. (Department of Retirement Systems Expense Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Retirement Systems

9. Administrative Rate Reduction - The appropriations in this section are reduced to reflect savings resulting from a 0.01 percent reduction of the department of retirement systems administrative expense rate, effective May 1, 2002, from 0.23 to 0.22 for the remainder of the 2001-03 biennium. (Department of Retirement Systems Expense Account)

10. EMT Service Credit Transfer - Funding is provided for DRS to modify the member information system to identify emergency medical technicians who choose to transfer past PERS service credit to LEOFF 2 as directed by HB 2896. (Department of Retirement Systems Expense Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
State Investment Board
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	12,876	0	12,876	0	12,876
2002 Policy Changes:						
1. New Leased Facility	0	779	0	779	0	779
2. Efficiencies and Savings	0	-194	0	-194	0	-194
Total Policy Changes	0	585	0	585	0	585
2001-03 Revised Appropriations	0	13,461	0	13,461	0	13,461

Comments:

1. 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)

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (State Investment Board Expense Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Revenue**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	145,207	155,498	145,207	155,498	145,207	155,498
2002 Policy Changes:						
1. Tax Education and Tax Collection	6,260	6,260	6,260	6,260	6,260	6,260
2. Efficiencies and Savings	-699	-699	-699	-699	-699	-699
3. Motor Vehicle Sales Tax *	0	0	0	115	0	109
4. Assistance to Local Governments	50	50	0	0	0	0
5. Tax Incentives Study	90	90	0	0	90	90
6. Municipal B&O Tax Uniformity	0	0	0	0	114	114
Total Policy Changes	5,701	5,701	5,561	5,676	5,765	5,874
2001-03 Revised Appropriations	150,908	161,199	150,768	161,174	150,972	161,372

Comments:

1. Tax Education and Tax Collection - Funding is provided to improve tax collection, tax discovery, and overall tax compliance. Additional taxpayer education, audit activity, tax discovery efforts, and delinquent account collections will be undertaken to increase tax compliance. These strategies are projected to generate \$41.6 million dollars in General Fund-State revenue and \$6.8 million dollars in revenue for local governments during FY 2003; and another \$110.8 million dollars in revenue for both state and local government in the 2003-05 biennium.

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

3. Motor Vehicle Sales Tax * - Funding is provided pursuant to House Bill 2969 (transportation), for education and administrative activities associated with a phased increase to the state sales and use tax on motor vehicles. (Multimodal Transportation Account)

5. 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.

6. Municipal B&O Tax Uniformity - One-time funding is provided pursuant to House Bill 2658 (municipal business and occupation tax) which intends to provide for a more uniform system of city business and occupation 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Board of Tax Appeals**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	2,231	2,231	2,231	2,231	2,231	2,231
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-52</u>	<u>-52</u>	<u>-31</u>	<u>-31</u>	<u>-31</u>	<u>-31</u>
Total Policy Changes	-52	-52	-31	-31	-31	-31
2001-03 Revised Appropriations	2,179	2,179	2,200	2,200	2,200	2,200

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Dept of General Administration**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,179	133,029	1,179	133,029	1,179	133,029
2002 Policy Changes:						
1. Revolving Fund Reductions	0	-620	0	-642	0	-642
2. Nonappropriated Revolving Fund	0	0	0	-1,302	0	-1,302
3. Efficiencies and Savings	0	0	-19	-19	-19	-19
4. Transfer Risk Management Office	0	-1,460	0	-1,452	0	-1,452
5. Recycling and Waste Reduction	44	44	0	0	44	44
Total Policy Changes	44	-2,036	-19	-3,415	25	-3,371
2001-03 Revised Appropriations	1,223	130,993	1,160	129,614	1,204	129,658

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. 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)

2. Nonappropriated 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 - Nonappropriated)

3. Efficiencies and 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. Transfer Risk Management Office - The Office of Risk Management is transferred from the Department of General Administration to the Office of Financial Management. (General Administration Services Account)

5. Recycling and Waste Reduction - One-time funding is provided for the department to implement the recycling and waste reduction provisions of SHB 2308.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Information Services**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	209,488	0	209,488	0	209,488
2002 Policy Changes:						
1. Revolving Fund Reductions	0	-96	0	-96	0	-96
2. Nonappropriated Revolving Fund Adj	0	0	0	-2,660	0	-1,995
Total Policy Changes	0	-96	0	-2,756	0	-2,091
2001-03 Revised Appropriations	0	209,392	0	206,732	0	207,397

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 (PRD) staff who provide information technology consulting services to agencies and the Information Services Board. (Data Processing Revolving Account)

2. Nonappropriated 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. The Department of Information Services 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-Nonappropriated)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Office of Insurance Commissioner**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	29,675	0	29,675	0	29,675
2002 Policy Changes:						
1. SHIBA HelpLine	0	204	0	204	0	204
2. SHIBA Sponsor Reimbursement	0	176	0	176	0	176
3. Health Carrier Examinations	0	495	0	495	0	495
4. Efficiencies & Savings	0	0	0	-721	0	0
Total Policy Changes	0	875	0	154	0	875
2001-03 Revised Appropriations	0	30,550	0	29,829	0	30,550

Comments:

1. SHIBA HelpLine - The OIC provides support for the Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine that coordinate volunteer organizations assisting citizens with health insurance consumer issues. This activity is funded by a one-time, three year, federal Harken grant from the Administration on Aging. The grant terminates on June 30, 2002 and state funding is provided to continue the service. (Insurance Commissioner's Regulatory Account)

2. SHIBA Sponsor Reimbursement - Funding is provided to revise the formula by which nonprofit sponsor organizations in local communities to recruit and train volunteers who provide insurance assistance, advocacy, and education to Washington residents. (Insurance Commissioner's Regulatory Account)

3. Health Carrier Examinations - The OIC will conduct in-depth on-site financial examinations of health carriers. On-site financial examinations will detect and allow for the correction of financially distressed health insurers. (Insurance Commissioner's Regulatory Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Washington Horse Racing Commission
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	4,504	0	4,504	0	4,504
2002 Policy Changes:						
1. Efficiencies and Savings	<u>0</u>	<u>-68</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-68</u>
Total Policy Changes	0	-68	0	0	0	-68
2001-03 Revised Appropriations	0	4,436	0	4,504	0	4,436

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Horse Racing Commission Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
WA State Liquor Control Board
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	2,967	153,229	2,967	153,229	2,967	153,229
Total Maintenance Changes	0	3,098	0	3,098	0	3,577
2002 Policy Changes:						
1. Efficiencies and Savings	-45	-1,498	-45	-2,104	-45	-2,104
2. Material Handling System Components	0	741	0	741	0	741
3. Distribution Center FTEs	0	0	0	0	0	84
4. Law Enforcement Equipment	0	0	0	99	0	99
Total Policy Changes	-45	-757	-45	-1,264	-45	-1,180
2001-03 Revised Appropriations	2,922	155,570	2,922	155,063	2,922	155,626

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (General Fund - State, Liquor Revolving Account)

2. Material Handling System Components - Funding is provided for material handling system back-up parts that were not originally budgeted, because specific system requirements were not known at the time of the system design. 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 03, 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Utilities and Transportation Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	31,235	0	31,235	0	31,235
2002 Policy Changes:						
1. Performance Audit	0	0	0	400	0	0
2. Efficiencies and Savings	0	-406	0	-406	0	-406
Total Policy Changes	0	-406	0	-6	0	-406
2001-03 Revised Appropriations	0	30,829	0	31,229	0	30,829

Comments:

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Public Service Revolving Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Military Department**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	18,144	257,367	18,144	257,367	18,144	257,367
Total Maintenance Changes	0	-112,569	0	-112,569	0	-112,465
2002 Policy Changes:						
1. Efficiencies and Savings	-449	-449	-269	-269	-269	-269
2. Homeland Security	0	0	106	106	0	0
3. E911 Program Network Upgrade	0	907	0	907	0	907
4. Wireless Enhanced 911 #	0	2,818	0	2,818	0	2,818
Total Policy Changes	-449	3,276	-163	3,562	-269	3,456
2001-03 Revised Appropriations	17,695	148,074	17,981	148,360	17,875	148,358

Comments:

1. Efficiencies and 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. E911 Program Network Upgrade - One-time funding is provided for 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. (Enhanced 911 Account)

4. Wireless Enhanced 911 # - Funding is provided for the implementation of HB 2595 (enhanced 911 excise tax), 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. (Enhanced 911 Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Public Employment Relations Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	4,318	4,318	4,318	4,318	4,318	4,318
2002 Policy Changes:						
1. Initiative 775 Impact	285	285	285	285	285	285
2. Efficiencies and Savings	-86	-86	-86	-86	-86	-86
3. Higher Ed Bargaining Impacts	47	47	0	0	47	47
Total Policy Changes	246	246	199	199	246	246
2001-03 Revised Appropriations	4,564	4,564	4,517	4,517	4,564	4,564

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 Employee's Collective Bargaining Act administered by the 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 and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

3. Higher Ed Bargaining Impacts - Funding is provided for increased workload related to higher education-related collective bargaining, pursuant to 2SHB 2403 and ESHB 2540. 2SHB 2403 provides for collective bargaining between all state four-year higher education institutions and their faculty. ESHB 2504 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Growth Management Hearings Board
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,003	3,003	3,003	3,003	3,003	3,003
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-75</u>	<u>-75</u>	<u>-45</u>	<u>-45</u>	<u>-45</u>	<u>-45</u>
Total Policy Changes	-75	-75	-45	-45	-45	-45
2001-03 Revised Appropriations	2,928	2,928	2,958	2,958	2,958	2,958

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
State Convention and Trade Center
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	67,734	0	67,734	0	67,734
2002 Policy Changes:						
1. Efficiencies and Savings	0	-579	0	0	0	0
Total Policy Changes	0	-579	0	0	0	0
2001-03 Revised Appropriations	0	67,155	0	67,734	0	67,734

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**WA State Health Care Authority**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	13,309	682,887	13,309	682,887	13,309	682,887
Total Maintenance Changes	0	-3,997	0	-3,997	0	-3,997
2002 Policy Changes:						
1. Transfer Community Health Services	-6,654	0	-6,654	0	-6,654	0
2. Basic Health Enrollment Expansion	0	41,238	0	41,238	0	41,238
3. Low-Income Dental Clinics	3,000	3,000	0	0	0	0
4. Low-Income Clinics	0	0	0	0	0	3,000
5. Efficiencies and Savings	0	-766	0	-200	0	-766
6. PEBB Participation for K-12	0	0	0	178	0	183
7. Consolidated Drug Purchasing	0	1,359	0	1,359	0	1,359
Total Policy Changes	-3,654	44,831	-6,654	42,575	-6,654	45,014
2001-03 Revised Appropriations	9,655	723,721	6,655	721,465	6,655	723,904

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 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. Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated)

4. Low-Income Clinics - State grant support is increased for the non-profit community clinics. These funds are targeted towards the 27,000 non-citizen children and adults who will no longer be eligible for dental coverage through DSHS Medical Assistance programs, and for interpreter services to the extent needed for access to service and not available from any other source. (Health Services Account-State)

5. Efficiencies and Savings - The agency is to take actions consistent with its missions, goals, and objectives to reduce operating costs. Strong consideration is to be given to the best practice proposals put forth by the Office of Financial Management and the Department of Information Services. To the extent possible, such action is to maintain client services and state revenues. Actions may include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal services contracts. (Health Services Account-State, Health Care Authority Administrative Account)

6. PEBB Participation for K-12 - Funding is provided to implement Substitute House Bill 2536 (School district employees/health care). The bill requires that the Health Care Authority charge a composite rate, rather than a tiered rate based on family size, for school districts which purchase health and other insurance benefits through the Health Care Authority. The bill provides that the Health Care Authority is 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. (Health Care Authority Administration Account - State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
WA State Health Care Authority

7. Consolidated Drug Purchasing - Funding is provided for implementation of Substitute Senate Bill 6368. The legislation is expected to increase the affordability and cost-effective utilization of prescription drugs by state agencies by: (1) establishing an evidence-based preferred drug list for use by all state agencies; (2) educating providers and consumers regarding effective use of drugs on the preferred list; (3) implementing uniform drug utilization review procedures across all state agencies; and (4) instituting 2-5 disease management programs. (Health Services Account-State, General Fund-Medicaid, Medical Aid Account-State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Human Rights Commission**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	5,388	7,032	5,388	7,032	5,388	7,032
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-81</u>	<u>-81</u>	<u>-81</u>	<u>-81</u>	<u>-81</u>	<u>-81</u>
Total Policy Changes	-81	-81	-81	-81	-81	-81
2001-03 Revised Appropriations	5,307	6,951	5,307	6,951	5,307	6,951

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	29,406	0	29,406	0	29,406
Total Maintenance Changes	0	187	0	213	0	213
2001-03 Revised Appropriations	0	29,593	0	29,619	0	29,619

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Criminal Justice Training Comm**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	19,047	0	19,047	0	19,047
Total Maintenance Changes	0	85	0	85	0	85
2002 Policy Changes:						
1. Public Safety and Education	0	-512	0	-343	0	-369
2. Vendor Rate Change	0	-7	0	-5	0	-7
Total Policy Changes	0	-519	0	-348	0	-376
2001-03 Revised Appropriations	0	18,613	0	18,784	0	18,756

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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Labor and Industries
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	15,420	455,143	15,420	455,143	15,420	455,143
Total Maintenance Changes	0	1,322	0	1,322	0	1,322
2002 Policy Changes:						
1. Increased Farm Safety Inspections	0	507	0	507	0	507
2. Apprenticeship Transfer	-2,103	0	-2,103	0	-2,103	0
3. Employment Standards Transfer	-2,223	0	-2,223	0	-2,223	0
4. Crime Victims Program Reduction	0	-551	0	-370	0	-397
5. Efficiencies and Savings	0	0	-166	-166	0	0
6. Plumbing Contractors	0	0	0	96	0	96
7. Crime Victims Revenue Adjustment	0	0	0	0	0	0
8. Boiler Safety Inspection Increases	0	251	0	251	0	251
9. Occupational Safety & Health Grants	0	0	0	0	0	5,000
10. Increased Litigation Costs	0	529	0	529	0	529
11. Establish CVC Trust Account	0	0	0	0	0	0
12. Center for Occupational Health	0	300	0	0	0	300
Total Policy Changes	-4,326	1,036	-4,492	847	-4,326	6,286
2001-03 Revised Appropriations	11,094	457,501	10,928	457,312	11,094	462,751

Comments:

1. Increased Farm Safety Inspections - Increased inspections will improve workplace safety and the enforcement of labor laws for agricultural workers in Washington. This addresses a complaint filed by worker advocates under the North American Agreement of Labor Cooperation, a side-agreement to the North American Free Trade Agreement stating that farm workers need more protection from labor law abuses and safe workplaces. (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, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)

6. Plumbing Contractors - Funding is provided to implement House Bill 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. If HB 2470 is not enacted by June 30, 2002, the funding provided lapses. (Plumbing Certificate Account-State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Labor and Industries

8. Boiler Safety Inspection Increases - An estimated 5,000 boilers are installed in Washington each year without safety inspections. The Board of Boiler Rules has mandated a new formalized boiler permitting process that will require boiler installers to notify the Department of Labor and Industries (L&I) and obtain a safety inspection. These inspections will greatly increase safety but will result in a significant increase in L&I's inspection workload. Inspection responsibilities are projected to grow by as much as 47 percent (7,500 inspections) by the end of Fiscal Year 2003. Inspection fees and boiler permit fees will offset the costs of the new inspections. (Pressure Systems Safety Account)

9. Occupational Safety & Health Grants - The Occupational Safety and Health Impact Grant Program will be re-established in Fiscal Year 2003. This grant program provides funds to employee and employer organizations for worker safety programs such as educational efforts, training and testing new safety methods. The grant program will provide \$5 million in Fiscal Year 2003. (Medical Aid Account)

10. 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)

11. Establish CVC Trust Account - SB 6492 establishes the Crime Victims Trust Account. Revenue that was previously deposited into the PSEA-Local and PSEA-Federal accounts will now be deposited into this new, non-appropriated account. Funds in the new account will be used for crime victims compensation claims. (Public Safety and Education Account-Federal, Public Safety and Education Account-Local)

12. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Indeterminate Sentence Review Board

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,998	1,998	1,998	1,998	1,998	1,998
2002 Policy Changes:						
1. Efficiencies & Savings	-30	-30	-30	-30	-30	-30
Total Policy Changes	-30	-30	-30	-30	-30	-30
2001-03 Revised Appropriations	1,968	1,968	1,968	1,968	1,968	1,968

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Home Care Quality Authority

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	0	0	0	0	0
Total Maintenance Changes	152	152	152	152	152	152
2001-03 Revised Appropriations	152	152	152	152	152	152

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Health**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	132,249	631,161	132,249	631,161	132,249	631,161
Total Maintenance Changes	0	2,325	0	2,325	0	2,325
2002 Policy Changes:						
1. Maximize Use of Federal Funds	-1,111	-323	-1,111	-323	-1,111	-323
2. Administrative Reductions #	-421	-421	-421	-421	-421	-421
3. HIV Early Intervention Funding	-757	-33	-757	-33	-757	-33
4. Transfer COBRA Insurance Coverage #	3,203	3,203	3,203	3,203	0	0
5. Cost-Sharing for HIV Assistance	-717	-717	-717	-717	-484	-484
6. I-773 Tobacco Plan Enhancement	0	8,745	0	8,745	0	8,745
7. AIDS Prescription Drug Program Fund	0	0	-4,339	0	0	0
8. Childhood Vaccines Fund Shift	-11,641	0	-11,641	0	-11,641	0
9. Federal Bio-Terrorism Funding	0	18,121	0	18,121	0	18,121
10. Upgrade Hospital Reporting System	0	599	0	599	0	599
11. Certificate of Need Staff Increase	0	0	0	105	105	105
12. Disciplinary Tracking System	0	294	0	294	0	294
13. Efficiencies & Savings	0	0	0	-574	0	-574
14. Recreation Therapy	0	0	0	56	0	56
15. Infant-Friendly Certification	-83	-83	0	0	-83	-83
16. Northwest Family Center	-174	-174	-174	-174	-174	-174
17. Vaccine Funding Savings	-3,680	-5,508	-3,680	-5,508	-3,680	-5,508
18. Initiate Fees for Syphilis Testing	-80	0	-80	0	-80	0
19. Initiate Fees for Shellfish Testing	-702	0	-702	0	-702	0
20. Water Conservation and Reuse	-182	0	-182	0	-182	0
21. Group B Water Inventory Completion	-220	-220	-220	-220	-220	-220
22. Reduce Children's Hospital Contract	-182	-182	-182	-182	-182	-182
23. AIDSNETS Funding Reduction	-360	-360	-1,000	-1,000	-360	0
24. Regulate Adult Family Homes	0	-224	0	-224	0	-224
25. Children's Environmental Health	0	48	0	0	0	0
26. Senate Bill 6037	0	0	0	0	0	37
Total Policy Changes	-17,107	22,765	-22,003	21,747	-19,972	19,731
2001-03 Revised Appropriations	115,142	656,251	110,246	655,233	112,277	653,217

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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Health

2. Administrative Reductions # - Funding for a variety of administrative functions is reduced. RCW 68.50 is to be repealed, so that the corneal eyebank 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 benefits. 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.

3. HIV Early Intervention Funding - The 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 03, to \$2.65 million, rather than by \$970,000 as originally budgeted. (General Fund-State, General Fund-Federal, General Fund-Local)

5. 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 due to 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% 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 Fiscal Year 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.

6. I-773 Tobacco Plan Enhancement - Initiative 773 requires an appropriation of no less than \$26,240,000 each fiscal year starting with Fiscal Year 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)

8. 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)

9. Federal Bio-Terrorism Funding - In consultation with the federal government, local public health departments, hospitals, medical professionals, and state and local public safety agencies, the Department of Health 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 state-wide and regional response to bio-terrorism incidents and infectious disease outbreaks; mass distribution of antibiotics, vaccines, and medical materiel 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)

10. 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 the CHARS system next biennium by the projected operating costs savings. (Hospital Commission Account)

11. Certificate of Need Staff Increase - Funding authority is provided to increase by one FTE the number of staff supporting the Certificate of Need program. The Department of Health will increase the fee for review of certificate of need applications and requests for exemptions from certificate of need reviews as needed to support the additional FTE. (General Fund-Local)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Health

12. Disciplinary Tracking System - During the 1999-01 Biennium, the Department of Health 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)

13. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. 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 OFM approval, can use fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Health Professions Account)

14. Recreation Therapy - Funding is provided to implement Substitute House Bill 2315 (recreation therapy). SHB 2315 creates a registration program for recreational therapists. (Health Professions Account)

15. Infant-Friendly Certification - Chapter 88, Laws of 2001 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, the Department of Health 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.

16. Northwest Family Center - This option would eliminate state grant support to the Northwest Family Center. 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.

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

18. 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. This proposal would limit free syphilis tests to those requested by public health and community health agencies, and impose an approximately \$25 fee to cover the cost of tests ordered by all other individuals and organizations. (General Fund-State, General Fund-Private/Local)

19. 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 testing is currently supported by the state General Fund. This item requires commercial shellfish growers to pay for testing related to their commercial product beginning July 1, at an average fee of approximately \$100 per test. In accordance with Substitute Senate Bill 6790, it also requires 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 will also be fee-supported rather than state-subsidized. (General Fund-State, General Fund-Private/Local)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Health

20. 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 03-05 biennium if a comprehensive water strategy is enacted in the 2002 session which includes a significant municipal conservation and reuse component. (General Fund-State, Salmon Recovery Account)

21. 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 03 appropriation level for start-up and baseline inventory activities already completed in CY 02. Sufficient funds remain to continue financial assistance grants at the \$800,000 per year level in CY 03.

22. Reduce Children's Hospital Contract - State funding to Children's Hospital and Regional Medical Center (CHRMC) is reduced. This contract supports the CHRMC for Children with Special Needs to provide collaborative efforts to improve statewide systems of care for children with special health care needs. The CHRMC develops assessment strategies, quality assurance processes, and family involvement strategies. The Center also informs and educates providers, policy makers, and others about children with special health care needs.

23. AIDSNETS Funding Reduction - The six regional AIDS networks receive state and federal funding to provide outreach and prevention activities targeted to populations 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 calendar year 2001). Due to increased federal appropriations, there would be no reduction in total funding levels for the AIDSNETs at this state funding level. (General Fund-State, General Fund-Federal)

24. Regulate Adult Family Homes - Senate Bill 6289 and House Bill 2444 remove the unnecessary duplication in the regulatory requirements for Adult Family Home (AFH) providers and resident managers. Currently the facilities are licensed by the Department of Social and Health Services (DSHS) and the providers and managers are registered by the Department of Health (DoH). This legislation will eliminate the registration of the AFH providers and resident managers by DoH, and the fees they pay to cover the cost of that registration, and transfer the Adult Family Home Advisory Committee to DSHS. (Health Professions Account)

26. Senate Bill 6037 - Funds are provided for implementation of SB 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Veterans' Affairs
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	19,756	75,977	19,756	75,977	19,756	75,977
Total Maintenance Changes	0	0	97	97	97	97
2002 Policy Changes:						
1. Reduce Vendor Rate	-12	-12	-10	-10	-12	-12
2. Efficiencies and Savings	-244	-244	-219	-219	-244	-244
3. Bed Conversions Shortfall	-7	-1,539	-7	-1,539	-7	-1,539
4. Facility Start-Up Delays	0	-2,516	0	-2,516	0	-2,516
5. Homeless Veterans Reintegration	0	0	0	155	0	155
Total Policy Changes	-263	-4,311	-236	-4,129	-263	-4,156
2001-03 Revised Appropriations	19,493	71,666	19,617	71,945	19,590	71,918

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 and Savings - The agency shall take actions consistent with its mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practices proposals put forth by OFM and DIS. 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 services contracts. The agency, with OFM approval, may use fiscal year 2002 savings to offset the fiscal year 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-Private/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-Private/Local)

5. Homeless Veterans Reintegration - Federal funding is provided to extend the Homeless Veterans Reintegration grant. (General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Corrections**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,039,588	1,080,427	1,039,588	1,080,427	1,039,588	1,080,427
Total Maintenance Changes	41,103	38,394	41,103	38,394	41,103	38,394
2002 Policy Changes:						
1. Public Safety and Education Account	0	-483	0	-324	0	-348
2. DNA Database #	31	31	0	0	0	0
3. Drug Offender Sentencing	0	0	-100	-100	-100	-100
4. Work Release Privatization #	-1,610	-1,610	-1,610	-1,610	0	0
5. Eliminate Monetary Supervision #	-2,273	-2,273	-2,273	-2,273	0	0
6. Eliminate Low Community Supervn #	-3,127	-3,127	-3,127	-3,127	0	0
7. Elim PreSentence Investigation #	-2,173	-2,173	-2,173	-2,173	-2,173	-2,173
8. Education Contract Consolidation	-1,223	-1,223	-1,223	-1,223	-1,223	-1,223
9. Food Service Efficiencies	-464	-464	-464	-464	-464	-464
10. Eliminate Mental Health Contract	-330	-330	-330	-330	-330	-330
11. Motor Vehicle Theft #	53	53	53	53	53	53
12. MAP Implementation	50	50	0	0	0	0
13. Efficiencies and Savings	-2,263	-2,263	-2,263	-2,263	-2,263	-2,263
14. Vendor Rate Change	-221	-221	-198	-198	-221	-221
15. Violence Reduction and Drug Account	0	-32	0	0	0	-18
16. Contracted Work Release Facilities	0	0	0	0	-1,358	-1,358
Total Policy Changes	-13,550	-14,065	-13,708	-14,032	-8,079	-8,445
2001-03 Revised Appropriations	1,067,141	1,104,756	1,066,983	1,104,789	1,072,612	1,110,376

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)

3. Drug Offender Sentencing - Savings are achieved through the implementation of 2SHB 2338 (drug offender sentencing), 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.

7. Elim PreSentence 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 mentally ill offenders.

8. Education Contract Consolidation - The Department of Corrections 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Corrections

9. Food Service Efficiencies - Savings are assumed as a result of the Department utilizing a standardized meal plans and menus in their correctional facilities, thereby eliminating duplicate workload between facilities. These efficiencies will not directly affect services or compromise cultural, or health requirements of incarcerated offenders.

10. Eliminate Mental Health Contract - The Department contracts with a third party reviewer to conduct staff training, program evaluation and periodic updates for the Department's mental health program. The Department 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.

11. Motor Vehicle Theft # - Funding is provided for the implementation of SSB 6490 (motor vehicle theft), which increases the penalties for motor vehicle theft crimes.

13. Efficiencies and 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. Unlike the across-the-board reduction applied to most state agencies, the reduction to the Department of Corrections (DOC) is only calculated based on selected administrative areas of DOC's budget.

14. 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.

15. Violence Reduction and Drug Account - 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)

16. Contracted Work Release Facilities - Savings are achieved by the Department of Corrections 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Dept of Services for the Blind**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,321	16,334	3,321	16,334	3,321	16,334
2002 Policy Changes:						
1. Efficiencies and Savings	-81	-81	-49	-49	-81	-81
2. Transfer from DSHS Voc Rehab	0	1,503	0	1,503	0	1,503
Total Policy Changes	-81	1,422	-49	1,454	-81	1,422
2001-03 Revised Appropriations	3,240	17,756	3,272	17,788	3,240	17,756

Comments:

1. Efficiencies and Savings - The agency shall take actions consistent with its mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practices proposals put forth by OFM and DIS. 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 services contracts. The agency, with OFM approval, may use fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2. Transfer from DSHS Voc Rehab - 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. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Sentencing Guidelines Commission**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,793	1,793	1,793	1,793	1,793	1,793
2002 Policy Changes:						
1. Efficiencies & Savings	<u>-25</u>	<u>-25</u>	<u>-26</u>	<u>-26</u>	<u>-25</u>	<u>-25</u>
Total Policy Changes	-25	-25	-26	-26	-25	-25
2001-03 Revised Appropriations	1,768	1,768	1,767	1,767	1,768	1,768

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Employment Security
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	426,339	0	426,339	0	426,339
Total Maintenance Changes	0	10,964	0	10,831	0	10,964
2002 Policy Changes:						
1. Unemployment Insurance Program	0	1,370	0	1,370	0	1,370
2. Overpayment Identification	0	0	0	2,620	0	0
3. UI Contribution Rate Increase	0	0	0	133	0	0
4. Redetermination for FML	0	156	0	156	0	156
Total Policy Changes	0	1,526	0	4,279	0	1,526
2001-03 Revised Appropriations	0	438,829	0	441,449	0	438,829

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)

4. Redetermination for FML - Funding is provided for the administrative costs of implementing Engrossed Substitute House Bill 2355 (unemployment insurance) which allows for redetermination of unemployment insurance benefits for persons who took unpaid family and medical leave. (Unemployment compensation Administrative Account-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Children and Family Services

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	464,802	844,299	464,802	844,299	464,802	844,299
Total Maintenance Changes	2,047	1,009	2,047	1,009	2,047	1,009
2002 Policy Changes:						
1. Violence Reduction and Drug Account	0	-114	0	0	0	-63
2. Eliminate Family Policy Council #	0	0	-1,248	-3,352	0	0
3. Eliminate Incr. Child Placing Slots	-694	-938	-694	-938	-694	-938
4. Pediatric Interim Care	-644	0	-161	0	-161	0
5. Family Reconciliation Services #	-1,686	-1,686	-1,686	-1,686	-1,686	-1,686
6. Crisis Residential Center Assess. #	-140	-140	-140	-140	-140	-140
7. Secure Crisis Residential Centers #	0	0	-4,700	-4,700	0	0
8. Eliminate Special Projects	-406	-406	-406	-406	-406	-406
9. Alternative Response System #	0	0	-157	-157	0	0
10. Continuum of Care #	0	0	-126	-126	0	0
11. Therapeutic Child Development	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000
12. Centralize After Hours Programs	-1,206	-1,652	-1,206	-1,652	-1,206	-1,652
13. Reduce Travel, Equipment, Training	-737	-1,010	-737	-1,010	-737	-1,010
14. DD Parent Participate in Support #	-690	-812	-690	-812	-690	-812
15. Public Safety and Education Account	0	-27	0	-18	0	-20
16. Reduce HOPE beds underutilization	0	0	-470	-470	0	0
17. Eliminate FY 03 RLSP bed increase	0	0	-312	-312	0	0
18. UI Contribution Rate Increase	0	0	2	2	0	0
19. Reduce Home Support Specialists	-625	-625	0	0	-625	-625
20. Hold Basic Foster Care at FY 02	-921	-1,535	-921	-1,535	-921	-1,535
21. Vendor Rate Change	-1,395	-1,819	-1,104	-1,440	-1,395	-1,819
22. Interpreter Services Efficiencies	0	0	-42	-50	-42	-50
Total Policy Changes	-11,144	-12,764	-16,798	-20,802	-10,703	-12,756
2001-03 Revised Appropriations	455,705	832,544	450,051	824,506	456,146	832,552

Comments:

1. Violence Reduction and Drug Account - 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)

2. Eliminate Family Policy Council # - Funding for the Community Public Health and Safety Networks and Family Policy Council staff is eliminated. (General Fund-State, Violence Reduction and Drug Enforcement Account)

3. 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)

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Dept of Social and Health Services
Children and Family Services

4. Pediatric Interim Care - Non-facility pediatric interim care programs have been determined eligible for partial federal funding. 30 percent federal funding is provided in lieu of General Fund-State for these programs. The one facility based pediatric interim care program will maintain full state funding. (General Fund-State, General Fund-Federal)

5. 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.

6. 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.

8. Eliminate Special Projects - AmeriCorps mentoring services to older foster youth in two regions, and a parenting program for families of other cultures are eliminated.

11. 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.

12. 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 holidays. (General Fund-State, General Fund-Federal)

13. Reduce Travel, Equipment, Training - Funding for travel, equipment, training, and conferences is reduced. (General Fund-State, General Fund-Federal)

14. DD Parent Participate in Support # - Parents of developmentally disabled (DD) children will no longer be exempted from participation in the financial responsibility of having their children in the Children's Administration foster care program. This support will help reduce the cost of foster care. (General Fund-State, General Fund-Federal)

15. 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)

19. 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.

20. Hold Basic Foster Care at FY 02 - 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. (General Fund-State, General Fund-Federal)

21. Vendor Rate Change - The FY 2003 vendor rate increase of 2.3 percent for the Department of Social and Health Services is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal, Public Safety and Education Account)

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Dept of Social and Health Services
Children and Family Services

22. 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 GF-State during the last six months of the current biennium and at \$5.4 million GF-State in 2003-05. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Juvenile Rehabilitation

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	170,715	241,095	170,715	241,095	170,715	241,095
Total Maintenance Changes	-4,452	-4,971	-4,452	-4,971	-4,452	-4,971
2002 Policy Changes:						
1. Truancy Petitions	0	0	-3,441	-4,500	0	0
2. Comm Opt for Lower-Risk Offenders	-295	-324	-295	-324	-295	-324
3. Restructure Parole Services	-1,099	-1,438	-1,205	-2,072	-1,399	-1,966
4. Comm Trans Options for Youth	-1,104	-1,104	-1,104	-1,104	-1,104	-1,104
5. Juvenile Violence Prevention Grant	0	0	-750	-750	0	0
6. DNA Database #	9	9	0	0	0	0
7. Reduce Employment Services	-250	-250	-250	-250	-250	-250
8. Diagnostic Services Rate Adjustment	-315	-315	-315	-315	-315	-315
9. Public Safety and Education Account	0	-172	0	-95	0	-124
10. Closure of Mission Creek Youth Camp	-1,452	-1,452	-1,452	-1,452	-1,452	-1,452
11. Enhanced Mental Health Services	778	778	1,267	1,267	778	778
12. Violence Reduction and Drug Account	0	-748	0	0	0	-412
13. Research Based Services	0	0	0	0	217	217
14. Vendor Rate Change	-185	-319	-150	-264	-185	-319
Total Policy Changes	-3,913	-5,335	-7,695	-9,859	-4,005	-5,271
2001-03 Revised Appropriations	162,350	230,789	158,568	226,265	162,258	230,853

Comments:

2. Comm Opt for Lower-Risk Offenders - The Juvenile Rehabilitation Administration (JRA) provides residential services to 263 youth whose offenses would not normally have resulted in a commitment to a JRA institution. JRA will develop less costly residential options in the community to meet the rehabilitation service needs for the lowest risk of these youth. Approximately 80 to 90 lowest risk youth will access alternative residential services, reducing the need for institutional beds. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

3. Restructure Parole Services - Savings are achieved by modifying current parole services to youth after release from Juvenile Rehabilitation Administration (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; or (5) reduce the number of lower-risk youth receiving parole services. (General Fund-State, General Fund-Federal)

4. Comm Trans Options for Youth - Youth 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 youth will serve 60 days less, and upon release, the youth will be transitioned to community aftercare monitoring.

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Dept of Social and Health Services
Juvenile Rehabilitation

7. Reduce Employment Services - Funding for employment related training to youth in the Juvenile Rehabilitation Administration (JRA) is reduced. Specifically, a contract with the Employment Security Department's Corrections Clearinghouse program is eliminated. The K-12 system will continue to provide vocational and other job skills training.

8. Diagnostic Services Rate Adjustment - Diagnostic services are provided in 22 community-based centers through contracts with the juvenile courts and in four state offices. The Juvenile Rehabilitation Administration (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.

9. 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)

10. Closure of Mission Creek Youth Camp - Mission Creek Youth Camp will be closed by July 2002 and the institution will be mothballed for future use. This closure will reduce Juvenile Rehabilitation Administration's (JRA) bed capacity by 60 beds. The closure will result in the relocation of these youth to other institutions. The juvenile offender basic training camp staging area will be relocated to an existing institution.

11. Enhanced Mental Health Services - Funding is provided for increased mental health services in the Juvenile Rehabilitation Administration's (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.

12. Violence Reduction and Drug Account - 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)

13. 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. The Juvenile Rehabilitation Administration will utilize this funding for youth identified as most in need for this type of rehabilitation programming.

14. Vendor Rate Change - Department of Social and Health Services 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Mental Health

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations	3/8/02	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	604,510	1,126,665	604,510	1,126,665	604,510	1,126,665
Total Maintenance Changes	9,280	24,156	9,280	24,156	9,980	24,158
2002 Policy Changes:						
1. Discontinue Legal Reimbursements	-1,814	-1,814	0	0	0	0
2. Adjust Inpatient Capitation Rates	-4,551	-9,170	-4,551	-9,170	-4,551	-9,170
3. Eliminate Mental Health Studies #	-250	-538	0	0	0	0
4. Expand Local Match Option for RSNs	0	11,419	0	11,419	0	11,419
5. Community Services Reductions	-2,015	-2,027	-1,887	-1,899	-2,715	-2,727
6. Secure Community Facil Reduction	-1,477	-1,477	-1,977	-1,977	-1,477	-1,477
7. PALS Community Alternatives	-351	-76	-351	-76	-351	-76
8. Expand Community Svcs. in E. Wa.	-346	-890	-346	-890	-346	-890
9. Reduce Research and Training	-386	-666	-386	-666	-386	-666
10. Spend Down RSN Reserves	-16,757	0	-16,757	0	-21,220	0
11. Siting of Additional Facilities	600	600	0	0	600	600
12. Streamline Audit Process	-122	-257	0	0	-122	-257
13. RSN Administrative Reduction	-169	-309	0	0	-169	-309
14. Vendor Rate Change	-16	-16	-8	-8	-16	-16
Total Policy Changes	-27,654	-5,221	-26,263	-3,267	-30,753	-3,569
2001-03 Revised Appropriations	586,136	1,145,600	587,527	1,147,554	583,737	1,147,254

Comments:

2. Adjust Inpatient Capitation Rates - The capitated amounts paid to the Regional Support Networks (RSN's) for community psychiatric hospitalizations are adjusted to reflect the fact that the 3,500 new disabled individuals, discussed in item 1 above, are very unlikely to be new users of inpatient services. Inpatient capitation payments to the RSN's 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)

4. Expand Local Match Option for RSNs - The Mental Health Division is authorized to increase Medicaid payment rates for Regional Support Networks (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)

5. Community Services Reductions - The atypical anti-psychotic medications pilot project is to be terminated at the beginning of 2002, rather than at the beginning of 2003 as currently budgeted, for a one-time savings of \$1.7 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)

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Dept of Social and Health Services
Mental Health

6. 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 Special Session (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.

7. 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 face a variety of other barriers to community placement. The budget provides approximately \$650,000 for the development of new community services to enable thirty 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 which 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)

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

9. 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)

10. Spend Down RSN Reserves - The Regional Support Networks (RSN's) reported \$47 million of accumulated reserves and fund balances at the end of FY 2001, which is about 14% 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.

11. 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 SSB 6594 (secure community transition facilities). 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.

12. Streamline Audit Process - The Mental Health Division has recently improved the efficiency of its centralized clinical licensing and auditing process by agreeing to "deem" community mental health providers which have been certified by national accreditation organizations as meeting state standards. Additional efficiencies can be achieved by establishing similar deeming arrangements for smaller providers which have been inspected and approved by Regional Support Networks which have a demonstrated record of effective clinical review processes. (General Fund-State, General Fund-Federal)

13. RSN Administrative Reduction - Regional Support Networks (RSN's) 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)

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Dept of Social and Health Services
Mental Health

14. Vendor Rate Change - Department of Social and Health Services contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Developmental Disabilities

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02		Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	620,544	1,187,715	620,544	1,187,715	620,544	1,187,715
Total Maintenance Changes	6,850	17,161	9,204	17,161	6,850	17,161
2002 Policy Changes:						
1. Voluntary Placement Parent Pay #	-720	-720	-720	-720	-720	-720
2. ARC Lawsuit	13,200	14,800	0	0	10,320	14,040
3. Freeze Case Manager Hiring	-3,267	-5,855	-2,654	-4,757	-3,267	-5,855
4. Reinstate Caseworker Increase FY03	1,005	1,801	0	0	0	0
5. Reduce RHC Staffing	-1,413	-2,883	-1,413	-2,883	-1,413	-2,883
6. UI Contribution Rate Increase	0	0	16	32	0	0
7. Reduce Professional Services	-357	-357	-357	-357	-357	-357
8. Professional Service Contracts	0	0	-1,222	-1,222	-500	-500
9. Fund Source Adjustment	-1,767	0	-1,767	0	-1,767	0
10. Change MCP Eligibility	-364	-728	0	0	0	0
11. Parent Support for Children <18yrs	-10	-20	-10	-20	-10	-20
12. Respite Bed Funding	116	232	0	0	116	232
13. Vendor Rate Change	-690	-962	-779	-1,344	-690	-962
14. Homecare Worker Wage Increase	0	0	0	0	1,310	2,517
Total Policy Changes	5,733	5,308	-8,906	-11,271	3,022	5,492
2001-03 Revised Appropriations	633,127	1,210,184	620,842	1,193,605	630,416	1,210,368

Comments:

1. Voluntary Placement Parent Pay # - Effective July 1, 2002, the Voluntary Placement Program (VPP) for foster care placement will implement a parent pay requirement to help offset the costs for care. Parents will be 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 is estimated to impact approximately 400 VPP participants. The Division of Child Support will collect payments and is assumed to have sufficient staff in place to administer the additional casework. (General Fund-State, General Fund-Federal)

2. 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.

Funding is provided to expanded 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. The legislature finds that providing cash assistance to individuals and families needing these supports promotes self determination and independence. 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 developmental disabilities in families with low and moderate incomes.

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)

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Developmental Disabilities

3. Freeze Case Manager Hiring - In the 2001-03 budget, the Division received funding to hire 48 new case managers (and support staff) during Fiscal Year 2002. (General Fund-State, General Fund-Federal)

4. Reinstate Caseworker Increase FY03 - The biennial budget provided funding for additional case managers to oversee the quality of care for persons on the home and community based waiver. Those new positions were frozen last fall. Funding is provided to begin hiring additional case managers in FY 2003. This funding along with funding for the expansion of community services, improvement of 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)

5. Reduce RHC Staffing - Residential Habilitation Centers are reduced by a total of 65.4 FTEs in FY03. Direct care staff will not be affected. Positions will be identified in auxiliary services such as custodial, kitchen and administration. (General Fund-State, General Fund-Federal)

7. 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)

8. Professional Service Contracts - Savings are achieved by reducing professional services contracts by \$500,000 in fiscal year 2003. Contracts for technical assistance related to employment and day services are retained.

9. 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)

11. Parent Support for Children <18yrs - Effective July 1, 2002, parents with children under 18 years of age in Residential Habilitation Centers are required to contribute towards the costs of care. Parents will be expected to pay on average \$150 a month, which is the average to be collected from parents with children in foster care and the voluntary placement program. (General Fund-State, General Fund-Federal)

12. Respite Bed Funding - Funding is provided to allow greater access to 5 more available respite beds at Yakima Valley School. (General Fund-State, General Fund-Federal)

13. Vendor Rate Change - The implementation of the second year vendor rate increase of 2.3 percent for the Department of Social and Health Services is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal)

14. Homecare 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. (General Fund-State, General Fund-Federal)

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Dept of Social and Health Services

Long-Term Care

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,056,818	2,144,082	1,056,818	2,144,082	1,056,818	2,144,082
Total Maintenance Changes	-25,229	-55,766	-25,229	-55,766	-25,385	-56,066
2002 Policy Changes:						
1. Raise AAA Case Mgt. Reimbursement	311	622	0	0	311	622
2. UI Contribution Rate Increase	0	0	43	85	0	0
3. Treatment of Resources	0	0	-2,783	-5,555	-2,670	-5,351
4. Nursing Home Rate Reductions	0	0	-11,091	-22,222	0	0
5. Adjust Licensing Fees	-7,558	0	0	0	-7,558	0
6. Adjust Rates for Fee Increase	1,064	2,132	1,062	2,129	1,064	2,132
7. Don't Implement In-Home Waiver	-1,224	-2,453	0	0	-1,224	-2,453
8. Revise Bed Retainer Policy	-776	0	0	0	-776	0
9. Improve Ancillary Cost Management	-496	-994	0	0	-496	-994
10. Assisted Living Rate Reduction	-286	-582	-1,390	-2,780	-1,390	-2,780
11. Modify Personal Care Eligibility	-2,426	-4,852	0	0	0	0
12. Transfer Volunteer Programs	-135	-135	0	0	-135	-135
13. SCSA & OAA Funding Adjustments	-639	7,159	0	0	-639	7,159
14. Vendor Rate Change	-1,710	-3,326	-2,694	-5,390	-1,710	-3,326
15. Homecare Worker Wage Increase	0	0	0	0	2,927	5,872
Total Policy Changes	-13,875	-2,429	-16,853	-33,733	-12,296	746
2001-03 Revised Appropriations	1,017,714	2,085,887	1,014,736	2,054,583	1,019,137	2,088,762

Comments:

1. Raise AAA Case Mgt. Reimbursement - The state Department of Social and Health Services contracts with Area Agencies on Aging (AAA's) 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 02, and at \$80,143 per AAA case manager for FY 03, but the AAA's 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 service directly, rather than under contract with the AAA's. (General Fund-State, General Fund-Medicaid)

3. 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 about \$17,000 and \$89,000 in savings or other liquid assets. Washington and at least half the other states presently set the spousal asset limitation at the \$89,000 maximum.

As provided in House Bill 3002 (institutionalized persons), the spousal asset standard is to be reduced to \$30,000. Spouses of new applicants for nursing home and community-based care will need to "spend down" all savings over \$30,000 before the state would pay for their long-term care. The change would only affect new applicants: people who are already receiving publicly-funded care would continue to be eligible. There would be no reduction in the level of monthly income that the non-recipient spouse would be able to retain for his or her living expenses.

Additional staffing is provided for the Department of Social and Health Services to conduct a "spousal asset" determination for all nursing home admissions upon request, regardless of whether they were applying for Medicaid. The additional staffing would also be needed to increase efforts to detect under-reporting of assets and unallowable transfers. (General Fund-State, General Fund-Federal)

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Long-Term Care

5. 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 the licensing and inspection function, 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 anticipates passage of legislation requiring that adult family home fees cover an increased share of the public cost of licensing and inspecting them. Over a two-year period, the fees are 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 GF-S "savings" shown here is in fact a diversion of licensing fees currently deposited into the state general fund. This item anticipates 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-Private/Local)

6. 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)

7. Don't Implement In-Home Waiver - The 2001 Legislature authorized the Department of Social and Health Services 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 being served, the program will not be implemented. (General Fund-State, General Fund-Medicaid)

8. Revise Bed Retainer Policy - In January 2001, the DSHS Aging and Adult Services Administration instituted a new policy which 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-Medicaid)

9. 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 02 level in FY 03. The FY 02 level is 20 percent higher than the FY 01 level, but 13 percent lower than the increase which is otherwise expected to occur in FY 03. (General Fund-State, General Fund-Medicaid)

10. Assisted Living Rate Reduction - The assisted living reimbursement rate is adjusted by eliminating the capital add-on provision to the assisted living rate for those facilities with fewer than 50 percent Medicaid clients. The add-on provision was established in the 1996 to encourage expansion and development of assisted living services. (General Fund-State, General Fund-Federal)

12. 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 eleven areas across the state to offer emotional support to children with special needs. (General Fund-State, General Fund-Federal)

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Long-Term Care

13. SCSA & OAA Funding Adjustments - This item appropriates the additional \$7.8 million of federal Older Americans Act (OAA) funding which Washington's Area Agencies on Aging (AAA's) will be receiving in 2001-03. Such funding increased by \$2.6 million (19 percent) in federal fiscal year 2001, and by an additional \$1.7 million (10 percent) in federal fiscal year 2002. This item also discontinues the increase in state funding which was provided to the AAA's 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)

14. Vendor Rate Change - Department of Social and Health Services 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/hour low-wage worker increase provided on July 1, 2001. (General Fund-State, General Fund-Federal)

15. Homecare 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. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Economic Services Administration

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	861,310	2,249,449	861,310	2,249,449	861,310	2,249,449
Total Maintenance Changes	15,964	19,643	15,964	19,643	15,964	19,643
2002 Policy Changes:						
1. UI Contribution Rate Increase	0	0	34	34	0	0
2. Fund Source Adjustment	-2,092	0	-2,092	0	-2,092	0
3. GA-U Program Efficiencies	-1,500	-1,500	-16,986	-16,986	-5,437	-5,437
4. Feds Resume Food Stamps for Immigr	-4,500	-4,500	-4,500	-4,500	-1,600	-1,600
5. Increase SSI Recoveries for GA-U	-2,670	-2,670	-2,670	-2,670	0	0
6. Re-Program SSI Supplements	-28,000	-28,000	-10,000	-10,000	-24,000	-24,000
7. Fund Child Care Caseload Increase	15,000	15,000	0	0	0	0
8. Adjust Accounting - SSI Recoveries	0	0	0	0	-5,570	-5,570
9. Vendor Rate Change	-289	-473	-229	-374	-289	-473
10. Interpreter Services Efficiencies	-328	-669	-328	-669	-328	-669
Total Policy Changes	-24,379	-22,812	-36,771	-35,165	-39,316	-37,749
2001-03 Revised Appropriations	852,895	2,246,280	840,503	2,233,927	837,958	2,231,343

Comments:

2. 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)

3. GA-U Program Efficiencies - The General Assistance - Unemployable (GA-U) program is reduced to reflect more efficient administration of the program.

4. 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 fiscal year 2003 includes this provision, and support in Congress has been expressed by both parties. This adjustment assumes the change will be effective October 2002.

5. Increase SSI Recoveries for GA-U - When a GA-U recipient becomes eligible for SSI, they receive a lump-sum payment of benefits back to the date of application for SSI. The state recovers these retroactive benefits and applies them to GA-U payments made to the recipient. The balance of the retroactive benefits is sent to the beneficiary. Federal rules also allow states to apply these retroactive benefits to goods and services provided to the recipient to meet basic needs. This adjustment assumes that the department will begin applying these SSI recoveries to other services provided to the recipient to meet basic needs, such as legal assistance and other support services.

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Economic Services Administration

6. Re-Program SSI Supplements - Funding is reduced in the economic services budget to support the re-programming of Supplemental Security Income (SSI) state supplemental payments. Beginning July 2002, state supplemental 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 supplemental benefit. The remaining amount of state supplemental 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.

7. Fund Child Care Caseload Increase - Funding is provided for continued caseload growth in subsidized child care. Along with recent reductions in WorkFirst spending, this additional funding is intended to support the rising demand for subsidized child care and help avoid the need to put low income working families on a wait list.

8. Adjust Accounting - SSI Recoveries - Accounting for SSI recoveries for general assistance interim benefits are changed to a "month of service" basis. (General Fund-State)

9. 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 is reduced to a 1.5 percent increase. (General Fund-State, General Fund-Federal)

10. Interpreter Services Efficiencies - As an alternative to the proposed elimination of funding for interpreter services in the Medical Assistance program, the Senate budget anticipates that the current method of purchasing interpreter services is 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 also from better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million GF-S during the last sixmonths of the current biennium, and at \$4.6 million in 2003-05. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Alcohol & Substance Abuse

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02		Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	76,985	235,646	76,985	235,646	76,985	235,646
Total Maintenance Changes	57	16	57	16	57	16
2002 Policy Changes:						
1. Violence Reduction and Drug Account	0	-1,038	-1,400	-1,200	0	-571
2. Public Safety and Education Account	0	-381	0	-255	0	-275
3. Involuntary Treatment Beds	-800	-800	-800	-800	-800	-800
4. Substance Abuse Treatment Reduction	-1,400	-1,400	-2,800	-2,800	-1,800	-1,800
5. Reduce Recovery House Beds	0	0	-1,021	-1,027	0	0
6. King County Juvenile Drug Court	0	0	0	75	0	75
7. Treatment for Compulsive Gambling	0	500	0	0	0	500
8. Reduce & Consolidate TASC	-864	-864	-3,454	-2,360	-1,036	-1,036
9. Vendor Rate Change	-505	-835	-400	-661	-505	-835
10. Interpreter Services Efficiencies	0	0	-28	-42	-28	-42
Total Policy Changes	-3,569	-4,818	-9,903	-9,070	-4,169	-4,784
2001-03 Revised Appropriations	73,473	230,844	67,139	226,592	72,873	230,878

Comments:

1. Violence Reduction and Drug Account - 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)

2. 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)

3. Involuntary Treatment Beds - The opening of the chemical dependency involuntary treatment facility in Eastern Washington has been postponed due to delays in acquisition and licensing. The facility is now scheduled to open in March of 2002. This reduces the Department's costs for the new facility in Fiscal Year 2002 by \$800,000.

4. Substance Abuse Treatment Reduction - Additional substance abuse treatment capacity for gravely disabled individuals, that 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.

5. Reduce Recovery House Beds - Twenty-four percent of Recovery House beds will be eliminated on July 1, 2002. Each client at a Recovery House is limited to 60 days per admission and the average length of stay is 39 days. The agency recently received notice from one provider, Cedar Hills, that it is closing its operations effective June 30, 2002. So this proposal can eliminate Recovery House beds to coincide with the effective date of this contract termination. (General Fund-State, General Fund-Federal)

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Dept of Social and Health Services
Alcohol & Substance Abuse

6. 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)

7. Treatment for Compulsive Gambling - One-time funding is provided for treatment of pathological gambling and training of pathological gambling treatment providers pursuant to Second Substitute Senate Bill 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)

8. 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 or before 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.

9. 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 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)

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Dept of Social and Health Services

Medical Assistance Payments

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	2,159,789	7,125,957	2,159,789	7,125,957	2,159,789	7,125,957
Total Maintenance Changes	90,719	77,866	90,719	900,330	90,719	77,866
2002 Policy Changes:						
1. HIV Cost Controls	0	0	0	0	-301	-301
2. Vendor Rate Incr-Select Providers	4,182	8,007	4,182	8,007	3,730	7,439
3. Utilization and Cost Containment	0	0	-10,000	-20,000	0	0
4. Reduce Medically Indigent Program	0	0	-11,000	0	0	0
5. Hospital Settlement	0	0	8,000	8,000	8,500	8,500
6. Treatment of Resources	0	0	-330	-661	-330	-661
7. Don't Implement In-Home Waiver	-314	-630	0	0	-314	-630
8. Vendor Rate Change	-4,171	-9,404	-3,414	-7,163	-4,171	-9,404
9. Increase Discount on AWP	-10,219	-20,113	-17,474	-33,807	-12,385	-24,377
10. OPPS Rate Reduction	-1,061	-2,125	-1,061	-2,125	-1,061	-2,125
11. Direct Legal Immigrants to BHP	-8,925	-8,925	-8,925	-8,925	-8,925	-8,925
12. Direct Undocumented Children to BHP	-12,123	-12,123	-12,123	-12,123	-14,446	-14,446
13. Maternity Support Services	-8,602	0	-8,602	0	-8,602	0
14. Interpreter Services Efficiencies	-728	-1,750	-728	-1,750	-728	-1,750
15. GAU Medical Savings	0	0	0	0	-5,567	-5,567
16. Transfer COBRA Insurance Coverage	-3,203	-3,203	-3,203	-3,203	0	0
Total Policy Changes	-45,164	-50,266	-64,678	-73,750	-44,600	-52,247
2001-03 Revised Appropriations	2,205,344	7,153,557	2,185,830	7,952,537	2,205,908	7,151,576

Comments:

1. 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, 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.

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Dept of Social and Health Services
Medical Assistance Payments

2. 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 for (1) an approximately 5 percent increase in average Medical Assistance payment rates for physician-related services to adults; and (2) a 25 percent increase in ambulance payment rates. Both types of increase would 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 would be effective January 1, 2003, and so cost more than four times the amount shown here to continue next biennium.

The funding level shown here differs from the agency proposal in that (1) it corrects an apparent 100 percent under-estimate by the agency of the cost of the increase for fee-for-service physicians; (2) it does not provide for an increase in the physician rates paid through managed care providers, since a study published by the department last year indicates that those rates are over 40 percent higher than adult fee-for-service rates; (3) it assumes a 25 percent increase in ambulance payment rates, to 26 percent of billed charges, rather than the 150 percent increase (to 50 percent of billed charges) proposed by the agency; and (4) it does not charge the entire cost of the increase to the Health Services Account, since such an approach would make it expensive, if not impossible, to appropriately account for, forecast, and budget that funding source in the future. (General Fund-State, Health Services Account-State, General Fund-Federal)

5. Hospital Settlement - Funds are provided for the department to settle a lawsuit, *St. Peter Hospital et. al. v. DSHS*, regarding reimbursement to hospitals with Medicare-certified stand alone psychiatric units.

6. Treatment of Resources - As provided in Substitute House Bill 3002, the maximum asset level for married applicants for Medicaid-funded long-term care services is to be reduced from \$89,000 to \$30,000. As a result, an estimated 200 persons will be ineligible for Medicaid-funded medical assistance and long-term care in Fiscal Year 2003, while spending down their excess assets. (General Fund-State, General Fund-Federal)

7. Don't Implement In-Home Waiver - The 2001 Legislature authorized the Department of Social and Health Services 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. The waiver has not yet been approved and no one is being served. In light of the state's budget situation, this program will not be implemented. (General Fund-State, General Fund-Federal)

8. Vendor Rate Change - Department of Social and Health Services 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services Medical Assistance Payments

9. Increase Discount on AWP - The "AWP", or "average wholesale price", is the list price assigned to a drug by its manufacturer. However, 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 for drug costs at a discounted percentage of the AWP. Washington's Medical Assistance program has for a number of years paid 89% of the AWP for single-source drugs, and 89% of the AWP of the third-lowest priced generally available label for generics.

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% of the AWP for single-source drugs, and 35% of the AWP for generics. The Governor's budget proposes to reduce 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% of the AWP for single-source drugs, and 50% of AWP for drugs for which there are multiple generic versions. 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)

10. OPSS Rate Reduction - The outpatient prospective payment system 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 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)

11. 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. The budget anticipates that 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 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.

12. Direct Undocumented Children to BHP - Under RCW 74.09.415, the state uses "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. The budget anticipates that this statute is repealed, and the state-only coverage is terminated effective October 2002. The children will be eligible to enroll in the additional Basic Health Plan 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Dept of Social and Health Services
Medical Assistance Payments

13. Maternity Support Services - Maternity Support Services (MSS) are preventive health services for pregnant/post-pregnancy women which include a needs assessment, education, and intervention or counseling provided by an interdisciplinary team comprised of a community health nurse, a nutritionist, and a psycho-social worker. MSS components also include childbirth education and authorization of First Steps Childcare for clients' medical appointments, labor and delivery, and physician-ordered bed rest. By improving care during pregnancy for women with high risk of low birth weight or other complications, cost for neo-natal care is significantly reduced.

Initiative 773 directs that \$5 million per year in Fiscal Year 2003 and Fiscal Year 2004 is to be expended upon programs which address conditions that disproportionately affect low income persons. Funding for the maternity support program is therefore transferred from the General Fund to the Health Services Account. (General Fund-State, Health Services Account)

14. 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 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)

15. GAU 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 on 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 Fiscal Year 2003.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Vocational Rehabilitation

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	21,089	105,187	21,089	105,187	21,089	105,187
2002 Policy Changes:						
1. Transfer to Services for the Blind	-406	-1,909	-406	-1,909	-406	-1,909
2. Eliminate Extended Support Services	0	0	-327	-327	0	0
3. Phase Out Extended Support Services	-163	-163	0	0	-163	-163
Total Policy Changes	-569	-2,072	-733	-2,236	-569	-2,072
2001-03 Revised Appropriations	20,520	103,115	20,356	102,951	20,520	103,115

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)

3. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Social and Health Services

Administration/Support Svcs

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	59,813	111,185	59,813	111,185	59,813	111,185
Total Maintenance Changes	75	88	75	88	75	88
2002 Policy Changes:						
1. IT Systems Streamlining	-1,503	-2,503	-1,503	-2,503	-1,503	-2,503
2. Administrative Reductions	-5,547	-7,987	-5,547	-7,987	-5,547	-7,987
Total Policy Changes	-7,050	-10,490	-7,050	-10,490	-7,050	-10,490
2001-03 Revised Appropriations	52,838	100,783	52,838	100,783	52,838	100,783

Comments:

1. 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.

2. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S		GF-S		GF-S	
2001-03 Original Appropriations	0	0	0	0	0	0
2001-03 Revised Appropriations	0	0	0	0	0	0

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Columbia River Gorge Commission**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	789	1,538	789	1,538	789	1,538
2002 Policy Changes:						
1. Efficiencies and Savings	-12	-12	0	0	-12	-12
Total Policy Changes	-12	-12	0	0	-12	-12
2001-03 Revised Appropriations	777	1,526	789	1,538	777	1,526

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Ecology**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	91,114	326,336	91,114	326,336	91,114	326,336
2002 Policy Changes:						
1. U.S. v. Washington (State Culverts)	16	44	16	44	16	44
2. Agricultural Burning Costs	0	300	0	300	0	300
3. Administrative Reduction	-1,164	-2,849	-973	-973	-1,400	-1,400
4. Drought Response Reduction	0	-3,000	0	-3,000	0	-3,000
5. Stream Gauging Fund Shift	-500	0	-500	0	-500	0
6. Wetland Mitigation Banking	-70	-70	-70	-70	0	0
7. Reduce Auto Emission Program	-711	-711	-711	-711	-711	-711
8. Air Quality Program	-400	-400	-400	-400	0	0
9. Aquatic Pesticides Shift to Fees	-359	0	-359	0	-359	0
10. Limit Rescue Tug to 200 Days	-348	-348	-348	-348	-348	-348
11. Ground Water Data System	0	125	0	125	0	125
12. Water Quality Certifications	0	0	-600	0	-600	0
13. Litter Prevention Campaign	0	500	0	750	0	0
14. Loan Tracking System	0	583	0	583	0	555
15. Neah Bay Rescue Tug	0	0	0	1,400	700	1,400
16. Watershed Grants & Assistance	-11,900	-2,900	-11,900	-2,900	-11,900	-2,900
17. Salmon Recovery Office	-82	-82	-82	-82	-82	-82
18. Forest Management	-200	-200	-200	-200	-200	-200
19. Hanford Liaison	-170	0	-170	0	-108	0
20. Contaminated Sediments	-362	0	-362	0	-362	0
21. Salmon Recovery Monitoring	-182	-182	-182	-182	-182	-182
22. Stormwater Phase 2	-600	0	-600	0	-600	0
23. SEPA Technical Assistance	-150	-150	-150	-150	-150	-150
24. Shoreline Management	-180	-180	-180	-180	-180	-180
25. Willapa River TMDL	0	200	0	0	0	200
26. Oil Spill Financial Responsibility	0	168	0	0	0	0
27. Permit Assistance Center #	-580	-580	-580	-580	-580	-580
28. Wetland Technical Assistance	0	0	0	0	-70	-70
29. Local Litter Clean-up Assistance	0	0	0	0	0	750
30. Septic Management Strategy	0	175	0	175	0	175
31. Water Strategy 2002 Legislation #	364	364	500	750	189	189
32. Regional Water Initiative	0	690	0	0	0	0
Total Policy Changes	-17,578	-8,503	-17,851	-5,649	-17,427	-6,065
2001-03 Revised Appropriations	73,536	317,833	73,263	320,687	73,687	320,271

Comments:

1. U.S. v. Washington (State Culverts) - 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Ecology

2. Agricultural Burning Costs - Funding is provided for Ecology to comply with the direction of the court regarding the public health impacts associated with cereal grain burning. The Department 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)

3. Administrative 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

4. Drought Response Reduction - The unexpended balance from the State Drought Preparedness Account is transferred back into the state General Fund. (State Drought Preparedness Account)

5. Stream Gauging Fund Shift - The enhanced streamflow monitoring activities funded in the biennial budget is 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)

7. Reduce Auto Emission Program - The emission testing program is downsized to fit the revenue from a statutorily-reduced population of vehicles being tested.

9. 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)

10. Limit Rescue Tug to 200 Days - The contract for the Neah Bay rescue tug is reduced from 222 to 200 days during fiscal year 2002. This reduction conforms with the 2001-03 omnibus budget proviso regarding the rescue tug. Funding for "other safety tug services" for emergency (preventative) tug contracting in Puget Sound is eliminated.

11. Ground Water Data System - Funding is provided to upgrade the Ecology 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 Ecology in managing water resources. (Reclamation Account)

12. 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)

14. 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)

15. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Ecology

16. Watershed Grants & Assistance - The Department of Ecology'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. Ecology is to provide technical assistance from within the appropriation. The Department will apply to the Salmon Recovery Funding Board for resources to fund instream flow components of watershed plans. (General Fund-State, Water Quality Account)

17. Salmon Recovery Office - Funding is eliminated for an Ecology position in the Governor's Salmon Recovery Office.

18. Forest Management - Staffing is reduced for work on a Memorandum of Agreement with the Forest Service to improve water quality on federal forest lands.

19. 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)

20. 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)

21. Salmon Recovery Monitoring - Funding for monitoring activities associated with salmon recovery is eliminated. The Department will apply to the Salmon Recovery Funding Board to fund these activities.

22. 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)

23. SEPA Technical Assistance - Funding for the Department's State Environmental Policy Act document management, technical assistance and streamlining is reduced. 1 FTE from a staff of 9 working on SEPA is eliminated.

24. Shoreline Management - Funding for the Department's shoreline planning and technical assistance is reduced. 2 FTEs from a staff of 14 are eliminated.

25. Willapa River TMDL - Funding is provided for the Department of Ecology to contract with Pacific County for development of the Willapa River total maximum daily load (TMDL). (Water quality account)

27. Permit Assistance Center # - The permit assistance center is transferred to the Office of Financial Management within the Governor's office under E2SHB 2671.

28. Wetland Technical Assistance - Funding and staff are reduced for the wetlands program at the Department affecting the amount of staff time available for technical assistance.

29. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Ecology

30. Septic Management Strategy - A one-time fund balance is provided for Ecology 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)

31. 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 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**State Parks and Recreation Comm**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	65,164	100,639	65,164	100,639	65,164	100,639
2002 Policy Changes:						
1. San Juan Island Parks	157	225	157	225	157	225
2. Reservation System Savings	-105	-105	-105	-105	-105	-105
3. U.S. v. Washington (State Culverts)	22	22	22	22	22	22
4. Parks Maintenance	-500	-500	-500	-500	-500	-500
5. Forest Road Inventory	-200	0	-200	0	-200	0
6. Increased Revenue Options	0	0	0	3,000	0	500
7. Sno-Park Compliance	0	-1	0	-2	0	-1
8. Better Financial Information	0	115	0	115	0	115
9. Emergency Phone Service	0	94	0	0	0	0
10. Computer Compatibility	0	90	0	90	0	90
11. Efficiencies and Savings	-874	-1,322	-30	-30	-500	-500
12. Temporary Park Closure	-1,400	-1,400	-2,230	-2,230	-1,500	-1,500
13. Return Parks to Owners	-300	-300	0	0	0	0
14. Non-motorized Winter Recreation	0	300	0	300	0	300
15. Criminal History Background Checks	36	36	0	0	0	0
Total Policy Changes	-3,164	-2,746	-2,886	885	-2,626	-1,354
2001-03 Revised Appropriations	62,000	97,893	62,278	101,524	62,538	99,285

Comments:

1. San Juan Island Parks - Funding is provided for the Commission to assume ownership and management of sites closed by the Department of Natural Resources 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)

2. Reservation System Savings - 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.

3. U.S. v. Washington (State Culverts) - Funding is provided for the state's role in the United States v. Washington (State Culverts) litigation.

4. Parks Maintenance - During the 2001 legislative session, State Parks received \$4 million in funding to address a deferred maintenance back-log. Ongoing funding is reduced to \$1.5 million per year.

5. Forest Road Inventory - The 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

State Parks and Recreation Comm

6. Increased Revenue Options - Additional spending authority is provided to support increased enterprise and revenue generating opportunities implemented by the Commission. (Parks Renewal and Stewardship Account)

7. Sno-Park Compliance - Due to a revenue shortfall in the Public Safety and Education Account, a 2.8 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)

8. Better Financial Information - Funding is provided to develop information to strengthen management decisions by capturing financial data across numerous cost centers. (Parks Renewal and Stewardship Account)

10. Computer Compatibility - Funding is provided for State Parks to contract with the Department of Information Services to upgrade its current computer systems and manage future computer needs. (Parks Renewal and Stewardship Account)

11. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

12. Temporary Park Closure - State Parks will assess facility attributes and close at least through the 2003-05 biennium. In addition, State Parks will assess 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.

14. 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Interagency Comm for Outdoor Rec**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	788	14,235	788	14,235	788	14,235
2002 Policy Changes:						
1. Statewide Monitoring Strategy	-500	0	-500	0	-500	0
2. Biodiversity Conservation Strategy	49	49	0	0	35	35
Total Policy Changes	-451	49	-500	0	-465	35
2001-03 Revised Appropriations	337	14,284	288	14,235	323	14,270

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Environmental Hearings Office**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,693	1,693	1,693	1,693	1,693	1,693
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-25</u>	<u>-25</u>	<u>0</u>	<u>0</u>	<u>-25</u>	<u>-25</u>
Total Policy Changes	-25	-25	0	0	-25	-25
2001-03 Revised Appropriations	1,668	1,668	1,693	1,693	1,668	1,668

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**State Conservation Commission**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	4,403	8,142	4,403	8,142	4,403	8,142
2002 Policy Changes:						
1. CREP Technical Assistance	-100	-100	-100	-100	-100	-100
2. Efficiencies and Savings	-31	-71	-10	-10	-31	-71
3. Engineering Grants	0	0	0	650	0	600
4. Limiting Factors Analysis	0	-1,601	0	-1,601	0	-801
Total Policy Changes	-131	-1,772	-110	-1,061	-131	-372
2001-03 Revised Appropriations	4,272	6,370	4,293	7,081	4,272	7,770

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 technical assistance grants.

2. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 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 the second year for Limiting Factors Analysis is eliminated. The Conservation Commission will apply to the Salmon Recovery Funding Board to fund this activity. (Water Quality Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Dept of Fish and Wildlife**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	102,362	296,637	102,362	296,637	102,362	296,637
Total Maintenance Changes	72	132	72	132	72	132
2002 Policy Changes:						
1. Cooperative Projects Reduction	0	0	0	-961	0	0
2. Administrative Program Savings	0	0	-1,444	-1,062	-1,444	-962
3. Enforcement Reductions and Savings	-822	-822	-822	-822	-822	-822
4. Hatchery and Production Elimination	-578	-578	-205	-205	-273	-273
5. Print Shop Elimination	-280	-280	-280	-280	0	0
6. Resource Program Reductions	-512	-512	-512	-512	-512	-512
7. Public Safety and Education Account	0	-16	0	-22	0	-12
8. Salmon Recovery Reallocation	-1,612	0	-1,612	0	-1,612	0
9. Puget Sound Action Plan Reductions	-143	-143	-287	-287	-493	-493
10. Resource Program Fund Shifts	-1,064	0	-1,064	0	-1,064	0
11. U.S. v. Washington (Culverts)	111	111	111	111	111	111
12. Enforcement Staff Settlement	0	400	200	400	0	400
13. Retirements	-88	-88	0	0	0	0
14. Critical Wildlife Disease Testing	0	180	0	180	0	180
15. Lake Whatcom Kokanee	0	200	0	200	0	200
16. Emergency Fire Costs	0	148	0	148	0	148
17. Regional Fisheries Enhancement	0	429	0	429	0	429
18. Governor's Salmon Team	-173	-173	-173	-173	-173	-173
19. PHS Implementation	-80	-80	0	0	0	0
20. Pacific Salmon Treaty State Match	0	0	750	750	400	400
21. Regional Salmon Recovery Planning	0	-1,000	0	-1,000	0	-1,000
22. Green Crab Monitoring	0	0	-142	-142	0	0
23. Aquatic Weed Management	0	0	-100	-100	0	0
24. SSHEAR Construction	0	0	-250	-250	-300	-300
25. Priority Habitat and Species	0	0	-80	-80	-80	-80
26. Marine Bird and Mammal Monitoring	0	0	-168	-168	0	0
27. Fish Contaminant Monitoring	0	0	-392	-392	0	0
28. Wildlife Fund Shift	0	0	-143	0	0	0
29. ALEA Fish Management Reduction	0	-961	0	0	0	0
30. Coordinate Salmon Recovery Grants	-3,250	-3,250	-3,250	-3,250	-3,250	-3,250
31. Salmon Recovery Monitoring	-1,100	-1,100	-1,100	-1,100	-1,100	-1,100
32. Construction Crew Consolidation	-500	-500	-250	-250	-500	-500
33. Watershed Technical Assistance	-200	-200	0	0	-200	-200
34. SSHEAR Cost Recovery	-664	-664	0	0	0	0
35. Efficiencies and Savings	-1,522	-2,390	-500	-500	-550	-550
36. HPA Advisory Group	62	62	62	62	62	62
37. JLARC Fish Program Review	75	75	0	0	75	75
38. ALEA Adjustment to Revenue	0	0	0	0	0	-961
Total Policy Changes	-12,340	-11,152	-11,651	-9,276	-11,725	-9,183
2001-03 Revised Appropriations	90,094	285,617	90,783	287,493	90,709	287,586

2001-03 Revised Omnibus Operating Budget (2002 Supp) Dept of Fish and Wildlife

Comments:

2. 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, State Wildlife Account-State)

3. 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.

4. Hatchery and Production Elimination - Funding for the hatchery program is reduced and the McAllister Creek hatchery will be closed.

6. Resource Program Reductions - The Regional Lands Manager for Region 2 will be eliminated through consolidation of regional management within Regions 2 and 3. Half of an FTE position that provides public information will also 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 management will be eliminated. A support position related to steelhead data management will be reduced.

7. Public Safety and Education Account - Due to a revenue shortfall in the Public Safety and Education Account, a 2.8 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)

8. 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)

9. 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. Two positions supporting soundwide and local technical assistance will be eliminated reducing the amount of departmental input to state, federal and local governments, citizen groups and processes.

10. 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, State Wildlife Account-State)

11. U.S. v. Washington (Culverts) - Funding is provided for the state's role in the United States v. Washington (State Culverts) litigation.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Dept of Fish and Wildlife

12. 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. (State Wildlife Account-State)

14. 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. Furthermore, 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. (State Wildlife Account-State)

15. 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. Funding is set aside for the Department to investigate the feasibility of and to initiate actions to establish a viable kokanee brood program at an alternative location. (State Wildlife Account-State)

16. 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)

17. 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-Nonappropriated, Regional Fisheries Enhancement Salmonid Recovery Account)

18. Governor's Salmon Team - Funding is eliminated for two Fish and Wildlife positions in the Governor's Salmon Recovery Office.

20. 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.

21. Regional Salmon Recovery Planning - Funding for regional salmon recovery planning grants is shifted from the operating budget to the capital budget. (Water Quality Account)

24. SSHEAR Construction - Funding is reduced for habitat construction projects to limit competition between department construction crews and private contractors performing projects on non-department lands.

25. Priority Habitat and Species - Funding is reduced for the Priority Habitats and Species system, delaying the development and dissemination of information.

30. 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.

31. Salmon Recovery Monitoring - Funding for salmon smolt production monitoring is eliminated and will be considered by the Salmon Recovery Funding Board.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Dept of Fish and Wildlife

32. Construction Crew Consolidation - Savings are realized from the consolidation of habitat engineering and construction crews, hatcheries maintenance crews and the business services construction crew.

33. Watershed Technical Assistance - Funding is reduced for technical assistance is reduced for lead entities, Regional Fisheries Enhancement Groups and local watershed efforts working on salmon recovery activities.

35. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

36. HPA Advisory Group - Funding is provided for the Department to assist the hydraulic project approval permit program technical advisory group.

37. JLARC Fish Program Review - Funding is provided for the Joint Legislative Audit and Review Committee to conduct a review of the fish management division of the fish program.

38. ALEA Adjustment to Revenue - Because of declining revenue, expenditures from the Aquatic Lands Enhancement Account will be reduced. Reductions will be made to fish management programs and cooperative volunteer grants and technical assistance. (Aquatic Lands Enhancement Account-State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Natural Resources**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	72,975	283,216	72,975	283,216	72,975	283,216
2002 Policy Changes:						
1. Thea Foss Waterway Settlement	0	1,865	0	1,865	0	1,865
2. Natural Resource Conservation Areas	-175	0	-175	0	-175	0
3. Agricultural College Trust Lands	-1,436	-1,436	-541	-541	-541	-541
4. U.S. v. Washington (State Culverts)	0	310	0	310	0	310
5. Surface Mining Reclamation	0	-133	0	-133	0	-133
6. Efficiencies and Savings	-1,129	-1,255	-800	-800	-1,200	-1,200
7. Natural Areas Management	0	0	-275	-275	0	0
8. Enforcement on DNR Lands	0	0	-250	-250	0	0
9. Marina Rent Study	0	0	50	100	0	0
10. Contract Harvesting	0	0	0	1,000	0	0
11. GIS Statewide Radio System	0	0	22	66	22	66
12. Regulatory Technical Assistance	-138	-138	-138	-138	-138	-138
13. Forest Practices	-900	-900	-900	-900	-900	-900
14. Close Urban-Interface Campgrounds	-340	-340	0	0	0	0
15. Fire Suppression Transfer	-3,504	-3,504	0	0	-3,504	-3,504
16. Derelict Vessel Removal	0	89	0	89	0	89
17. Recreational Lands Management	0	0	0	0	-525	-525
18. Fire Suppression	0	7,496	0	7,496	0	7,496
19. Correctional Camps Funding	0	774	660	1,260	400	1,200
20. Trust Land Management	0	-10,000	0	-10,000	0	-10,000
21. Aquatic Lands Enhancement Account	0	-535	0	-535	0	-535
Total Policy Changes	-7,622	-7,707	-2,347	-1,386	-6,561	-6,450
2001-03 Revised Appropriations	65,353	275,509	70,628	281,830	66,414	276,766

Comments:

1. Thea Foss Waterway Settlement - Funding is provided to partially resolve the Department of Natural Resources' Superfund liability for clean-up of contamination in the Thea Foss Waterway. (State Toxics Control Account)

2. Natural Resource Conservation Areas - 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)

3. Agricultural College Trust Lands - 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.

4. U.S. v. Washington (State Culverts) - Funding is provided for the state's role in the United States v. Washington (State Culverts) litigation. (Forest Development Account, Resource Management Cost Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Department of Natural Resources

5. Surface Mining Reclamation - Funding is reduced to bring appropriation authority in line with revenue from surface mining permits. The Department will reduce surface mining compliance activities. (Surface Mine Reclamation Account)

6. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

11. GIS Statewide Radio System - Funding is provided for development of a geographic information system 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)

12. Regulatory Technical Assistance - A funding reduction postpones development of the small forest landowner data base. Funding is retained for the acquisition of riparian easements and the development of alternative plans.

13. Forest Practices - 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.

15. Fire Suppression Transfer - A portion of the funding for fire suppression in fiscal year 2003 is shifted to the fire contingency pool which is included in the special appropriations to the Governor section of the budget.

16. Derelict Vessel Removal - Funding is provided for the Department of Natural Resources' costs associated with implementation of SHB 2376 (derelict vessels). (Derelict Vessels Removal Account)

17. Recreational Lands Management - Funding is reduced for management of natural areas, public use enforcement and campgrounds in the urban-interface.

18. Fire Suppression - Funding is provided to pay for fire suppression costs during the 2001 fire season. The Department 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 \$24,009,000 to the department for fire suppression costs. (General Fund-Federal)

19. Correctional Camps Funding - Funding is provided for correctional camp supervisors at the Department of Natural Resources. In addition to these funds, the Department shall receive funds through an interagency agreement with the Department of Ecology for increased levels of litter pickup. (General Fund Local, Forest Development Account)

20. Trust Land Management - The Department 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)

21. Aquatic Lands Enhancement Account - The Department will reduce agency overhead expenses for the Aquatic Lands Enhancement grant program because of a projected revenue decrease. (Aquatic Lands Enhancement Account-State)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Agriculture
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	16,189	89,062	16,189	89,062	16,189	89,062
2002 Policy Changes:						
1. Fruit and Veg Inspection Account #	0	0	0	0	0	0
2. International Marketing	-700	0	-375	-375	-700	0
3. Efficiencies and Savings	-240	-307	-240	-240	-240	-240
4. Microbiological Data Program	0	360	0	360	0	360
5. Citrus Longhorned Beetle	0	1,500	0	1,500	0	1,500
6. Pesticide Surface Water Monitoring	0	490	0	490	0	490
Total Policy Changes	-940	2,043	-615	1,735	-940	2,110
2001-03 Revised Appropriations	15,249	91,105	15,574	90,797	15,249	91,172

Comments:

1. Fruit and Veg Inspection Account # - Funding is provided to implement SSB 6254 (Fruit and Vegetable Account). 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-Nonappropriated, Horticultural Districts Account-Nonappropriated, Fruit and Vegetable Inspection Account--Nonappropriated)

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 and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 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 will survey for infestation beginning in the fall of 2001 and treat or remove suspect trees during the winter and spring of 2002. (General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Department of Agriculture

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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Washington State Patrol
(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	29,956	69,929	29,956	69,929	29,956	69,929
Total Maintenance Changes	0	0	0	0	0	0
2002 Policy Changes:						
1. Public Safety and Education Account	0	-418	0	-280	0	-301
2. Criminal History System Update	0	245	0	245	0	245
3. Disposition Backlog Elimination	0	538	0	538	0	538
4. Forensic Lab Improvements	0	1,096	200	1,885	0	1,096
5. FBI Records Reconciliation	0	53	0	53	0	53
6. Live-Scan/AFIS Support	0	296	0	296	0	296
7. Efficiencies and Savings	-456	-456	-456	-456	-456	-456
8. Violence Reduction and Drug Account	0	-6	0	0	0	-3
Total Policy Changes	-456	1,348	-256	2,281	-456	1,468
2001-03 Revised Appropriations	29,500	71,277	29,700	72,210	29,500	71,397

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. 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)

3. 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) Identification Section. This funding will allow the WSP to fully eliminate the backlog. (Fingerprint Identification Account)

4. Forensic Lab Improvements - 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 program 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 SHB 2468 (offender DNA database) 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp) Washington State Patrol

5. 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 a 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)

6. Live-Scan/AFIS Support - In partnership with local agencies, the Washington State Patrol 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. The 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)

7. Efficiencies and Savings - Funding is reduced due to staffing underexpenditures in FY 2002 and an assumed 3 percent administrative reduction in the General Fund-State portion of the the Support Services Bureau in FY 2003. In order to achieve this level of 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. Unlike the across-the-board reduction applied to most state agencies, the State Patrol's Investigative and Field Operations Bureaus are excluded from on-going reduction.

8. Violence Reduction and Drug Account - 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Department of Licensing**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	10,766	34,565	10,766	34,565	10,766	34,565
Total Maintenance Changes	-51	-309	-51	-309	-51	-309
2002 Policy Changes:						
1. Telephone Solicitation	0	0	0	148	0	0
2. Intrusion Detection and Response	0	14	0	0	0	0
3. Efficiencies & Savings	-49	-49	-82	-82	-49	-49
4. Derelict Vessels #	0	86	0	0	0	86
Total Policy Changes	-49	51	-82	66	-49	37
2001-03 Revised Appropriations	10,666	34,307	10,633	34,322	10,666	34,293

Comments:

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. Derelict Vessels # - Funding is provided for Department of Licensing's administrative costs associated with the implementation of SHB 2376 (derelict vessels), which imposes an additional fee on boat licenses to pay for the removal of derelict vessels on state waterways. (Derelict Vessels Removal Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools OSPI & Statewide Programs (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	61,304	299,329	61,304	299,329	61,304	299,329
Total Maintenance Changes	62	-97,267	62	-97,267	62	-97,267
2002 Policy Changes:						
1. Efficiencies and Savings	-489	-489	-500	-500	-677	-677
2. Complex Needs	0	0	-1,075	-1,075	0	0
3. Educational Centers	0	0	-1,349	-1,349	0	0
4. Levy Equalization Task Force	0	0	49	49	49	49
5. Transfer to State Flexible Ed. Fund	-15,488	-15,488	0	0	-9,258	-9,258
6. Technology Task Force	92	92	0	0	92	92
Total Policy Changes	-15,885	-15,885	-2,875	-2,875	-9,794	-9,794
2001-03 Revised Appropriations	45,481	186,177	58,491	199,187	51,572	192,268

Comments:

1. Efficiencies and Savings - A three percent budget reduction is applied to most K-12 non-basic education programs consistent with reductions in other areas of the state budget. This \$677,000 budget reduction applies to the Office of the Superintendent of Public Instruction, the State Board of Education, the A+ Commission, and many of the grant programs that are included in this section of the budget.

4. Levy Equalization Task Force - One-time funding is provided to support the work of the Local Effort Assistance Task Force created by House Bill 3011 (local effort assistance).

5. 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. Programs transferred from this budget program to the State Flexible Education Funds program are: Truancy; Complex Needs; Educational Centers; and the School Safety Allocation.

6. Technology Task Force - Funds are provided for the formation of 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools General Apportionment (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	7,512,176	7,512,176	7,512,176	7,512,176	7,512,176	7,512,176
Total Maintenance Changes	78,318	78,318	78,318	78,318	78,318	78,318
2002 Policy Changes:						
1. Efficiencies and Savings	-63	-63	0	0	-78	-78
2. Pension Rate Change	-43,673	-43,673	-43,947	-43,947	-43,707	-43,707
3. Summer Voc	0	0	-2,098	-2,098	0	0
4. Better Schools	0	0	-36,046	-36,046	-22,938	-22,938
5. Staff Mix Calculation Change	-15,892	-15,892	0	0	-15,913	-15,913
6. Learning Improvement Days	-29,810	-29,810	0	0	-9,837	-9,837
7. Transfer to State Flexible Ed. Fund	-500	-500	0	0	0	0
Total Policy Changes	-89,938	-89,938	-82,091	-82,091	-92,473	-92,473
2001-03 Revised Appropriations	7,500,556	7,500,556	7,508,403	7,508,403	7,498,021	7,498,021

Comments:

1. Efficiencies and Savings - Non-basic education K-12 programs are reduced 3 percent for fiscal year 2003. This reduction applies to summer skills center programs and extended day skills center programs.

2. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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.

4. 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 1000 students.

5. 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.

6. 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, two extra days are provided.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Pupil Transportation (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	387,491	387,491	387,491	387,491	387,491	387,491
Total Maintenance Changes	-1,212	-1,212	-1,212	-1,212	-1,212	-1,212
2002 Policy Changes:						
1. Efficiencies and Savings	-24	-24	0	0	-24	-24
2. Pension Rate Change	-560	-560	-560	-560	-560	-560
Total Policy Changes	-584	-584	-560	-560	-584	-584
2001-03 Revised Appropriations	385,695	385,695	385,719	385,719	385,695	385,695

Comments:

1. Efficiencies and Savings - Non-basic education portions of the K-12 budget are reduced by 3 percent for fiscal year 2003. In this program the reduction is applied to the transportation coordinators.

2. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Special Education (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	839,908	1,096,000	839,908	1,096,000	839,908	1,096,000
Total Maintenance Changes	13,779	-907	13,779	2,879	13,779	-907
2002 Policy Changes:						
1. Pension Rate Change	-4,818	-4,818	-4,895	-4,895	-4,851	-4,851
2. Safety Net - Use Fed Funds	0	0	-10,900	0	0	0
3. Special Ed Enrollment Maximum	0	0	-4,159	-4,159	0	0
4. Staff Mix Calculation Change	-1,742	-1,742	0	0	-1,762	-1,762
5. Learning Improvement Days	-3,268	-3,268	0	0	-1,089	-1,089
6. Integrating Federal Funds	-15,001	0	0	0	-17,059	-2,058
Total Policy Changes	-24,829	-9,828	-19,954	-9,054	-24,761	-9,760
2001-03 Revised Appropriations	828,858	1,085,265	833,733	1,089,825	828,926	1,085,333

Comments:

1. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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.

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. Beginning with the 2002-03 school year, all of a district's certificated instructional staff are used to calculate staff mix.

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, two extra days are provided.

6. Integrating Federal Funds - Federal funds for special education to our state 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Traffic Safety Education
 (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	6,183	6,183	6,183	6,183	6,183	6,183
Total Maintenance Changes	377	377	377	377	377	377
2002 Policy Changes:						
1. Efficiencies and Savings	-69	-69	0	0	0	0
2. Traffic Safety Ed Allocation	<u>0</u>	<u>0</u>	<u>-2,030</u>	<u>4,373</u>	<u>-2,283</u>	<u>4,284</u>
Total Policy Changes	-69	-69	-2,030	4,373	-2,283	4,284
2001-03 Revised Appropriations	6,491	6,491	4,530	10,933	4,277	10,844

Comments:

2. Traffic Safety Ed Allocation - The remaining General Fund-State subsidy for traffic safety education is eliminated beginning with the 2002-03 school year. An allocation of \$148.00 for each student who completes a traffic safety education program, and an additional allocation of \$71.00 for each low-income student who completes the program, is provided from the Public Safety and Education Account. Offsetting, additional revenues to the account will be generated through an increase in drivers' instruction permit fees and new drivers' examination fees, consistent with House Bill 2573 (traffic safety education). (General Fund-State, Public Safety and Education Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Educational Service Districts (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	9,536	9,536	9,536	9,536	9,536	9,536
2002 Policy Changes:						
1. Efficiencies and Savings	-156	-156	0	0	-156	-156
2. Pension Rate Change	-47	-47	-47	-47	-47	-47
3. Learning Improvement Days	-15	-15	0	0	-5	-5
Total Policy Changes	-218	-218	-47	-47	-208	-208
2001-03 Revised Appropriations	9,318	9,318	9,489	9,489	9,328	9,328

Comments:

1. Efficiencies and Savings - Non-basic education programs are reduced 3 percent for fiscal year 2003.

2. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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, two extra days are provided.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Levy Equalization (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	284,644	284,644	284,644	284,644	284,644	284,644
Total Maintenance Changes	12,691	12,691	12,691	12,691	12,691	12,691
2002 Policy Changes:						
1. Levy Equalization Update	-3,659	-3,659	0	0	-583	-583
2. Levy Equalization Policy	<u>0</u>	<u>0</u>	<u>-1,472</u>	<u>-1,472</u>	<u>-889</u>	<u>-889</u>
Total Policy Changes	-3,659	-3,659	-1,472	-1,472	-1,472	-1,472
2001-03 Revised Appropriations	293,676	293,676	295,863	295,863	295,863	295,863

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 House Bill 3011 (local effort assistance).

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Elementary/Secondary School Improv
 (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	288,166	0	288,166	0	288,166
Total Maintenance Changes	0	-86,429	0	-86,429	0	-86,429
2001-03 Revised Appropriations	0	201,737	0	201,737	0	201,737

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 realignment of the federal funds to state programs with similar purposes, such as the learning assistance program, bilingual program and education reform program.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Institutional Education (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	38,248	46,796	38,248	46,796	38,248	46,796
Total Maintenance Changes	-232	-232	-231	-231	-231	-231
2002 Policy Changes:						
1. Pension Rate Change	-231	-231	-233	-233	-233	-233
2. Learning Improvement Days	-160	-160	0	0	-53	-53
Total Policy Changes	-391	-391	-233	-233	-286	-286
2001-03 Revised Appropriations	37,625	46,173	37,784	46,332	37,731	46,279

Comments:

1. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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, two extra days are provided.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools

Ed of Highly Capable Students

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	12,840	12,840	12,840	12,840	12,840	12,840
Total Maintenance Changes	119	119	119	119	119	119
2002 Policy Changes:						
1. Efficiencies and Savings	-165	-165	0	0	-166	-166
2. Pension Rate Change	-75	-75	-76	-76	-76	-76
3. Learning Improvement Days	-55	-55	0	0	-18	-18
Total Policy Changes	-295	-295	-76	-76	-260	-260
2001-03 Revised Appropriations	12,664	12,664	12,883	12,883	12,699	12,699

Comments:

1. Efficiencies and Savings - Starting in the 2002-03 school year non-basic education programs are reduced three percent.

2. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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, two extra days are provided.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Student Achievement Program
 (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	393,300	0	393,300	0	393,300
Total Maintenance Changes	0	-2,151	0	-2,151	0	-2,151
2001-03 Revised Appropriations	0	391,149	0	391,149	0	391,149

Comments:

The student achievement fund created by Initiative 728 requires that 50 percent 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 02.

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Education Reform (Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	72,245	75,478	72,245	75,478	72,245	75,478
Total Maintenance Changes	-48	3,810	-48	3,810	-48	3,810
2002 Policy Changes:						
1. Assessment System Funding	0	0	-1,000	6,427	0	0
2. National Board Certification	0	0	0	0	70	70
3. Reading Corps	0	0	-3,829	-3,829	0	0
4. Efficiencies and Savings	-1,158	-1,158	0	0	-325	-325
5. Helping Corps	0	0	-1,828	-1,828	0	0
6. Education Technology Centers	0	0	-2,025	-2,025	0	0
7. Transfer to State Flexible Ed. Fund	-10,036	-10,036	0	0	-3,912	-3,912
8. Improving Teacher Quality	0	46,553	0	46,553	0	46,553
9. Integrating Federal Funds	-2,000	5,427	0	0	-1,000	6,427
Total Policy Changes	-13,194	40,786	-8,682	45,298	-5,167	48,813
2001-03 Revised Appropriations	59,003	120,074	63,515	124,586	67,030	128,101

Comments:

2. National Board Certification - Currently, bonuses for attainment of national board certification for teachers is limited to three years. The budget extends the total bonus payments to four years.

4. Efficiencies and Savings - Non-basic education portions of the K-12 budget are reduced 3 percent and this includes various education reform programs. Excluded from the 3 percent reduction in this program are appropriations for the Washington assessments of student learning, the readiness to learn program, meals for kids and funds for the 2nd grade test.

7. 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. 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.

8. 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: Class size reduction in early grades; programs to assist schools in retaining and recruiting teachers; professional development activities for teachers, principals and paraprofessionals; and 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)

9. Integrating Federal Funds - Under the "No Child Left Behind Act" of 2002, 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools

Transitional Bilingual Instruction

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	88,215	88,215	88,215	88,215	88,215	88,215
Total Maintenance Changes	132	20,412	132	20,412	132	20,412
2002 Policy Changes:						
1. Pension Rate Change	-675	-675	-683	-683	-680	-680
2. Learning Improvement Days	-498	-498	0	0	-166	-166
Total Policy Changes	-1,173	-1,173	-683	-683	-846	-846
2001-03 Revised Appropriations	87,174	107,454	87,664	107,944	87,501	107,781

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 House Bill 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 rates 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, two extra days are provided.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools

Learning Assistance Program (LAP)

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	139,410	139,410	139,410	139,410	139,410	139,410
Total Maintenance Changes	2,661	127,850	2,661	127,850	2,661	127,850
2002 Policy Changes:						
1. Pension Rate Change	-605	-605	-566	-566	-565	-565
2. Learning Assistance Program	0	0	-5,462	225	0	0
3. Learning Improvement Days	-362	-362	0	0	-108	-108
4. Integrating Federal Funds	-5,362	80	0	0	-5,442	0
Total Policy Changes	-6,329	-887	-6,028	-341	-6,115	-673
2001-03 Revised Appropriations	135,742	266,373	136,043	266,919	135,956	266,587

Comments:

1. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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, two extra days are provided.

4. 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.

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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Block Grants
 (Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S		GF-S		GF-S	
2001-03 Original Appropriations	37,031	37,031	37,031	37,031	37,031	37,031
Total Maintenance Changes	366	366	366	366	366	366
2002 Policy Changes:						
1. Block Grant Reduction	0	0	-14,193	-14,193	0	0
2. Transfer to State Flexible Ed. Fund	-14,193	-14,193	0	0	-14,193	-14,193
Total Policy Changes	-14,193	-14,193	-14,193	-14,193	-14,193	-14,193
2001-03 Revised Appropriations	23,204	23,204	23,204	23,204	23,204	23,204

Comments:

2. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools

State Flexible Education Funds

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	0	0	0	0	0
2002 Policy Changes:						
1. Transfer to State Flexible Ed. Fund	<u>34,436</u>	<u>34,436</u>	<u>0</u>	<u>0</u>	<u>20,612</u>	<u>20,612</u>
Total Policy Changes	34,436	34,436	0	0	20,612	20,612
2001-03 Revised Appropriations	34,436	34,436	0	0	20,612	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 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Public Schools Compensation Adjustments (Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02		Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	398,659	398,659	398,659	398,659	398,659	398,659
Total Maintenance Changes	19,310	19,310	19,310	19,310	19,310	19,310
2002 Policy Changes:						
1. Health Benefit Changes	-31,133	-31,133	-29,417	-29,417	-29,509	-29,509
2. Efficiencies and Savings	-10	-10	0	0	-10	-10
3. Pension Rate Change	-3,238	-3,238	-3,266	-3,266	-3,243	-3,243
4. Better Schools	0	0	-2,535	-2,535	-1,613	-1,613
5. Learning Assistance Program	0	0	-427	-427	0	0
6. Special Ed Enrollment Maximum	0	0	-214	-214	0	0
7. Staff Mix Calculation Change	-1,303	-1,303	0	0	-1,307	-1,307
8. Learning Improvement Days	-2,522	-2,522	0	0	-833	-833
9. Integrating Federal Funds	-641	-450	0	0	-641	-450
Total Policy Changes	-38,847	-38,656	-35,859	-35,859	-37,156	-36,965
2001-03 Revised Appropriations	379,122	379,313	382,110	382,110	380,813	381,004

Comments:

1. Health Benefit Changes - The monthly funding rate for health, life, and disability insurance benefits for state-funded K-12 staff is reduced, consistent with the health benefit rate changes for state employees. The funding rate for the 2002-03 school year will be \$457.07, rather than the \$493.59 included in the original 2001-03 biennial budget. Included in the funding rate is 15 cents for the Health Care Authority's administrative costs of implementing House Bill 2536 (K-12 employee health benefits).

2. Efficiencies and Savings - The 3 percent reduction for non-basic education programs results in lower compensation increase costs in fiscal year 2003.

3. Pension Rate Change - Employer and employee contribution rates are changed in accordance with House Bill 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 rates 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.

4. 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 1000 students.

7. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Compensation Adjustments

8. 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, two extra days are provided.

9. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Public Schools
Common School Construction
 (Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	191,220	0	191,220	0	191,220
Total Maintenance Changes	0	-64	0	-64	0	-64
2002 Policy Changes:						
1. Education Construction Acct	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-42,700</u>
Total Policy Changes	0	0	0	0	0	-42,700
2001-03 Revised Appropriations	0	191,156	0	191,156	0	148,456

Comments:

1. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Higher Education Coordinating Board
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	264,603	279,692	264,603	279,692	264,603	279,692
Total Maintenance Changes	751	751	0	696	361	1,057
2002 Policy Changes:						
1. Operating Cost Reduction	0	0	0	0	-120	-120
2. Efficiencies and Savings	-120	-120	-120	-120	0	0
3. HECB Admin of Financial Aid	-416	-416	-416	-416	-416	-416
4. State Need Grant	2,788	2,788	2,180	2,180	2,180	2,180
5. Promise Scholarships	-2,450	-2,450	-1,200	-1,200	-2,450	-2,450
Total Policy Changes	-198	-198	444	444	-806	-806
2001-03 Revised Appropriations	265,156	280,245	265,047	280,832	264,158	279,943

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 OFM and DIS. 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. HECB Admin of Financial Aid - An 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.

4. State Need Grant - Funds are provided to support tuition increases in FY 2003. The Higher Education Coordinating Board 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.

5. Promise Scholarships - Promise Scholarships awarded to new student recipients beginning in the 2002-03 academic year shall be valued at no more than \$1,000 per recipient. Beginning with the Class of 2002, scholarships will go to those students whose family income does not exceed 120 percent of the median for Washington State. For a family of four, that ceiling is \$76,300 a year, down from \$85,800 (or 135 percent of the state median). Congress increased federal tax credits to help citizens pay for college and this national action may help those affected by action to downsize and refocus the program.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**University of Washington**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	707,088	2,952,973	707,088	2,952,973	707,088	2,952,973
2002 Policy Changes:						
1. Health Benefits Changes	-1,150	-1,164	-2,742	-2,776	-1,150	-1,164
2. FICA Savings	0	0	-150	-152	0	0
3. Operating Cost Reduction	-20,834	-13,210	-14,445	-14,445	-18,056	-18,056
4. Pension Rate Change	-353	-358	-353	-358	-353	-358
5. Recruitment and Retention	0	0	0	0	2,774	2,774
6. Reduce 2nd Year COLA	0	0	-2,428	-2,428	0	0
7. No 2nd Year COLA	-7,855	-7,855	0	0	-7,855	-7,855
8. Eliminate NonResident Subsidy	-7,209	-7,209	0	0	0	0
9. Charge Full Tuition at 9 Credit Hrs	-598	0	0	0	0	0
Total Policy Changes	-37,999	-29,796	-20,118	-20,159	-24,640	-24,659
2001-03 Revised Appropriations	669,089	2,923,177	686,970	2,932,814	682,448	2,928,314

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down. (General Fund-State, Accident Account, Medical Aid Account)

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002. (General Fund-State, Death Investigations Account, Accident Account, Medical Aid Account)

5. Recruitment and 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.

7. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Washington State University**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	411,355	833,510	411,355	833,510	411,355	833,510
2002 Policy Changes:						
1. Health Benefits Changes	-648	-648	-1,546	-1,546	-648	-648
2. FICA Savings	0	0	-85	-85	0	0
3. Operating Cost Reduction	-10,853	-6,180	-8,398	-8,398	-10,497	-10,497
4. Pension Rate Change	-274	-274	-274	-274	-274	-274
5. Recruitment and Retention	0	0	0	0	1,726	1,726
6. Reduce 2nd Year COLA	0	0	-1,606	-1,606	0	0
7. No 2nd Year COLA	-4,767	-4,767	0	0	-4,767	-4,767
8. Eliminate NonResident Subsidy	-1,933	-1,933	0	0	0	0
9. Charge Full Tuition at 9 Credit Hrs	-1,058	0	0	0	0	0
Total Policy Changes	-19,533	-13,802	-11,909	-11,909	-14,460	-14,460
2001-03 Revised Appropriations	391,822	819,708	399,446	821,601	396,895	819,050

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

5. Recruitment and 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.

7. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Eastern Washington University**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	92,914	166,402	92,914	166,402	92,914	166,402
2002 Policy Changes:						
1. Health Benefits Changes	-166	-166	-395	-395	-166	-166
2. FICA Savings	0	0	-22	-22	0	0
3. Operating Cost Reduction	-2,542	-1,703	-1,895	-1,895	-2,369	-2,369
4. Pension Rate Change	-73	-73	-73	-73	-73	-73
5. Recruitment and Retention	0	0	0	0	450	450
6. Reduce 2nd Year COLA	0	0	-323	-323	0	0
7. No 2nd Year COLA	-1,065	-1,065	0	0	-1,065	-1,065
8. Charge Full Tuition at 9 Credit Hrs	-233	0	0	0	0	0
Total Policy Changes	-4,079	-3,007	-2,708	-2,708	-3,223	-3,223
2001-03 Revised Appropriations	88,835	163,395	90,206	163,694	89,691	163,179

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

5. Recruitment and 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.

7. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Central Washington University**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	89,140	178,717	89,140	178,717	89,140	178,717
2002 Policy Changes:						
1. Health Benefits Changes	-180	-180	-429	-429	-180	-180
2. FICA Savings	0	0	-24	-24	0	0
3. Operating Cost Reduction	-2,161	-1,382	-1,799	-1,799	-2,249	-2,249
4. Pension Rate Change	-85	-85	-85	-85	-85	-85
5. Enrollment Recovery	0	0	350	350	350	350
6. Recruitment and Retention	0	0	0	0	374	374
7. Reduce 2nd Year COLA	0	0	-316	-316	0	0
8. No 2nd Year COLA	-1,054	-1,054	0	0	-1,054	-1,054
9. Charge Full Tuition at 9 Credit Hrs	-218	0	0	0	0	0
Total Policy Changes	-3,698	-2,701	-2,303	-2,303	-2,844	-2,844
2001-03 Revised Appropriations	85,442	176,016	86,837	176,414	86,296	175,873

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

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

6. Recruitment and 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.

8. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**The Evergreen State College**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	51,594	90,905	51,594	90,905	51,594	90,905
2002 Policy Changes:						
1. Health Benefits Changes	-97	-97	-232	-232	-97	-97
2. FICA Savings	0	0	-13	-13	0	0
3. Operating Cost Reduction	-1,539	-898	-1,043	-1,043	-1,304	-1,304
4. Pension Rate Change	-44	-44	-44	-44	-44	-44
5. Recruitment and Retention	0	0	0	0	226	226
6. WSIPP Studies	0	0	0	0	60	60
7. WSIPP State Library Study	35	35	0	0	0	0
8. WSIPP HECB Study	0	0	40	40	0	0
9. WSIPP Branch Campuses Study	86	86	86	86	0	0
10. WSIPP Youth Intervention Study	40	40	0	0	0	0
11. Reduce 2nd Year COLA	0	0	-194	-194	0	0
12. No 2nd Year COLA	-636	-636	0	0	-636	-636
13. Charge Full Tuition at 9 Credit Hrs	-172	0	0	0	0	0
Total Policy Changes	-2,327	-1,514	-1,400	-1,400	-1,795	-1,795
2001-03 Revised Appropriations	49,267	89,391	50,194	89,505	49,799	89,110

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

5. Recruitment and 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
The Evergreen State College

6. WSIPP Studies - Funding is provided for the Washington Institute for Public Policy to conduct the following studies: At-Risk Youth Prevention Programs; Drug Sentencing Changes (under Second Substitute House Bill 2338 or Substitute Senate Bill 6361); 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.

12. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Spokane Intercol Rsch & Tech Inst**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,000	4,327	3,000	4,327	3,000	4,327
2002 Policy Changes:						
1. Operating Cost Reduction	0	0	-500	-500	-100	-100
2. Efficiencies and Savings	-45	-45	0	0	0	0
3. Pension Rate Change	-4	-4	-4	-4	-4	-4
Total Policy Changes	-49	-49	-504	-504	-104	-104
2001-03 Revised Appropriations	2,951	4,278	2,496	3,823	2,896	4,223

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 OFM and DIS. 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. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Western Washington University
(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate		Appropriations 3/8/02		Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	122,636	240,406	122,636	240,406	122,636	240,406
2002 Policy Changes:						
1. Health Benefits Changes	-204	-204	-486	-486	-204	-204
2. FICA Savings	0	0	-27	-27	0	0
3. Operating Cost Reduction	-3,362	-2,191	-2,515	-2,515	-3,144	-3,144
4. Pension Rate Change	-115	-115	-115	-115	-115	-115
5. Recruitment and Retention	0	0	0	0	450	450
6. Reduce 2nd Year COLA	0	0	-442	-442	0	0
7. No 2nd Year COLA	-1,473	-1,473	0	0	-1,473	-1,473
8. Charge Full Tuition at 9 Credit Hrs	-242	0	0	0	0	0
Total Policy Changes	-5,396	-3,983	-3,585	-3,585	-4,486	-4,486
2001-03 Revised Appropriations	117,240	236,423	119,051	236,821	118,150	235,920

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

5. Recruitment and 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.

7. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Community/Technical College System
(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,058,130	1,755,794	1,058,130	1,755,794	1,058,130	1,755,794
Total Maintenance Changes	1,357	1,357	1,357	1,357	1,357	1,357
2002 Policy Changes:						
1. Health Benefits Changes	-1,905	-1,905	-4,544	-4,544	-1,905	-1,905
2. FICA Savings	0	0	-249	-249	0	0
3. Operating Cost Reduction	-21,701	-20,461	-10,875	-10,875	-16,312	-16,312
4. Pension Rate Change	-1,295	-1,295	-1,295	-1,295	-1,295	-1,295
5. Expand Worker Retraining Program	3,400	6,000	6,400	10,962	4,000	6,600
6. Reduce 2nd Year COLA	0	0	-1,695	-1,695	0	0
7. No 2nd Year COLA	-4,644	-4,644	0	0	-4,644	-4,644
8. No 2nd Year Increments	-1,190	-1,190	0	0	-1,190	-1,190
9. Mader Settlement	7,000	12,000	0	0	9,500	12,000
10. Charge Full Tuition at 9 Credit Hrs	-4,542	0	0	0	0	0
Total Policy Changes	-24,877	-11,495	-12,258	-7,696	-11,846	-6,746
2001-03 Revised Appropriations	1,034,610	1,745,656	1,047,229	1,749,455	1,047,641	1,750,405

Comments:

1. Health Benefits Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs, consistent with the national average among all very large employers (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down.

3. 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.

4. 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% to 1.10% and, the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided under Chapter 7, Laws of 2002.

5. 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: \$4,500 for instruction and \$500 for financial aid. (General Fund-State; Administrative Contingency Account-State)

7. No 2nd Year COLA - No further cost of living adjustments 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Community/Technical College System

8. 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.

9. Mader Settlement - Provides for the settlement of a lawsuit involving retirement contributions for part-time faculty employed by State colleges. (General Fund-State; College Faculty Awards Trust Account)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**State School for the Blind**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	9,111	10,284	9,111	10,284	9,111	10,284
Total Maintenance Changes	5	5	5	5	5	5
2002 Policy Changes:						
1. Regional Services	0	81	0	81	0	81
2. Replacement Bus	65	65	65	65	65	65
3. Learning Improvement Days	-24	-24	0	0	-7	-7
4. Efficiencies and Savings	-138	-138	-138	-138	0	0
Total Policy Changes	-97	-16	-73	8	58	139
2001-03 Revised Appropriations	9,019	10,273	9,043	10,297	9,174	10,428

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 one, 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
State School for the Deaf
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	14,834	15,066	14,834	15,066	14,834	15,066
Total Maintenance Changes	7	7	7	7	7	7
2002 Policy Changes:						
1. Bus Replacement	65	65	65	65	65	65
2. Safety Initiatives	250	250	250	250	250	250
3. Learning Improvement Days	-30	-30	0	0	-10	-10
4. Efficiencies and Savings	-267	-267	-223	-223	0	0
Total Policy Changes	18	18	92	92	305	305
2001-03 Revised Appropriations	14,859	15,091	14,933	15,165	15,146	15,378

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 one, 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Work Force Trng & Educ Coord Board**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,482	48,968	3,482	48,968	3,482	48,968
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-87</u>	<u>-87</u>	<u>-52</u>	<u>-52</u>	<u>-87</u>	<u>-87</u>
Total Policy Changes	-87	-87	-52	-52	-87	-87
2001-03 Revised Appropriations	3,395	48,881	3,430	48,916	3,395	48,881

Comments:

1. Efficiencies and 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 OFM and DIS. 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.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**State Library**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	17,577	24,553	17,577	24,553	17,577	24,553
2002 Policy Changes:						
1. Eliminate State Library Support	0	0	-5,577	-5,577	0	0
2. Eliminate State Library Support	0	0	0	0	-5,577	-5,577
3. Administrative Reduction	-264	-264	0	0	0	0
Total Policy Changes	-264	-264	-5,577	-5,577	-5,577	-5,577
2001-03 Revised Appropriations	17,313	24,289	12,000	18,976	12,000	18,976

Comments:

2. Eliminate State Library Support - With the exception of grants for the Washington Talking Book and Braille Library, General Fund-State support for operation of the State Library is eliminated effective October 1, 2002.

2001-03 Revised Omnibus Operating Budget (2002 Supp)
Washington State Arts Commission
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	5,747	6,747	5,747	6,747	5,747	6,747
2002 Policy Changes:						
1. Efficiencies and Savings	-86	-86	-86	-86	-86	-86
2. TumbleWords Program	0	3	0	3	0	3
Total Policy Changes	-86	-83	-86	-83	-86	-83
2001-03 Revised Appropriations	5,661	6,664	5,661	6,664	5,661	6,664

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Washington State Historical Society**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	6,028	7,588	6,028	7,588	6,028	7,588
2002 Policy Changes:						
1. Efficiencies and Savings	-94	-94	-94	-94	-94	-94
Total Policy Changes	-94	-94	-94	-94	-94	-94
2001-03 Revised Appropriations	5,934	7,494	5,934	7,494	5,934	7,494

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**East Wash State Historical Society**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	3,209	3,209	3,209	3,209	3,209	3,209
2002 Policy Changes:						
1. Efficiencies and Savings	<u>-46</u>	<u>-46</u>	<u>-46</u>	<u>-46</u>	<u>-46</u>	<u>-46</u>
Total Policy Changes	-46	-46	-46	-46	-46	-46
2001-03 Revised Appropriations	3,163	3,163	3,163	3,163	3,163	3,163

Comments:

1. Efficiencies and 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 OFM and DIS. 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 fiscal year 2002 savings to offset the fiscal year 2003 reduction.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Bond Retirement and Interest**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	1,248,770	1,445,279	1,248,770	1,445,279	1,248,770	1,445,279
Total Maintenance Changes	0	-15,039	0	-15,039	0	-15,039
2002 Policy Changes:						
1. Education Construction Debt	0	19,825	0	0	0	0
2. Debt Service Payoff and Other Adj	0	0	0	0	0	0
3. Increase in GF-S Debt Service	0	0	0	0	2,250	2,250
4. Increase in Bond Sale Expenses	0	0	0	0	90	90
5. Reduction of GF-S Debt Service	-2,000	-2,000	0	0	0	0
Total Policy Changes	-2,000	17,825	0	0	2,340	2,340
2001-03 Revised Appropriations	1,246,770	1,448,065	1,248,770	1,430,240	1,251,110	1,432,580

Comments:

1. Education Construction Debt - These are new projected debt service costs for bonds to be issued in the new Educational Capital Construction Account in Fiscal Year 2003.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Special Approps to the Governor**

(Dollars in Thousands)

	ESSB 6387 as		As Passed		Proposed Legislative	
	Passed Senate	Total	Appropriations 3/8/02	Total	Final	Total
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	179,406	244,170	179,406	244,170	179,406	244,170
2002 Policy Changes:						
1. DCTED-County Public Health Assist	0	0	0	-12,245	0	0
2. DCTED-County Corporation Assist	-25,138	-25,138	-25,138	-25,138	-25,138	-25,138
3. DCTED-Municipal Corporation Assist	-47,252	-47,252	-47,252	-47,252	-47,252	-47,252
4. Fire Contingency Initiative	0	32,983	0	32,983	0	32,983
5. Judicial Contingencies	0	0	214	214	0	0
6. Mader Settlement	0	0	12,000	12,000	0	0
7. Governor's Emergency Fund	0	0	8,500	8,500	7,160	7,160
8. Fire Suppression Transfer	0	3,504	0	0	0	3,504
9. Liability Account	25,000	25,000	25,000	25,000	25,000	25,000
10. Adjust K20 Network Fund Balance	-8,900	-8,900	-11,264	-11,264	-11,264	-11,264
11. Reduce Technology Pool Funding	-1,000	-1,000	0	0	-1,000	-1,000
12. State Employee Travel Reduction	-3,000	-3,000	0	0	-3,000	-3,000
13. State Agency Equipment Reduction	-2,300	-2,300	0	0	-2,300	-2,300
14. Agency Administrative Contingencies	1,500	1,500	0	0	1,500	1,500
15. Extraordinary Criminal Justice Cost	394	394	0	350	0	394
16. Small County Assistance	2,670	2,670	1,392	1,392	5,000	5,000
17. Revolving Fund Reduction	-1,654	-1,654	-4,710	-9,883	-3,743	-7,984
18. Muncpal Assistance	10,000	10,000	0	0	8,000	8,000
Total Policy Changes	-49,680	-13,193	-41,258	-25,343	-47,037	-14,397
2001-03 Revised Appropriations	129,726	230,977	138,148	218,827	132,369	229,773

Comments:

1. DCTED-County Public Health Assist - State assistance provided for public health programs following the passage of Initiative 695 is eliminated, effective January 1, 2003. (Health Services Account)

2. DCTED-County Corporation Assist - 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.

3. DCTED-Municipal Corporation Assist - 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 that were most affected by Initiative 695 is provided under a separate appropriation.

4. Fire Contingency Initiative - 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' 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)

2001-03 Revised Omnibus Operating Budget (2002 Supp) Special Approps to the Governor

- 5. Judicial Contingencies** - Funds are provided to the Supreme Court for providing assistance to judicial agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act. (General Fund--State)
- 6. Mader Settlement** - Funding is provided for the Mader settlement, which involved retirement benefits for part-time faculty.
- 7. Governor's Emergency Fund** - 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 House Bill 2926 (transferring the State Library to the Office of the Secretary of the State.)
- 8. Fire Suppression Transfer** - A portion of the FY 2003 fire suppression funding for the Department of Natural Resources is shifted from the General Fund--State to the Disaster Response Account. (Disaster Response Account)
- 9. Liability Account** - \$25 million from the General Fund-State is deposited to the Liability Account to cover increased costs associated with tort claims and defense. (General Fund-State, Liability Account)
- 10. Adjust K20 Network Fund Balance** - 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)
- 11. Reduce Technology Pool Funding** - Funding for the technology pool is reduced by \$1 million.
- 12. State Employee Travel Reduction** - State agency expenditures are reduced to reflect the elimination of nonessential travel by state employees and officials. (General Fund--State)
- 13. State Agency Equipment Reduction** - State agency expenditures for equipment purchases are reduced. (General Fund--State)
- 14. Agency Administrative Contingencies** - Funds are provided to the governor for providing assistance to state agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act. (General Fund--State)
- 15. Extraordinary Criminal Justice Cost** - Funding is provided for assistance to Franklin and Stevens counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (General Fund--State)
- 16. 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, and Yakima.
- 17. 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)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)
Special Approps to the Governor**

18. Municipal Assistance - Funding is provided for assistance to cities most affected by the loss of revenue resulting from Initiative 695 (the repeal of the motor vehicle excise tax.)

2001-03 Revised Omnibus Operating Budget (2002 Supp)

Sundry Claims
(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	0	0	0	0	0	0
Total Maintenance Changes	274	279	274	278	274	279
2001-03 Revised Appropriations	274	279	274	278	274	279

Comments:

2001-03 Revised Omnibus Operating Budget (2002 Supp)**State Employee Compensation Adjust**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	138,099	277,302	138,099	277,302	138,099	277,302
2002 Policy Changes:						
1. Health Benefit Changes	-5,144	-10,086	-12,271	-24,058	-5,144	-10,086
2. FICA Savings	0	0	-645	-1,323	0	0
3. Pension Rate Change	-6,137	-12,217	-6,137	-12,217	-6,137	-12,217
4. Attorney Salary Increases	0	0	-916	-1,632	0	0
5. State Employee Salary Increase	-28,889	-65,596	-8,050	-22,667	-28,889	-65,596
6. Salary Reclass Implementation	14	88	14	88	14	88
7. Recruitment and Retention Pool	0	0	0	0	6,000	8,000
Total Policy Changes	-40,156	-87,811	-28,005	-61,809	-34,156	-79,811
2001-03 Revised Appropriations	97,943	189,491	110,094	215,493	103,943	197,491

Comments:

1. Health Benefit Changes - The budget anticipates that the following measures to reduce health benefit costs will be implemented in Calendar Year 2003: (1) managed care office visit co-payments will be increased from \$10 to \$15 (rather than to \$20 as proposed by the Governor); (2) co-insurance coverage under the Uniform Medical Plan will be reduced from 90 percent of allowed charges to 85 percent; (3) employees will be required to pay an average of 12.6 percent of their medical premium costs (rather than an average of 21.7 percent, as proposed by the Governor); (4) changes will be made sufficient to reduce prescription drug benefit costs by 10 percent (rather than by 15 percent as proposed by the Governor); and (5) various administrative reserves maintained by the Health Care Authority are spent down. (General Fund-State, General Fund-Federal, General Fund-Private/Local, and Salary and Insurance Increase Revolving 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% to 1.10% and the Teachers' Retirement System (TRS) employer contribution rate is reduced from 2.75% to 1.05% as provided in HB 2782. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Special Account Retirement Contribution Increase Revolving Account)

5. State Employee Salary Increase - Funding is eliminated for a second year cost-of-living adjustment (COLA) for all state classified employees and exempt personnel. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Fund)

6. 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 cost of living adjustments. (General Fund-State, Salary and Insurance Increase Revolving Account)

7. Recruitment and Retention Pool - Funding is provided for salary and benefit increases for recruitment and retention problems. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Contributions to Retirement Systems**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	44,720	44,720	44,720	44,720	44,720	44,720
2002 Policy Changes:						
1. Pension Contributions	<u>-575</u>	<u>-575</u>	<u>-575</u>	<u>-575</u>	<u>-575</u>	<u>-575</u>
Total Policy Changes	-575	-575	-575	-575	-575	-575
2001-03 Revised Appropriations	44,145	44,145	44,145	44,145	44,145	44,145

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% to 1.75% based on the 1995-2000 experience study and 2000 actuarial valuation of the state retirement systems, as provided in HB 2782.

2001-03 Revised Omnibus Operating Budget (2002 Supp)**Other Legislation**

(Dollars in Thousands)

	ESSB 6387 as Passed Senate		As Passed Appropriations 3/8/02		Proposed Legislative Final	
	GF-S	Total	GF-S	Total	GF-S	Total
2001-03 Original Appropriations	100	25,100	100	25,100	100	25,100
2002 Policy Changes:						
1. HB 2427 Occupational Safety Grants	0	0	0	5,000	0	0
2. SB 5694 Mobile Home Park Managers	35	35	0	0	0	0
Total Policy Changes	35	35	0	5,000	0	0
2001-03 Revised Appropriations	135	25,135	100	30,100	100	25,100

Comments: