

House Proposed 2003 Supplemental Operating Budget

Budget Summary

February 18, 2003

*House Appropriations Committee
Office of Program Research*

House 2003

Supplemental Operating Budget Proposal

- Recognizes the need for reductions in state government as required by the deficit and proposed by the Governor
- Requires agencies to restrict new hiring and nonessential expenditures
- Funds Medical Assistance increase of \$61 million - bringing the increase over the previous biennium to 34.9%
- Continues to enroll in the Basic Health Plan all eligible children and families
- Maintains funding for the State Library
- Captures debt service savings of \$37 million

Total Supplemental:

\$119.5 million General Fund-State
(\$ 52.0 million) Health Services Account

Ending fund balance \$258 million
(1.1% of the biennial budget)

Emergency Reserve \$55 million

House Proposed 2003 Supplemental Budget
General Fund - State and Emergency Reserve Fund Balance Sheet
Dollars in Millions

	House Proposed	Senate
RESOURCES		
Beginning Fund Balance	599.1	599.1
November 2002 Revenue Forecast	21,126.2	21,126.2
Current Revenue Totals	21,126.2	21,126.2
Enacted Budget Fund Transfers to General Fund	279.6	279.6
Tobacco Securitization	450.0	450.0
Transfer from Emergency Reserve Fund	325.0	325.0
Changes in Reserves and Other Adjustments	40.0	40.0
Transfers in 2003 Supplemental Budget	9.0	9.0
Total Resources (Revenue/Fund Balance)	22,828.9	22,828.9
APPROPRIATIONS		
Biennial Appropriation	22,451.4	22,451.4
2003 Supplemental Budget	119.5	108.5
Spending Level	22,570.9	22,560.0
UNRESTRICTED GENERAL FUND BALANCE		
Projected Ending Fund Balance	258.0	268.9
EMERGENCY RESERVE FUND		
Beginning Fund Balance	462.1	462.1
Transfers and Appropriations	(420.0)	(420.0)
Actual/Estimated Interest Earnings	13.0	13.0
Projected Ending Fund Balance	55.1	55.1
TOTAL RESERVES		
Combined General Fund and ERF Ending Balances	313.1	324.0

House 2003 Supplemental Budget

as proposed by Representative Helen Sommers

(\$\$ in millions)

	General Fund-State	
	<u>House</u>	
<u>Selected General Fund-State Reductions</u>	<u>Proposed</u>	<u>Senate</u>
FTE Reductions (net)	\$ (5.7)	\$ (10.4)
<i>General fund savings from reduced hiring are recognized. \$1 million is provided to the Governor to assist agencies which are unable to absorb the staffing reductions. The House proposal does not reduce staffing for prisons or institutions of higher education.</i>		
Reduce Travel, Equipment & Contracts (net)	(5.0)	(5.0)
<i>Savings from reduced travel, contracting and equipment are recognized.</i>		
Adoption Support Offset to Federal Tax Credit	0.0	(1.5)
<i>The House proposal does not implement the adoption support offset in this biennium.</i>		
Eliminate Civil Indigent Defense	0.0	(0.2)
<i>The House proposal does not eliminate funding for civil indigent defense.</i>		
Historical Societies Reduction	(0.1)	(0.1)
<i>Savings assumed in the Governor's 2003-2005 budget begin in FY03.</i>		
Eliminate State Library for Agencies & Legislature	0.0	(0.6)
<i>No savings are assumed in the 2003 supplemental budget for the State Library.</i>		
	<u>(10.8)</u>	<u>(17.8)</u>

General Fund-State

Selected General Fund - State Increases

	<u>House</u> <u>Proposed</u>	<u>Senate</u>
DSHS: Disproportionate Share	\$ 6.9	\$ 6.9
<i>Funding is provided for the undisputed portion of the federal claim.</i>		
Fire Suppression Costs	17.9	14.6
<i>Funding is provided based on the most recent cost information available.</i>		
Increase Eligibility Verification	0.3	0.5
<i>Funding is provided to begin six month eligibility determinations for Medicaid.</i>		
	<u>25.1</u>	<u>22.0</u>

Cash Transfers & Appropriations

From GF-S to the Health Services Account	3.6	0.0
<i>Additional funds are provided to the Health Services Account. When combined with the actions taken to limit BHP enrollment, this balances the combined Health Services Account for the 2001-2003 Biennium.</i>		
From GF-S to the Tort Revolving Account	3.0	0.0
From GF-S to the Trauma Account	5.6	1.2
	<u>12.2</u>	<u>1.2</u>
All Other General Fund-State Items	3.0	2.4

General Fund-State

Maintenance Level Changes

	<u>House</u> <u>Proposed</u>	<u>Senate</u>
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Caseload and enrollment changes based on most recent cost data.

Department of Social & Health Services	\$ 78.9	\$ 90.3
Department of Corrections	24.4	24.3
K-12 Education	23.4	23.4
All Other (Primarily Debt Service)	(36.7)	(37.3)
	<u>90.0</u>	<u>100.7</u>

Total Supplemental Operating Budget (General Fund-State Only)

	<u>\$ 119.5</u>	<u>\$ 108.4</u>
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Other Funds

Selected Non-General Fund Items

	<u>House</u> <u>Proposed</u>	<u>Senate</u>
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Eliminate Basic Health Plan Expansion (Health Services Account portion)	(22.9)	(22.9)
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Additional funding to expand BHP enrollment is eliminated.

Limit Basic Health Plan Enrollments (HSA portion)	(11.5)	(15.1)
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The HCA is assumed to continue their current practice of limiting new enrollment on to the plan. The Senate budget assumes a total enrollment freeze.

Consolidate OMWBE	0.0	(0.1)
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The House supplemental budget proposal does not consolidate the Office of Minority and Women's Business Enterprises.