
SENATE 2004 SUPPLEMENTAL BUDGET SUMMARY

SENATE FLOOR



SENATE WAYS AND MEANS COMMITTEE
FEBRUARY 25, 2004

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OVERVIEW

In 2003, Washington faced a \$2.6 billion gap between its revenue and spending obligations. The legislature closed this gap without general tax increases by dramatically reducing the growth in state government spending. The 2003 legislature was able to meet essential spending needs and still place more than \$250 million in reserve accounts (not including an additional \$400 million of anticipated federal fiscal relief).

In this 2004 supplemental session, the revenue picture is somewhat brighter. However, the state still appears to be several years away from having sufficient revenue growth needed to support the current level of state services. In fact, projections for the 2005-07 biennium suggest that there will be at least a \$1 billion deficit in the general fund and the health services account.

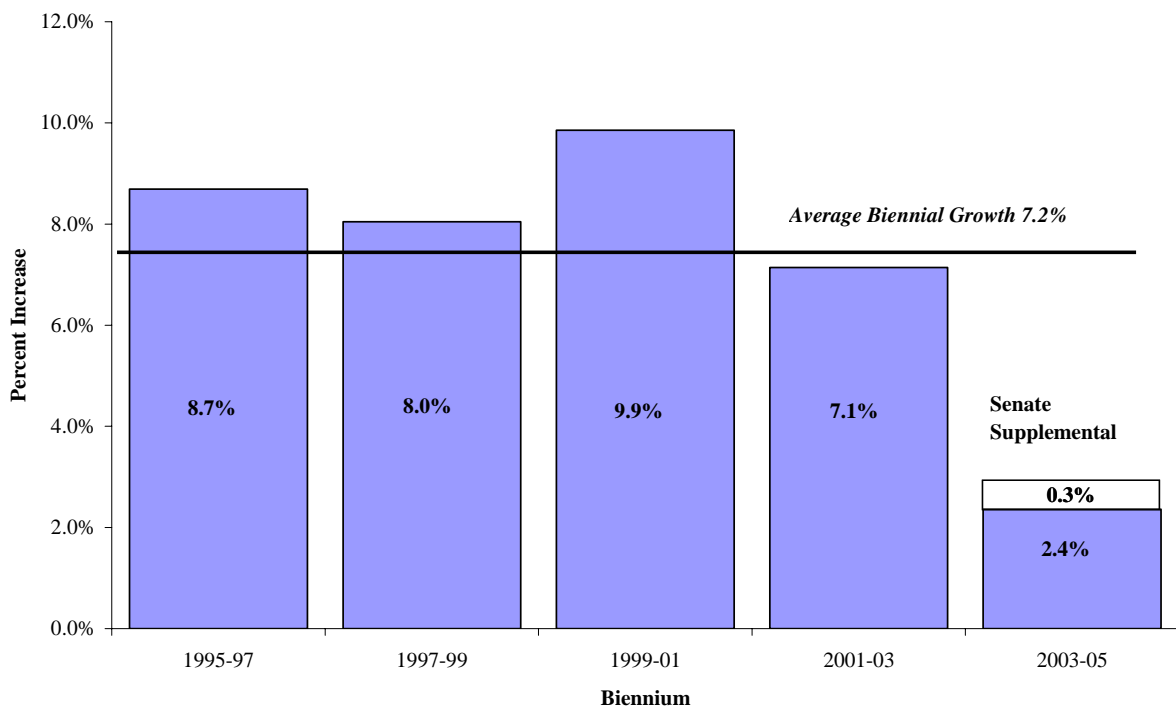
Faced with potentially serious budget difficulties in 2005 and beyond, the Senate budget continues on the course set in 2003 by:

1. Containing spending by making only the most essential changes in funding.
2. Adopting strategies today to prepare for responsible spending decisions in the future.
3. Promoting economic recovery by extending the high tech tax exemptions and other select tax incentives.
4. Leaving an adequate reserve to begin to address the deficit problem.

CONTAIN SPENDING

The Senate budget increases general fund spending by 0.3% over the current appropriation, maintaining overall spending growth at a historic low. This growth is less than one-half the biennial budget growth rate since the passage of Initiative 601.

Growth in the General Fund Biennial Budget after Initiative 601



IMPLEMENT RESPONSIBLE FISCAL STRATEGIES

The Senate budget implements strategies today to prepare for responsible spending decisions in the 2005-07 biennium in several ways:

- Engrossed Substitute Senate Bill 5728, Tort Reform, provides fiscal relief for medical providers as well as state and local government.
- Second Substitute Senate Bill 6017 places time limits on the rapidly growing general assistance program.
- Directs the Higher Education Coordinating Board to develop a detailed strategic plan to guide the state in meeting the demand for higher education services for the next three biennia.
- Modifies the collective bargaining process for home care workers so that the bargaining is economically viable and protects the state's management rights to change programs to better meet the needs of clients.

PROVIDE TAX INCENTIVES

The Senate extended the High Technology and Research and Development Tax and the Rural County Tax Incentives. These incentives encourage the continuing expansion of the state's economy. These incentives will create the jobs in all parts of the state that will revive the economy and generate revenue for years to come. (See page 24 for a complete list.)

MAINTAIN AN ADEQUATE SURPLUS

The Senate budget leaves approximately \$388 million in reserve to deal with changes that will be required in the 2005 supplemental and to support budget development for the 2005-07 biennium.

BALANCE SHEET

2003-05 Biennial Balance Sheet	
General Fund State and Emergency Reserve Fund	
Dollars in Millions	
	2003-05
RESOURCES	
Beginning Fund Balance	404.6
November 2003 Revenue Forecast	22,820.9
February 2004 Forecast Update	76.4
High Tech Tax Incentives	(52.4)
Rural Tax Incentives	(15.8)
Tax Policy Legislation	(27.9)
Current Revenue Totals	22,801.2
Fund Transfers and Other Adjustments	247.7
Money Transfers from Health Services Account	77.7
Money Transfers from Other Funds	17.6
Total Resources (Includes Fund Balance)	23,548.7
APPROPRIATIONS AND SPENDING ESTIMATES	
Biennial Appropriation	23,081.4
2004 Supplemental	79.4
Spending Level	23,160.8
UNRESTRICTED GENERAL FUND BALANCE	
Projected Ending Fund Balance	387.9
EMERGENCY RESERVE FUND	
Beginning Fund Balance	57.6
Actual/Estimated Interest Earnings, Transfers, and Appropriations	(57.6)
Projected Ending Fund Balance	0.0

Fund Transfers

Dollars in Millions

Fund Name	FY 2005
Health Services Account	\$77.698
Insurance Commissioner's Regulatory Account	1.000
State Treasurer's Service Account	3.000
Financial Svcs Regulation Account	5.623
K-20 Technology Account	0.001
Education Technology Revolving Account	0.954
Dept of Retirement Systems Expense Account	4.000
Gambling Revolving Account	3.000
Other Total	\$17.579
TOTAL ALL Transfers	\$95.3

MAINTENANCE LEVEL AND OTHER MANDATORY ADJUSTMENTS TO THE 2003-05 BUDGET

The Senate Budget adjusts the 2003-05 general fund appropriation by \$173 million for mandatory caseload changes, rate changes, emergencies, and litigation. Additional federal funds offset \$117 million of this increase, resulting in a net increase of \$56 million.

CASELOAD CHANGES - \$132.5 MILLION GENERAL FUND-STATE

Funding is added for caseload and enrollment increases, primarily in public schools (\$43 M), the Department of Corrections (\$61 M), and the General Assistance Program (\$26 M).

INFLATION, LOST FEDERAL FUNDS, COST AND UTILIZATION CHANGES - \$4.7 MILLION GENERAL FUND-STATE

Appropriations are adjusted in numerous programs. Large reductions include changes in Medical Assistance utilization (-\$57 M), and debt service (-\$14.3 M). The largest increase is for supplemental security income payments (\$39 M).

LITIGATION - \$22.4 MILLION GENERAL FUND-STATE

Appropriations are made in recognition of several lawsuits including the Mader decisions (\$14.7M), the Envirotest settlement (\$2.5 M), the Premera lawsuit settlement (\$1.1 M), and the In-Home Care legal settlement (\$1 M).

EMERGENCY FIRE SUPPRESSION - \$23.5 MILLION GENERAL FUND-STATE

State funds are provided to the Department of Natural Resources to help pay for fire fighting activities during the 2003 summer fire season.

ADDITIONAL FEDERAL FUNDS -\$117.6 MILLION GENERAL FUND-STATE - SAVINGS

The 2004 supplemental incorporates new federal funds provided in the 2004 federal budget for enhanced Medicaid federal matching. These savings are temporary.

HUMAN SERVICES

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

MEDICAL ASSISTANCE

CHILDREN'S MEDICAL PREMIUMS – \$16.7 MILLION HEALTH SERVICES ACCOUNT, \$0.6 MILLION GENERAL FUND-STATE, \$21.4 MILLION GENERAL FUND-FEDERAL

As shown below, families will pay substantially less than originally budgeted to cover a child under state medical programs.

Monthly Premium per Child		
Monthly Family Income	2003-05 Budget	2004 Supplemental Senate Proposal
100 to 150% of Poverty Level	\$15	\$5
151 to 200% of Poverty Level	\$20	\$10
201 to 250% of Poverty Level	\$25	\$15
Premiums Capped at	3 children per family	2 children per family
Start Date	April 2004	July 2004

Premium implementation is delayed until July 2004. Families will pay for a maximum of two children per household, rather than three as initially budgeted.

HOSPITAL GRANTS - \$13.5 MILLION HEALTH SERVICES ACCOUNT

Grants and transfer payments to assist hospitals bear the cost of uncompensated care are increased to \$76.8 million, a 21 percent increase over the amounts previously budgeted for the biennium.

MULTIPLE-SOURCE DRUG PRICING – \$3.9 MILLION GENERAL FUND-STATE SAVINGS, \$4.0 MILLION GENERAL FUND-FEDERAL SAVINGS

Additional staff will research and update the wholesale prices actually being charged in Washington for multiple-source (“generic”) drugs. Purchasing drugs at prices closer to their actual acquisition cost, rather than at prices based on national guidelines that are often outdated, is expected to result in a net savings. Prices will be increased for some drug classes and reduced for others.

IMPROVE DRUG REBATE COLLECTIONS – \$2.8 MILLION GENERAL FUND-STATE SAVINGS, \$2.8 MILLION GENERAL FUND-FEDERAL SAVINGS

Funding is provided to assign four additional staff to the collection of rebates due to the state under the Medicaid prescription drug program. The staff will reduce a backlog of approximately \$7 million of claims currently under dispute with the manufacturers, and initiate a number of process improvements that will result in faster recovery of rebates for a broader array of drugs.

AGING AND DISABILITY SERVICES

HEMOCARE WORKER CONTRACT - \$23.8 MILLION GENERAL FUND-STATE, \$23.1 MILLION GENERAL FUND-FEDERAL

Funding is provided to implement the wage and benefit increases negotiated by the Homecare Quality Authority, in accordance with the collective bargaining provisions of Initiative 775. Under the terms of the agreement, the approximately 24,000 individuals who contract with the state to provide in-home assistance to a disabled person will receive a 50 cent per hour wage increase and workers' compensation coverage beginning in October 2004. Those working half-time or more will also receive a \$400 monthly contribution toward health insurance coverage beginning January 2005. Funding is also provided for a variety of increased administrative costs associated with implementing the terms of the agreement. Continuing these provisions will cost an estimated \$160 million (\$81 million general fund-state) next biennium.

AGENCY HOMECARE WORKER COMPENSATION INCREASE - \$2.3 MILLION GENERAL FUND-STATE, \$2.2 MILLION GENERAL FUND-FEDERAL

Funding is provided to increase wages and benefits by an average of 50 cents per hour, beginning in October 2004, for direct care workers employed by agencies that contract with the state to provide homecare services. Additionally, a 10 cents per hour increase is provided to cover the impact of the wage increase on employee sick leave, annual leave, and travel time costs.

RESIDENTIAL CARE WORKER COMPENSATION INCREASE - \$2.9 MILLION GENERAL FUND-STATE, \$2.6 MILLION, GENERAL FUND-FEDERAL

Funding is provided to implement compensation increases for residential care and training staff in supported living and group homes by an average of \$.50 per hour. The increase will be effective October 1, 2004.

NURSING HOME RATE INCREASE - \$11.1 MILLION GENERAL FUND-STATE, \$11.7 MILLION GENERAL FUND-FEDERAL

Nursing home payment rates are increased by 1.9 percent for each year of the 2003-05 biennium.

AREA AGENCY ON AGING CASE MANAGEMENT SERVICES - \$2.9 MILLION GENERAL FUND-STATE, \$3.2 MILLION GENERAL FUND-FEDERAL

Funding is provided for a 20 percent increase in state funding for Area Agency on Aging (AAA) case management services, beginning July 2004. The state contracts with the AAAs to provide case management and nurse oversight for persons who receive in-home long-term care.

INCREASED PLACEMENT AND COMMUNITY SERVICES - \$2.9 MILLION GENERAL FUND-STATE, \$1.9 MILLION GENERAL FUND-FEDERAL

The Senate budget provides funding for 49 new community placements. Ten placements are designated for individuals released from the mentally ill offender program in the Department of Corrections. Another ten placements are provided for individuals who are released from state psychiatric hospitals. The remaining 29 community placements are prioritized for at-risk individuals and children aging out of other services. Funding is also provided for increased costs for clients receiving federal Medicaid waiver services. In addition, \$1 million is provided for non-waiver clients to expand employment and day programs, with priority given to eligible youths transitioning from high school.

COMPREHENSIVE ASSESSMENT TOOL - \$1.2 MILLION GENERAL FUND-STATE, \$1.3 MILLION GENERAL FUND-FEDERAL

Funding is provided to modify and automate the Comprehensive Assessment Reporting Evaluation (CARE) tool currently used by the Aging and Adult Services Administration to improve the consistency of assessments for individuals with developmental disabilities in determining client service needs.

KINSHIP CARE GIVER SUPPORT - \$0.5 MILLION GENERAL FUND-STATE

Grandparents and other relatives who are parenting young children will be linked to respite care, support groups, counseling, and other services.

ECONOMIC SERVICES

LIMIT GENERAL ASSISTANCE UNEMPLOYABLE (GA-U) PROGRAM - \$15.8 MILLION GENERAL FUND-STATE SAVINGS

Savings are achieved by implementing legislation that requires the Department of Social and Health Services to limit cash and medical benefits for GA-U clients to six months in any 24 consecutive month period and adds a lifetime limit of 12 months for non-citizens who are not eligible to receive federal assistance.

WORKING CONNECTIONS CHILD CARE - \$0.9 MILLION GENERAL FUND-STATE

Working Connections Child Care program provides child care subsidies for low-income families in their efforts to find employment or maintain employment. Additional funding is provided to increase child care rate subsidies in urban areas of Region 1.

DISTRIBUTION OF CHILD SUPPORT AMONGST MULTIPLE CASES - \$0.42 MILLION GENERAL FUND-STATE SAVINGS; \$411,000 GENERAL FUND-STATE SAVINGS

HB 2553 authorizes the agency to proportionately distribute payments applied to past due child support first to parents residing in Washington State, resulting in decreased state Temporary Assistance to Needy Families (TANF) payments.

TRANSITIONAL FOOD ASSISTANCE - \$0.11 MILLION GENERAL FUND-STATE

Pursuant to SSB 6411, transitional food assistance is provided to families who cease to receive temporary assistance for needy families.

COLLECT CHILD SUPPORT FROM FAMILIES WITH DEVELOPMENTALLY DISABLED CHILDREN - \$0.04 MILLION GENERAL FUND-STATE, \$0.07 MILLION GENERAL FUND FEDERAL

Families with developmentally disabled children living in foster care or other out-of-home settings will be required to pay child support pursuant SB 6379. The increase in funding is necessary to handle the increased volume of collections caseload.

OTHER DSHS

CHILDREN'S ADMINISTRATION

DOMESTIC VIOLENCE PROGRAMS - \$2 MILLION GENERAL FUND-STATE

Domestic violence shelters are experiencing increased workloads due to greater awareness of domestic violence (DV) issues. In 2003, nearly 35,000 requests for DV services could not be met. Funding is provided to help address the increased demand for domestic violence services and to restore \$1 million in reduced federal funding.

PROGRAM IMPROVEMENT PLAN - \$1 MILLION GENERAL FUND-STATE, \$0.3 MILLION GENERAL FUND, FEDERAL

The federal Child and Family Services Review identified several areas in state child protective and child welfare services that need improvement. A key finding of the review was the need for increased involvement of families in protecting children. Funding is provided to establish family conferences in each region as a first step in implementing a Program Improvement Plan.

DRUG ALCOHOL AND SUBSTANCE ABUSE

WASHINGTON STATE MENTORING PARTNERSHIP - \$0.25 MILLION GENERAL FUND-STATE

Funding is provided for the Washington State Mentoring Partnership, which is a prevention network targeting children and youth. The goal of the partnership is to obtain 1,000 new mentors per year and to increase the societal awareness regarding the benefits of mentoring. To achieve the goal, state funding will be supplemented by private sector donations.

MENTAL HEALTH

RESCIND "RATABLE REDUCTION" - \$2.8 MILLION GENERAL FUND-STATE, \$2.8 MILLION GENERAL FUND-FEDERAL

As an alternative to an administrative reduction directed in the original biennial budget, the Governor directed that a 1.7 percent across-the-board reduction be applied to community mental health payment rates in the second year of the biennium. Funding is provided to avert this reduction.

OTHER STUDIES AND ENHANCEMENTS

\$385,000 is provided to the City of Seattle for mitigation costs related to siting a Secure Community Transition Facility (SCTF) for sexually violent predators transitioning from the DSHS Special Commitment Center on McNeil Island. The funding will be used for improved street lighting, law enforcement training, victim counseling, and an additional detective at the Seattle Police Department.

\$125,000 for a Joint Legislative Audit and Review Committee (JLARC) study of the economic impacts of state facilities, such as mental hospitals and institutions for the developmentally disabled, on local communities. JLARC is to report to the Legislature by December, 2005.

OTHER HUMAN SERVICES

DEPARTMENT OF HEALTH

ADDITIONAL STATE SUPPORT FOR CHILDHOOD IMMUNIZATIONS - \$2.7 MILLION HEALTH SERVICES ACCOUNT

State funding is provided to assure continued availability of medically-necessary immunizations for all the state's children, regardless of family income, in keeping with the state's universal distribution policy. Federal financial assistance for this function has been reduced.

RAPID RESPONSE TO ANIMAL-BORNE ILLNESSES - \$0.4 MILLION GENERAL FUND-STATE

Additional funding is provided to assure rapid identification and response to emerging diseases that can be transmitted from animals to humans, such as West Nile virus and St. Louis encephalitis.

VOLUNTEER RETIRED PROVIDERS - \$0.25 MILLION GENERAL FUND-STATE

The Volunteer Retired Provider program pays some or all of the professional licensing and malpractice insurance costs for retired health care professionals who volunteer their services in non-profit clinics serving low-income and other under-served populations. Funding is provided to more than triple the number of retired providers assisted through the program, to approximately 250 per year.

FARMERS MARKET NUTRITION PROGRAM - \$0.1 MILLION GENERAL FUND-STATE, \$0.2 MILLION GENERAL FUND-FEDERAL

Funding is provided to increase the number of farmers' markets at which participants in the Women, Infants, and Children (WIC) Nutrition Program are able to redeem vouchers for fresh fruits and vegetables.

HIGHER EDUCATION

The Senate budget takes necessary steps to develop a detailed, specific strategy to meet the projected unprecedented demand for higher education services. The Higher Education Coordinating Board and the National Collaborative for Postsecondary Education Policy are directed to evaluate specific policy alternatives to present to the Legislature for key investment decisions in the 2005-07 budget. In addition, the Senate budget assumes passage of performance contract legislation in which the research universities will develop explicit performance measures. Performance contracts will be a key component for implementing the new strategic investments in higher education.

FINANCIAL AID

STATE NEED GRANT - \$4.9 MILLION GENERAL FUND-STATE INCREASE

The Senate budget provides funding for grant awards to 35 percent of those students identified as eligible, but projected to be unserved in the 2004-05 academic year. State need grant funding is also increased to reflect additional high demand enrollments at baccalaureate institutions.

HEALTH PROFESSIONAL LOAN PROGRAM - \$2.0 MILLION GENERAL FUND-STATE INCREASE

The Senate budget expands the Health Professional Scholarships and Loan Repayment Program. Additional funding will triple the size of the program and assist in the recruitment and retention of health care providers in underserved areas.

WASHINGTON CENTER SCHOLARSHIPS - \$0.16 MILLION GENERAL FUND-STATE

Funding is provided for \$4,000 scholarships to 40 Washington college students to participate in full-time, semester-long internships in Washington, D.C.

NEW ENROLLMENTS

HIGH DEMAND PROGRAMS - \$2.5 MILLION GENERAL FUND-STATE INCREASE

The Senate budget provides funding for an additional 227 FTE enrollments in high demand fields. The Higher Education Coordinating Board will manage a competitive process for awarding high demand enrollments to public baccalaureate institutions and private independent institutions.

ENROLLMENT GROWTH EVALUATION - \$0.1 MILLION GENERAL FUND-STATE

The Senate budget provides funding for the Higher Education Coordinating Board and the National Collaborative for Postsecondary Education Policy to evaluate specific policy alternatives with which the Legislature will make key investment decisions in the 2005-07 budgets.

HIGHER EDUCATION MISCELLANEOUS

UW PROTEOMICS CENTER - \$1.3 MILLION GENERAL FUND-STATE INCREASE

The Senate budget provides \$1.3 million per year for personnel and equipment for the University of Washington Proteomics Center at the Lake Union Campus. Proteomics is the study of proteins and is the successor to the Human Genome Project.

UW-TACOMA AUTISM CENTER - \$0.68 MILLION GENERAL FUND-STATE INCREASE

The Senate budget provides funding to establish an Autism Center in Tacoma to provide early diagnosis and intervention for services for children with autism. The new facility will be a satellite facility of the Autism Center at the University of Washington Medical Center in Seattle and will provide clinical service and professional training.

UW KOREAN STUDIES PROGRAM ENDOWMENT - \$0.5 MILLION GENERAL FUND-STATE

The Senate budget provides funding to establish an endowment to support a professor of Korean studies in the Jackson School of International Studies at the University of Washington. The \$500,000 in state general fund is to be matched by \$1,500,000 of non-state funds.

SW WASHINGTON BACCALAUREATE OPPORTUNITY STUDY - \$0.09 MILLION GENERAL FUND-STATE

Funding is provided to implement 2SSB 5914 (higher education opportunities in Vancouver). The Washington State Institute for Public Policy will conduct a feasibility study for the creation of additional baccalaureate and graduate opportunities for public higher education in Vancouver.

PUBLIC SCHOOLS

LEVY EQUALIZATION RESTORATION - \$5.9 MILLION GENERAL FUND-STATE

In the original 2003-05 budget, state local effort assistance (levy equalization) allocations were reduced by 6.3 percent for calendar years 2004 and 2005. This reduction in levy equalization allocations is restored for calendar year 2005.

CLASSIFIED STAFF SALARY INCREASE - \$5.4 MILLION GENERAL FUND-STATE, \$0.02 MILLION GENERAL FUND-FEDERAL

The Senate budget provides funding for a one percent salary increase for classified school employees for the 2004-05 school year. In terms of dollars, the increase equates to providing approximately \$300 in the 2004-05 school year to every state-funded classified FTE staff.

SCHOOL NURSE CORPS EXPANSION - \$1 MILLION GENERAL FUND-STATE

Funding is provided to expand the School Nurse Corps Program. The nurses, who are located at educational service districts, address the most needy schools and students. This additional funding will help ensure that children with severe health needs can stay in school.

WASHINGTON ASSESSMENT OF STUDENT LEARNING CHANGES - \$0.74 MILLION GENERAL FUND-STATE

Pursuant to 3ESHB 2195 (school academic standards), changes are made to the Washington Assessment of Student Learning (WASL) system. This legislation will require that students pass the 10th grade WASL in three subject areas (reading, writing, and mathematics) or meet the state standards established for the Iowa Test of Basic Skills (ITBS) in order to graduate beginning with the class of 2008. To implement the graduation requirement, the Office of the Superintendent of Public Instruction (OSPI) will offer two WASL retake opportunities for high school students and develop an ITBS-based alternate assessment process. Additionally, funding is provided for OSPI to review the alignment between the two assessments and the state's learning standards.

CHARTER SCHOOLS - \$0.53 MILLION GENERAL FUND-STATE

Funding is provided for the implementation of 2SHB 2295 or SSB 5012 (charter schools), which provide for the establishment of a limited number of charter schools. Most of the fiscal impact comes from an anticipated increase in public charter school enrollment from home-schooled students and students currently attending private schools.

ALTERNATIVE ROUTES TO CERTIFICATION - \$0.34 MILLION GENERAL FUND-STATE

Funding is provided for the Washington Professional Educator Standards Board to expand the Alternative Routes to Certification Program to provide more teacher certification opportunities in areas of the state without current access to an alternative route program. The expansion will add 40 additional internships to the Alternative Route to Certification Program, building upon a federal grant to establish regional teacher preparation centers.

READING AND MATH SOFTWARE - \$0.25 MILLION GENERAL FUND-STATE

Funding is provided for the purchase of reading and math software in the Tukwila and Selah school districts. The software will be used in conjunction with other research-based reading and math intervention programs. The Office of Superintendent of Public Instruction will provide a report detailing the outcomes achieved in the two school districts.

VIRTUAL CLASSROOM CONSORTIUM - \$0.1 MILLION GENERAL FUND-STATE

One-time funding is provided for the Washington Virtual Classroom Consortium which currently includes Adna, Concrete, Eatonville, Ocosta, North Franklin, Quillayute Valley, Quinault Lake, Wapato, Wellpinit, and White Salmon school districts.

CHILD ABDUCTION MATERIALS - \$0.03 MILLION GENERAL FUND-STATE

Funding is provided for the School Safety Center Advisory Committee to identify instructional materials and resources for students, parents and teachers that are designed to prevent the abduction of children.

NATURAL RESOURCES

IMPROVING FOOD SAFETY AND MARKETING WASHINGTON AGRICULTURE - \$1.1 MILLION GENERAL FUND-STATE

In response to the Bovine Spongiform Encephalopathy (BSE) incident, funding is provided for increased food safety and commercial feed inspections, and animal identification strategies. Funding is also provided to continue and expand the “Heart of Washington” campaign to market Washington agricultural products to domestic and international markets.

COMPREHENSIVE IRRIGATION DISTRICT MASTER PLANS - \$1.1 MILLION GENERAL FUND-STATE

Comprehensive Irrigation District Master Plans (CIDMPs) identify ways to improve the efficient use of water for agriculture. Funding is provided to the Department of Agriculture to complete three planning efforts in the Nooksack, Dungeness, and Walla Walla water basins, and to begin CIDMPs in three additional irrigation districts.

RESOLVING WATER PROBLEMS - \$1.2 MILLION GENERAL FUND-STATE, \$0.77 MILLION WATER QUALITY ACCOUNT

Funding is provided for several enhancements related to solving water problems. Water rights processing capacity is increased by \$500,000. Improvements in water quality data required by 2SSB 5957 are estimated to cost \$977,000, and are funded from the general fund and water quality account. The costs for mediating water rights disputes with the Lummi and Tulalip tribes is funded at \$400,000. Funding is provided for the state’s share of a study of the Rathdrum Prairie Aquifer in the Spokane area. Washington and Idaho are both contributing \$100,000 each and the federal government is providing \$500,000.

REDUCING MERCURY IN OUR ENVIRONMENT - \$0.16 MILLION GENERAL FUND-STATE

Funding is provided to increase the recycling of mercury from hospitals, automobiles and fluorescent lamps. Mercury is a persistent bioaccumulative toxin (PBT) that can cause neurological damage.

PREVENTING OILS SPILLS - \$0.14 MILLION OIL SPILL PREVENTION ACCOUNT

Funding is provided to implement SSB 6641 which requires the development of a “zero spill” strategy to prevent the release of oil or hazardous substances into marine waters.

SOCKEYE FISHERY ON LAKE WASHINGTON - \$0.03 MILLION GENERAL FUND-STATE, \$0.12 MILLION RECREATIONAL FISHERIES ENHANCEMENT ACCOUNT

The Lake Washington Sockeye run for the upcoming season is expected to be large enough to allow a limited season for recreational fishing. Funding is provided for the additional workload required to manage that fishery and an additional fishery in eastern Washington. The Lake Washington fishery is anticipated to generate increased fishing license revenue to help offset the additional costs.

CRIMINAL JUSTICE

DEPARTMENT OF CORRECTIONS

MAINTAIN ADEQUATE SUPERVISION FOR THE DRUG OFFENDER SENTENCING ALTERNATIVE (DOSA) - \$3.1 MILLION GENERAL FUND-STATE

Additional funding is provided to support supervision of offenders on the Drug Offender Sentencing Alternative (DOSA). With these additional resources, the Department of Corrections can supervise these offenders at a level acceptable to prosecutors and the courts.

TRANSFER YOUTHFUL OFFENDER PROGRAM - \$2.3 MILLION GENERAL FUND-STATE NET SAVINGS

Funding is reduced to reflect the transfer of 13 inmates under age 18 in the Department of Corrections (DOC) Youthful Offender Program at Clallam Bay Corrections Center to facilities managed by Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA). Inmates transferred to JRA will remain under the jurisdiction of DOC. The transfer will not change inmate sentences or time spent in total confinement. Inmates will return to DOC facilities after their eighteenth birthday. The transfer provides an additional 99 beds of close custody capacity for adult offenders, reducing the need to send offenders to more expensive, out-of-state "rental beds."

APPLY FELONY SUPERVISION CRITERIA TO GROSS MISDEMEANANTS - \$1.5 MILLION GENERAL FUND-STATE SAVINGS

Funding is reduced pursuant to SB 6290, which applies the new felony supervision criteria established in Chapter 379, Laws of 2003 (ESSB 5590) to gross misdemeanants. Supervision for an estimated 2,026 low-risk misdemeanor cases is eliminated. Supervision for high-risk misdemeanor cases and offenders who have specific current and prior convictions is maintained.

OTHER CRIMINAL JUSTICE STUDIES AND ENHANCEMENTS

- The Sentencing Guidelines Commission is required to review sex offender sentencing, including the Special Sex Offender Sentencing Alternative (SSOSA), and report findings and recommended sentencing changes to the Legislature by January, 2005.
- \$50,000 in state general fund is provided for the Washington Association of Sheriffs and Police Chiefs (WASPC) to assess eco-terrorist activities and produce a database for use by law enforcement agencies.
- \$25,000 in state general fund is provided for a staff person at WASPC to coordinate efforts to better utilize prison and jail capacity, and pursue regional jails where appropriate.
- \$375,000 in Public Safety and Education Account funds are provided to the Washington State Patrol to ensure sufficient supplies of DNA testing kits for the state crime laboratory.

GENERAL GOVERNMENT

COMMUNITY TRADE AND ECONOMIC DEVELOPMENT

CREATE THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION - \$0.37 MILLION GENERAL FUND-STATE

Pursuant to SSB 6243, the Department of Archaeology and Historic Preservation (DAHP) is created as a separate agency of state government. This will allow for institutional efficiencies, creating a greater funding base to distribute to local governments for preservation-related activities. This program was established in the Department of Community Trade and Economic Development (CTED). The total Fiscal Year 2005 funding of \$1,348,000 will be transferred to the new agency. However, \$373,000 is provided to the CTED to cover the cost of administrative overhead and other indirect costs currently paid by the DAHP.

YOUTH ASSESSMENT CENTER - \$0.3 MILLION GENERAL FUND-STATE

Funding is provided for start-up and initial operation of a Youth Assessment Center in Pierce County. This funding will leverage an equal amount of funding from private sources and will support activities related to reducing the rate of incarceration of juvenile offenders.

COMMUNITY VOICE MAIL - \$0.16 MILLION GENERAL FUND-STATE

One-time funding is provided to community voice mail contractors to provide free, personalized voice mail services to people in crisis and transition.

NORTH WEST ORTHOPAEDIC INSTITUTE - \$0.15 MILLION GENERAL FUND-STATE

The North West Orthopaedic Institute is a non-profit medical research and education organization which is located in Lakewood, Washington. Funding is provided for the development of additional organizational infrastructure to assist in musculoskeletal health research.

RETIRED SENIOR VOLUNTEER PROGRAM - \$0.1 MILLION GENERAL FUND-STATE

The Retired Senior Volunteer Program (RSVP) puts thousands of retirees to work in a variety of voluntary settings. Funding is provided to restore funding to the Fiscal Year 2002 level.

COMPENSATION

HEALTH CARE COST SAVINGS - \$8.7 MILLION GENERAL FUND-STATE, \$7.3 MILLION OTHER FUNDS

Surplus dollars in the Public Employee Benefits Board (PEBB) Fund are used to reduce the growth in health care premium costs. The surplus funds are expended using the current funding proportions, with 16 percent of the surplus used to reduce employee contributions and 84 percent used to reduce state contributions. As a result of these changes, average employee contributions rise to \$106 per month, instead of \$109 per month. The state's monthly contribution increases to \$579 per employee per month rather than \$592 per employee per month.

VESTING PERIOD REVISIONS FOR PENSION PLANS - \$1.1 MILLION GENERAL FUND-STATE, \$0.2 MILLION OTHER FUNDS

SB 6247 reduces from ten years to five years the length of service that members of Plan 3 of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) must accumulate before being entitled to a retirement allowance.

MILITARY LEAVE ENHANCEMENT - \$1 MILLION GENERAL FUND-STATE

2SSB 6578 extends the maximum period of military leave available to state employees called to active duty in the military reserves and National Guard to two years and provides employees with compensation for half of any salary loss experienced as a result of differences between their regular state pay and military pay.

\$1,000 MINIMUM MONTHLY BENEFIT FOR RETIREES - \$0.5 MILLION GENERAL FUND-STATE, \$0.2 MILLION OTHER FUNDS

SB 6253 establishes an alternative minimum benefit in Plan 1 of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS). This benefit is available to members who have at least 25 years of service credit, have been retired for at least 20 years, and are currently earning less than \$1,000 per month before survivor benefit adjustments.

OTHER POLICY CHANGES

TORT REFORM

GOVERNMENT LIABILITY REFORM - \$10 MILLION GENERAL FUND-STATE

Reductions in costs experienced by state and local governments are achieved as a result of governmental liability reform enacted in ESSB 5728. State government savings will be \$10 million in the current biennium.

HOMELAND SECURITY & DISASTER FUNDING

RESPONSE AND RECOVERY FOR OCTOBER 2003 FLOODS - \$6.7 MILLION DISASTER RESPONSE ACCOUNT

Funding from the Federal Emergency Management Agency (FEMA) and state matching funds are provided to the Washington State Military Department to cover response and recovery expenses for the October 2003 floods.

HOMELAND SECURITY FUNDING - \$60.4 MILLION GENERAL FUND-FEDERAL

The federal fiscal year 2004 budget includes \$60.4 million in grants to the Washington State Military Department, with a requirement that at least 80 percent of the funds be passed through to local governments. Funding includes: \$33.4 million for equipment, exercises, training and planning; \$16.4 million for the Urban Area Security Initiative (UASI) for the City of Seattle; \$9.9 million in Terrorism Prevention and Deterrence funds; and \$694,000 for the Citizen Corps and Community Emergency Response Team.

HELP AMERICA VOTE ACT

ELECTION REFORM - \$3.1 MILLION GENERAL FUND-STATE AND \$23.1 MILLION GENERAL FUND-FEDERAL

State funding and federal matching funds are provided to implement election reforms enacted by Congress following the 2000 presidential election. The federal Help America Vote Act of 2002 was enacted by Congress to improve election administration, voter outreach, and education. These funds will be used primarily to make grants to county governments to replace punch card voting machines and to develop a statewide voter registration database. The funding will also be used to increase voter access for persons with disabilities and to improve local election administration, voter outreach, and education.

EFFICIENCY SAVINGS

STATE AGENCY EFFICIENCY SAVINGS - \$11.4 MILLION GENERAL FUND - STATE SAVINGS

State agencies are required to become more efficient by reducing expenditures on travel, equipment and personal service contracts during fiscal year 2005 by 10 percent. (See Appendix)

PRESIDENTIAL PREFERENCE PRIMARY - \$6.0 MILLION GENERAL FUND--STATE SAVINGS

The enactment of HB 2297 in December 2003 cancelled the presidential preference primary to be held in 2004. As a result of this enactment, the state will realize a savings of \$6.04 million.

REVENUE BILLS

MAJOR REVENUE CHANGES

MODIFYING HIGH TECHNOLOGY AND RESEARCH AND DEVELOPMENT TAX INCENTIVE PROVISIONS - \$52.4 MILLION GENERAL FUND-STATE REVENUE DECREASE

ESHB 2546 extends the business and occupation (B&O) tax credit for research and development (R&D) spending ten years, to January 1, 2015. The R&D credit calculation is limited to the amount of R&D expenditures in excess of 0.92 percent of taxable income and is computed for firms other than non-profits using the firm's average tax rate (rather than 1.5 percent). The sales and use tax exemption for high tech R&D & pilot-scale manufacturing is extended ten years to July 1, 2015. The University of Washington and Washington State University are allowed to use the sales and use tax exemption for R&D. Federal contractors building federal R&D facilities are included in the exemption. Credit and exemption users are required to complete an annual survey. The Department of Revenue is directed to study the credit and exemption and report to the Legislature by December 1, 2009, and by December 1, 2013. Amounts received from the federal Small Business Programs for Innovation Research and Technology Transfers are also exempted from B&O tax.

PROVIDING TAX INCENTIVES IN RURAL COUNTIES - \$15.8 MILLION GENERAL FUND-STATE REVENUE DECREASE

SB 6240 extends the sales and use tax deferral program for persons engaged in manufacturing, research and development, or computer service businesses in rural counties from July 1, 2004 to July 1, 2010. A business and occupation (B&O) tax credit for computer software job creation is authorized for businesses engaged in computer software manufacturing or programming in rural counties. A credit of \$1,000 is provided for each new job, for up to 5 years. Businesses claiming a credit under the expired program may also take any remaining credits under this program. The credit expires January 1, 2011. A B&O tax credit is authorized for businesses that provide information technology help desk services to third parties when the business is located in a rural county. The credit equals 100 percent of the B&O tax on the services. The credit expires January 1, 2011. Island County is added to all existing rural county tax incentive programs, which includes these programs and the economic development public utility tax credit, the job creation B&O tax credit, and the job training B&O tax credit.

OTHER REVENUE CHANGES

PROVIDING PROPERTY TAX RELIEF FOR SENIOR CITIZENS AND DISABLED RETIREES - \$0 GENERAL FUND-STATE REVENUE IMPACT

SB 5034 increases the income threshold and exemptible portion of property value for various aspects of the senior and disabled retirees' property tax deferral program.

PROVIDING INCENTIVES FOR CALL CENTERS IN DISTRESSED AREAS - \$982,000 GENERAL FUND-STATE REVENUE DECREASE

3SSB 5319 provides sales and use exemptions for certain construction, maintenance, and telephone service activities for new call centers locating in distressed areas.

PROMOTING ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION - \$0 GENERAL FUND-STATE REVENUE IMPACT (\$5 MILLION DECREASE IN FY 06)

3SSB 5364 expands the tax increment financing mechanism currently in law in four ways: 1) allows local governments to use increased sales and use tax revenues from the increment area and receive a credit against the state sales and use tax; 2) lowers the threshold from 75 percent to 60 percent of property taxing districts that need to agree to the project before the project goes ahead; 3) limits the portion of property tax increases that will be redistributed to those from new construction and improvements only; and 4) requires the improvements financed with the program improve the viability of existing business in the area.

MODIFYING THE TAXATION OF PHYSICAL FITNESS SERVICES - \$0 GENERAL FUND-STATE REVENUE IMPACT (\$6.3 MILLION DECREASE IN FY 07)

SSB 5423 changes the designation of physical fitness services from retail to general services, raising the applicable business and occupation tax rate from 0.471 percent to 1.5 percent yet removing the requirement to collect the retail sales tax.

PROVIDING USE TAX EXEMPTION FOR DONATED AMUSEMENT AND RECREATION SERVICES - \$78,000 GENERAL FUND-STATE REVENUE DECREASE

SSB 6115 exempts the use of amusement and recreation facilities from the use tax when such use is donated to a non-profit organization or school.

PROVIDING INCENTIVES TO SUPPORT RENEWABLE ENERGY - \$61,000 GENERAL FUND-STATE REVENUE DECREASE

SSB 6132 establishes a nine-year tax incentive program for manufacturers of solar energy systems that use photovoltaics, including a B&O rate of 0.275 percent. If a plant is located in a county with at least 12 percent unemployment, the manufacturer is also eligible for a B&O exemption, a sales and use tax exemption on the construction of new buildings, and a property tax exemption on machinery and equipment.

PROVIDING VEHICLE PROPERTY TAX RELIEF FOR CERTAIN VETERANS - \$0 GENERAL FUND-STATE REVENUE IMPACT

SB 6141 provides a property tax exemption for the vehicles of disabled veterans, honored veterans, and former prisoners of war and their spouses.

PROVIDING TAX RELIEF FOR ELECTROLYTIC PROCESSORS - \$325,000 GENERAL FUND-STATE REVENUE DECREASE

SSB 6157 exempts the electricity sold to electrolytic processors for ingredient purposes from the public utility tax.

AUTHORIZING VOTER APPROVED PROPERTY TAX LEVIES FOR CRIMINAL JUSTICE PURPOSES - \$0 GENERAL FUND-STATE REVENUE IMPACT

SSB 6205 authorizes counties under 90,000 in population to levy an additional regular property tax of up to \$0.50 per year for six years if the initial levy is approved by the voters. Levies must be approved by at least 60 percent in the same manner as excess levies. Revenues must be used exclusively for criminal justice purposes.

PROVIDING TAX RELIEF FOR ALUMINUM SMELTERS - \$1.7 MILLION GENERAL FUND-STATE REVENUE DECREASE

SSB 6304 provides tax incentives to the aluminum industry. The business and occupation (B&O) tax rate for manufacturing and wholesaling is reduced for aluminum smelters from 0.484 percent to 0.2904 percent through 2006. Aluminum smelters may take a credit against B&O tax for property taxes paid through 2006. Through 2006, aluminum smelters may take a credit for state sales and use taxes paid on personal property used at the smelter or incorporated into buildings, and associated labor and services. Through 2006, aluminum smelters are exempt from the use tax on brokered natural gas. Businesses that sell electricity or natural or manufactured gas to aluminum smelters receive a credit against their tax if the price of the electricity or gas is reduced by the tax savings. Aluminum smelters that claim any of the incentives must submit an annual report to the Department of Revenue providing information on wage, employment, and benefits information. The department is to report to the Legislature December 2006 on the effectiveness of the tax incentives.

PROVIDING TAX RELIEF FOR TEMPORARY STAFFING SERVICES - \$8.2 MILLION GENERAL FUND-STATE REVENUE DECREASE

SSB 6424 lowers the business and occupation tax rate for temporary staffing services from 1.5 percent to 0.484 percent, subjects these services to the apportioned gross income statute, and provides limited amnesty to temporary staffing businesses on retail sales taxes past due.

COMPLETING THE EXEMPTIONS FOR FUEL CELLS FROM THE RETAIL SALES AND USE TAXES - \$121,000 GENERAL FUND-STATE REVENUE DECREASE

SB 6490 adds necessary language to exempt fuel cells from the retail sales and use taxes.

CORRECTING ERRORS AND OMISSIONS IN THE SSB 5783 OF THE 2003 LEGISLATIVE SESSION - \$7.9 MILLION GENERAL FUND-STATE REVENUE DECREASE

SB 6515 restores sales tax exemptions that were mistakenly removed in last session's bill and makes further technical corrections.

INCREASING SIZE LIMITATIONS ON TAX EXEMPTIONS FOR CHURCH PROPERTIES - \$0 GENERAL FUND-STATE REVENUE IMPACT

SB 6516 expands the limits of church and church camp properties that may be exempt from the property tax.

EXTENDING THE MANUFACTURING MACHINERY AND EQUIPMENT SALES AND USE TAX EXEMPTION TO LIGHT AND POWER BUSINESSES - \$1.3 MILLION GENERAL FUND-STATE REVENUE DECREASE

SSB 6660 exempts machinery and equipment used in gas-fired generation of electricity in new facilities from the sales and use taxes.

MODIFYING THE EXCISE TAXATION OF FRUIT AND VEGETABLE PROCESSING AND STORAGE - \$0 GENERAL FUND-STATE REVENUE IMPACT

SSB 6665 provides a business and occupation tax exemption for processing fresh fruits and vegetables and for wholesale sales by the processor to purchasers who transport the goods outside the state in the ordinary course of business. Fruit and vegetable processing, cold storage warehousing, and related research and development businesses may defer sales and use taxes on buildings, machinery and equipment, and installation labor, which need not be repaid if the business maintains operations for eight years. The program expires July 1, 2010. The state tax exemption for warehouses is also changed. Cold storage warehouses qualify for refund of state tax if they are at least 25,000 square feet, rather than 200,000 square feet. The refund on machinery and equipment for cold storage warehouses is increased from 50 percent to 100 percent. These incentives result in a reduction of \$22.4 million in state general fund revenues in the 2005-07 biennium.

PROVIDING ON-GOING FINANCIAL ASSISTANCE TO DISTRESSED COUNTIES - \$4.8 MILLION GENERAL FUND-STATE REVENUE DECREASE

SSB 6689 diverts a portion of liquor sales taxes to a new account for assisting the most financially distressed counties.

PROVIDING TAX DEDUCTIONS AND EXEMPTIONS FOR POSTAGE COSTS - \$2.9 MILLION GENERAL FUND-STATE REVENUE DECREASE

SB 6696 provides that business and occupation, retail sales, and use taxes do not apply to charges made for postage by printers and mailing bureaus.

MODIFYING EXCISE TAX ACCOUNTING REQUIREMENTS - \$0 GENERAL FUND-STATE REVENUE DECREASE

SB 6698 allows an accrual basis taxpayer to file returns based upon cash receipts, upon a showing of substantial hardship. A substantial hardship exists if on the due date of a return the taxpayer's retail sales tax billed but not collected for the tax-reporting period is more than seventy-five percent of the total tax due on the return for the reporting period. The taxpayer must continue to report on a cash basis for at least twelve months.

REVENUE INCREASE MEASURES

TRANSFERRING COLLECTION OF CERTAIN TELEPHONE EXCISE TAXES FROM THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES TO THE DEPARTMENT OF REVENUE - \$278,000 GENERAL FUND-STATE REVENUE INCREASE

SB 6448 transfers the responsibility for setting rates and collecting the telecommunications relay service excise tax and the telephone assistance excise tax from the Department of Social and Health Services to the Department of Revenue.

CONFORMING WASHINGTON'S TAX STRUCTURE WITH THE STREAMLINED SALES AND USE TAX AGREEMENT - \$500,000 GENERAL FUND-STATE REVENUE INCREASE

SSB 6544 brings Washington into conformance with remaining provisions of the Streamlined Sales and Use Tax Agreement, regarding: registration, monetary allowances and vendor compensation, limited amnesty, sourcing rules, taxpayer information confidentiality, a taxability matrix, and delivery charges. Several of these provisions are effective only when Washington becomes a member state of the Agreement or when federal action occurs that allows Washington to require remote sellers to collect the retail sales tax. In addition, a program of local government mitigation is established for adverse impacts of adopting the sourcing provision. A business and occupation tax credit is provided for sellers that comply with the sourcing mitigation program, and fines are established for sellers who do not.

Senate GF-S Revenue Adjustments

(Dollars in Thousands)

Bill	Title	2003-05
<u>Tax Reduction Measures (GF-S)</u>		
Major Revenue Changes		
ESHB 2546	Extension of high-tech tax incentives	(52,384)
SSB 6240	Rural county tax incentives	(15,834)
Other Revenue Changes		
SB 5034	Senior citizen property tax exemption	0
3SSB 5319	Call centers in rural counties sales tax exemption	(982)
3SSB 5364	Community revitalization and economic development	0
SSB 5423	Modifying the taxation of physical fitness services	0
SSB 6115	Use tax exemption for amusement and recreation services	(78)
SSB 6132	Incentives for solar (photovoltaic) module manufacturers	(61)
SB 6141	Vehicle property tax relief for certain veterans	0
SSB 6157	PUT on sales of electricity to electrolytic processing businesses	(325)
2SSB 6205	Property tax levy for criminal justice	0
2SSB 6304	Aluminum smelter tax incentives	(1,721)
SSB 6424	B&O rate for temporary staffing services	(8,238)
SB 6490	Use exemption for fuel cells	(121)
SB 6515	Streamlined sales tax agreement corrections	(7,942)
SB 6516	Increasing churches' property tax exemption limitations	0
SSB 6660	Machinery/equip sales exemption for light/power businesses	(1,300)
SSB 6665	Fruit & vegetable processors	0
SSB 6689	County financial assistance from liquor tax revenue	(4,803)
SB 6696	Postage B&O and sales/use	(2,899)
ESB 6698	Excise tax accounting	0
	Subtotal	(\$96,688)
<u>Revenue Increase Measures</u>		
SB 6448	Transferring collection of certain telephone excise taxes	278
SSB 6544	SSTA conformance: sourcing, amnesty, compensation	500
	Subtotal	\$778
<u>Budget-Driven Revenue</u>		
SSB 6187	Liquor Control Board workers' compensation rate increase	(142)
	Subtotal	(\$142)

APPENDIX

2003-05 Omnibus Operating Budget
Reductions to GF-S Personal Service Contracts, Travel, and Equipment
LEAP Document 2004-32, January 23, 2004
(Dollars in Thousands)

	<u>GF-S</u>
Legislative	
House of Representatives	(158)
Senate	(78)
Joint Leg. Audit & Review Committee	(51)
Leg Evaluation & Account Prog Comm	(19)
Joint Legislative Systems Committee	(157)
Statute Law Committee	(1)
Legislative Total	(\$464)
Judicial	
Supreme Court	(12)
State Law Library	(1)
Court of Appeals	(17)
Commission On Judicial Conduct	(12)
Office of Administrator for Courts	(20)
Judicial Total	(\$62)
Governmental Operations	
Office of the Governor	(12)
Office of Lieutenant Governor	(2)
Public Disclosure Commission	(6)
Office of the Secretary of State	(129)
Governor's Office of Indian Affairs	(9)
Comm on Asian Pacific Amer Affairs	(1)
Office of State Auditor	(17)
Comm on Salaries Elected Officials	(3)
Office of Attorney General	(42)
Caseload Forecast Council	(2)
Community, Trade & Economic Develop	(580)
Economic & Revenue Forecast Council	(1)
Office of Financial Management	(138)
Wa State Comm On Hispanic Affairs	(4)
Wa St Comm African-American Affairs	(1)
Board of Tax Appeals	(9)
Dept of General Administration	(2)
Liquor Control Board	(9)
Military Department	(40)
Public Employment Relations Comm	(16)
Growth Management Hearings Board	(4)
Governmental Operations Total	(\$1,027)

2003-05 Omnibus Operating Budget
Reductions to GF-S Personal Service Contracts, Travel, and Equipment
LEAP Document 2004-32, January 23, 2004
(Dollars in Thousands)

	<u>GF-S</u>
DSHS	
Children and Family Services	(210)
Juvenile Rehabilitation	(98)
Mental Health	(256)
Developmental Disabilities	(159)
Long-Term Care	(363)
Economic Services Administration	(1,150)
Alcohol And Substance Abuse	(14)
Medical Assistance Payments	(137)
Vocational Rehabilitation	(30)
Administration/Supporting Services	(61)
Information System Services	(287)
Total DSHS	<u>(\$2,765)</u>
Other Human Services	
Human Rights Commission	(3)
Department of Labor and Industries	(40)
Indeterminate Sentence Review Board	(2)
Home Care Quality Authority	(6)
Department of Health	(428)
Department of Veterans Affairs	(40)
Department of Corrections	(1,630)
Dept of Services for the Blind	(31)
Sentencing Guidelines Commission	(15)
Other Human Services	<u>(\$2,195)</u>
Natural Resources	
Columbia River Gorge Commission	(2)
Department of Ecology	(375)
State Parks and Recreation Comm	(309)
Interagency Comm for Outdoor Rec	(8)
Environmental Hearings Office	(3)
State Conservation Commission	(19)
Department of Fish and Wildlife	(284)
Department of Natural Resources	(249)
Department of Agriculture	(98)
Natural Resources Total	<u>(\$1,347)</u>
Transportation	
Washington State Patrol	(61)
Department of Licensing	(19)
Transportation Total	<u>(\$80)</u>

2003-05 Omnibus Operating Budget
Reductions to GF-S Personal Service Contracts, Travel, and Equipment
 LEAP Document 2004-32, January 23, 2004
 (Dollars in Thousands)

	<u>GF-S</u>
Supt of Public Instruction	(\$515)
Higher Education	
Higher Education Coordinating Board	(34)
University of Washington	(1,252)
Washington State University	(24)
Eastern Washington University	(40)
Central Washington University	(96)
Spokane Intercollege R&T Institute	(6)
Western Washington University	(7)
Community/Technical College System	(1,216)
Higher Education Total	<u>(\$2,675)</u>
Other Education	
State School for the Blind	(25)
State School for the Deaf	(26)
Work Force Train & Educ Coord Board	(206)
Washington State Arts Commission	(7)
Washington State Historical Society	(6)
East Wash State Historical Society	(22)
Other Education Total	<u>(\$292)</u>
Total Education	(\$3,482)
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Statewide Total (net)	(\$11,422)