
**SENATE 2003 SUPPLEMENTAL BUDGETS
OPERATING AND CAPITAL SUMMARIES
OPERATING BUDGET AGENCY DETAIL**

SENATE CHAIR



**SENATE WAYS AND MEANS COMMITTEE
JANUARY 27, 2003**

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BALANCE SHEET

2001-03 Balance Sheet	
General Fund-State	
\$ in Millions	
Resources	
Beginning Fund Balance	\$599.1
November 2002 Revenue Forecast	21,126.2
Tobacco Securitization Transfer	450.0
Emergency Reserve Transfers	325.0
Other Transfers and Adjustments	328.6
Total Available Resources	\$22,828.9
Expenditures	
2001-03 Current Budget Level	\$22,451.5
Governor's 2003 Supplemental	235.1
<i>Senate Adjustments to Supplemental</i>	<i>(126.7)</i>
Total Appropriation	\$22,560.0
Expenditure Limit	\$23,162.8
<i>Amount under spending limit</i>	<i>(602.8)</i>
Unrestricted Reserve	
Ending Balance	\$268.9
Emergency Reserve	
Beginning Balance	\$462.1
Interest Earnings	13.0
Transfers to Transportation Budget	(70.0)
2002 Transfer to General Fund	(325.0)
Other transfers	(25.0)
Emergency Reserve	\$55.1

2003 Senate Supplemental Budget Overview

(Dollars in Millions)

Description	FTEs	General Fund	Total Funds
<i>Caseload, Workload, Legal, Emergencies, and Technical Corrections</i>			
Medical Assistance Utilization Changes <i>Costs per client are projected to be 4.2% higher than assumed in the 2002 supplemental.</i>		53.7	97.8
DSHS Caseload Changes <i>Increased caseload for Medical Assistance, Long Term Care, Economic Services, and Mental Health.</i>	85.0	22.3	69.0
Public Schools Enrollments/Additional Federal Funds for Public Schools. <i>Includes \$16.7m for transportation, \$4.2m prior year adjustments, and \$2.6m for enrollment program.</i>		22.5	86.9
Fire Suppression <i>Funding is provided for the cost of the 2002 fire season beyond funding provided in the current appropriation.</i>		14.6	24.2
Corrections Workload. <i>Funding is provided for a 5% increase in institutional and a 4% increase in active community caseloads.</i>	263.7	21.2	21.2
Additional Federal Funds for Low Income Energy Assistance			13.6
Additional Federal Funds for Americorps			12.0
State Supplemental Payments for SSI. <i>Additional funds are required to met federal maintenance of effort requirements.</i>		10.6	10.6
Trauma Assistance. <i>\$1.2 million is transferred from the general fund to the trauma account. Trauma funds are appropriated to fund unpaid claims through spring 2002, and grant payments at the levels originally budgeted for the biennium.</i>		1.2	7.0
HIPPA Standard Transactions. <i>Funds are provided for DSHS to comply with federal requirements for standard medical payment coding.</i>		1.1	4.3

Description	FTEs	General Fund	Total Funds
Disproportionate Share (Mental Health and Medical Assistance) <i>General fund state appropriations are provided to replace federal disproportionate share hospital funds no longer available.</i>		12.2	0.0
Remove vetoed funding for Home Care Worker Wages. <i>Funds are reduced to reflect the Governor's veto of a \$.25 per hour wage increase in the 2002 supplemental.</i>		-2.9	-5.9
Reduce Debt Service <i>Debt service requirements are less due to lower interest rates.</i>		-40.0	-49.7
Proshare and Medicare Upper Payment Limit. <i>Appropriation levels are reduced to reflect the lower level of intergovernmental transfers to the Health Services Account allowed by the federal government.</i>			-737.2
SUBTOTAL	348.7	\$116.3	-\$446.1

Policy Changes

Freeze Admissions to the Basic Health Plan, Defer Expansion and Increase Income Verification. <i>The Health Services Account is balanced this biennium by: freezing new enrollments, increasing eligibility verification, and amending I-773 to allow revenues to be used for current enrollments. Part of the workload savings from the freeze is redirected for the increased verification.</i>	-21.8		-60.3
Statewide Hiring Freeze. <i>The Governor's December modified hiring freeze on cabinet agencies is extended to all of state government. Additional savings are taken for non-cabinet agencies beginning April 2003.</i>	-1249.1	-10.8	-39.0
Freeze new personal service contracts, discretionary travel, and new equipment purchases. <i>New personal service contracts, discretionary travel, and new equipment purchases are frozen unless they are required by contract or would result in increased future costs. OFM is to reduce allotments for these purposes by 20%. The Governor is provided an emergency fund should an agency be unable to meet these requirements.</i>		-5.0	-10.0
SUBTOTAL	-1,270.9	-\$15.8	-\$109.3

Description	FTEs	General Fund	Total Funds
<i>Early Adoption of Governor's Proposed 2003-05 Policy Reductions</i>			
Improve Eligibility Determinations for Pregnant Women and Children. <i>Staff is provided to conduct eligibility determination every six months and to improve verification. Early implementation should result in an additional \$17 million state fund savings in 2003-05.</i>	20.3	0.5	0.9
Reduce Adoption support payment to reflect new \$10,000 federal income tax credit. <i>Governor's budget assumes a \$12 million savings in 2003-05.</i>		-1.5	-1.5
Eliminate state library support to state agencies while maintaining specialized services. <i>Library services to state agencies is eliminated June 2003. The Governor's budget assumes a savings of \$3.8 million next biennium.</i>	-10.0	-0.6	-0.6
Eliminate General Fund Support for Civil Indigent Services. <i>The general fund is eliminated in April 2003. Governor's budget assumes \$1.7 million general fund savings in 2003-05. \$7.5 million of other funding remain for these services.</i>		-0.2	-0.2
Eliminate Productivity Board Staff. <i>Funding for paid staff are eliminated June 2003.</i>	-6.0		-0.3
Reduce Historical Societies. <i>Societies are directed to reduce expenditures to align expenditures with the \$0.9 million reduction in the Governor's 2003-05 proposed budget.</i>		-0.1	-0.1
Consolidate Minority and Women Business Enterprise into CTED/GA <i>Office closure and consolidation to be completed June 2003.</i>	-1.3	0.0	-0.1
Collocate Asian Pacific Affairs, African American Affairs, Hispanic Affairs, and Indian Affairs Offices. <i>A one-time appropriation of \$20,000 is provided to help consolidate these offices immediately.</i>		0.0	0.0
All Other Changes	-8.0	9.8	29.9
SUBTOTAL	-5.0	\$7.9	\$28.0
TOTAL	-927.2	\$108.5	-\$527.5

Major Changes From Governor's Supplemental Budget

(Dollars in Millions)

Governor's Proposed 2003 Supplemental Budget	\$235.1
<p>Eliminate transfer to health services account</p> <p><i>\$15 million in savings achieved through freeze in BHP enrollments. \$20 million in savings are achieved by using more recent data concerning the fiscal year 2002 accounting closure in DSHS. An amendment to I-773 will also be required to balance the account.</i></p>	-35.0
<p>Eliminate deposit to tort liability account</p> <p><i>The liability account has a \$6 million balance for the current fiscal year even without this transfer. Further deposits are deferred until the 2003-05 biennial budget.</i></p>	-25.0
<p>Maintenance level differences in DSHS and Corrections</p> <p><i>Federal earnings in developmental disabilities and children's are greater (\$12.1 million); other DSHS adjustments (\$6.5 million); Corrections adjustments (\$4.5 million).</i></p>	-23.2
<p>Correct disproportionate share disallowance</p> <p><i>DSHS is still disputing \$16.4 million with the federal government. In addition, the disputed funds account has a balance of \$14 million in the unlikely case the dispute is resolved by June 2003.</i></p>	-16.4
<p>Take savings from Gov's hiring freeze and extend the freeze to all state agencies</p> <p><i>The Governor did not reduce agency budgets resulting from his December hiring freeze. In addition, the freeze is extended to all non-cabinet agencies and non-general fund agencies. A total of 1,263 FTE's are eliminated.</i></p>	-10.8
<p>Freeze personal service contracts, discretionary travel and equipment</p> <p><i>A statewide freeze on new personal service contracts, discretionary travel, and equipment purchases is imposed. OFM is directed to spread a 20% reduction and create a \$1 million emergency fund.</i></p>	-5.0
<p>Early implementation of some of the Governor's 2003-05 reductions</p> <p><i>Improved eligibility verification, adoption support tax credit, and reductions to the state library, historical societies, OMWBE.</i></p>	-1.9
<p>All other changes</p>	-9.3
Senate's Proposed 2003 Supplemental Budget	\$108.5

2003 Capital Supplemental Budget Summary

The 2003 Capital Supplemental Budget assumes no additional bond dollars and requires no bond bill or debt limit changes. The only net additional money is a \$58.1 million appropriation from the Public Works Assistance Account. In addition, Western Washington University receives \$1.5 million for the costs associated with the Parks Hall fire damage. This money was made available by the elimination of the \$1.5 million appropriation for the Inland Northwest Regional Sports and Recreational Project (Gonzaga Arena). Washington State University is allowed to transfer \$1.5 million of savings from their Teaching and Learning Center to their Energy Plant Renovation project.

	Reappropriation	Appropriation
Department of Community, Trade, & Economic Development		
Public Works Trust Fund 2001-03 Supplemental (2003-4-002)		
Public Works Assistance Account - State	\$0	\$58,072,911
Department of General Administration		
Legislative Buildings - O'Brien and Newhouse Bldg Improvements (2001-H-021)		
Capitol Building Construction Account - State	\$0	(\$1,000,000)
Thurston County Capital Facilities Account - State	<u>\$0</u>	<u>\$1,000,000</u>
Total	\$0	\$0
Western Washington University		
Job Creation & Infrastructure Projects (2003-1-001)		
State Building Construction Account - State	\$0	\$1,500,000
Department of Community, Trade, & Economic Development		
Inland Northwest Regional Sports and Recreational Project (2003-H-002)		
State Building Construction Account - State	\$0	(\$1,500,000)
Washington State University		
WSU Pullman - Teaching and Learning Center: New Facility (1998-2-062)		
State Building Construction Account - State	(\$1,539,000)	\$0
WSU Pullman - Energy Plant - Heat: Renovation (2002-1-501)		
State Building Construction Account - State	\$0	\$1,539,000

2003 Supplemental Operating Budget

FTE Staff Changes

LEAP Document 25 - January 27, 2003

	<u>FTEs</u>
Governmental Operations	
Office of the Governor	-9.3
Office of the Secretary of State	-16.0
Office of the Attorney General	-59.0
Dept of Financial Institutions	-3.9
Dept Community, Trade, Econ Dev	-10.5
Office of Financial Management	-6.1
Office of Administrative Hearings	-1.7
Department of Personnel	-7.5
Washington State Gambling Comm	-24.0
Department of Retirement Systems	-9.7
Department of Revenue	-29.0
Minority & Women's Business Enterp	-5.5
Dept of General Administration	-24.1
Department of Information Services	-12.1
WA State Liquor Control Board	-15.2
Total Governmental Operations	-233.6
Other Human Services	
WA State Health Care Authority	-30.7
Department of Labor and Industries	-158.0
Home Care Quality Authority	0.5
Department of Health	-19.9
Department of Veterans' Affairs	-22.7
Department of Corrections	69.3
Dept of Services for the Blind	-3.8
Department of Employment Security	-38.0
Total Other Human Services	-203.3

2003 Supplemental Operating Budget

FTE Staff Changes

LEAP Document 25 - January 27, 2003

	<u>FTEs</u>
DSHS	
Children and Family Services	-44.8
Juvenile Rehabilitation	5.2
Mental Health	32.0
Developmental Disabilities	49.0
Long-Term Care	-2.0
Economic Services Administration	-169.9
Alcohol & Substance Abuse	-13.4
Medical Assistance Payments	-16.3
Administration/Support Svcs	-53.1
Information System Services	-5.2
Total DSHS	-218.5
Natural Resources	
Department of Ecology	-11.6
WA Pollution Liab Insurance Program	-2.5
State Parks and Recreation Comm	-4.6
Dept of Fish and Wildlife	-9.2
Department of Natural Resources	-14.0
Department of Agriculture	-31.4
Total Natural Resources	-73.3
Transportation	
Washington State Patrol	-5.0
Department of Licensing	-6.9
Total Transportation	-11.9

2003 Supplemental Operating Budget

FTE Staff Changes

LEAP Document 25 - January 27, 2003

	<u>FTEs</u>
Higher Education	
Higher Education Coordinating Board	-0.1
University of Washington	-49.1
Washington State University	-29.7
Eastern Washington University	-6.6
Central Washington University	-5.4
The Evergreen State College	-7.7
Western Washington University	-10.6
Community/Technical College System	-74.3
Total Higher Education	<u>-183.5</u>
Other Education	
State School for the Deaf	-2.8
Work Force Trng & Educ Coord Board	-0.3
Total Other Education	<u>-3.1</u>
Statewide Total (net)	<u>-927.2</u>

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Judicial	0.0	2,212	2,212	0.0	2,327	2,327	0.0	-115	-115
Governmental Operations	-233.6	-2,081	26,258	-113.6	-179	31,624	-120.0	-1,902	-5,366
Other Human Services	-203.3	21,274	-61,954	-39.8	29,021	-2,187	-163.5	-7,747	-59,767
DSHS	-218.5	93,879	-551,810	-84.8	137,230	-77,977	-133.7	-43,351	-473,833
Natural Resources	-73.3	14,422	24,020	-33.9	16,683	26,945	-39.4	-2,261	-2,925
Transportation	-11.9	388	1,727	-6.9	554	2,089	-5.0	-166	-362
Public Schools	0.0	23,405	87,714	0.0	23,405	87,714	0.0	0	0
Higher Education	-183.5	-1,715	-1,715	0.0	0	0	-183.5	-1,715	-1,715
Other Education	-3.1	-182	-182	-2.8	0	0	-0.3	-182	-182
Special Appropriations	0.0	-43,125	-52,734	0.0	26,094	16,485	0.0	-69,219	-69,219
Statewide Total	-927.2	108,477	-526,464	-281.8	235,135	87,020	-645.4	-126,658	-613,484

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Judicial									
Supreme Court	0.0	0	0	0.0	20	20	0.0	-20	-20
State Law Library	0.0	0	0	0.0	5	5	0.0	-5	-5
Court of Appeals	0.0	0	0	0.0	19	19	0.0	-19	-19
Office of Administrator for Courts	0.0	2,042	2,042	0.0	2,113	2,113	0.0	-71	-71
Office of Public Defense	0.0	170	170	0.0	170	170	0.0	0	0
Total Judicial	0.0	2,212	2,212	0.0	2,327	2,327	0.0	-115	-115
Total Legislative/Judicial	0.0	2,212	2,212	0.0	2,327	2,327	0.0	-115	-115

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Governmental Operations									
Office of the Governor	-9.3	-58	-84	-9.3	0	0	0.0	-58	-84
Office of the Secretary of State	-16.0	-622	-646	0.0	0	0	-16.0	-622	-646
Governor's Office of Indian Affairs	0.0	5	5	0.0	0	0	0.0	5	5
Asian-Pacific-American Affrs	0.0	-32	-32	0.0	0	0	0.0	-32	-32
Office of the Attorney General	-59.0	3	-146	0.0	12	12	-59.0	-9	-158
Caseload Forecast Council	0.0	0	0	0.0	9	9	0.0	-9	-9
Dept of Financial Institutions	-3.9	0	-257	-3.9	0	0	0.0	0	-257
Dept Community, Trade, Econ Dev	-10.5	-662	12,793	-10.7	0	13,623	0.2	-662	-830
Office of Financial Management	-6.1	-20	11,964	-6.1	0	12,000	0.0	-20	-36
Office of Administrative Hearings	-1.7	0	762	0.0	0	1,079	-1.7	0	-317
Department of Personnel	-7.5	0	-134	-6.9	0	0	-0.6	0	-134
Washington State Gambling Comm	-24.0	0	-1,315	0.0	0	0	-24.0	0	-1,315
WA State Comm on Hispanic Affairs	0.0	5	5	0.0	0	0	0.0	5	5
African-American Affairs Comm	0.0	5	5	0.0	8	8	0.0	-3	-3
Department of Retirement Systems	-9.7	0	-154	-9.7	0	0	0.0	0	-154
Department of Revenue	-29.0	-830	-861	-29.0	-380	-380	0.0	-450	-481
Minority & Women's Business Enterp	-5.5	0	-549	-1.8	0	0	-3.7	0	-549
Dept of General Administration	-24.1	-9	-214	-24.1	0	0	0.0	-9	-214
Department of Information Services	-12.1	0	0	-12.1	0	0	0.0	0	0
WA State Liquor Control Board	-15.2	0	374	0.0	0	493	-15.2	0	-119
Military Department	0.0	134	4,742	0.0	134	4,742	0.0	0	0
Growth Management Hearings Board	0.0	0	0	0.0	38	38	0.0	-38	-38
Total Governmental Operations	-233.6	-2,081	26,258	-113.6	-179	31,624	-120.0	-1,902	-5,366

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Other Human Services									
WA State Health Care Authority	-30.7	0	-60,345	-30.7	0	-28,556	0.0	0	-31,789
Human Rights Commission	0.0	-334	-84	0.0	0	0	0.0	-334	-84
Criminal Justice Training Comm	0.0	0	0	0.0	0	29	0.0	0	-29
Department of Labor and Industries	-158.0	0	-18,213	-66.5	0	0	-91.5	0	-18,213
Home Care Quality Authority	0.5	19	19	0.5	19	19	0.0	0	0
Department of Health	-19.9	-95	-3,814	-19.9	0	-3,639	0.0	-95	-175
Department of Veterans' Affairs	-22.7	51	51	-18.8	156	320	-3.9	-105	-269
Department of Corrections	69.3	21,639	22,433	99.4	28,846	29,640	-30.1	-7,207	-7,207
Dept of Services for the Blind	-3.8	-6	-6	-3.8	0	0	0.0	-6	-6
Department of Employment Security	-38.0	0	-1,995	0.0	0	0	-38.0	0	-1,995
Total Other Human Services	-203.3	21,274	-61,954	-39.8	29,021	-2,187	-163.5	-7,747	-59,767

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
DSHS									
Children and Family Services	-44.8	-5,397	1,959	-44.8	5,864	7,266	0.0	-11,261	-5,307
Juvenile Rehabilitation	5.2	281	225	5.2	706	650	0.0	-425	-425
Mental Health	32.0	10,959	8,438	48.7	11,996	10,397	-16.7	-1,037	-1,959
Developmental Disabilities	49.0	-460	-1,074	73.8	5,028	2,660	-24.8	-5,488	-3,734
Long-Term Care	-2.0	3,143	5,615	27.4	4,730	8,630	-29.4	-1,587	-3,015
Economic Services Administration	-169.9	22,310	46,690	-152.6	24,501	51,199	-17.3	-2,191	-4,509
Alcohol & Substance Abuse	-13.4	-482	-511	-3.4	-447	-457	-10.0	-35	-54
Medical Assistance Payments	-16.3	61,230	-616,398	-4.2	78,228	-172,557	-12.1	-16,998	-443,841
Vocational Rehabilitation	0.0	-47	-97	0.0	-14	-64	0.0	-33	-33
Administration/Support Svcs	-53.1	2,342	3,343	-29.7	6,638	14,299	-23.4	-4,296	-10,956
Information System Services	-5.2	0	0	-5.2	0	0	0.0	0	0
Total DSHS	-218.5	93,879	-551,810	-84.8	137,230	-77,977	-133.7	-43,351	-473,833
Total Human Services	-421.8	115,153	-613,764	-124.6	166,251	-80,164	-297.2	-51,098	-533,600

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Natural Resources									
Department of Ecology	-11.6	-58	-176	0.0	0	28	-11.6	-58	-204
WA Pollution Liab Insurance Program	-2.5	0	-37	-2.5	0	0	0.0	0	-37
State Parks and Recreation Comm	-4.6	-8	522	0.0	16	556	-4.6	-24	-34
Dept of Fish and Wildlife	-9.2	-6	402	0.0	87	565	-9.2	-93	-163
Department of Natural Resources	-14.0	14,551	24,322	0.0	16,580	26,437	-14.0	-2,029	-2,115
Department of Agriculture	-31.4	-57	-1,013	-31.4	0	-641	0.0	-57	-372
Total Natural Resources	-73.3	14,422	24,020	-33.9	16,683	26,945	-39.4	-2,261	-2,925

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		Total
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	
Transportation									
Washington State Patrol	-5.0	338	1,645	0.0	437	1,830	-5.0	-99	-185
Department of Licensing	-6.9	50	82	-6.9	117	259	0.0	-67	-177
Total Transportation	-11.9	388	1,727	-6.9	554	2,089	-5.0	-166	-362

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		Total
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	
Public Schools									
OSPI & Statewide Programs	0.0	0	17,195	0.0	0	17,195	0.0	0	0
General Apportionment	0.0	7,766	7,766	0.0	7,766	7,766	0.0	0	0
Pupil Transportation	0.0	16,538	16,538	0.0	16,538	16,538	0.0	0	0
School Food Services	0.0	0	10,805	0.0	0	10,805	0.0	0	0
Special Education	0.0	172	38,953	0.0	172	38,953	0.0	0	0
Traffic Safety Education	0.0	101	101	0.0	101	101	0.0	0	0
Levy Equalization	0.0	857	857	0.0	857	857	0.0	0	0
Elementary/Secondary School Improv	0.0	0	-2,077	0.0	0	-2,077	0.0	0	0
Institutional Education	0.0	-672	-672	0.0	-672	-672	0.0	0	0
Ed of Highly Capable Students	0.0	15	15	0.0	15	15	0.0	0	0
Student Achievement Program	0.0	0	64	0.0	0	64	0.0	0	0
Education Reform	0.0	119	119	0.0	119	119	0.0	0	0
Transitional Bilingual Instruction	0.0	-651	-1,176	0.0	-651	-1,176	0.0	0	0
Learning Assistance Program (LAP)	0.0	-920	-920	0.0	-920	-920	0.0	0	0
Block Grants	0.0	-7	-7	0.0	-7	-7	0.0	0	0
Compensation Adjustments	0.0	87	153	0.0	87	153	0.0	0	0
Total Public Schools	0.0	23,405	87,714	0.0	23,405	87,714	0.0	0	0

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Higher Education									
Higher Education Coordinating Board	-0.1	-29	-29	0.0	0	0	-0.1	-29	-29
University of Washington	-49.1	-494	-494	0.0	0	0	-49.1	-494	-494
Washington State University	-29.7	-246	-246	0.0	0	0	-29.7	-246	-246
Eastern Washington University	-6.6	-59	-59	0.0	0	0	-6.6	-59	-59
Central Washington University	-5.4	-54	-54	0.0	0	0	-5.4	-54	-54
The Evergreen State College	-7.7	-79	-79	0.0	0	0	-7.7	-79	-79
Western Washington University	-10.6	-105	-105	0.0	0	0	-10.6	-105	-105
Community/Technical College System	-74.3	-649	-649	0.0	0	0	-74.3	-649	-649
Total Higher Education	-183.5	-1,715	-1,715	0.0	0	0	-183.5	-1,715	-1,715
Other Education									
State School for the Deaf	-2.8	-53	-53	-2.8	0	0	0.0	-53	-53
Work Force Trng & Educ Coord Board	-0.3	-4	-4	0.0	0	0	-0.3	-4	-4
Washington State Historical Society	0.0	-83	-83	0.0	0	0	0.0	-83	-83
East Wash State Historical Society	0.0	-42	-42	0.0	0	0	0.0	-42	-42
Total Other Education	-3.1	-182	-182	-2.8	0	0	-0.3	-182	-182
Total Education	-186.6	21,508	85,817	-2.8	23,405	87,714	-183.8	-1,897	-1,897

2003 Supplemental Operating Budget

(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTEs	GF-S	Total	FTEs	GF-S	Total	FTEs	GF-S	Total
Special Appropriations									
Bond Retirement and Interest	0.0	-40,040	-49,666	0.0	-40,040	-49,666	0.0	0	0
Special Approps to the Governor	0.0	-3,800	-3,800	0.0	65,571	65,571	0.0	-69,371	-69,371
Sundry Claims	0.0	483	500	0.0	331	348	0.0	152	152
Contributions to Retirement Systems	0.0	232	232	0.0	232	232	0.0	0	0
Total Special Appropriations	0.0	-43,125	-52,734	0.0	26,094	16,485	0.0	-69,219	-69,219

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2001-03 Revised Omnibus Operating Budget (2003 Supp)
Supreme Court
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	64.3	10,987	10,987	64.3	10,987	10,987	0.0	0	0
2003 Maintenance Changes:									
1. Unemployment Claim Compensation	0.0	0	0	0.0	20	20	0.0	-20	-20
Total Maintenance Changes	0.0	0	0	0.0	20	20	0.0	-20	-20
2001-03 Revised Appropriations	64.3	10,987	10,987	64.3	11,007	11,007	0.0	-20	-20
Difference from 2001-03 Appropriations	0.0	0	0	0.0	20	20	0.0	-20	-20
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%			

Comments:

1. Unemployment Claim Compensation - No additional funding for unemployment compensation is provided, as it is anticipated that the Supreme Court will continue to manage this cost within appropriated levels.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
State Law Library
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	15.0	3,906	3,906	15.0	3,906	3,906	0.0	0	0
2003 Maintenance Changes:									
1. Unemployment Claim Compensation	0.0	0	0	0.0	5	5	0.0	-5	-5
Total Maintenance Changes	0.0	0	0	0.0	5	5	0.0	-5	-5
2001-03 Revised Appropriations	15.0	3,906	3,906	15.0	3,911	3,911	0.0	-5	-5
Difference from 2001-03 Appropriations	0.0	0	0	0.0	5	5	0.0	-5	-5
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%			

Comments:

1. Unemployment Claim Compensation - No additional funding for unemployment compensation is provided, as it is anticipated that the Law Library will continue to manage this cost within appropriated levels.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Court of Appeals
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	146.8	25,618	25,618	146.8	25,618	25,618	0.0	0	0
2003 Maintenance Changes:									
1. Unemployment Claim Compensation	0.0	0	0	0.0	19	19	0.0	-19	-19
Total Maintenance Changes	0.0	0	0	0.0	19	19	0.0	-19	-19
2001-03 Revised Appropriations	146.8	25,618	25,618	146.8	25,637	25,637	0.0	-19	-19
Difference from 2001-03 Appropriations	0.0	0	0	0.0	19	19	0.0	-19	-19
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%			

Comments:

1. Unemployment Claim Compensation - No additional funding for unemployment compensation is provided, as it is anticipated that the Court of Appeals will continue to manage this cost within appropriated levels.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of the Administrator for the Courts
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	354.0	30,288	85,514	354.0	30,288	85,514	0.0	0	0
2003 Maintenance Changes:									
1. Superior Court Judges' Benefits	0.0	2,042	2,042	0.0	2,042	2,042	0.0	0	0
2. Unemployment Claim Compensation	0.0	0	0	0.0	71	71	0.0	-71	-71
Total Maintenance Changes	0.0	2,042	2,042	0.0	2,113	2,113	0.0	-71	-71
2001-03 Revised Appropriations	354.0	32,330	87,556	354.0	32,401	87,627	0.0	-71	-71
Difference from 2001-03 Appropriations	0.0	2,042	2,042	0.0	2,113	2,113	0.0	-71	-71
% Change from 2001-03 Appropriations	0.0%	6.7%	2.4%	0.0%	7.0%	2.5%			

Comments:

1. Superior Court Judges' Benefits - Funding is provided pursuant to a recent Thurston County Superior Court decision that requires the state to reimburse counties for 100 percent of Superior Court judges' benefits. The agency will reimburse all counties for any amounts paid during Fiscal Year 2002, as well as pay 100 percent of the Superior Court judges' benefits in Fiscal Year 2003.

2. Unemployment Claim Compensation - No additional funding for unemployment compensation is provided, as it is anticipated that the agency will continue to manage this cost within appropriated levels.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of Public Defense
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	5.5	600	12,944	5.5	600	12,944	0.0	0	0
2003 Policy Changes:									
1. Dependency and Termination	0.0	170	170	0.0	170	170	0.0	0	0
Total Policy Changes	0.0	170	170	0.0	170	170	0.0	0	0
2001-03 Revised Appropriations	5.5	770	13,114	5.5	770	13,114	0.0	0	0
Difference from 2001-03 Appropriations	0.0	170	170	0.0	170	170	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	28.3%	1.3%	0.0%	28.3%	1.3%			

Comments:

1. Dependency and Termination - Funding is provided to continue the Dependency and Termination Program, currently underway in Benton, Franklin and Pierce counties. \$500,000 in funding to continue the program in the 2002 supplemental budget was vetoed by the Governor. The agency has since secured some grant funding, and providing \$170,000 in additional state funds will allow the program to continue through the end of the 2001-03 biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of the Governor
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	63.8	8,525	12,652	63.8	8,525	12,652	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-9.3	-58	-84	-9.3	0	0	0.0	-58	-84
Total Policy Changes	-9.3	-58	-84	-9.3	0	0	0.0	-58	-84
2001-03 Revised Appropriations	54.5	8,467	12,568	54.5	8,525	12,652	0.0	-58	-84
Difference from 2001-03 Appropriations	-9.3	-58	-84	-9.3	0	0	0.0	-58	-84
% Change from 2001-03 Appropriations	-15.6%	-0.7%	-0.7%	-15.6%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of the Secretary of State
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	173.0	16,931	35,548	173.0	16,931	35,548	0.0	0	0
2003 Policy Changes:									
1. State Library Reduction	-10.0	-622	-622	0.0	0	0	-10.0	-622	-622
2. Productivity Board Reduction	-6.0	0	-24	0.0	0	0	-6.0	0	-24
Total Policy Changes	-16.0	-622	-646	0.0	0	0	-16.0	-622	-646
2001-03 Revised Appropriations	157.0	16,309	34,902	173.0	16,931	35,548	-16.0	-622	-646
Difference from 2001-03 Appropriations	-16.0	-622	-646	0.0	0	0	-16.0	-622	-646
% Change from 2001-03 Appropriations	-9.2%	-3.7%	-1.8%	0.0%	0.0%	0.0%			

Comments:

1. State Library Reduction - Reduced appropriations for the State Library reflect an April 30, 2003, implementation date for the reductions proposed by the Governor for the 2003-05 fiscal biennium. This reduction in state library services preserves the following services: (1) assistance to local libraries, (2) historic and northwest collections, (3) state and federal document repositories, and (4) talking book and braille services. Library services to state institutions are transferred to the Department of Corrections and the Department of Social and Health Services.

2. Productivity Board Reduction - The Governor's recommended 2003-05 reduction in the Productivity Board is implemented during the 2001-03 biennium. State agencies' quality management programs will undertake many of the board's responsibilities.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Governor's Office of Indian Affairs
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	4.0	543	543	4.0	543	543	0.0	0	0
2003 Policy Changes:									
1. Co-location of Offices	0.0	5	5	0.0	0	0	0.0	5	5
Total Policy Changes	0.0	5	5	0.0	0	0	0.0	5	5
2001-03 Revised Appropriations	4.0	548	548	4.0	543	543	0.0	5	5
Difference from 2001-03 Appropriations	0.0	5	5	0.0	0	0	0.0	5	5
% Change from 2001-03 Appropriations	0.0%	0.9%	0.9%	0.0%	0.0%	0.0%			

Comments:

1. Co-location of Offices - The Governor proposes to co-locate the Commissions on Asian Pacific American Affairs, African American Affairs, Hispanic Affairs and the Governor's Office of Indian Affairs as part of the 2003-05 biennial budget. One-time only funding is provided in FY 2003 to begin consolidation of offices immediately.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Comm on Asian-Pacific-American Affairs
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2.3	434	434	2.3	434	434	0.0	0	0
2003 Maintenance Changes:									
1. Co-location of Office	0.0	5	5	0.0	0	0	0.0	5	5
2. Adjustment for actual underspending	0.0	-37	-37	0.0	0	0	0.0	-37	-37
Total Maintenance Changes	0.0	-32	-32	0.0	0	0	0.0	-32	-32
2001-03 Revised Appropriations	2.3	402	402	2.3	434	434	0.0	-32	-32
Difference from 2001-03 Appropriations	0.0	-32	-32	0.0	0	0	0.0	-32	-32
% Change from 2001-03 Appropriations	0.0%	-7.4%	-7.4%	0.0%	0.0%	0.0%			

Comments:

1. Co-location of Office - The Governor proposes to co-locate the Commissions on Asian Pacific American Affairs, African American Affairs, Hispanic Affairs and the Governor's Office of Indian Affairs as part of the 2003-05 biennial budget. One-time only funding is provided in FY 2003 to begin consolidation of offices immediately.

2. Adjustment for actual underspending - The agency's appropriation is reduced to reflect actual expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of the Attorney General
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,092.5	8,881	164,973	1,092.5	8,881	164,973	0.0	0	0
2003 Policy Changes:									
1. Tort Defense County Prosecutors	0.0	12	12	0.0	12	12	0.0	0	0
2. 2003 Supplemental FTE Reduction	-59.0	-9	-158	0.0	0	0	-59.0	-9	-158
Total Policy Changes	-59.0	3	-146	0.0	12	12	-59.0	-9	-158
2001-03 Revised Appropriations	1,033.5	8,884	164,827	1,092.5	8,893	164,985	-59.0	-9	-158
Difference from 2001-03 Appropriations	-59.0	3	-146	0.0	12	12	-59.0	-9	-158
% Change from 2001-03 Appropriations	-5.3%	0.0%	-0.1%	0.0%	0.1%	0.0%			

Comments:

1. Tort Defense County Prosecutors - Funding is provided for the payment of on going tort defense costs related to county prosecutor actions.

2. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Caseload Forecast Council
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	7.0	1,231	1,231	7.0	1,231	1,231	0.0	0	0
2003 Maintenance Changes:									
1. Lease Rate Adjustments	0.0	0	0	0.0	9	9	0.0	-9	-9
Total Maintenance Changes	0.0	0	0	0.0	9	9	0.0	-9	-9
2001-03 Revised Appropriations	7.0	1,231	1,231	7.0	1,240	1,240	0.0	-9	-9
Difference from 2001-03 Appropriations	0.0	0	0	0.0	9	9	0.0	-9	-9
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%			

Comments:

1. Lease Rate Adjustments - Agency is directed to cover requested funds to pay the capital surcharge to the Department of General Administration, pursuant to the acquisition of newly leased office space, out of current appropriations.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Financial Institutions
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	139.3	0	24,392	139.3	0	24,392	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-3.9	0	-257	-3.9	0	0	0.0	0	-257
Total Policy Changes	-3.9	0	-257	-3.9	0	0	0.0	0	-257
2001-03 Revised Appropriations	135.4	0	24,135	135.4	0	24,392	0.0	0	-257
Difference from 2001-03 Appropriations	-3.9	0	-257	-3.9	0	0	0.0	0	-257
% Change from 2001-03 Appropriations	-2.9%	0.0%	-1.1%	-2.9%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (Financial Services Regulation Acct-NonApp)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Dept of Community, Trade, & Economic Development
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	320.2	131,092	354,566	320.2	131,092	354,566	0.0	0	0
2003 Maintenance Changes:									
1. Federal Authority Level Increase	0.0	0	13,623	0.0	0	13,623	0.0	0	0
Total Maintenance Changes	0.0	0	13,623	0.0	0	13,623	0.0	0	0
2003 Policy Changes:									
2. 2003 Supplemental FTE Reduction	-10.7	-476	-644	-10.7	0	0	0.0	-476	-644
3. Eliminate Civil Indigent Pgm 4/1/03	0.0	-207	-207	0.0	0	0	0.0	-207	-207
4. Assist Disadvantaged Small Business	0.2	21	21	0.0	0	0	0.2	21	21
Total Policy Changes	-10.5	-662	-830	-10.7	0	0	0.2	-662	-830
2001-03 Revised Appropriations	309.7	130,430	367,359	309.5	131,092	368,189	0.2	-662	-830
Difference from 2001-03 Appropriations	-10.5	-662	12,793	-10.7	0	13,623	0.2	-662	-830
% Change from 2001-03 Appropriations	-3.1%	-0.5%	3.6%	-3.1%	0.0%	3.8%			

Comments:

- 1. Federal Authority Level Increase** - Congress has increased federal appropriations for the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP provides payments to utility companies on behalf of low-income households which cannot afford to pay their energy bills. (General Fund-Federal)
- 2. 2003 Supplemental FTE Reduction** - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 Supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. (General Fund-Federal)
- 3. Eliminate Civil Indigent Pgm 4/1/03** - The Governor's 2003-05 budget proposes General Fund-State funding, in the amount of \$1.7 million, to be eliminated in the Civil Indigent program. The Senate supplemental budget assumes funding is eliminated April 1, 2003.
- 4. Assist Disadvantaged Small Business** - The Governor's 2003-05 budget proposes to consolidate the Office of Minority and Women's Business Enterprises (OMWBE) functions into Community Trade and Economic Development (CTED). The Senate supplemental budget assumes that consolidation takes effect during the remainder of FY 2003.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of Financial Management
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	246.0	24,964	70,952	246.0	24,964	70,952	0.0	0	0
2003 Maintenance Changes:									
1. Increased Federal Authority	0.0	0	12,000	0.0	0	12,000	0.0	0	0
Total Maintenance Changes	0.0	0	12,000	0.0	0	12,000	0.0	0	0
2003 Policy Changes:									
2. 2003 Supplemental FTE Reduction	-6.1	-20	-36	-6.1	0	0	0.0	-20	-36
Total Policy Changes	-6.1	-20	-36	-6.1	0	0	0.0	-20	-36
2001-03 Revised Appropriations	239.9	24,944	82,916	239.9	24,964	82,952	0.0	-20	-36
Difference from 2001-03 Appropriations	-6.1	-20	11,964	-6.1	0	12,000	0.0	-20	-36
% Change from 2001-03 Appropriations	-2.4%	-0.1%	16.9%	-2.4%	0.0%	16.9%			

Comments:

1. Increased Federal Authority - Congress has increased the federal appropriation for the AmeriCorps program, which supports the Washington Reading Corps, the Washington Conservation Corps, and various other programs designed to benefit the citizens of Washington State. The amount of federal funding being received for National Criminal History projects has also increased. (General Fund-Federal)

2. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of Administrative Hearings
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	135.7	0	22,444	135.7	0	22,444	0.0	0	0
2003 Maintenance Changes:									
1. 2003 Unemployment Caseload Increase	0.0	0	870	0.0	0	1,079	0.0	0	-209
Total Maintenance Changes	0.0	0	870	0.0	0	1,079	0.0	0	-209
2003 Policy Changes:									
2. 2003 Supplemental FTE Reduction	-1.7	0	-108	0.0	0	0	-1.7	0	-108
Total Policy Changes	-1.7	0	-108	0.0	0	0	-1.7	0	-108
2001-03 Revised Appropriations	134.0	0	23,206	135.7	0	23,523	-1.7	0	-317
Difference from 2001-03 Appropriations	-1.7	0	762	0.0	0	1,079	-1.7	0	-317
% Change from 2001-03 Appropriations	-1.5%	0.0%	3.4%	0.0%	0.0%	4.8%			

Comments:

1. 2003 Unemployment Caseload Increase - The unemployment caseload continues to increase due to the economic conditions in the state of Washington. The Employment Security Department will pay for these increased hearings from federal funds. The Senate budget corrects this adjustment based on recent actual levels of overspending to meet this increased workload. (Administrative Hearings Revolving Account-State)

2. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. Although the Governor's supplemental request did not reduce FTEs in this agency, the Senate budget makes this reduction because this agency is not exempt from the executive request requiring a hiring freeze. (Administrative Hearings Revolving Fund)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Personnel
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	211.1	0	32,886	211.1	0	32,886	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-7.5</u>	<u>0</u>	<u>-134</u>	<u>-6.9</u>	<u>0</u>	<u>0</u>	<u>-0.6</u>	<u>0</u>	<u>-134</u>
Total Policy Changes	-7.5	0	-134	-6.9	0	0	-0.6	0	-134
2001-03 Revised Appropriations	203.6	0	32,752	204.2	0	32,886	-0.6	0	-134
Difference from 2001-03 Appropriations	-7.5	0	-134	-6.9	0	0	-0.6	0	-134
% Change from 2001-03 Appropriations	-3.3%	0.0%	-0.4%	-3.3%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (Department of Personnel Service Account, Data Processing Revolving Account, Higher Education Personnel Services Account)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Gambling Commission
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	196.3	0	29,353	196.3	0	29,353	0.0	0	0
2003 Policy Changes:									
1. FTE adjustment for 2003	-24.0	0	-1,315	0.0	0	0	-24.0	0	-1,315
Total Policy Changes	-24.0	0	-1,315	0.0	0	0	-24.0	0	-1,315
2001-03 Revised Appropriations	172.3	0	28,038	196.3	0	29,353	-24.0	0	-1,315
Difference from 2001-03 Appropriations	-24.0	0	-1,315	0.0	0	0	-24.0	0	-1,315
% Change from 2001-03 Appropriations	-12.2%	0.0%	-4.5%	0.0%	0.0%	0.0%			

Comments:

- FTE adjustment for 2003** - Funding is reduced by \$1.3 million to adjust for on-going FTE vacancies and the Governor's hiring freeze.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
WA State Commission on Hispanic Affairs
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2.3	436	436	2.3	436	436	0.0	0	0
2003 Maintenance Changes:									
1. Co-location of Office	0.0	5	5	0.0	0	0	0.0	5	5
Total Maintenance Changes	0.0	5	5	0.0	0	0	0.0	5	5
2001-03 Revised Appropriations	2.3	441	441	2.3	436	436	0.0	5	5
Difference from 2001-03 Appropriations	0.0	5	5	0.0	0	0	0.0	5	5
% Change from 2001-03 Appropriations	0.0%	1.1%	1.1%	0.0%	0.0%	0.0%			

Comments:

1. Co-location of Office - The Governor proposes to co-locate the Commissions on Asian Pacific American Affairs, African American Affairs, Hispanic Affairs and the Governor's Office of Indian Affairs as part of the 2003-05 biennial budget. One-time only funding is provided in FY 2003 to begin consolidation of offices immediately.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
WA State Comm on African-American Affairs
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2.3	418	418	2.3	418	418	0.0	0	0
2003 Maintenance Changes:									
1. Resignation Leave Buyout	0.0	0	0	0.0	8	8	0.0	-8	-8
2. Co-location of Office	0.0	5	5	0.0	0	0	0.0	5	5
Total Maintenance Changes	0.0	5	5	0.0	8	8	0.0	-3	-3
2001-03 Revised Appropriations	2.3	423	423	2.3	426	426	0.0	-3	-3
Difference from 2001-03 Appropriations	0.0	5	5	0.0	8	8	0.0	-3	-3
% Change from 2001-03 Appropriations	0.0%	1.2%	1.2%	0.0%	1.9%	1.9%			

Comments:

1. Resignation Leave Buyout - Funding is provided for the leave buyout for an employee who resigned in November 2002. As provided by law, staff departing from state service are compensated for any accumulated annual leave and related benefit costs. The Senate budget assumes leave buyout cost can be absorbed.

2. Co-location of Office - The Governor proposes to co-locate the Commissions on Asian Pacific American Affairs, African American Affairs, Hispanic Affairs and the Governor's Office of Indian Affairs as part of the 2003-05 biennial budget. One-time only funding is provided in FY 2003 to begin consolidation of offices immediately.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Retirement Systems
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	299.3	0	53,244	299.3	0	53,244	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-9.7</u>	<u>0</u>	<u>-154</u>	<u>-9.7</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>-154</u>
Total Policy Changes	-9.7	0	-154	-9.7	0	0	0.0	0	-154
2001-03 Revised Appropriations	289.6	0	53,090	289.6	0	53,244	0.0	0	-154
Difference from 2001-03 Appropriations	-9.7	0	-154	-9.7	0	0	0.0	0	-154
% Change from 2001-03 Appropriations	-3.0%	0.0%	-0.3%	-3.0%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (Department of Retirement Systems Expense Account, Deferred Compensation Administrative Account)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Revenue
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,021.5	150,768	161,068	1,021.5	150,768	161,068	0.0	0	0
2003 Maintenance Changes:									
1. Property Tax Deferral Payments	0.0	-380	-380	0.0	-380	-380	0.0	0	0
Total Maintenance Changes	0.0	-380	-380	0.0	-380	-380	0.0	0	0
2003 Policy Changes:									
2. 2003 Supplemental FTE Reduction	-29.0	-450	-481	-29.0	0	0	0.0	-450	-481
Total Policy Changes	-29.0	-450	-481	-29.0	0	0	0.0	-450	-481
2001-03 Revised Appropriations	992.5	149,938	160,207	992.5	150,388	160,688	0.0	-450	-481
Difference from 2001-03 Appropriations	-29.0	-830	-861	-29.0	-380	-380	0.0	-450	-481
% Change from 2001-03 Appropriations	-2.9%	-0.6%	-0.5%	-2.9%	-0.3%	-0.2%			

Comments:

1. Property Tax Deferral Payments - The number of applications for the property tax deferral program has been declining, resulting in lower expenditures. The Department of Revenue expects this change will continue to have a permanent impact on the program.

2. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Office of Minority & Women's Business Enterprises
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	20.0	0	2,616	20.0	0	2,616	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-4.2	0	-426	-1.8	0	0	-2.4	0	-426
2. Consolidate OMWBE	-1.3	0	-123	0.0	0	0	-1.3	0	-123
Total Policy Changes	-5.5	0	-549	-1.8	0	0	-3.7	0	-549
2001-03 Revised Appropriations	14.5	0	2,067	18.2	0	2,616	-3.7	0	-549
Difference from 2001-03 Appropriations	-5.5	0	-549	-1.8	0	0	-3.7	0	-549
% Change from 2001-03 Appropriations	-30.0%	0.0%	-21.0%	-10.0%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction from current spending levels for the rest of the 2001-03 Biennium. Budget savings are calculated at actual average staff costs. This reduction also includes adjustment for actual underspending. (Fund 453 OMWBE Enterprises Account)

2. Consolidate OMWBE - The Governor's 2003-05 budget proposes to consolidate Office of Minority & Women's Business Enterprises (OMWBE) functions into Community Trade & Economic Development (CTED) reducing current funding from \$2,721,000 to \$500,000.. This budget reduction assumes that consolidation take effect during the remainder of FY 2003. (Fund 453 OMWBE Enterprises Account)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of General Administration
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	586.2	1,204	129,658	586.2	1,204	129,658	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-24.1	-9	-214	-24.1	0	0	0.0	-9	-214
Total Policy Changes	-24.1	-9	-214	-24.1	0	0	0.0	-9	-214
2001-03 Revised Appropriations	562.1	1,195	129,444	562.1	1,204	129,658	0.0	-9	-214
Difference from 2001-03 Appropriations	-24.1	-9	-214	-24.1	0	0	0.0	-9	-214
% Change from 2001-03 Appropriations	-4.1%	-0.7%	-0.2%	-4.1%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and ongoing for 2003-05.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Information Services
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	427.6	0	207,397	427.6	0	207,397	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-12.1</u>	<u>0</u>	<u>0</u>	<u>-12.1</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-12.1	0	0	-12.1	0	0	0.0	0	0
2001-03 Revised Appropriations	415.5	0	207,397	415.5	0	207,397	0.0	0	0
Difference from 2001-03 Appropriations	-12.1	0	0	-12.1	0	0	0.0	0	0
% Change from 2001-03 Appropriations	-2.8%	0.0%	0.0%	-2.8%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Liquor Control Board
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	943.1	2,922	155,626	943.1	2,922	155,626	0.0	0	0
2003 Maintenance Changes:									
1. Distribution Center Costs	0.0	0	480	0.0	0	493	0.0	0	-13
Total Maintenance Changes	0.0	0	480	0.0	0	493	0.0	0	-13
2003 Policy Changes:									
2. 2003 Supplemental FTE reduction	-15.2	0	-106	0.0	0	0	-15.2	0	-106
Total Policy Changes	-15.2	0	-106	0.0	0	0	-15.2	0	-106
2001-03 Revised Appropriations	927.9	2,922	156,000	943.1	2,922	156,119	-15.2	0	-119
Difference from 2001-03 Appropriations	-15.2	0	374	0.0	0	493	-15.2	0	-119
% Change from 2001-03 Appropriations	-1.6%	0.0%	0.2%	0.0%	0.0%	0.3%			

Comments:

1. Distribution Center Costs - Additional expenditure authority is provided to allow for staffing needs to fulfill increased sales volumes. (Liquor Revolving Account)

2. 2003 Supplemental FTE reduction - Funding is reduced as a result of a statewide hiring freeze to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. The agency will take these reductions in areas that will not negatively affect enforcement or revenues. (Liquor Revolving Fund)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Military Department
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	213.0	17,875	148,358	213.0	17,875	148,358	0.0	0	0
2003 Maintenance Changes:									
1. Nisqually Earthquake Adjustment	0.0	0	3,027	0.0	0	3,027	0.0	0	0
2. Disaster Response Adjustment	0.0	0	-3,913	0.0	0	-3,913	0.0	0	0
3. FTE and Federal Funding Adjustment	0.0	0	3,996	0.0	0	3,996	0.0	0	0
Total Maintenance Changes	0.0	0	3,110	0.0	0	3,110	0.0	0	0
2003 Policy Changes:									
4. National Guard Activation Costs	0.0	134	134	0.0	134	134	0.0	0	0
5. Homeland Security	0.0	0	1,498	0.0	0	1,498	0.0	0	0
Total Policy Changes	0.0	134	1,632	0.0	134	1,632	0.0	0	0
2001-03 Revised Appropriations	213.0	18,009	153,100	213.0	18,009	153,100	0.0	0	0
Difference from 2001-03 Appropriations	0.0	134	4,742	0.0	134	4,742	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.7%	3.2%	0.0%	0.7%	3.2%			

Comments:

1. Nisqually Earthquake Adjustment - Funding has been adjusted to reflect the most recent estimates to repair damages caused by the 2001 Nisqually Earthquake. (Nisqually Earthquake Account-State/Federal)

2. Disaster Response Adjustment - Funding has been adjusted to reflect the most recent estimates to repair damages caused by floods and other disasters in the mid-1990s. (Disaster Response Account-State/Federal)

3. FTE and Federal Funding Adjustment - Funding is adjusted to reflect increased federal support for operations, maintenance, environmental management, electronic and physical security, and telecommunications support by the National Guard Bureau. (General Fund-Federal)

4. National Guard Activation Costs - One-time funding is provided for National Guard activation by the state in August 2001 to assist in firefighting efforts in eastern Washington. \$30,000 in one-time funding is provided for the medical costs of a National Guard member related to fighting fires while on state active duty, as required under RCW 38.40.030.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Military Department

5. Homeland Security - The Federal Emergency Management Agency (FEMA) has awarded \$2.5 million to Washington State for homeland security purposes. Of that amount, FEMA has earmarked \$1.6 million for local jurisdictions; \$0.4 million for the Citizen Corps and Community Emergency Response Teams; \$50,000 to conduct assessments of state and local Emergency Operation Centers; and \$0.3 million for terrorism consequence management. Of the remaining \$0.2 million, the Washington State Military Department will retain \$0.1 million for administration of the grant, and \$0.1 million is available to state agencies on a competitive basis for homeland security preparedness. No state match is required for this grant award. Funding is provided for the portion of the award the Department expects to spend during Fiscal Year 2003. (General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Growth Management Hearings Board
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	12.0	2,958	2,958	12.0	2,958	2,958	0.0	0	0
2003 Maintenance Changes:									
1. Annual Leave Buy-out	0.0	0	0	0.0	38	38	0.0	-38	-38
Total Maintenance Changes	0.0	0	0	0.0	38	38	0.0	-38	-38
2001-03 Revised Appropriations	12.0	2,958	2,958	12.0	2,996	2,996	0.0	-38	-38
Difference from 2001-03 Appropriations	0.0	0	0	0.0	38	38	0.0	-38	-38
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	1.3%	1.3%			

Comments:

1. Annual Leave Buy-out - Funding was requested to cover the cost of payments to two Western Board members who have retired, or will retire, during Fiscal Year 2003. Costs of one retirement have been paid and the agency is underspent by \$31,000.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Health Care Authority
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	310.4	6,655	722,545	310.4	6,655	722,545	0.0	0	0
2003 Policy Changes:									
1. Defer Basic Health Expansion	-21.8	0	-28,556	-21.8	0	-28,556	0.0	0	0
2. Basic Health Enrollment Freeze	-5.3	0	-31,937	0.0	0	0	-5.3	0	-31,937
3. Increased Income Verification	5.3	0	288	0.0	0	0	5.3	0	288
4. 2003 Supplemental FTE Reduction	-8.9	0	-140	-8.9	0	0	0.0	0	-140
Total Policy Changes	-30.7	0	-60,345	-30.7	0	-28,556	0.0	0	-31,789
2001-03 Revised Appropriations	279.7	6,655	662,200	279.7	6,655	693,989	0.0	0	-31,789
Difference from 2001-03 Appropriations	-30.7	0	-60,345	-30.7	0	-28,556	0.0	0	-31,789
% Change from 2001-03 Appropriations	-9.7%	0.0%	-8.4%	-9.7%	0.0%	-4.0%			

Comments:

1. Defer Basic Health Expansion - Under the 2002 Supplemental budget, increased tax revenues generated by Initiative 773 were to be used to expand Basic Health Plan (BHP) enrollments to a total of 172,000 person per month by June 2003. However, the Initiative requires that the state first fund 125,000 BHP enrollments before the Initiative revenues may be expended. The portion of the Health Services Account from which those 125,000 enrollments would be funded is projected to be over \$540 million in deficit over the next three years. Consequently, both the Governor's and the Senate Supplemental budget discontinue the planned enrollment expansion, and propose amendment of Initiative 773 so that the revenues may instead be used to reduce the underlying Health Services Account deficit. This item represents the difference in cost between the increase to 172,000 enrollments funded in the 2002 Supplemental budget, and the estimated December 2002 BHP enrollment level of 140,575. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

2. Basic Health Enrollment Freeze - In December, the Governor directed that no new enrollees are to be admitted to the Basic Health Plan when existing enrollees leave the program. The Senate budget concurs with this policy. This item represents the additional premium subsidy and administrative savings which will occur as a result of not replacing the approximately 5,000 subsidized enrollees who exit the BHP each month. As a result of the enrollment freeze, and the increased income verification efforts described below, the number of subsidized enrollees is expected to decrease by about 30,000 during January - June 2003. Subsidized enrollment is expected to total about 111,000 in June 2003. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Health Care Authority

3. Increased Income Verification - Funding is provided to re-assign 10 additional staff to verifying that BHP enrollees are in fact income eligible for the state subsidies they are receiving. When combined with prior efforts, this additional staffing is expected to enable the agency to verify the income eligibility of approximately 85,000 additional enrollees during January - June 2003. Based upon actual experience with the approximately 89,000 enrollees whose eligibility was re-verified during 2002, approximately 2 percent of the cases reviewed are expected to be found ineligible, and an additional 29 percent are expected to be dropped from enrollment for failure to respond to re-verification efforts. The resulting savings in state premium subsidies are included in the "enrollment freeze" item, above. (Health Services Account-State, General Fund-Federal)

4. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. (Health Services Account-State, General Fund-Federal, Health Care Authority Administration Account - State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Human Rights Commission
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	51.4	5,307	6,951	51.4	5,307	6,951	0.0	0	0
2003 Policy Changes:									
1. Capture State Savings to Date	0.0	-334	-84	0.0	0	0	0.0	-334	-84
Total Policy Changes	0.0	-334	-84	0.0	0	0	0.0	-334	-84
2001-03 Revised Appropriations	51.4	4,973	6,867	51.4	5,307	6,951	0.0	-334	-84
Difference from 2001-03 Appropriations	0.0	-334	-84	0.0	0	0	0.0	-334	-84
% Change from 2001-03 Appropriations	0.0%	-6.3%	-1.2%	0.0%	0.0%	0.0%			

Comments:

1. Capture State Savings to Date - General Fund - State funding is reduced for the following three reasons: (1) There was a temporary shift of agency costs to an unanticipated grant called the Federal Housing Initiative Program (FHIP); (2) staff vacancies; and (3) higher level of federal earnings.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
WA State Criminal Justice Training Commission
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	40.0	0	18,756	40.0	0	18,756	0.0	0	0
2003 Maintenance Changes:									
1. Emergency Vehicle Operation Course	0.0	0	0	0.0	0	29	0.0	0	-29
Total Maintenance Changes	0.0	0	0	0.0	0	29	0.0	0	-29
2001-03 Revised Appropriations	40.0	0	18,756	40.0	0	18,785	0.0	0	-29
Difference from 2001-03 Appropriations	0.0	0	0	0.0	0	29	0.0	0	-29
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%			

Comments:

1. Emergency Vehicle Operation Course - Effective July 1, 2002, the Washington State Patrol increased the fee to the Commission to use the driving course in Shelton. No additional funding is provided, as it is anticipated that the Commission will manage this cost within appropriated levels. (Public Safety and Education Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Labor and Industries
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2,751.2	11,094	462,751	2,751.2	11,094	462,751	0.0	0	0
2003 Maintenance Changes:									
1. Adjust CVC projection	0.0	0	-1,100	0.0	0	0	0.0	0	-1,100
Total Maintenance Changes	0.0	0	-1,100	0.0	0	0	0.0	0	-1,100
2003 Policy Changes:									
2. 2003 Supplemental FTE Reduction	-158.0	0	-17,113	-66.5	0	0	-91.5	0	-17,113
Total Policy Changes	-158.0	0	-17,113	-66.5	0	0	-91.5	0	-17,113
2001-03 Revised Appropriations	2,593.2	11,094	444,538	2,684.7	11,094	462,751	-91.5	0	-18,213
Difference from 2001-03 Appropriations	-158.0	0	-18,213	-66.5	0	0	-91.5	0	-18,213
% Change from 2001-03 Appropriations	-5.7%	0.0%	-3.9%	-2.4%	0.0%	0.0%			

Comments:

1. Adjust CVC projection - Crime victims compensation program expenditures through October 2002 are \$1.3 million less than appropriated for the same period. The Senate budget adjusts funding to account for a part of the projected surplus.

2. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. The Senate adjustment captures the actual underspending for the biennium through November 2002 and projects that level forward and then accounts for the effect of the hiring freeze.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Home Care Quality Authority
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	3.1	152	152	3.1	152	152	0.0	0	0
2003 Policy Changes:									
1. Labor Negotiator	0.5	19	19	0.5	19	19	0.0	0	0
Total Policy Changes	0.5	19	19	0.5	19	19	0.0	0	0
2001-03 Revised Appropriations	3.6	171	171	3.6	171	171	0.0	0	0
Difference from 2001-03 Appropriations	0.5	19	19	0.5	19	19	0.0	0	0
% Change from 2001-03 Appropriations	33.3%	12.5%	12.5%	33.3%	12.5%	12.5%			

Comments:

1. Labor Negotiator - Funding is provided for a half-time labor negotiator to respond to the labor agreement requirements for Fiscal Year 2003 and the potential need to negotiate additional terms if the Legislature does not elect to accept the terms of the tentative agreement recently reached with home care workers.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Health
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,183.0	112,277	653,217	1,183.0	112,277	653,217	0.0	0	0
2003 Maintenance Changes:									
1. Operator Cert. Fee Authority	0.0	0	121	0.0	0	121	0.0	0	0
2. Federal Vaccine Purchases	0.0	0	-5,060	0.0	0	-5,060	0.0	0	0
3. Private/Local Expenditure Authority	0.0	0	1,300	0.0	0	1,300	0.0	0	0
Total Maintenance Changes	0.0	0	-3,639	0.0	0	-3,639	0.0	0	0
2003 Policy Changes:									
4. 2003 Supplemental FTE Reduction	-19.9	-95	-175	-19.9	0	0	0.0	-95	-175
Total Policy Changes	-19.9	-95	-175	-19.9	0	0	0.0	-95	-175
2001-03 Revised Appropriations	1,163.1	112,182	649,403	1,163.1	112,277	649,578	0.0	-95	-175
Difference from 2001-03 Appropriations	-19.9	-95	-3,814	-19.9	0	-3,639	0.0	-95	-175
% Change from 2001-03 Appropriations	-1.7%	-0.1%	-0.6%	-1.7%	0.0%	-0.6%			

Comments:

1. Operator Cert. Fee Authority - New federal requirements that became effective in January 2001 require that there be at least one certified operator for every community water system which serves fifty or more connections. As a result, approximately 1,500 additional operators have had to be tested and certified, with the cost of those functions covered by the applicants' certification fees. This item provides the department with the appropriations authority to cover the costs which have been incurred with the fees which have been collected. No additional fee increase is required or authorized. (Waterworks Operator Certification Account-State)

2. Federal Vaccine Purchases - Despite a temporary national shortage of four vaccines, the Department of Health now projects that it will expend \$69 million this biennium on childhood vaccines, rather than \$67 million as previously projected. However, the Department proposes to use its Calendar Year 2003 allotment of federally-provided vaccines in state fiscal year 2003, rather than in state fiscal year 2004, in order to reduce state Health Services Account expenditures during the current year. (Health Services Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Health

3. Private/Local Expenditure Authority - The Department of Health receives contributions from private and local sources, and some fee revenues which are deposited into "local" rather than other dedicated accounts. Such "local fund" revenues may only be expended to the extent that the Legislature has provided sufficient appropriations authority. This item provides the authority to expend the higher-than-anticipated revenues from three sources: the Susan G. Komen Foundation, for breast and cervical cancer screening; the Seattle-King County Health Department's federal Ryan White grant, for payment of insurance premiums on behalf of persons with HIV/AIDS; and for the Newborn Screening Program, which is conducting and collecting fees for screenings than anticipated. (General Fund-Private/Local)

4. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. (General Fund-State, Health Professions Account-State, General Fund-Local)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Veterans' Affairs
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	611.8	19,590	71,918	611.8	19,590	71,918	0.0	0	0
2003 Maintenance Changes:									
1. New MicroSoft Licensing Fee Imposed	0.0	66	66	0.0	113	113	0.0	-47	-47
2. Workers Compensation Changes	0.0	123	123	0.0	43	207	0.0	80	-84
Total Maintenance Changes	0.0	189	189	0.0	156	320	0.0	33	-131
2003 Policy Changes:									
3. 2003 Supplemental FTE Reduction	-22.7	-138	-138	-18.8	0	0	-3.9	-138	-138
Total Policy Changes	-22.7	-138	-138	-18.8	0	0	-3.9	-138	-138
2001-03 Revised Appropriations	589.1	19,641	71,969	593.0	19,746	72,238	-3.9	-105	-269
Difference from 2001-03 Appropriations	-22.7	51	51	-18.8	156	320	-3.9	-105	-269
% Change from 2001-03 Appropriations	-3.8%	0.3%	0.1%	-3.1%	0.8%	0.4%			

Comments:

1. New MicroSoft Licensing Fee Imposed - Effective July 2002, the cost of upgrading from older versions of software increased substantially for customers who do not pay annual fees to receive upgrades on a routine basis, and technical support was discontinued for software older than the previous release. Under these circumstances, it became more cost-effective for the agency to pay the annual licensing fee, than to continue its previous practice of purchasing upgrades as conditions warranted. Funding is provided to cover the difference in cost between the new annual licensing fee arrangement, and the agency's average expenditures on software licensing, purchases, and upgrades in prior years.

2. Workers Compensation Changes - Funding is provided to cover the cost of the 38 percent average increase in workers compensation rates which was applied to the state veterans homes effective January 1, 2003. The Senate funding level differs from the Administration's original proposal because it (1) accounts for the roughly 30 percent of the increase which will be covered by the employee rather than the employer; (2) corrects an erroneous assumption that client contributions and federal payment rates will automatically increase to cover a proportionate share of the expenditure increase; and (3) provides for the increase to be absorbed within existing funding levels by the agency's headquarters and field offices, as is being done by other state administrative units. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

3. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Corrections
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	7,887.5	1,072,559	1,110,323	7,887.5	1,072,559	1,110,323	0.0	0	0
2003 Maintenance Changes:									
1. Lease Rate Adjustments	0.0	0	0	0.0	181	181	0.0	-181	-181
2. Postage Rate Adjustments	0.0	0	0	0.0	63	63	0.0	-63	-63
3. Utility Rate Adjustments	0.0	1,324	1,324	0.0	1,324	1,324	0.0	0	0
4. Federal Fund Transfer	0.0	-794	0	0.0	-794	0	0.0	0	0
5. Health Care Inflation	0.0	1,880	1,880	0.0	1,880	1,880	0.0	0	0
6. Kent Office Fire	0.7	280	280	0.7	280	280	0.0	0	0
7. Legal Mandates	0.0	77	77	0.0	77	77	0.0	0	0
8. Rate Increases	0.0	222	222	0.0	1,226	1,226	0.0	-1,004	-1,004
9. Regulatory Compliance	0.0	140	140	0.0	140	140	0.0	0	0
10. Workload Increase	263.0	21,187	21,187	293.1	24,469	24,469	-30.1	-3,282	-3,282
Total Maintenance Changes	263.7	24,316	25,110	293.8	28,846	29,640	-30.1	-4,530	-4,530
2003 Policy Changes:									
11. 2003 Supplemental FTE Reduction	-194.4	-2,677	-2,677	-194.4	0	0	0.0	-2,677	-2,677
Total Policy Changes	-194.4	-2,677	-2,677	-194.4	0	0	0.0	-2,677	-2,677
2001-03 Revised Appropriations	7,956.8	1,094,198	1,132,756	7,986.9	1,101,405	1,139,963	-30.1	-7,207	-7,207
Difference from 2001-03 Appropriations	69.3	21,639	22,433	99.4	28,846	29,640	-30.1	-7,207	-7,207
% Change from 2001-03 Appropriations	0.9%	2.0%	2.0%	1.3%	2.7%	2.7%			

Comments:

- 1. Lease Rate Adjustments** - Funding for lease increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.
- 2. Postage Rate Adjustments** - Funding for postage increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.
- 3. Utility Rate Adjustments** - Funding is provided to cover increases in utility rates.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Corrections

4. Federal Fund Transfer - The federal Bureau of Justice Assistance allocated an additional \$794,000 of state Criminal Alien Assistance Program funds than originally estimated. The Department receives these federal funds to assist in paying the cost of incarcerating illegal aliens who have committed serious crimes in the state of Washington. (General Fund-State, General Fund-Federal)

5. Health Care Inflation - Funding is provided to cover the increased costs of providing health care to inmates due to inflation.

6. Kent Office Fire - Funding is provided to replace lost equipment and reimburse other expenses that the Department incurred as a result of the Kent Community Corrections Office fire on July 6, 2002.

7. Legal Mandates - Funding is provided for an additional sewer bond at Stafford Creek Corrections Center, pursuant to a mediation agreement between the Department of Corrections and the City of Aberdeen and the Friends of Grays Harbor. Additional sewer needs are related to the opening of two additional units at the Stafford Creek Corrections Center.

8. Rate Increases - Funding is provided to cover increased Department of Health fees authorized by the 2002 Legislature, and increased rates from the Office of Secretary of State for archives and records retention. Funding is also provided to cover COLAs and benefits for Snohomish County sheriff personnel as part of the Department's obligations under a Memorandum of Understanding on the Twin Rivers Corrections Center. No funding is provided for rate increases from the Department of Personnel, General Administration, Office of Financial Management, and Department of Information Services, as other agencies are currently absorbing these increases and have not made supplemental requests.

9. Regulatory Compliance - Funding is provided for regulatory compliance activities which include lease purchasing automated medication devices and paying impact fees to the Snohomish County Fire District.

10. Workload Increase - Funding is provided for workload increases based on the November 2002 forecast from the Caseload Forecast Council, including 5 percent more inmates in custody, and a 4 percent increase in offenders on active community supervision. The level of total funding is adjusted to reflect that the agency has already managed some workload increase in community corrections within existing appropriations, and to reflect later than anticipated operation of the Mission Creek minimum security facility. It is anticipated that the agency would not be able to add staff to administration by the end of the biennium, and can therefore maintain current spending patterns in administration and not exceed its appropriation authority.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Services for the Blind
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	71.9	3,240	17,756	71.9	3,240	17,756	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-3.8</u>	<u>-6</u>	<u>-6</u>	<u>-3.8</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>-6</u>	<u>-6</u>
Total Policy Changes	-3.8	-6	-6	-3.8	0	0	0.0	-6	-6
2001-03 Revised Appropriations	68.1	3,234	17,750	68.1	3,240	17,756	0.0	-6	-6
Difference from 2001-03 Appropriations	-3.8	-6	-6	-3.8	0	0	0.0	-6	-6
% Change from 2001-03 Appropriations	-5.6%	-0.2%	0.0%	-5.6%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Employment Security
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2,151.8	0	440,273	2,151.8	0	440,273	0.0	0	0
2003 Policy Changes:									
1. 2003 FTE Supplemental Reduction	-38.0	0	-1,995	0.0	0	0	-38.0	0	-1,995
Total Policy Changes	-38.0	0	-1,995	0.0	0	0	-38.0	0	-1,995
2001-03 Revised Appropriations	2,113.8	0	438,278	2,151.8	0	440,273	-38.0	0	-1,995
Difference from 2001-03 Appropriations	-38.0	0	-1,995	0.0	0	0	-38.0	0	-1,995
% Change from 2001-03 Appropriations	-1.8%	0.0%	-0.5%	0.0%	0.0%	0.0%			

Comments:

1. 2003 FTE Supplemental Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing assumed to be permanent and will reduce ongoing 2003-05 expenditures. (General Fund-Federal, Unemployment Compensation Admin-Federal, Employment Services Administrative-State, Administrative Contingency Account-State, General Fund-Local)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	2,303.1	456,146	832,552	2,303.1	456,146	832,552	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Caseload Changes	0.0	4,079	5,090	0.0	4,769	5,902	0.0	-690	-812
2. Centennial Building Lease Savings	0.0	0	0	0.0	132	176	0.0	-132	-176
3. Postage	0.0	0	0	0.0	58	79	0.0	-58	-79
4. Administrative Reductions	0.0	-56	-74	0.0	-56	-74	0.0	0	0
5. Cost Allocation/Incr Fed Revenue	0.0	-7,977	0	0.0	0	0	0.0	-7,977	0
6. Foster Parent Training	4.5	271	371	4.5	271	371	0.0	0	0
7. DD Parent Participation	0.0	690	812	0.0	690	812	0.0	0	0
Total Maintenance Changes	4.5	-2,993	6,199	4.5	5,864	7,266	0.0	-8,857	-1,067
2003 Policy Changes:									
8. 2003 Supplemental FTE Reduction	-49.3	-904	-2,740	-49.3	0	0	0.0	-904	-2,740
9. Adoption Tax Credit	0.0	-1,500	-1,500	0.0	0	0	0.0	-1,500	-1,500
Total Policy Changes	-49.3	-2,404	-4,240	-49.3	0	0	0.0	-2,404	-4,240
2001-03 Revised Appropriations	2,258.3	450,749	834,511	2,258.3	462,010	839,818	0.0	-11,261	-5,307
Difference from 2001-03 Appropriations	-44.8	-5,397	1,959	-44.8	5,864	7,266	0.0	-11,261	-5,307
% Change from 2001-03 Appropriations	-2.0%	-1.2%	0.2%	-2.0%	1.3%	0.9%			

Comments:

1. Mandatory Caseload Changes - The Children's Administration is provided funding for workload increases based on the October 2002 caseload forecast adopted by the Caseload Forecast Council, and the expenditure forecast projected by the Department of Social and Health Services Office of Forecasting and Policy Analysis, for the Adoption and Foster Care programs. (General Fund-State, General Fund-Federal)

2. Centennial Building Lease Savings - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. The Senate budget assumes this shortfall can be absorbed. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Children and Family Services

3. Postage - Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. As assumed in the original appropriation, the Senate budget assumes the increased cost of postage can be absorbed along with other inflationary costs. (General Fund-State, General Fund-Federal)

4. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

5. Cost Allocation/Incr Fed Revenue - FY 2003 federal earning for DCFS Direct Social Services through November exceeds the level anticipated in the budget. This adjustment assumes that the department's successful initiative to improve federal earnings continues for the rest of the fiscal year. (General Fund-State, General Fund-Federal)

6. Foster Parent Training - The Children's Administration is provided \$371,000 and 4.5 FTE staff years to meet the requirements of Section IV, the Unsafe Placements provision, of the Braams lawsuit injunction. Although the remaining sections of the lawsuit were stayed, pending appeal to the Washington State Supreme Court, unsafe placements was not. As a result, in August 2002, the Department of Social and Health Services began providing specialized training for foster parents and staff on sexually aggressive and physically assaultive youth. (General Fund-State, General Fund-Federal)

7. DD Parent Participation - Funds are restored to the Children's Administration and Developmental Disabilities Services that were removed in the 2002 supplemental budget on the assumption that the legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. That legislation was not enacted. (General Fund-State, General Fund-Federal)

8. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

9. Adoption Tax Credit - The Governor's proposed 2003-05 budget includes a \$12 million savings in the adoption support program based on negotiating lower adoption support payments in recognition of the new \$10,000 federal income tax credit available to families who adopt a child. This reduction assumes that the department implements that proposed policy beginning in April 2003.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,172.9	162,258	230,853	1,172.9	162,258	230,853	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Workload Changes	5.2	371	319	5.2	371	319	0.0	0	0
2. Centennial Building Lease Savings	0.0	0	0	0.0	20	20	0.0	-20	-20
3. Postage	0.0	0	0	0.0	7	7	0.0	-7	-7
4. Utilities	0.0	0	0	0.0	251	251	0.0	-251	-251
5. Medication Utilization	0.0	0	0	0.0	147	147	0.0	-147	-147
6. Administrative Reductions	0.0	-90	-94	0.0	-90	-94	0.0	0	0
Total Maintenance Changes	5.2	281	225	5.2	706	650	0.0	-425	-425
2001-03 Revised Appropriations	1,178.1	162,539	231,078	1,178.1	162,964	231,503	0.0	-425	-425
Difference from 2001-03 Appropriations	5.2	281	225	5.2	706	650	0.0	-425	-425
% Change from 2001-03 Appropriations	0.4%	0.2%	0.1%	0.4%	0.4%	0.3%			

Comments:

1. Mandatory Workload Changes - Funding is provided for workload increases including an additional need for Suicide Precaution Level watches and diagnostic services. (General Fund-State, General Fund-Federal)

2. Centennial Building Lease Savings - No additional funding is provided to cover the continued lease payments, since the agency has been managing this cost within appropriated levels.

3. Postage - Funding for postage increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.

4. Utilities - Funding for utility increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.

5. Medication Utilization - Funding for increased medication costs is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Juvenile Rehabilitation

6. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Mental Health
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	3,002.1	583,737	1,147,254	3,002.1	583,737	1,147,254	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Workload Changes	30.0	1,600	2,100	46.7	1,967	2,768	-16.7	-367	-668
2. Mandatory Caseload Changes	0.0	1,248	2,501	0.0	1,248	2,501	0.0	0	0
3. HIPAA Standard Transactions	0.0	540	1,080	0.0	0	0	0.0	540	1,080
4. Balanced Budget Act Implementation	0.0	500	1,000	0.0	1,592	3,184	0.0	-1,092	-2,184
5. SCC Legal Fees	0.0	392	392	0.0	392	392	0.0	0	0
6. Postage	0.0	0	0	0.0	6	7	0.0	-6	-7
7. Utilities	0.0	0	0	0.0	112	180	0.0	-112	-180
8. Increase DSH	0.0	5,350	0	0.0	5,350	0	0.0	0	0
9. Administrative Reductions	0.0	-194	-265	0.0	-194	-265	0.0	0	0
Total Maintenance Changes	30.0	9,436	6,808	46.7	10,473	8,767	-16.7	-1,037	-1,959
2003 Policy Changes:									
10. Marr Lawsuit	2.0	1,523	1,630	2.0	1,523	1,630	0.0	0	0
Total Policy Changes	2.0	1,523	1,630	2.0	1,523	1,630	0.0	0	0
2001-03 Revised Appropriations	3,034.1	594,696	1,155,692	3,050.8	595,733	1,157,651	-16.7	-1,037	-1,959
Difference from 2001-03 Appropriations	32.0	10,959	8,438	48.7	11,996	10,397	-16.7	-1,037	-1,959
% Change from 2001-03 Appropriations	1.1%	1.9%	0.7%	1.6%	2.1%	0.9%			

Comments:

1. Mandatory Workload Changes - Expenditures in the state psychiatric facilities have exceeded the budgeted level even though the patient population is currently below the level assumed in the budget. Funding is provided to cover the overexpenditure to date and assumes that expenditures will be reduced to the allotment level by April 2003. (General Fund-State, General Fund-Federal)

2. Mandatory Caseload Changes - This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Year 2003. The number of Medicaid eligibles is the basis for funding levels to the Regional Support Networks. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Mental Health

3. HIPAA Standard Transactions - Funding is provided to implement the standards for electronic transactions to comply with the Health Insurance Accountability and Portability Act (HIPAA). (General Fund-State, General Fund-Federal)

4. Balanced Budget Act Implementation - The Balanced Budget Act of 1997 (BBA) passed Congress as a protection for clients enrolled in managed care. The major rules of the Act affecting administration of managed care programs were published in final form in June 2002. These rules must be implemented no later than August 13, 2003. These rules have a major impact on the prepaid health plans making them administratively equal to Health Maintenance Organizations (HMOs.) Because of the process of obtaining a 1915(b) waiver, the Mental Health Division will be required to have the actuarial/cost effectiveness analysis done by May 31, 2003, as well as the client notifications prepared and ready to be sent out on July 1, 2003. (General Fund-State, General Fund-Federal)

5. SCC Legal Fees - Funding is provided to cover state reimbursement to counties for the cost of civil commitment proceedings. The need for reimbursement is in excess of what was forecasted for Fiscal Year 2003.

6. Postage - Funding for postage increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.

7. Utilities - Western State Hospital (WSH) has experienced electricity expenditures considerably higher than budgeted amounts. As assumed in the original appropriation, the Senate budget assumes the increased cost of utilities can be absorbed along with other inflationary costs. (General Fund-State, General Fund-Federal)

8. Increase DSH - An increase in General Fund-State funding is needed to replace General Fund-Federal funding lost due to the reduction to the Institution for Mental Disease Disproportionate Share Hospital lid. (General Fund-State, General Fund-Federal)

9. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

10. Marr Lawsuit - Eastern State Hospital (ESH) proposes to establish a separate Habilitative Mental Health (HMH) ward exclusively for persons who are enrolled with the Developmental Disabilities Services (DDS). This ward will use existing vacant space at ESH, but require some alterations to accommodate the DDS clients' needs. Funding is provided for 2.0 FTE staff years, staff training costs, facility alteration costs, attorney fees, and court monitor costs per the preliminary Marr settlement agreement. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	3,373.2	629,106	1,207,851	3,373.2	629,106	1,207,851	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Caseload Changes	0.0	-363	-726	0.0	-226	-452	0.0	-137	-274
2. State Supplemental Payments	4.0	156	425	4.0	156	425	0.0	0	0
3. SSI Client Contributions	0.0	153	153	0.0	153	153	0.0	0	0
4. Public Safety	0.0	0	0	0.0	315	657	0.0	-315	-657
5. Technical Corrections	4.0	0	0	4.0	0	0	0.0	0	0
6. Postage	0.0	0	0	0.0	12	23	0.0	-12	-23
7. Utilities	0.0	0	0	0.0	242	484	0.0	-242	-484
8. Administrative Reductions	0.0	-222	-331	0.0	-222	-331	0.0	0	0
9. Federal Funding Adjustments	0.0	0	0	0.0	3,300	0	0.0	-3,300	0
10. Olmstead Placement Reversal	0.0	-971	-1,941	62.0	357	613	-62.0	-1,328	-2,554
11. Audit Responses	5.0	250	500	3.8	221	368	1.2	29	132
12. RHC Overexpenditures	32.0	1,168	3,872	0.0	0	0	32.0	1,168	3,872
13. Headquarters Overspending	9.0	1,077	1,882	0.0	0	0	9.0	1,077	1,882
14. Reduce Headquarters Spending	-5.0	-300	-500	0.0	0	0	-5.0	-300	-500
15. Reduce funding for ARC Settlement	0.0	-3,000	-6,000	0.0	0	0	0.0	-3,000	-6,000
16. Community Overspending	0.0	872	872	0.0	0	0	0.0	872	872
17. DD Parent Participation	0.0	720	720	0.0	720	720	0.0	0	0
Total Maintenance Changes	49.0	-460	-1,074	73.8	5,028	2,660	-24.8	-5,488	-3,734
2001-03 Revised Appropriations	3,422.2	628,646	1,206,777	3,447.0	634,134	1,210,511	-24.8	-5,488	-3,734
Difference from 2001-03 Appropriations	49.0	-460	-1,074	73.8	5,028	2,660	-24.8	-5,488	-3,734
% Change from 2001-03 Appropriations	1.5%	-0.1%	-0.1%	2.2%	0.8%	0.2%			

Comments:

1. Mandatory Caseload Changes - The Medicaid Personal Care caseload growth is projected lower than the FY 2003 appropriation level. This adjustment uses the October 2002 Caseload Forecast Council forecast and actuals for July-Sept 2002. (General Fund-State, General Fund-Federal)

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Department of Social and Health Services
Developmental Disabilities

2. State Supplemental Payments - The Aging and Disabilities Services Administration needs additional staffing to assist clients who qualify for the Supplemental Security Income/State Supplemental Payment Program established during the 2002 legislative session. (General Fund-State, General Fund-Federal)

3. SSI Client Contributions - Funding is provided to replace lost client contributions in the Aging and Disabilities Services Administration.

4. Public Safety - The Senate budget projects funding requirements for all of residential services for the remainder of fiscal year 2003. Funding for public safety is within that projection below.

5. Technical Corrections - The 2002 supplemental budget inadvertently left out staffing authority involved in the implementation of the State Support Program and Home and Community Based Waiver management.

6. Postage - Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. As assumed in the original appropriation, the Senate budget assumes the increased cost of postage can be absorbed along with other inflationary costs.

7. Utilities - The Fircrest Residential Rehabilitation Center has experienced gas and electricity expenditures well above budgeted amounts. As assumed in the original appropriation, the Senate budget assumes the increased cost of utilities can be absorbed along with other inflationary costs. (General Fund-State, General Fund-Federal)

8. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are spread to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

9. Federal Funding Adjustments - The agency requested additional state funds based on an assumed level of federal funding in their 2002 supplemental budget request. That request was not approved as an adjustment in the Governor's 2002 supplemental budget, nor was it funded in the enacted 2002 supplemental budget. The program has not limited the state fund spending growth in community services to the levels appropriated. The over expenditure problem is adjusted below after taking into account other expected changes in community spending.

10. Olmstead Placement Reversal - The expected level of savings from the Residential Habilitation Center (RHC) cottage closures will not be realized due to a slower rate of placements into the community than originally estimated. The Legislature anticipated that the Division may not make sufficient placements into community settings and allows the Aging and Disabilities Services Administration to transfer unspent community funding to the RHCs. A technical correction to the FTE staff year assumption is also made. (General Fund-State, General Fund-Federal)

11. Audit Responses - Recent audits by the Joint Legislative Audit Review Committee, Sterling Associates, and the Center for Medicaid and Medicare Services identified the need to improve program and fiscal management and control over the developmental disabilities program. This adjustment provides funding to be used within the new consolidated administration for aging and disabilities to improve the oversight, management, and fiscal control of the medicaid waiver and personal care. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Developmental Disabilities

12. RHC Overexpenditures - The Residential Habilitation Centers budget is overspent even though fewer residents are in the institutions than were assumed in the budget. Less than half of the projected overexpenditure can be attributed to slower Olmstead moves from the facilities. Most of the overspending is due to cost control problems not associated with the number of residents. (General Fund-State, General Fund-Federal)

13. Headquarters Overspending - For several years, spending for program support for the developmental disabilities program has exceeded the level budgeted by about 40 percent per year. This adjustment covers that projected over expenditures for fiscal year 2003. (General Fund-State, General Fund-Federal)

14. Reduce Headquarters Spending - FTEs in Developmental Disabilities Headquarters are reduced to offset the increases needed for the higher priorities of responding to recent audits. (General Fund-State, General Fund-Federal)

15. Reduce funding for ARC Settlement - Funding for the proposed settlement in the ARC lawsuit is reduced based on the level of funding that has yet to be committed. The settlement was not approved by the court. (General Fund-State, General Fund-Federal)

16. Community Overspending - Actual spending for community residential services is exceeding the appropriation level. This adjustment brings state funding up to recent actual levels.

17. DD Parent Participation - Funds are restored to the Children's Administration and Aging and Disabilities Services Administration that were removed in the 2002 supplemental budget, on the assumption that the legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. (General Fund-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,091.8	1,019,137	2,088,762	1,091.8	1,019,137	2,088,762	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Workload Changes	0.0	0	0	13.4	619	1,492	-13.4	-619	-1,492
2. Mandatory Caseload Changes	0.0	6,310	12,477	0.0	6,310	12,477	0.0	0	0
3. Centennial Building Lease Savings	0.0	0	0	0.0	36	71	0.0	-36	-71
4. SSI Client Contributions	0.0	218	252	0.0	252	252	0.0	-34	0
5. Basic Health Plan	0.0	35	1,151	0.0	35	1,151	0.0	0	0
6. Home Care Worker Wage	0.0	-2,927	-5,872	0.0	-2,927	-5,872	0.0	0	0
7. Technical Corrections	0.0	0	0	0.0	394	787	0.0	-394	-787
8. Postage	0.0	0	0	0.0	16	31	0.0	-16	-31
9. 2003 Supplemental FTE Reduction	-11.0	-91	-237	0.0	0	0	-11.0	-91	-237
10. Administrative Reductions	0.0	-411	-565	0.0	-411	-565	0.0	0	0
11. Forecast Cost/Utilization	0.0	-383	-2,363	0.0	-383	-2,363	0.0	0	0
12. Abuse Prevention	9.0	0	772	14.0	397	1,169	-5.0	-397	-397
13. Adult Family Homes Licensing Fee	0.0	392	0	0.0	392	0	0.0	0	0
Total Maintenance Changes	-2.0	3,143	5,615	27.4	4,730	8,630	-29.4	-1,587	-3,015
2001-03 Revised Appropriations	1,089.8	1,022,280	2,094,377	1,119.2	1,023,867	2,097,392	-29.4	-1,587	-3,015
Difference from 2001-03 Appropriations	-2.0	3,143	5,615	27.4	4,730	8,630	-29.4	-1,587	-3,015
% Change from 2001-03 Appropriations	-0.2%	0.3%	0.3%	2.5%	0.5%	0.4%			

Comments:

1. Mandatory Workload Changes - The administration proposes additional staffing because long-term care caseloads are projected to be about 1.4% higher in Fiscal Year 2003 than previously forecasted and budgeted. The Senate budget does not provide funding for this purpose, for two reasons: (1) long-standing legislative practice has been to not change caseload-driven staffing, either up or down, as a result of mid-year forecast corrections; and (2) accurate application of the appropriate staffing standards indicate the need for only marginal changes. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Long-Term Care

2. Mandatory Caseload Changes - An average of 48,700 people are now expected to receive state-funded long-term care services in Fiscal Year 2003, which is 1.4% more than previously forecasted and budgeted. Over half of the expenditure increase is because an average of about 175 more people than expected are receiving state-funded nursing home care. Another 40% of the increase is because over 425 more people than budgeted are receiving publicly-funded care in their own homes. (General Fund-State, General Fund-Federal)

3. Centennial Building Lease Savings - The 2001-03 biennial budget anticipated that the state would purchase a major leased facility in Tacoma, and thus avoid the need for additional lease expenditures. The sale did not occur, because the federal government refused to participate in the cost of the proposed terms. No additional funding is provided to cover the cost of the continued lease payments, since the agency has been managing them within appropriated levels. (General Fund-State, General Fund-Federal)

4. SSI Client Contributions - The 2002 Supplemental budget eliminated supplemental state payments to some recipients of Supplemental Security Income (SSI). As a result, those who are in state-funded residential care have less income to contribute to their cost of care, resulting in increased state costs for that care.

5. Basic Health Plan - Homecare workers who contract directly with the state are eligible to enroll in the Basic Health Plan at a cost of \$10 per month if their income is less than 200% of poverty. For those employed by homecare agencies, DSHS reimburses the agency for the cost of employee coverage equivalent to that offered by the BHP, regardless of the worker's income. Expenditures on such coverage increased by 35% in Fiscal Year 2002, and exceeded budgeted levels by 15%, primarily due to increased billings by homecare agencies. Similar increases are occurring in Fiscal Year 2003, resulting in the need for additional funding. (General Fund-State, General Fund-Federal, Health Services Account)

6. Home Care Worker Wage - The Governor vetoed the provision in the 2002 Supplemental Appropriations Act which provided funding for a 25-cent per hour wage increase for individual and agency providers of home care services. This item adjusts appropriation levels accordingly. (General Fund-State, General Fund-Federal)

7. Technical Corrections - Local Area Agencies on Aging (AAA) contract with the state to provide case management and nurse oversight functions. In the 2002 Supplemental budget, the Legislature responded to concerns that the per-employee state funding rate for this function was inadequate by raising the AAA funding rate to the equivalent of what it would cost the state to perform the case management function with state social workers. Subsequently, the Personnel Resources board re-classified state social workers to a higher salary level. The administration is proposing a corresponding increase in AAA funding levels. Since the fiscal year is more than half completed, the Senate budget does not fund this proposal in the 2003 Supplemental. The policy will be considered as part of 2003-05 budget deliberations. (General Fund-State, General Fund-Federal)

8. Postage - Postage rates increased by 8.8 percent effective July 1, 2002, from 34 cents to 37 cents for first-class mail. No additional funding is provided to cover the cost of this increase, since the agency has been covering the cost within appropriated levels since July. (General Fund-State, General Fund-Federal)

9. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (General Fund-State, General Fund - Local, General Fund-Federal)

10. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Long-Term Care

11. Forecast Cost/Utilization - The net public cost per long-term care recipient is now projected to be about 0.3% less than previously budgeted for Fiscal Year 2003. This is primarily because nursing home resident contributions toward their cost of care are slightly higher than budgeted, as are financial recoveries from the estates of deceased long-term care recipients. These savings are partially offset by payments for adult family homes, which are 4.6% higher per recipient than budgeted; and for assisted living facilities, which are 3.9% higher. (General Fund-State, General Fund-Federal)

12. Abuse Prevention - The federal government requires that allegations of actual or potential harm to nursing home residents be investigated within ten days. Since 1999, Washington has employed fourteen quality assurance nurses to assure that this standard is met, five of whom were funded with additional funds appropriated by the Legislature in 2000, and the other nine of whom have been funded with federal matching funds and grants. This item provides appropriation authority for the federally-funded staff. The agency withdrew its request for state funding for the other five staff, after realizing they were funded in the base budget. (General Fund-Federal)

13. Adult Family Homes Licensing Fee - The 2002 Supplemental budget anticipated that adult family home licensing fees would be increased from \$50 per home to about \$233 per home in Fiscal Year 2003, to offset approximately one-third of the state cost of licensing and inspecting such facilities. The necessary authorizing legislation was not enacted, and so the anticipated state savings have not occurred. (General Fund-State, General Fund-Private/Local)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	4,695.9	837,958	2,231,343	4,695.9	837,958	2,231,343	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Caseload Changes	0.0	10,748	36,539	0.0	10,748	36,539	0.0	0	0
2. Centennial Building Lease Savings	0.0	0	0	0.0	215	422	0.0	-215	-422
3. State Supplemental Payments	0.0	10,400	10,400	0.0	10,400	10,400	0.0	0	0
4. ACES Re-procurement	0.0	0	0	0.0	287	557	0.0	-287	-557
5. Increase Incapacity Exams	0.0	1,469	1,770	0.0	1,469	1,770	0.0	0	0
6. Banking Fees	0.0	111	327	0.0	111	327	0.0	0	0
7. IRS Intercept Program Costs	0.0	31	92	0.0	31	92	0.0	0	0
8. Food Assistance Program	0.0	2,820	2,820	0.0	2,820	2,820	0.0	0	0
9. Postage	0.0	0	0	0.0	242	510	0.0	-242	-510
10. Administrative Reductions	0.0	-1,822	-2,238	0.0	-1,822	-2,238	0.0	0	0
Total Maintenance Changes	0.0	23,757	49,710	0.0	24,501	51,199	0.0	-744	-1,489
2003 Policy Changes:									
11. 2003 Supplemental FTE Reduction	-190.2	-1,947	-4,020	-152.6	0	0	-37.6	-1,947	-4,020
12. Improved Eligibility Verification	20.3	500	1,000	0.0	0	0	20.3	500	1,000
Total Policy Changes	-169.9	-1,447	-3,020	-152.6	0	0	-17.3	-1,447	-3,020
2001-03 Revised Appropriations	4,526.0	860,268	2,278,033	4,543.3	862,459	2,282,542	-17.3	-2,191	-4,509
Difference from 2001-03 Appropriations	-169.9	22,310	46,690	-152.6	24,501	51,199	-17.3	-2,191	-4,509
% Change from 2001-03 Appropriations	-3.6%	2.7%	2.1%	-3.3%	2.9%	2.3%			

Comments:

1. Mandatory Caseload Changes - The October 2002 caseload forecast adopted by the Caseload Forecast Council makes changes for the 2003 Supplemental Budget request for the Economic Services Administration. The dollars associated with each caseload have been adjusted to reflect the most recent forecast in the case of Refugee Assistance, Supplemental Security Income (SSI), General Assistance-Unemployable (GAU), Consolidated Emergency Assistance Program (CEAP), and grant diversion forecasts. The Temporary Assistance to Needy Families (TANF) grant assumptions are targets. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Economic Services Administration

- 2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. The Senate budget assumes this shortfall can be absorbed. (General Fund-State, General Fund-Federal)
- 3. State Supplemental Payments** - Additional funding is needed to meet the federal Maintenance of Effort spending requirements of the Supplemental Security Income/State Supplemental Payment program. (General Fund-State, General Fund-Federal)
- 4. ACES Re-procurement** - Funding is needed to re-procure the maintenance and operations services for the Automated Client Eligibility System (ACES) contract that provides ongoing development, maintenance, and operation of the system. The Information Services Board supports this contract re-procurement. The current contract is due to expire July 18, 2003. The existing appropriation appears to provide adequate funding for this item. (General Fund-State, General Fund-Federal)
- 5. Increase Incapacity Exams** - Program costs for incapacity exams for General Assistance-Unemployable (GA-U) clients have increased due to the growing number of applicants, increased emphasis on more objective "evidence-based" eligibility determination, and greater emphasis on referrals to the federal Supplemental Security Income (SSI) program. Additional funding is necessary to cover the increases that stem from these changes. (General Fund-State, General Fund-Federal)
- 6. Banking Fees** - The Division of Child Support (DCS) has increased the number of child support payments, while simultaneously decreasing the time funds stay in the local bank account. In addition, DCS has increased the use of electronic fund transfers by 56 percent over a three-and-one-half year period. These factors, plus the recent downturn in interest rates, have created a situation where costs have outpaced earnings. (General Fund-State, General Fund-Federal)
- 7. IRS Intercept Program Costs** - Federal regulations require the state's Child Support Enforcement program to participate in the federal Internal Revenue Service (IRS) Tax Intercept program. The cost per intercept has increased from \$6.80 in 1998 to \$11.65 in 2002. This represents approximately a 71 percent increase in costs in four years. In addition, the number of intercepts has also increased approximately 32 percent during the same period. (General Fund-State, General Fund-Federal)
- 8. Food Assistance Program** - In the 2002 supplemental budget, the Legislature reduced the Fiscal Year 2003 budget for the State Food Assistance for Legal Immigrants program to \$4.47 million. The reduction was based on the assumption that the federal Farm Bill would restore federal benefits to most legal immigrants effective October 1, 2002. Under the Food Stamp Reauthorization Act of 2002, federal benefit restoration for the largest portion of the legal immigrant population was delayed until April 2003. Additional funds are needed for Fiscal Year 2003, to meet the ongoing need of this program. (General Fund-State, General Fund-Federal)
- 9. Postage** - Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. As assumed in the original appropriation, the Senate budget assumes the increased cost of postage can be absorbed along with other inflationary costs. (General Fund-State, General Fund-Federal)
- 10. Administrative Reductions** - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Economic Services Administration

11. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. This adjustment eliminates these FTEs (-152.6) along with the FTEs reduced in response to the 2002 supplemental "Administrative Reductions" (-37.6). The reduction in funding is based on the FTE changes proposed in the Governor's supplemental budget.

12. Improved Eligibility Verification - Additional staffing is provided for the department to (1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and to (2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003 and are to include electronic records checks, review of recipient documentation, and employer contacts to verify that the income declared by applicants and recipients is accurate. This is expected to result in at least 4,000 applicants who would otherwise be covered by state medical programs by June 2005 instead being determined ineligible, for a three-year savings of at least \$7.9 million (\$3.9 million state). The six-month rather than annual review of continued eligibility is to be implemented no later than July 1, 2003, and is expected to result in at least 34,000 fewer enrollees in state medical assistance programs by June 2005, for a three-year savings of at least \$80 million (\$41 million state). The department is to have all computer changes, administrative rules and procedures, and staffing arrangements necessary to implement the six-month eligibility reviews in place by July 1, 2003. (General Fund-State; Health Services Account-State; General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Alcohol and Substance Abuse
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	102.9	72,873	230,878	102.9	72,873	230,878	0.0	0	0
2003 Maintenance Changes:									
1. Postage	0.0	0	0	0.0	8	10	0.0	-8	-10
2. Administrative Reductions	0.0	-455	-467	0.0	-455	-467	0.0	0	0
Total Maintenance Changes	0.0	-455	-467	0.0	-447	-457	0.0	-8	-10
2003 Policy Changes:									
3. 2003 Supplemental FTE Reduction	-13.4	-27	-44	-3.4	0	0	-10.0	-27	-44
Total Policy Changes	-13.4	-27	-44	-3.4	0	0	-10.0	-27	-44
2001-03 Revised Appropriations	89.5	72,391	230,367	99.5	72,426	230,421	-10.0	-35	-54
Difference from 2001-03 Appropriations	-13.4	-482	-511	-3.4	-447	-457	-10.0	-35	-54
% Change from 2001-03 Appropriations	-12.6%	-0.7%	-0.2%	-2.9%	-0.6%	-0.2%			

Comments:

1. Postage - Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. The Senate budget assumes this inflationary cost can be absorbed as was intended in the original appropriation. (General Fund-State, General Fund-Federal)

2. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. The Senate budget also adjusts FTEs based on the departments plan. (General Fund-State, General Fund-Federal)

3. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. The Senate budget also captures expected dollar savings from these reduced FTEs. (General Fund - State, General Fund - Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	943.9	2,205,908	7,151,576	943.9	2,205,908	7,151,576	0.0	0	0
2003 Maintenance Changes:									
1. Mandatory Workload Changes	8.5	0	478	17.5	266	1,048	-9.0	-266	-570
2. Mandatory Caseload Changes	0.0	663	13,118	0.0	663	13,118	0.0	0	0
3. Program Transfers	5.0	887	2,825	5.0	887	2,825	0.0	0	0
4. Therapeutic Consultation Services	0.0	0	0	0.0	465	1,860	0.0	-465	-1,860
5. MMIS Procurement	0.0	0	0	0.0	21	210	0.0	-21	-210
6. BBA Regulations	0.0	0	0	4.0	130	260	-4.0	-130	-260
7. ProShare & FY02 Closing Adjustment	0.0	0	0	0.0	0	-380,637	0.0	0	380,637
8. ProShare & UPL Adjustments	0.0	0	-737,236	0.0	0	0	0.0	0	-737,236
9. Postage	0.0	0	0	0.0	23	64	0.0	-23	-64
10. Utilization Changes	0.0	53,673	97,797	0.0	53,673	160,011	0.0	0	-62,214
11. Administrative Reductions	0.0	-1,200	-3,316	0.0	-1,200	-3,316	0.0	0	0
Total Maintenance Changes	13.5	54,023	-626,334	26.5	54,928	-204,557	-13.0	-905	-421,777
2003 Policy Changes:									
12. Trauma Assistance	0.0	0	7,300	0.0	0	8,700	0.0	0	-1,400
13. HIPAA Standard Transactions	2.5	414	3,069	0.0	0	0	2.5	414	3,069
14. DSH Disallowance	0.0	6,892	0	0.0	23,300	23,300	0.0	-16,408	-23,300
15. 2003 Supplemental FTE Reduction	-32.3	-99	-323	-30.7	0	0	-1.6	-99	-323
16. Improved Eligibility Verification	0.0	0	-110	0.0	0	0	0.0	0	-110
Total Policy Changes	-29.8	7,207	9,936	-30.7	23,300	32,000	0.9	-16,093	-22,064
2001-03 Revised Appropriations	927.6	2,267,138	6,535,178	939.7	2,284,136	6,979,019	-12.1	-16,998	-443,841
Difference from 2001-03 Appropriations	-16.3	61,230	-616,398	-4.2	78,228	-172,557	-12.1	-16,998	-443,841
% Change from 2001-03 Appropriations	-1.7%	2.8%	-8.6%	-0.4%	3.5%	-2.4%			

Comments:

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Medical Assistance Payments

1. Mandatory Workload Changes - Additional federally-funded staff are authorized for the Division of Disability Determination Services (DDS) to determine eligibility for social security disability benefits in accordance with federal rules. The DDS has sufficient state-fund under-expenditures to meet federal matching requirements. The Administration's proposal for additional state-funded staff to keep pace with caseload growth is not funded, because additional staffing requirements are minimal, after correctly accounting for staffing levels already funded in the underlying budget. (General Fund-Federal)

2. Mandatory Caseload Changes - An average of about 865,000 persons per month are now expected to enroll in state medical assistance programs in Fiscal Year 2003. This is actually about 1 per cent less than previously budgeted. However, there is a net increase in required state and federal expenditures, because enrollment of two high-cost groups -- pregnant women, and persons with disabilities -- has grown more than anticipated, offsetting the savings from slower growth among other groups. An average of about 1,600 (1.4 per cent) more persons with disabilities than previously budgeted, and about 1,300 (5.8 percent) more pregnant women, are now expected to receive medical assistance this year. (General Fund-State, General Fund-Federal, Health Services Account-State)

3. Program Transfers - The Payment Review Program, which uses technological tools and software to identify and prevent inappropriate provider billings, is transferred from the Administration and Support Services Administration to the Medical Assistance Administration. This will streamline and enhance program operations, by better aligning the detection of billing errors with the program responsible for their correction. (General Fund-State, General Fund-Federal)

4. Therapeutic Consultation Services - Therapeutic Consultation Services (TCS) provides clinical reviews and consultations to prescribers, pharmacists, and clients when changes in drug therapy can result in equivalent or improved medical outcomes at less cost. No extra funding is provided for administration of this program in the Senate budget because, like other components of the Utilization and Cost Control Initiative implemented pursuant to the underlying budget, TCS administrative costs are to be covered from the savings achieved. (General Fund-State, General Fund-Federal)

5. MMIS Procurement - The Administration is proposing expenditure of \$19.2 million (\$1.9 million state) over 3 years to plan and to partially replace the Medicaid Management Information System (MMIS). The MMIS is the electronic system which supports payment and management analysis of over 20 million individual medical billings, totaling over \$3 billion, each year. The current system has been in operation for almost 20 years, and is based upon a 1979 design written in the old COBOL language for which adequate technical support is increasingly difficult to obtain. The Administration has concluded that it is not feasible to design and implement a permanent replacement to the existing system before the contract for operating the existing system expires at the end of Calendar Year 2004. The Administration instead proposes a three-part replacement strategy, which would include (1) contracting for technical and legal advice on modest improvements which could be incorporated into an interim replacement system when the current contract expires at the end of 2004; (2) simultaneous operation during 2004 of the existing and interim replacement system, to assure that the replacement is capable of meeting all essential business requirements; and (3) contracting for a comprehensive study and design of a permanent replacement. The Senate budget does not fund or endorse this strategy, pending additional clarification from the Administration regarding the cost/benefit of developing both an interim and a permanent replacement system, and the need to expend \$13.2 million (\$1.3 million state) during Calendar Year 2004 for simultaneous operation of both the current and the interim replacement system. (General Fund-State, General Fund-Federal)

6. BBA Regulations - The agency and Governor proposed adding four full-time-equivalent staff to implement Medicaid Managed Care regulations stemming from the Balanced Budget Act of 1997 (BBA), which places new record-keeping and reporting requirements on state-administered Medicaid programs that do business with managed care organizations. The Senate budget does not fund this request because (1) the agency has been implementing the new requirements within existing staffing since August 2002, when the new requirements became effective; and (2) the bulk of the required compliance activity can be accomplished and monitored as part of normal operations. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Medical Assistance Payments

8. ProShare & UPL Adjustments - This item adjusts appropriation levels to reflect the significantly reduced level of federal intergovernmental transfer payments to the Health Services Account now anticipated for the 2001-03 biennium. The 2002 Supplemental budget anticipated that the federal government would approve \$1.05 billion of "pro-share" intergovernmental transfer payments to public hospital districts, resulting in \$550 million of net revenue gain for the state Health Services Account and public hospitals. The federal government has agreed to only \$396 million of such payments, resulting in \$218 million net revenue for the state and hospitals. Additionally, both the original 2001-03 budget and the 2002 Supplemental anticipated approximately \$99 million of other "Medicare Upper Payment Limit" (UPL) transactions with public hospital districts, which were expected to result in about \$50 million of net revenues for the hospitals and the Health Services Account. DSHS has now concluded that only about \$21 million of such transactions will be feasible. (Health Services Account-State, General Fund-Federal)

9. Postage - Postage rates increased by 8.8 percent effective July 1, 2002, from 34 cents to 37 cents for first-class mail. No additional funding is provided to cover the cost of this increase, since the agency has been covering the cost within appropriated levels since July. (General Fund-State, General Fund-Federal)

10. Utilization Changes - Costs per eligible medical assistance recipient are now projected to be about 4.2% higher in Fiscal Year 2002 than anticipated in the 2002 Supplemental budget forecast. The primary contributors to the increase are higher drug and hospitalization costs for aged and disabled recipients; a substantial increase in federally-required enhancement payments to community and rural health clinics; and \$15 million of increased expenditures for the Take Charge family planning program. (General Fund-State, General Fund-Federal, Health Services Account)

11. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

12. Trauma Assistance - The Department of Health and the DSHS Medical Assistance program jointly designed and administer a system for paying enhanced rates to hospitals and physicians for treating traumatically-injured recipients of state medical assistance. In the spring and summer of 2002, the departments concluded that, during the 1999-01 biennium, such enhancements had significantly exceeded appropriations from the Trauma Account dedicated fund, resulting in over \$7 million of unbudgeted charges to the state general fund. The enhanced hospital and physician payment rates were found to be exceeding budgeted levels at an even faster pace in the current biennium. In response, the agencies suspended all payments from the Trauma Account in spring 2002, both for the enhancement rates which were exceeding budgeted levels, and also for the hospital and ambulance service grant programs, which were not.

Sufficient additional funding is provided for the agencies to (1) resume hospital and ambulance service grant payments at the levels originally budgeted for the current biennium; and (2) pay any outstanding claims at the enhanced rate for services delivered prior to the suspension of the enhanced rate system in spring 2002. The enhanced rate system is not to be resumed for services delivered subsequent to the spring 2002 suspension, pending development by the agencies and authorization in the 2003-05 biennial budget of a method for avoiding future cost over-runs. (Emergency Medical Services and Trauma Care Systems Trust Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Medical Assistance Payments

13. HIPAA Standard Transactions - The Administration proposes a \$5.6 million (\$763,000 state) increase in the central DSHS administration budget in order to modify the Medicaid Management Information System to comply with the new standardized codes which the federal Health Insurance Portability and Accountability Act (HIPAA) requires be used for all health billing transactions. The Senate budget appropriates these funds directly to the program in which they will be expended, and provides less funding than proposed by the Administration because (1) some of the additional workload anticipated in the Administration request is already being accomplished by existing staff; and (2) bids have now been received for hardware and software purchase and development, and most are for less than anticipated in the Administration request. (General Fund-State, General Fund-Federal)

14. DSH Disallowance - The Medical Assistance Administration makes extra state and federal disproportionate share hospital (DSH) payments to hospitals which serve a disproportionate number of Medicaid and medically indigent patients. The federal Office of the Inspector General recently completed an audit of State Fiscal Year 1999 payments under the program, and identified \$23.3 million of federal monies which may need to be refunded, primarily on the grounds that some of the hospitals' actual uncompensated care costs were less than the projected uncompensated care costs upon which the payments were based. The state is disputing \$16.4 million of the federal disallowance. The remaining \$6.9 million will be deducted from federal payments otherwise due the state this year, and consequently needs to be replaced with state funds.

15. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. (General Fund-State, General Fund-Federal)

16. Improved Eligibility Verification - Additional staffing is provided for the department to (1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and to (2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003 and are to include electronic records checks, review of recipient documentation, and employer contacts to verify that the income declared by applicants and recipients is accurate. This is expected to result in at least 4,000 applicants who would otherwise be covered by state medical programs by June 2005 instead being determined ineligible, for a three-year savings of at least \$7.9 million (\$3.9 million state). The six-month rather than annual review of continued eligibility is to be implemented no later than July 1, 2003, and is expected to result in at least 34,000 fewer enrollees in state medical assistance programs by June 2005, for a three-year savings of at least \$80 million (\$41 million state). The department is to have all computer changes, administrative rules and procedures, and staffing arrangements necessary to implement the six-month eligibility reviews in place by July 1, 2003. (General Fund-State; Health Services Account-State; General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	337.1	20,520	103,115	337.1	20,520	103,115	0.0	0	0
2003 Maintenance Changes:									
1. Centennial Building Lease Savings	0.0	0	0	0.0	25	25	0.0	-25	-25
2. Postage	0.0	0	0	0.0	8	8	0.0	-8	-8
3. Administrative Reductions	0.0	-47	-97	0.0	-47	-97	0.0	0	0
Total Maintenance Changes	0.0	-47	-97	0.0	-14	-64	0.0	-33	-33
2001-03 Revised Appropriations	337.1	20,473	103,018	337.1	20,506	103,051	0.0	-33	-33
Difference from 2001-03 Appropriations	0.0	-47	-97	0.0	-14	-64	0.0	-33	-33
% Change from 2001-03 Appropriations	0.0%	-0.2%	-0.1%	0.0%	-0.1%	-0.1%			

Comments:

1. Centennial Building Lease Savings - The 2001-03 biennial budget anticipated that the state would purchase a major leased facility in Tacoma, and thus avoid the need for additional lease expenditures. The sale did not occur, because the federal government refused to participate in the cost of the proposed terms. No additional funding is provided to cover the cost of the continued lease payments, since the agency has been managing them within appropriated levels.

2. Postage - Postage rates increased by 8.8 percent effective July 1, 2002, from 34 cents to 37 cents for first-class mail. No additional funding is provided to cover the cost of this increase, since the agency has been covering the cost within appropriated levels since July.

3. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Administration and Supporting Services
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	664.4	52,838	100,783	664.4	52,838	100,783	0.0	0	0
2003 Maintenance Changes:									
1. Program Transfers	-5.0	-887	-2,825	-5.0	-887	-2,825	0.0	0	0
2. Centennial Building Lease Savings	0.0	0	0	0.0	3	4	0.0	-3	-4
3. Postage	0.0	0	0	0.0	24	34	0.0	-24	-34
4. Administrative Reductions	-30.5	4,497	7,447	-30.5	4,497	7,447	0.0	0	0
Total Maintenance Changes	-35.5	3,610	4,622	-35.5	3,637	4,660	0.0	-27	-38
2003 Policy Changes:									
5. HIPAA Standard Transactions	4.0	100	200	27.4	3,001	9,639	-23.4	-2,901	-9,439
6. 2003 Supplemental FTE Reduction	-21.6	-1,368	-1,479	-21.6	0	0	0.0	-1,368	-1,479
Total Policy Changes	-17.6	-1,268	-1,279	5.8	3,001	9,639	-23.4	-4,269	-10,918
2001-03 Revised Appropriations	611.3	55,180	104,126	634.7	59,476	115,082	-23.4	-4,296	-10,956
Difference from 2001-03 Appropriations	-53.1	2,342	3,343	-29.7	6,638	14,299	-23.4	-4,296	-10,956
% Change from 2001-03 Appropriations	-8.0%	4.4%	3.3%	-4.4%	12.6%	14.2%			

Comments:

1. Program Transfers - Funds are transferred among Department of Social and Health Services (DSHS) programs or between DSHS and other state agencies. (General Fund-State, General Fund-Federal)

2. Centennial Building Lease Savings - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. The Senate budget assumes this shortfall can be absorbed. (General Fund-State, General Fund-Federal)

3. Postage - Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. As assumed in the original appropriation, the Senate budget assumes the increased cost of postage can be absorbed along with other inflationary costs. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Administration and Supporting Services

4. Administrative Reductions - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

5. HIPAA Standard Transactions - Funding is provided to implement the standards for electronic transactions to comply with the Health Insurance Accountability and Portability Act (HIPAA). Funding provided within the central administration budget is for any required changes in central agency reporting functions that must be done as a result of changes in MMIS. Funding is not provided, for major changes to DSHS payment systems beyond MMIS. Funding for MMIS changes is provided within the Medical Assistance budget.(General Fund-State, General Fund-Federal)

6. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium. This step also captures GF-S savings based on actual savings to date.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Social and Health Services
Information System Services
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	161.3	0	0	161.3	0	0	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-5.2</u>	<u>0</u>	<u>0</u>	<u>-5.2</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-5.2	0	0	-5.2	0	0	0.0	0	0
2001-03 Revised Appropriations	156.1	0	0	156.1	0	0	0.0	0	0
Difference from 2001-03 Appropriations	-5.2	0	0	-5.2	0	0	0.0	0	0
% Change from 2001-03 Appropriations	-3.1%	0.0%	0.0%	-3.1%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Ecology
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,442.3	73,687	320,271	1,442.3	73,687	320,271	0.0	0	0
2003 Policy Changes:									
1. Loan Tracking System	0.0	0	28	0.0	0	28	0.0	0	0
2. 2003 Supplemental FTE Reduction	-11.6	-58	-204	0.0	0	0	-11.6	-58	-204
Total Policy Changes	-11.6	-58	-176	0.0	0	28	-11.6	-58	-204
2001-03 Revised Appropriations	1,430.7	73,629	320,095	1,442.3	73,687	320,299	-11.6	-58	-204
Difference from 2001-03 Appropriations	-11.6	-58	-176	0.0	0	28	-11.6	-58	-204
% Change from 2001-03 Appropriations	-0.8%	-0.1%	-0.1%	0.0%	0.0%	0.0%			

Comments:

1. Loan Tracking System - Funding is provided to complete an automated loan tracking system to effectively manage current and future water quality improvement loans. (Water Pollution Control Revolving-State)

2. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (various)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington Pollution Liability Insurance Program
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	9.1	0	2,150	9.1	0	2,150	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	<u>-2.5</u>	<u>0</u>	<u>-37</u>	<u>-2.5</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>-37</u>
Total Policy Changes	-2.5	0	-37	-2.5	0	0	0.0	0	-37
2001-03 Revised Appropriations	6.6	0	2,113	6.6	0	2,150	0.0	0	-37
Difference from 2001-03 Appropriations	-2.5	0	-37	-2.5	0	0	0.0	0	-37
% Change from 2001-03 Appropriations	-22.2%	0.0%	-1.7%	-22.2%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (Pollution Liability Insurance Trust Account -- State, Heating Oil Pollution Liability Trust Account -- Non-appropriated)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
State Parks and Recreation Commission
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	644.6	62,538	99,285	644.6	62,538	99,285	0.0	0	0
2003 Policy Changes:									
1. Parking Fee Implementation	0.0	0	540	0.0	0	540	0.0	0	0
2. Firefighting at Steamboat Rock	0.0	16	16	0.0	16	16	0.0	0	0
3. 2003 Supplemental FTE Reduction	-4.6	-24	-34	0.0	0	0	-4.6	-24	-34
Total Policy Changes	-4.6	-8	522	0.0	16	556	-4.6	-24	-34
2001-03 Revised Appropriations	640.0	62,530	99,807	644.6	62,554	99,841	-4.6	-24	-34
Difference from 2001-03 Appropriations	-4.6	-8	522	0.0	16	556	-4.6	-24	-34
% Change from 2001-03 Appropriations	-0.8%	0.0%	0.5%	0.0%	0.0%	0.6%			

Comments:

- 1. Parking Fee Implementation** - Funding is provided to purchase equipment necessary to collect the vehicle parking fee at state parks that was implemented by the State Parks and Recreation Commission on January 1, 2003. (Parks Renewal and Stewardship Account-State)

- 2. Firefighting at Steamboat Rock** - Funding is provided for fire mobilization costs associated with a 2001 fire at Steamboat Rock State Park that were not covered by the agency's share of the fire contingency pool appropriated in the 2002 Supplemental Operating Budget.

- 3. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (General Fund-State, Parks Renewal and Stewardship Account)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Fish and Wildlife
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,532.4	90,709	287,586	1,532.4	90,709	287,586	0.0	0	0
2003 Policy Changes:									
1. 2002-03 Winter Feeding	0.0	0	200	0.0	0	200	0.0	0	0
2. Spartina Weed Control	0.0	0	233	0.0	0	233	0.0	0	0
3. Fish Food Cost Increase	0.0	35	52	0.0	87	132	0.0	-52	-80
4. 2003 Supplemental FTE Reduction	-9.2	-41	-83	0.0	0	0	-9.2	-41	-83
Total Policy Changes	-9.2	-6	402	0.0	87	565	-9.2	-93	-163
2001-03 Revised Appropriations	1,523.2	90,703	287,988	1,532.4	90,796	288,151	-9.2	-93	-163
Difference from 2001-03 Appropriations	-9.2	-6	402	0.0	87	565	-9.2	-93	-163
% Change from 2001-03 Appropriations	-0.6%	0.0%	0.1%	0.0%	0.1%	0.2%			

Comments:

1. 2002-03 Winter Feeding - Funding is provided to purchase emergency winter feed (alfalfa hay and deer pellets) to maintain deer and elk herds where habitat was destroyed by wildland fires winter weather prevent deer and elk from finding sufficient food.

2. Spartina Weed Control - Funding is provided to continue spartina control activities in Willapa Bay, Grays Harbor and Camano Island in north Puget Sound. In response to a non-specific reduction in the 2002 Supplemental Budget, the Department of Fish and Wildlife reduced spartina control funding in fiscal year 2003. (Aquatic Lands Enhancement Account-State)

3. Fish Food Cost Increase - Funding is provided to cover a 7.5 percent increase in the cost of fish food used by hatcheries across the state to produce salmon and trout for recreational and commercial purposes. The General Fund-State and Wildlife Fund-State are provided proportionate to the funds' contribution to hatchery operations. The Senate budget assumes hatchery programs funded by the GF-Federal and GF-Private Local will absorb the increased fish food costs. (General Fund-State, Wildlife Fund-State)

4. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (various)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Natural Resources
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,569.1	66,414	276,766	1,569.1	66,414	276,766	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-14.0	-29	-115	0.0	0	0	-14.0	-29	-115
2. Fire Suppression	0.0	14,580	24,237	0.0	16,580	26,237	0.0	-2,000	-2,000
3. Derelict Vessel Removal	0.0	0	200	0.0	0	200	0.0	0	0
Total Policy Changes	-14.0	14,551	24,322	0.0	16,580	26,437	-14.0	-2,029	-2,115
2001-03 Revised Appropriations	1,555.1	80,965	301,088	1,569.1	82,994	303,203	-14.0	-2,029	-2,115
Difference from 2001-03 Appropriations	-14.0	14,551	24,322	0.0	16,580	26,437	-14.0	-2,029	-2,115
% Change from 2001-03 Appropriations	-0.9%	21.9%	8.8%	0.0%	25.0%	9.6%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (various)

2. Fire Suppression - Funding is provided fire suppression costs for the 2002 fire year. The Senate budget assumes that project fire costs of up to \$2 million in May or June of 2003 will be paid from fire suppression in the maintenance level for 2001-03. (General Fund-State, General Fund-Federal)

3. Derelict Vessel Removal - Funding is provided to the Department of Natural Resources to as match for removal of derelict vessels. Chapter 286, Laws of 2002, provides the authority and funding mechanism to seize, remove, and dispose of derelict vessels. The DNR's current level of funding provides for one staff member to establish the Derelict Vessel Removal Program, but does not provide matching funds for removal of derelict vessels. (Derelict Vessel Removal Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Agriculture
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	719.7	15,249	91,172	719.7	15,249	91,172	0.0	0	0
2003 Policy Changes:									
1. Pesticide Strategy Reduction	-2.0	0	-225	-2.0	0	-225	0.0	0	0
2. 2003 Supplemental FTE Reduction	-29.4	-57	-372	-29.4	0	0	0.0	-57	-372
3. State Toxics Reduction	0.0	0	-416	0.0	0	-416	0.0	0	0
Total Policy Changes	-31.4	-57	-1,013	-31.4	0	-641	0.0	-57	-372
2001-03 Revised Appropriations	688.3	15,192	90,159	688.3	15,249	90,531	0.0	-57	-372
Difference from 2001-03 Appropriations	-31.4	-57	-1,013	-31.4	0	-641	0.0	-57	-372
% Change from 2001-03 Appropriations	-4.4%	-0.4%	-1.1%	-4.4%	0.0%	-0.7%			

Comments:

1. Pesticide Strategy Reduction - The Department's Pesticide Strategy Program experienced one-time staffing and efficiency savings during the 2001-03 Biennium. Funding and staffing are reduced to match the expected expenditure level for this program during FY 2003. (State Toxics Account-State)

2. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (various)

3. State Toxics Reduction - The original 2001-03 operating budget provided \$450,000 to the Department of Agriculture to reimburse county horticultural pest and disease boards for the costs of pest control and tree removal on abandoned orchards. Funding is reduced to match a lower level of estimated abandoned orchards activity during the 2001-03 Biennium. (Agricultural Local Account-Nonappropriated, State Toxics Control Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Patrol
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	517.2	29,500	71,397	517.2	29,500	71,397	0.0	0	0
2003 Maintenance Changes:									
1. Administrative Fee Recovery	0.0	0	712	0.0	0	712	0.0	0	0
2. Federal Spending Authority	0.0	0	640	0.0	0	640	0.0	0	0
3. DNA Kits	0.0	375	375	0.0	375	375	0.0	0	0
4. Software Licensing	0.0	0	0	0.0	62	103	0.0	-62	-103
Total Maintenance Changes	0.0	375	1,727	0.0	437	1,830	0.0	-62	-103
2003 Policy Changes:									
5. 2003 Supplemental FTE reduction	-5.0	-37	-82	0.0	0	0	-5.0	-37	-82
Total Policy Changes	-5.0	-37	-82	0.0	0	0	-5.0	-37	-82
2001-03 Revised Appropriations	512.2	29,838	73,042	517.2	29,937	73,227	-5.0	-99	-185
Difference from 2001-03 Appropriations	-5.0	338	1,645	0.0	437	1,830	-5.0	-99	-185
% Change from 2001-03 Appropriations	-1.0%	1.1%	2.3%	0.0%	1.5%	2.6%			

Comments:

1. Administrative Fee Recovery - Additional expenditure authority is provided to cover the payment of administrative fees collected for the Office of the Superintendent of Public Instruction and the Department of Social and Health Services for fingerprint-based background checks of applicants. Revenues are sufficient for the fees but the appropriation authority is not sufficient to pass the payments on to the other agencies. (Fingerprint Identification Account-State)

2. Federal Spending Authority - Additional federal and private/local appropriation authority is provided in order to fully expend grant funds awarded to the agency. (General Fund-Federal and various other funds)

3. DNA Kits - Funding is provided to the Crime Laboratory Division for additional DNA kits. The kits are needed due to an increased number of DNA analysis cases, due to the adoption of a more advanced method which allows analysis of trace evidence. The State Patrol is encouraged to apply for federal grants to assist in reducing a backlog.

4. Software Licensing - No additional funding for software licensing is provided, as it is anticipated that the agency will manage this cost within appropriated levels. (General Fund-State and various other funds)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Patrol

5. 2003 Supplemental FTE reduction - Funding is reduced as a result of a statewide hiring freeze imposed by the Governor to reduce FTEs statewide. The reduction in staffing is to be made to administrative and support staff only. Reductions are assumed to be permanent and will reduce ongoing 2003-05 expenditures. (General-Fund State, Other Funds)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Department of Licensing
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	245.0	10,666	34,293	245.0	10,666	34,293	0.0	0	0
2003 Maintenance Changes:									
1. Credit Card Costs	0.0	40	40	0.0	40	40	0.0	0	0
2. Lease Rate Adjustments	0.0	43	137	0.0	43	137	0.0	0	0
3. Postage Rate Adjustments	0.0	0	0	0.0	2	7	0.0	-2	-7
4. Other Maintenance Adjustments	0.0	0	0	0.0	32	75	0.0	-32	-75
Total Maintenance Changes	0.0	83	177	0.0	117	259	0.0	-34	-82
2003 Policy Changes:									
5. 2003 Supplemental FTE Reduction	-6.9	-33	-95	-6.9	0	0	0.0	-33	-95
Total Policy Changes	-6.9	-33	-95	-6.9	0	0	0.0	-33	-95
2001-03 Revised Appropriations	238.1	10,716	34,375	238.1	10,783	34,552	0.0	-67	-177
Difference from 2001-03 Appropriations	-6.9	50	82	-6.9	117	259	0.0	-67	-177
% Change from 2001-03 Appropriations	-2.9%	0.5%	0.2%	-2.9%	1.1%	0.8%			

Comments:

- 1. Credit Card Costs** - Funding is provided for credit card transaction fees to allow the Department to continue to provide Internet vessel registrations without passing the charges on to the consumer. The funding is required due to more expensive licenses and a greater number of licenses being renewed over the Internet than originally anticipated.
- 2. Lease Rate Adjustments** - Funding is provided to cover the increased lease costs at the Olympia Black Lake offices. (General Fund-State, various other funds)
- 3. Postage Rate Adjustments** - Funding for postage increases is not provided, as it is anticipated that the agency will manage this cost within appropriated levels.
- 4. Other Maintenance Adjustments** - Funding for increases in Attorney General legal services is not provided, as it is anticipated that the agency will manage this cost within appropriated levels. (General Fund-State, various other funds)
- 5. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures. (General-Fund State, Other Funds)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
OSPI & Statewide Programs
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	253.2	51,480	192,176	253.2	51,480	192,176	0.0	0	0
2003 Maintenance Changes:									
1. Federal and Other Funds Update	0.0	0	17,195	0.0	0	17,195	0.0	0	0
Total Maintenance Changes	0.0	0	17,195	0.0	0	17,195	0.0	0	0
2001-03 Revised Appropriations	253.2	51,480	209,371	253.2	51,480	209,371	0.0	0	0
Difference from 2001-03 Appropriations	0.0	0	17,195	0.0	0	17,195	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	8.9%	0.0%	0.0%	8.9%			

Comments:

1. Federal and Other Funds Update - The Superintendent of Public Instruction has submitted revised estimates for federal grants and other non-state revenues. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal, Miscellaneous Program Account-Nonappropriated)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
General Apportionment
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	7,498,021	7,498,021	0.0	7,498,021	7,498,021	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>7,766</u>	<u>7,766</u>	<u>0.0</u>	<u>7,766</u>	<u>7,766</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	7,766	7,766	0.0	7,766	7,766	0.0	0	0
2001-03 Revised Appropriations	0.0	7,505,787	7,505,787	0.0	7,505,787	7,505,787	0.0	0	0
Difference from 2001-03 Appropriations	0.0	7,766	7,766	0.0	7,766	7,766	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%			

Comments:

1. Enrollment and Workload Adjustments - The public school enrollment for the 2002-03 school year is higher than expected by 315 FTE students (from 958,563 to 958,878). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$4 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Pupil Transportation
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	385,695	385,695	0.0	385,695	385,695	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>16,538</u>	<u>16,538</u>	<u>0.0</u>	<u>16,538</u>	<u>16,538</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	16,538	16,538	0.0	16,538	16,538	0.0	0	0
2001-03 Revised Appropriations	0.0	402,233	402,233	0.0	402,233	402,233	0.0	0	0
Difference from 2001-03 Appropriations	0.0	16,538	16,538	0.0	16,538	16,538	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	4.3%	4.3%	0.0%	4.3%	4.3%			

Comments:

1. Enrollment and Workload Adjustments - Public school enrollment growth is higher than expected, resulting in a funding increase for student transportation (from 4,621,751 weighted student miles to 4,625,578). The depreciation system payments are significantly higher than expected with new system depreciation more than doubling (from \$13.8 million to \$30.2 million) and contractor depreciation increasing from \$6.0 million to \$6.2 million. Prices on the state bid were significantly higher for one category of bus, which received only one contractor bid. This category will be removed from future state bid lists, which is expected to return depreciation payments to historical averages after this biennium.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
School Food Services
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	6,200	296,387	0.0	6,200	296,387	0.0	0	0
2003 Maintenance Changes:									
1. Federal and Other Funds Update	<u>0.0</u>	<u>0</u>	<u>10,805</u>	<u>0.0</u>	<u>0</u>	<u>10,805</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	0	10,805	0.0	0	10,805	0.0	0	0
2001-03 Revised Appropriations	0.0	6,200	307,192	0.0	6,200	307,192	0.0	0	0
Difference from 2001-03 Appropriations	0.0	0	10,805	0.0	0	10,805	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	3.6%	0.0%	0.0%	3.6%			

Comments:

1. Federal and Other Funds Update - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Special Education
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1.5	828,926	1,085,333	1.5	828,926	1,085,333	0.0	0	0
2003 Maintenance Changes:									
1. Federal and Other Funds Update	0.0	0	37,640	0.0	0	37,640	0.0	0	0
2. Enrollment and Workload Adjustments	0.0	172	1,313	0.0	172	1,313	0.0	0	0
Total Maintenance Changes	0.0	172	38,953	0.0	172	38,953	0.0	0	0
2001-03 Revised Appropriations	1.5	829,098	1,124,286	1.5	829,098	1,124,286	0.0	0	0
Difference from 2001-03 Appropriations	0.0	172	38,953	0.0	172	38,953	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	3.6%	0.0%	0.0%	3.6%			

Comments:

1. Federal and Other Funds Update - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal)

2. Enrollment and Workload Adjustments - Enrollment in special education programs is higher than expected for the 2002-03 school year (from 118,146 students to 118,307 students). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$1.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

The special education funds are allocated to districts for students ages 3-21, up to 13 percent of the district's total enrollment. State funds are provided for the first 12.7 percent of enrollment, with the remaining allocation for special education enrollment between 12.7 percent and 13 percent provided through federal special education funds. The 2002-03 school year is the first year in which the additional funding is provided for special education enrollment above 12.7 percent of total district enrollment. The estimates for 12.7 percent enrollment and the additional 0.3 percent enrollment have been adjusted since the original budget proposal (from 117,097 to 116,843 for the 12.7 percent enrollment with state funding, and from 1,049 to 1,465 for the 0.3 percent enhancement funded through federal funds). (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Traffic Safety Education
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	4,277	4,277	0.0	4,277	4,277	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>101</u>	<u>101</u>	<u>0.0</u>	<u>101</u>	<u>101</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	101	101	0.0	101	101	0.0	0	0
2001-03 Revised Appropriations	0.0	4,378	4,378	0.0	4,378	4,378	0.0	0	0
Difference from 2001-03 Appropriations	0.0	101	101	0.0	101	101	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	2.4%	2.4%	0.0%	2.4%	2.4%			

Comments:

1. Enrollment and Workload Adjustments - The funding necessary to complete the final Traffic Safety Education allocations is increased due to higher than expected enrollments in traffic safety programs in the 2001-02 school year.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Levy Equalization
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	295,863	295,863	0.0	295,863	295,863	0.0	0	0
2003 Maintenance Changes:									
1. Levy Equalization Update	<u>0.0</u>	<u>857</u>	<u>857</u>	<u>0.0</u>	<u>857</u>	<u>857</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	857	857	0.0	857	857	0.0	0	0
2001-03 Revised Appropriations	0.0	296,720	296,720	0.0	296,720	296,720	0.0	0	0
Difference from 2001-03 Appropriations	0.0	857	857	0.0	857	857	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.3%	0.3%	0.0%	0.3%	0.3%			

Comments:

1. Levy Equalization Update - Higher than expected assessed property values, local levy bases, and increased voter approval of local levies combined to increase the amounts needed for Local Effort Assistance.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Elementary & Secondary School Improvement
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	0	201,737	0.0	0	201,737	0.0	0	0
2003 Maintenance Changes:									
1. Federal and Other Funds Update	<u>0.0</u>	<u>0</u>	<u>-2,077</u>	<u>0.0</u>	<u>0</u>	<u>-2,077</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	0	-2,077	0.0	0	-2,077	0.0	0	0
2001-03 Revised Appropriations	0.0	0	199,660	0.0	0	199,660	0.0	0	0
Difference from 2001-03 Appropriations	0.0	0	-2,077	0.0	0	-2,077	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	-1.0%	0.0%	0.0%	-1.0%			

Comments:

1. Federal and Other Funds Update - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the expected revenues. (General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Institutional Education
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	37,731	46,279	0.0	37,731	46,279	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	0.0	-672	-672	0.0	-672	-672	0.0	0	0
Total Maintenance Changes	0.0	-672	-672	0.0	-672	-672	0.0	0	0
2001-03 Revised Appropriations	0.0	37,059	45,607	0.0	37,059	45,607	0.0	0	0
Difference from 2001-03 Appropriations	0.0	-672	-672	0.0	-672	-672	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	-1.8%	-1.5%	0.0%	-1.8%	-1.5%			

Comments:

1. Enrollment and Workload Adjustments - Enrollment in institutions is lower than anticipated by 147 FTE students (from 2,191 to 2,044).

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Education of Highly Capable Students
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	12,699	12,699	0.0	12,699	12,699	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>15</u>	<u>15</u>	<u>0.0</u>	<u>15</u>	<u>15</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	15	15	0.0	15	15	0.0	0	0
2001-03 Revised Appropriations	0.0	12,714	12,714	0.0	12,714	12,714	0.0	0	0
Difference from 2001-03 Appropriations	0.0	15	15	0.0	15	15	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%			

Comments:

1. Enrollment and Workload Adjustments - Funding for the Highly Capable Program is provided for up to 2 percent of each district's K-12 enrollment. To account for higher than expected K-12 enrollment, funding for the gifted program is increased.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Student Achievement Program
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	0	391,149	0.0	0	391,149	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>0</u>	<u>64</u>	<u>0.0</u>	<u>0</u>	<u>64</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	0	64	0.0	0	64	0.0	0	0
2001-03 Revised Appropriations	0.0	0	391,213	0.0	0	391,213	0.0	0	0
Difference from 2001-03 Appropriations	0.0	0	64	0.0	0	64	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Enrollment and Workload Adjustments - Property tax revenues are deposited into the Student Achievement Fund, to be distributed to school districts based on the FTE student enrollment from the prior school year. Lottery revenues, of at least \$102 million, are divided between the Student Achievement Fund and the Education Construction Fund. Fiscal Year 2003 revenues from each source are updated, resulting in a net increase of \$64,000 and changing the maximum allocation per FTE student from \$219.84 to \$220 for the 2002-03 school year. (Student Achievement Fund-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Education Reform
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	37.7	67,030	128,101	37.7	67,030	128,101	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	0.0	119	119	0.0	119	119	0.0	0	0
Total Maintenance Changes	0.0	119	119	0.0	119	119	0.0	0	0
2001-03 Revised Appropriations	37.7	67,149	128,220	37.7	67,149	128,220	0.0	0	0
Difference from 2001-03 Appropriations	0.0	119	119	0.0	119	119	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.2%	0.1%	0.0%	0.2%	0.1%			

Comments:

1. Enrollment and Workload Adjustments - More teachers attained certification from the National Board for Professional Teaching Standards than originally expected, bringing the total to 218 National Board certified teachers in Washington classrooms.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Transitional Bilingual Instruction
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	87,501	107,781	0.0	87,501	107,781	0.0	0	0
2003 Maintenance Changes:									
1. Federal and Other Funds Update	0.0	0	-525	0.0	0	-525	0.0	0	0
2. Enrollment and Workload Adjustments	0.0	-651	-651	0.0	-651	-651	0.0	0	0
Total Maintenance Changes	0.0	-651	-1,176	0.0	-651	-1,176	0.0	0	0
2001-03 Revised Appropriations	0.0	86,850	106,605	0.0	86,850	106,605	0.0	0	0
Difference from 2001-03 Appropriations	0.0	-651	-1,176	0.0	-651	-1,176	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	-0.7%	-1.1%	0.0%	-0.7%	-1.1%			

Comments:

1. Federal and Other Funds Update - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the revenue estimates. (General Fund-Federal)

2. Enrollment and Workload Adjustments - Enrollment in transitional bilingual programs is 918 students lower than expected for the 2002-03 school year (from 66,866 students to 65,948).

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Learning Assistance Program (LAP)
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	135,956	266,587	0.0	135,956	266,587	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	0.0	-920	-920	0.0	-920	-920	0.0	0	0
Total Maintenance Changes	0.0	-920	-920	0.0	-920	-920	0.0	0	0
2001-03 Revised Appropriations	0.0	135,036	265,667	0.0	135,036	265,667	0.0	0	0
Difference from 2001-03 Appropriations	0.0	-920	-920	0.0	-920	-920	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	-0.7%	-0.3%	0.0%	-0.7%	-0.3%			

Comments:

1. Enrollment and Workload Adjustments - The Learning Assistance Program (LAP) provides funds to school districts based on the proportion of low-achieving students in each district, defined by the percentage of students scoring in the lowest quartile on nationally normed tests. Districts also receive LAP funds based on the percentage of students, beyond the statewide average, who receive free and reduced price lunch. The percentage of students scoring in the lowest national quartile is declining, lowering the LAP allocation to school districts. The percentage of students above the state average for free and reduced price lunch is higher than expected. These combined factors result in a \$920,000 reduction in the LAP budget.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Block Grants
 (Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	23,204	23,204	0.0	23,204	23,204	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>-7</u>	<u>-7</u>	<u>0.0</u>	<u>-7</u>	<u>-7</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	-7	-7	0.0	-7	-7	0.0	0	0
2001-03 Revised Appropriations	0.0	23,197	23,197	0.0	23,197	23,197	0.0	0	0
Difference from 2001-03 Appropriations	0.0	-7	-7	0.0	-7	-7	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Enrollment and Workload Adjustments - The funding to complete the final block grant allocations is reduced by \$7,000 due to lower than expected final enrollments for the 2001-02 school year.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Public Schools
Compensation Adjustments
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	380,813	381,004	0.0	380,813	381,004	0.0	0	0
2003 Maintenance Changes:									
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>87</u>	<u>153</u>	<u>0.0</u>	<u>87</u>	<u>153</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Maintenance Changes	0.0	87	153	0.0	87	153	0.0	0	0
2001-03 Revised Appropriations	0.0	380,900	381,157	0.0	380,900	381,157	0.0	0	0
Difference from 2001-03 Appropriations	0.0	87	153	0.0	87	153	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Enrollment and Workload Adjustments - Public school and special education enrollments are greater than expected in the 2002-03 school year, increasing the number of teachers and staff funded by the state. This raises the cost of providing the health benefit and Initiative 732 cost-of-living increases in the 2002-03 school year. (General Fund-State, General Fund-Federal)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Higher Education Coordinating Board
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	73.1	264,158	279,943	73.1	264,158	279,943	0.0	0	0
2003 Policy Changes:									
1. Staff Reduction & Efficiencies	-0.1	-29	-29	0.0	0	0	-0.1	-29	-29
Total Policy Changes	-0.1	-29	-29	0.0	0	0	-0.1	-29	-29
2001-03 Revised Appropriations	73.0	264,129	279,914	73.1	264,158	279,943	-0.1	-29	-29
Difference from 2001-03 Appropriations	-0.1	-29	-29	0.0	0	0	-0.1	-29	-29
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Staff Reduction & Efficiencies - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
University of Washington
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	18,060.6	679,674	2,925,540	18,060.6	679,674	2,925,540	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	-49.1	-494	-494	0.0	0	0	-49.1	-494	-494
Total Policy Changes	-49.1	-494	-494	0.0	0	0	-49.1	-494	-494
2001-03 Revised Appropriations	18,011.5	679,180	2,925,046	18,060.6	679,674	2,925,540	-49.1	-494	-494
Difference from 2001-03 Appropriations	-49.1	-494	-494	0.0	0	0	-49.1	-494	-494
% Change from 2001-03 Appropriations	-0.3%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The Senate budget extends the Governor's hiring freeze to non cabinet agencies. The hiring freeze in higher education applies to non instruction staff only. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State University
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	5,493.2	395,169	817,324	5,493.2	395,169	817,324	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	-29.7	-246	-246	0.0	0	0	-29.7	-246	-246
Total Policy Changes	-29.7	-246	-246	0.0	0	0	-29.7	-246	-246
2001-03 Revised Appropriations	5,463.5	394,923	817,078	5,493.2	395,169	817,324	-29.7	-246	-246
Difference from 2001-03 Appropriations	-29.7	-246	-246	0.0	0	0	-29.7	-246	-246
% Change from 2001-03 Appropriations	-0.5%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Eastern Washington University
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,146.3	89,241	162,729	1,146.3	89,241	162,729	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	-6.6	-59	-59	0.0	0	0	-6.6	-59	-59
Total Policy Changes	-6.6	-59	-59	0.0	0	0	-6.6	-59	-59
2001-03 Revised Appropriations	1,139.7	89,182	162,670	1,146.3	89,241	162,729	-6.6	-59	-59
Difference from 2001-03 Appropriations	-6.6	-59	-59	0.0	0	0	-6.6	-59	-59
% Change from 2001-03 Appropriations	-0.5%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Central Washington University
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,045.7	85,572	175,149	1,045.7	85,572	175,149	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	-5.4	-54	-54	0.0	0	0	-5.4	-54	-54
Total Policy Changes	-5.4	-54	-54	0.0	0	0	-5.4	-54	-54
2001-03 Revised Appropriations	1,040.3	85,518	175,095	1,045.7	85,572	175,149	-5.4	-54	-54
Difference from 2001-03 Appropriations	-5.4	-54	-54	0.0	0	0	-5.4	-54	-54
% Change from 2001-03 Appropriations	-0.6%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
The Evergreen State College
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	623.1	49,513	88,824	623.1	49,513	88,824	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	<u>-7.7</u>	<u>-79</u>	<u>-79</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>-7.7</u>	<u>-79</u>	<u>-79</u>
Total Policy Changes	-7.7	-79	-79	0.0	0	0	-7.7	-79	-79
2001-03 Revised Appropriations	615.4	49,434	88,745	623.1	49,513	88,824	-7.7	-79	-79
Difference from 2001-03 Appropriations	-7.7	-79	-79	0.0	0	0	-7.7	-79	-79
% Change from 2001-03 Appropriations	-1.3%	-0.2%	-0.1%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Western Washington University
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	1,551.6	117,700	235,470	1,551.6	117,700	235,470	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	<u>-10.6</u>	<u>-105</u>	<u>-105</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>-10.6</u>	<u>-105</u>	<u>-105</u>
Total Policy Changes	-10.6	-105	-105	0.0	0	0	-10.6	-105	-105
2001-03 Revised Appropriations	1,541.0	117,595	235,365	1,551.6	117,700	235,470	-10.6	-105	-105
Difference from 2001-03 Appropriations	-10.6	-105	-105	0.0	0	0	-10.6	-105	-105
% Change from 2001-03 Appropriations	-0.7%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Community & Technical College System
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	13,998.9	1,047,641	1,750,405	13,998.9	1,047,641	1,750,405	0.0	0	0
2003 Policy Changes:									
1. Statewide Hiring Freeze	<u>-74.3</u>	<u>-649</u>	<u>-649</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>-74.3</u>	<u>-649</u>	<u>-649</u>
Total Policy Changes	-74.3	-649	-649	0.0	0	0	-74.3	-649	-649
2001-03 Revised Appropriations	13,924.6	1,046,992	1,749,756	13,998.9	1,047,641	1,750,405	-74.3	-649	-649
Difference from 2001-03 Appropriations	-74.3	-649	-649	0.0	0	0	-74.3	-649	-649
% Change from 2001-03 Appropriations	-0.5%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Statewide Hiring Freeze - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions called for by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
State School for the Deaf
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	132.0	15,146	15,378	132.0	15,146	15,378	0.0	0	0
2003 Policy Changes:									
1. 2003 Supplemental FTE Reduction	-2.8	-53	-53	-2.8	0	0	0.0	-53	-53
Total Policy Changes	-2.8	-53	-53	-2.8	0	0	0.0	-53	-53
2001-03 Revised Appropriations	129.2	15,093	15,325	129.2	15,146	15,378	0.0	-53	-53
Difference from 2001-03 Appropriations	-2.8	-53	-53	-2.8	0	0	0.0	-53	-53
% Change from 2001-03 Appropriations	-2.3%	-0.3%	-0.3%	-2.3%	0.0%	0.0%			

Comments:

1. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce FTEs statewide. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Work Force Training & Education Coordinating Board
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	23.9	3,395	48,881	23.9	3,395	48,881	0.0	0	0
2003 Policy Changes:									
1. Staff Reduction & Efficiencies	-0.3	-4	-4	0.0	0	0	-0.3	-4	-4
Total Policy Changes	-0.3	-4	-4	0.0	0	0	-0.3	-4	-4
2001-03 Revised Appropriations	23.6	3,391	48,877	23.9	3,395	48,881	-0.3	-4	-4
Difference from 2001-03 Appropriations	-0.3	-4	-4	0.0	0	0	-0.3	-4	-4
% Change from 2001-03 Appropriations	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%			

Comments:

1. Staff Reduction & Efficiencies - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Historical Society
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	53.6	5,934	7,494	53.6	5,934	7,494	0.0	0	0
2003 Policy Changes:									
1. Acq & Maint Historic Collection	0.0	-8	-8	0.0	0	0	0.0	-8	-8
2. Agency Administration	0.0	-23	-23	0.0	0	0	0.0	-23	-23
3. Community Outreach Activities	0.0	-6	-6	0.0	0	0	0.0	-6	-6
4. Historical Education	0.0	-9	-9	0.0	0	0	0.0	-9	-9
5. Museum Op & Facilities Maintenance	0.0	-13	-13	0.0	0	0	0.0	-13	-13
6. State Historical Exhibits	0.0	-24	-24	0.0	0	0	0.0	-24	-24
Total Policy Changes	0.0	-83	-83	0.0	0	0	0.0	-83	-83
2001-03 Revised Appropriations	53.6	5,851	7,411	53.6	5,934	7,494	0.0	-83	-83
Difference from 2001-03 Appropriations	0.0	-83	-83	0.0	0	0	0.0	-83	-83
% Change from 2001-03 Appropriations	0.0%	-1.4%	-1.1%	0.0%	0.0%	0.0%			

Comments:

The agency is directed to consider reductions that will move to align expenditures by April with funding proposed in the Governor's 2003-05 budget proposal.

1. Acq & Maint Historic Collection - The Governor proposed a nine percent reduction in activity that involves preservation of papers, photographs and objects that illuminate Washington State's history.

2. Agency Administration - The Governor proposed a seven percent reduction in activity to raise funds, coordinate volunteers, set policy, provide financial oversight, and conduct public outreach in the execution of the Society's business.

3. Community Outreach Activities - The Governor proposed a ten percent reduction in activity involving administration of the Heritage Capital Projects Fund, the Center for Columbia River History and related technical assistance and programs the Society either provides or supports through local heritage groups.

4. Historical Education - The Governor proposed a fourteen percent reduction in activity that supports school field trips, school outreach, teacher training and preparation of material to convey history to young people throughout Washington State.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Washington State Historical Society

5. Museum Op & Facilities Maintenance - The Governor proposed a six percent reduction in activity that supports the operation of interpretive history museums and historical research from facilities in Tacoma and Olympia.

6. State Historical Exhibits - The Governor proposed a seventeen percent reduction in activity that supports the creation of new and traveling state historical exhibits.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Eastern Washington State Historical Society
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	24.4	3,163	3,163	24.4	3,163	3,163	0.0	0	0
2003 Policy Changes:									
1. Maintain Cultural/Art/Hist Collect	0.0	-3	-3	0.0	0	0	0.0	-3	-3
2. Agency Administration	0.0	-8	-8	0.0	0	0	0.0	-8	-8
3. Museum Operations, Maint & Exhibits	0.0	-31	-31	0.0	0	0	0.0	-31	-31
Total Policy Changes	0.0	-42	-42	0.0	0	0	0.0	-42	-42
2001-03 Revised Appropriations	24.4	3,121	3,121	24.4	3,163	3,163	0.0	-42	-42
Difference from 2001-03 Appropriations	0.0	-42	-42	0.0	0	0	0.0	-42	-42
% Change from 2001-03 Appropriations	0.0%	-1.3%	-1.3%	0.0%	0.0%	0.0%			

Comments:

The agency is directed to consider reductions that will move to align expenditures by April with funding proposed in the Governor's 2003-05 budget proposal.

1. Maintain Cultural/Art/Hist Collect - The Governor proposed a six percent reduction in activity that involves the selection, acquisition, preservation and archival of fine art and artifacts reflecting the cultural, artistic and historic development of Eastern Washington as a region.

2. Agency Administration - The Governor proposed a six percent reduction in activity to raise funds, coordinate volunteers, set policy, provide financial oversight, and conduct public outreach in the execution of the Society's business.

3. Museum Operations, Maint & Exhibits - The Governor proposed a ten percent reduction in activity that supports the operation of an interpretive regional art and history museum in Spokane.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Bond Retirement and Interest
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	1,251,110	1,432,580	0.0	1,251,110	1,432,580	0.0	0	0
2003 Maintenance Changes:									
1. Supplemental 2003	0.0	-40,040	-49,666	0.0	-40,040	-49,666	0.0	0	0
Total Maintenance Changes	0.0	-40,040	-49,666	0.0	-40,040	-49,666	0.0	0	0
2001-03 Revised Appropriations	0.0	1,211,070	1,382,914	0.0	1,211,070	1,382,914	0.0	0	0
Difference from 2001-03 Appropriations	0.0	-40,040	-49,666	0.0	-40,040	-49,666	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	-3.2%	-3.5%	0.0%	-3.2%	-3.5%			

Comments:

1. Supplemental 2003 - Reductions are made for debt service requirements based on lower agency cash flow projections due to lower interest rates. (General Fund-State and various other funds)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Special Approps to the Governor
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	107,369	204,773	0.0	107,369	204,773	0.0	0	0
2003 Policy Changes:									
1. Health Services Account	0.0	0	0	0.0	35,000	35,000	0.0	-35,000	-35,000
2. EMS and Trauma Care Trust Account	0.0	1,200	1,200	0.0	5,571	5,571	0.0	-4,371	-4,371
3. Liability Account	0.0	0	0	0.0	25,000	25,000	0.0	-25,000	-25,000
4. Reduce Travel, Equipment, Contracts	0.0	-6,000	-6,000	0.0	0	0	0.0	-6,000	-6,000
5. Emergency Travel, Equipment, etc.	0.0	1,000	1,000	0.0	0	0	0.0	1,000	1,000
Total Policy Changes	0.0	-3,800	-3,800	0.0	65,571	65,571	0.0	-69,371	-69,371
2001-03 Revised Appropriations	0.0	103,569	200,973	0.0	172,940	270,344	0.0	-69,371	-69,371
Difference from 2001-03 Appropriations	0.0	-3,800	-3,800	0.0	65,571	65,571	0.0	-69,371	-69,371
% Change from 2001-03 Appropriations	0.0%	-3.5%	-1.9%	0.0%	61.1%	32.0%			

Comments:

1. Health Services Account - The Senate budget does not make the \$35 million transfer from the General Fund to the Health Service Account requested by the Governor because \$15 million in savings is achieved through a freeze in BHP enrollments and \$20 million in savings is achieved by using more recent information concerning the fiscal year 2002 accounting closure in DSHS.

2. EMS and Trauma Care Trust Account - The Department of Health and the DSHS Medical Assistance program jointly administer a system for paying enhanced rates to hospitals and physicians for treating traumatically-injured recipients of state medical assistance. During the 1999-01 biennium, the enhancements significantly exceeded appropriations from the Trauma Account, resulting in over \$7 million of unbudgeted charges to the state General Fund. The enhanced hospital and physician payment rates were found to be exceeding budgeted levels at an even faster pace in the current biennium. In response, the agencies suspended all payments from the Trauma Account in spring 2002, both for the enhancement rates which were exceeding budgeted levels, and also for the hospital and ambulance service grant programs, which were not.

Sufficient additional funding is transferred from the state General Fund to the Trauma Account for the agencies to (1) resume hospital and ambulance service grant payments at the levels originally budgeted for the current biennium; and (2) pay any outstanding claims at the enhanced rate for services delivered prior to the suspension of the enhanced rate system in spring 2002. The enhanced rate system is not to be resumed for services delivered subsequent to the spring 2002 suspension, pending development by the agencies and authorization in the 2003-05 biennial budget of a method for avoiding future cost over-runs.

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Special Approps to the Governor

3. Liability Account - Any additional General Fund contribution to the Liability Account as a reserve for future tort claims is deferred to the 2003-05 biennial budget. The fund balance of the Liability Account includes sufficient reserve for the remainder of the current biennium.

4. Reduce Travel, Equipment, Contracts - State agency expenditures for discretionary travel, equipment, and personal service contracts are reduced by 20 percent for the remainder of the 2001-'03 biennium. A portion of these savings is appropriated to the Governor for emergency allocation to state agencies to address critical needs (see next item).

5. Emergency Travel, Equipment, etc. - A portion of the savings from the 20 percent reduction in agency expenditures for travel, equipment, and personal service contracts is appropriated to the Governor to be used on an emergency basis to allocate to state agencies to fund critically necessary travel, equipment, and personal service contracts.

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Sundry Claims
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	274	279	0.0	274	279	0.0	0	0
2003 Maintenance Changes:									
1. Self-Defense Claims	0.0	33	33	0.0	31	31	0.0	2	2
2. State Employee Death Benefit	0.0	450	450	0.0	300	300	0.0	150	150
3. Deer and Elk Damage Claims	0.0	0	17	0.0	0	17	0.0	0	0
Total Maintenance Changes	0.0	483	500	0.0	331	348	0.0	152	152
2001-03 Revised Appropriations	0.0	757	779	0.0	605	627	0.0	152	152
Difference from 2001-03 Appropriations	0.0	483	500	0.0	331	348	0.0	152	152
% Change from 2001-03 Appropriations	0.0%	176.3%	179.2%	0.0%	120.8%	124.7%			

Comments:

1. Self-Defense Claims - On the recommendation of the State Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

2. State Employee Death Benefit - A death benefit payment is paid to the families of three state employees pursuant to section 715, chapter 7, Laws of 2001 2nd sp.sess.

3. Deer and Elk Damage Claims - On the recommendation of the State Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account-State)

2001-03 Revised Omnibus Operating Budget (2003 Supp)
Contributions to Retirement Systems
(Dollars in Thousands)

	Ways & Means Chair			Governor Proposed Supplemental			Difference		
	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total	FTE-FY2	GF-S	Total
2001-03 Appropriations	0.0	44,145	44,145	0.0	44,145	44,145	0.0	0	0
2003 Policy Changes:									
1. FY 2003 Spending Level	<u>0.0</u>	<u>232</u>	<u>232</u>	<u>0.0</u>	<u>232</u>	<u>232</u>	<u>0.0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	0.0	232	232	0.0	232	232	0.0	0	0
2001-03 Revised Appropriations	0.0	44,377	44,377	0.0	44,377	44,377	0.0	0	0
Difference from 2001-03 Appropriations	0.0	232	232	0.0	232	232	0.0	0	0
% Change from 2001-03 Appropriations	0.0%	0.5%	0.5%	0.0%	0.5%	0.5%			

Comments:

1. FY 2003 Spending Level - Funding is increased to compensate for higher than expected salary base in the LEOFF system.