

**PROPOSED SENATE  
2012 SUPPLEMENTAL  
OPERATING BUDGET**

**SUMMARY DOCUMENT**

**STRIKING  
AMENDMENT TO  
SENATE BILL 6612**

**FIRST SPECIAL SESSION OF 2012  
MARCH 15, 2012**

# TABLE OF CONTENTS

<b>SUBJECT</b>	<b>PAGE</b>
<b>OVERVIEW OF 2012 BUDGET PROBLEM &amp; SOLUTION</b> .....	<b>2</b>
<b>BALANCE SHEET</b> .....	<b>4</b>
<b>AREAS OF GOVERNMENT</b>	
<b>EMPLOYEE COMPENSATION</b> .....	<b>5</b>
<b>PUBLIC SCHOOLS</b> .....	<b>5</b>
<b>HIGHER EDUCATION</b> .....	<b>6</b>
<b>EARLY LEARNING</b> .....	<b>6</b>
<b>LOW-INCOME MEDICAL ASSISTANCE</b> .....	<b>6</b>
<b>LONG TERM CARE, DEVELOPMENTAL DISABILITIES</b> .....	<b>7</b>
<b>ALCOHOL &amp; SUBSTANCE ABUSE</b> .....	<b>8</b>
<b>MENTAL HEALTH</b> .....	<b>8</b>
<b>ECONOMIC SERVICES ADMINISTRATION &amp; HOUSING ESSENTIAL NEEDS</b> .....	<b>9</b>
<b>CHILDREN'S ADMINISTRATION</b> .....	<b>10</b>
<b>CORRECTIONS &amp; OTHER CRIMINAL JUSTICE</b> .....	<b>10</b>
<b>DEPARTMENT OF HEALTH</b> .....	<b>11</b>
<b>NATURAL RESOURCES</b> .....	<b>11</b>
<b>GENERAL GOVERNMENT</b> .....	<b>13</b>
<b>FUND TRANSFERS TO GF-S &amp; OTHER ADJUSTMENTS</b> .....	<b>APPENDIX A</b>
<b>REVENUE CHANGES &amp; BUDGET DRIVEN REVENUE</b> .....	<b>APPENDIX B</b>
<b>COMPARISON TO ORIGINAL SENATE PASSED BUDGET</b> .....	<b>APPENDIX C</b>
<b>COMPARISON TO MOST RECENT HOUSE PROPOSAL</b> .....	<b>APPENDIX D</b>



# **THE 2012 SUPPLEMENTAL BUDGET PROBLEM**

## **STATE FISCAL PICTURE FOR 2012**

In the last legislative session, the Legislature and the Governor addressed a budget problem of approximately \$6.3 billion. This budget problem was part of the continued state budget challenges experienced over the last three years. The cumulative state budget problem addressed over that period totals approximately \$18 billion. Based on the budget reductions and other changes made last session, it was estimated that operating budget reserves would be approximately \$740 million.

Since last spring, economic conditions have not improved as much as expected and state revenue collections have been lower than anticipated when the Legislature passed the budget. Over the course of the three revenue forecasts, the Economic and Revenue Forecast Council lowered their general fund state revenue projections for this biennium by over \$2 billion. As of the November forecast, this meant that the Legislature faced a \$1.4 billion budget problem (not including any budget reserves).

In December 2011, the Legislature enacted “early action” legislation which reduced the budget problem by \$480 million. This included: (1) reducing spending by \$322 million; (2) making \$107 million in fund transfers primarily from fiscal year 2011 reversions; and (3) enacting Substitute House Bill 2169 (unclaimed property), which modified provisions related to unclaimed property.

In February 2012, the Legislature received some relief as the revenue and caseload forecasts came in better than previously estimated. Combined, the revised projections lowered the budget problem by \$425 million. Based on the assumptions used in the development of the striking amendment to SB 6612, including leaving \$437 million in reserves, the remaining budget problem was estimated at approximately \$1 billion.

## **SOLVING THE REMAINING 2012 BUDGET PROBLEM**

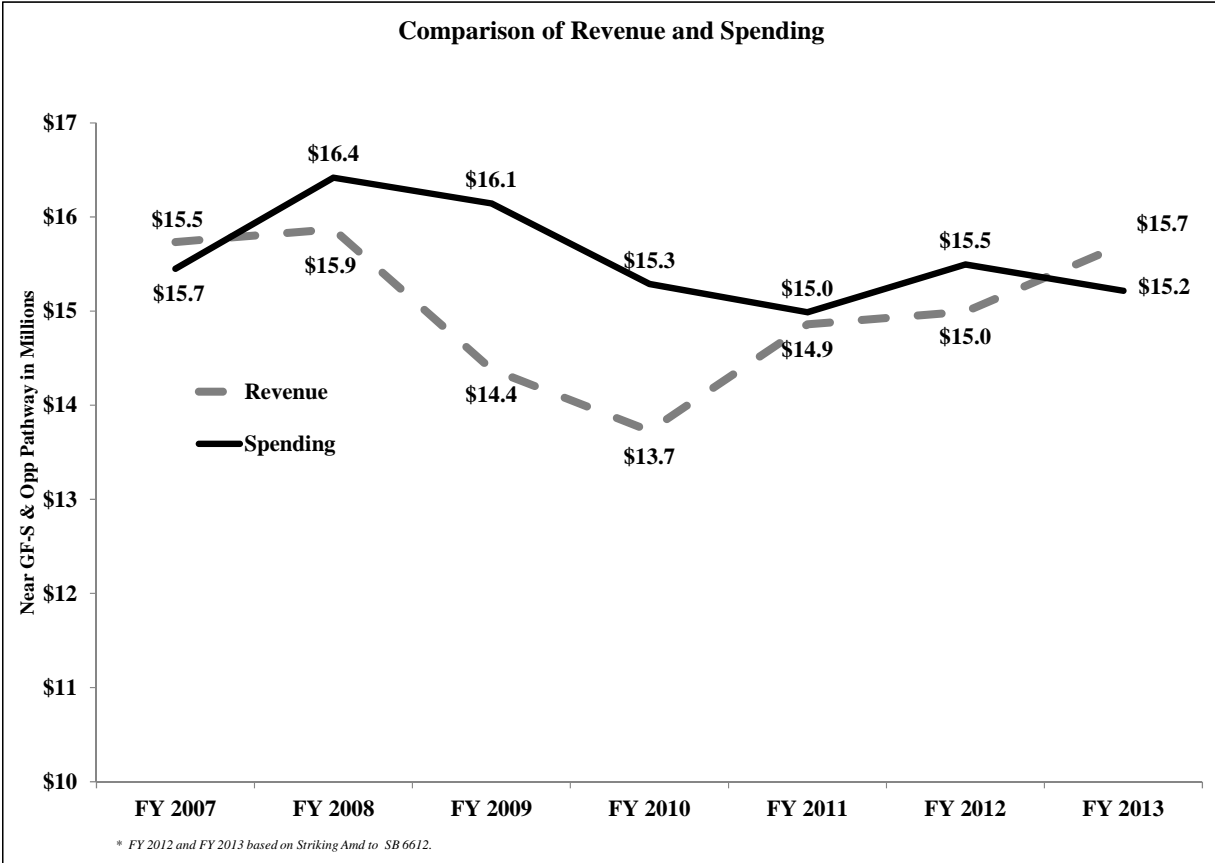
The Senate’s proposed budget solves this remaining budget problem by a variety of actions including: (1) making \$565 million in spending reductions while making no additional reductions in K-12 or higher education; (2) saving \$143 million from legislation suspending employer Plan 1 unfunded liability payments for fiscal year 2013 and eliminating subsidized early retirement benefits for new members; (3) reducing distributions to local governments by \$74 million; (4) redirecting \$71 million in solid waste tax revenues to the general fund; and (5) keeping an estimated \$160 million in agency reversions during 2011-13 biennium in the general fund rather than distributing them to other accounts.

## **MAKING THE BUDGET SUSTAINABLE**

Based on the changes made in this budget proposal, for the first time in a number of years, the amount of spending is brought in line with available revenue in fiscal year 2013. See chart on next page. This proposal was also crafted with an eye on future sustainability. This is why this budget proposal and related legislation takes additional steps to make the budget more sustainable in future years by taking on the structural budget problem.

Some of these initiatives include: (1) Engrossed Senate Joint Resolution 8222 which would require 4-year balanced budgeting; (2) Senate Bill 6618 which removes mandatory provisions related to Initiative 728 and Initiative 732, which will allow future budget writers additional flexibility; (3)

Senate Bill 6378 which suspends employer Plan 1 unfunded liability payments for fiscal year 2013 but also includes more than offsetting future savings from eliminating subsidized early retirement benefits for new members of certain pension systems; (4) Senate Joint Resolution 8221, a proposed Constitutional amendment which would limit capital budget related debt; (5) a more consolidated purchasing of employee health benefits which could potentially allow the state and local school districts to achieve savings after it is implemented in 2014; and (6) Engrossed Substitute Senate Bill 6345 which creates a commission to identify further efficiencies and savings in state services.



# Striking Amendment to SB 6612

*(Near General Fund-State and Opp Pathways in Millions)*

	<b>2011-13</b>
<b>Beginning Balance</b>	<b>(60.4)</b>
 <b>Revenue</b>	
November Forecast	30,568.7
February Forecast Update	86.8
HB 2169 (Unclaimed Property)	50.6
<i>Revenue Legislation &amp; Budget Driven Revenue</i>	<i>11.0</i>
<b>Total Revenue</b>	<b>30,717.2</b>
 <b>Other Resource Changes</b>	
Transfers To The Budget Stabilization Account	(264.8)
Use of Budget Stabilization Account	-
Other Previously Enacted Fund Transfers & Adjustments	244.1
Transfers in SHB 2058 (Dec 2011)	106.2
<i>Solid Waste Tax Redirection</i>	<i>70.7</i>
<i>Reduced Local Govt Distributions</i>	<i>73.7</i>
<i>2012 Fund Transfers</i>	<i>(1.5)</i>
<b>Other Resource Changes</b>	<b>228.3</b>
<b>Total Resources</b>	<b>30,885.1</b>
 <b>Spending</b>	
Previously Enacted Appropriations	<b>32,200.0</b>
2012 Early Action (SHB 2058 - Dec 2011)	(322.9)
<i>2012 Maintenance Level Changes</i>	<i>(338.7)</i>
<i>2012 Policy Level Changes</i>	<i>(665.4)</i>
<i>2012 Estimated NGFS Reversions(FYs 12 and 13)</i>	<i>(160.0)</i>
<b>Total Spending</b>	<b>30,713.0</b>
 <b>Ending Balance &amp; Reserves</b>	
Unrestricted Ending Fund Balance	172.1
Budget Stabilization Account Balance	265.3
<b>Total Reserves</b>	<b>437.4</b>

# FUNCTIONAL AREAS OF GOVERNMENT

## EMPLOYEE COMPENSATION

### MAJOR SAVINGS

#### **RETIREMENT SYSTEM REFORMS - \$143.1 MILLION GENERAL FUND-STATE SAVINGS, \$39.5 MILLION OTHER FUND SAVINGS**

Savings are achieved through the provisions of Re-engrossed Senate Bill 6378, which suspends employer Plan 1 unfunded liability payments for fiscal year 2013 and eliminates subsidized early retirement benefits for new members of the Plans 2 and 3 of the Public Employees', Teachers', and School Employees' Retirement Systems (PERS, TRS, and SERS) who first establish membership after June 30, 2012. Savings in realized in future biennia as a result of the elimination of the early retirement options will be used to fund additional employer contributions, allowing the Plan 1 unfunded liabilities to be paid off more quickly than under current law.

#### **STATE EMPLOYEE HEALTH BENEFITS - \$33.1 MILLION GENERAL FUND-STATE SAVINGS, \$24.6 MILLION OTHER FUND SAVINGS**

Employer contributions for medical benefits for state employees are reduced from \$850 per employee per month in fiscal year 2012 to \$800 per employee per month in fiscal year 2013. The funding reduction does not impact the provisions of the collective bargaining agreements governing health benefit cost sharing, so the employee share of health insurance premiums will remain at 15 percent. It is expected that sufficient funds will be available to support the current level of benefits.

### MAJOR INCREASES

#### **SCHOOL EMPLOYEE BENEFITS BOARD - \$12.4 MILLION OTHER FUNDS**

Funding is provided for startup costs for a new School Employees' Benefits Board (SEBB) program within the Health Care Authority. The SEBB will provide centralized purchasing of health benefits for school employees throughout the state beginning January 1, 2014. Self-insured school districts will be allowed to opt out provided that they provide comparable benefits at a cost no greater than that paid by districts participating in the SEBB program and provide additional data that allows the SEBB to confirm this. Initial funds are provided through a loan from the Public Employees' and Retirees' Insurance Account (PERIA) to the new School Employees' Insurance Administration Account (SEIAA), which will be repaid with interest.

## K-12 PUBLIC SCHOOLS

### MAJOR INCREASES

#### **TEACHER & PRINCIPAL EVALUATION SYSTEM - \$5.8 MILLION GENERAL FUND-STATE**

A revised, statewide system of performance evaluation for teachers and principals, as passed the Senate in Engrossed Substitute Senate Bill 5895 (certified employee evaluation), is funded.

#### **URBAN SCHOOL TURNAROUND - \$2.0 MILLION GENERAL FUND-STATE**

Funding is provided for a turnaround initiative to reduce the gap in educational achievement in the state's lowest performing schools.

**ALTERNATIVE GOVERNANCE FOR CERTAIN PUBLIC SCHOOLS - \$780,000 GENERAL FUND-STATE**

Funding is provided to implement Senate Bill 6202, which establishes alternative forms of governance for certain public schools. The alternative forms of governance include opportunity schools (up to ten) as well as a transformation zone district, administered within the Office of the Superintendent of Public Instruction (OSPI) for the purpose of temporarily managing a list of transformation zone schools.

**WASHINGTON KINDERGARTEN INVENTORY OF DEVELOPING SKILLS (WAKIDS) - \$500,000 GENERAL FUND-STATE**

Funding is provided to finalize full implementation of WaKIDS in state-funded full-day kindergartens; to convene a workgroup to gather input and recommendations with respect to phasing in full implementation, including in half-day kindergartens; and pay costs for half-day or non-state-funded full-day kindergarten participation.

## **HIGHER EDUCATION**

### **MAJOR INCREASES**

**STUDENT ACHIEVEMENT COUNCIL - \$1.0 MILLION NEAR GENERAL FUND-STATE**

Funds are provided pursuant to Engrossed Second Substitute House Bill 2483 (student achievement council), which creates the Student Achievement Council to replace the Higher Education Coordinating Board to set goals for increasing the educational attainment in Washington and to monitor progress toward meeting those goals.

## **EARLY LEARNING**

### **MAJOR SAVINGS**

**ADMINISTRATIVE EFFICIENCIES IN SEASONAL CHILD CARE - \$2.0 MILLION NEAR GENERAL FUND-STATE SAVINGS**

The Department of Early Learning (DEL) transferred operations of the Seasonal Child Care program to the Department of Social and Health Services (DSHS) in 2011. DSHS is operating the program out of existing resources and these resources are no longer needed to administer the program.

**SHIFTS TO FEDERAL FUNDING - \$1.3 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Funding for a portion of the Child Care Resource and Referral program and the Homeless Child Care program is shifted from General Fund-State to federal funds.

## **LOW-INCOME MEDICAL ASSISTANCE**

### **MAJOR SAVINGS**

**DISABILITY LIFELINE AND ADATSA MEDICAL CARE SERVICES - \$41.0 MILLION GENERAL FUND-STATE SAVINGS, \$44 MILLION OTHER FUND SAVINGS**

The Disability Lifeline and the Alcoholism and Drug Abuse Treatment Support Act (ADATSA) medical care services programs are discontinued effective June 2012. The programs pay for hospital, physician, prescription drug, and other medical care for approximately 14,500 low-



income persons per month who have disabilities not sufficiently severe or too temporary to qualify as disabled under the federal Social Security Act.

**HOSPITAL INDIGENT ASSISTANCE GRANTS - \$13.1 MILLION GENERAL FUND-STATE SAVINGS, \$13.1 MILLION OTHER FUND SAVINGS**

The state/federal grant program that assists approximately 50 urban and rural hospitals with the cost of uncompensated care is discontinued effective July 2011.

**ADMINISTRATIVE REDUCTIONS - \$7.1 MILLION GENERAL FUND-STATE SAVINGS, \$4.9 MILLION OTHER FUND SAVINGS**

The Health Care Authority has very effectively constrained administrative expenditures during the first quarter of the biennium by leaving funded positions unfilled; limiting expenditures on goods, services, and contracts; and through other means. The Senate budget provides for the agency to maintain half this level of under-expenditure through the balance of the biennium.

**DRUG PURCHASING EFFICIENCIES - \$1.8 MILLION GENERAL FUND-STATE SAVINGS, \$1.8 MILLION OTHER FUND SAVINGS**

The Health Care Authority will place increased emphasis upon selection of the least costly, equally effective formulation when paying for drugs. Additionally, the state will pay for over-the-counter products on behalf of medical assistance recipients only as an alternative to a more costly drug or when needed to avoid a more costly condition.

**MAJOR INCREASES**

**EMERGENCY ROOM SCREENING FEES- \$1.8 MILLION GENERAL FUND-STATE, \$2.0 MILLION OTHER FUNDS**

Consistent with policy established in the original biennial budget, state medical assistance programs will no longer pay for treatment of non-emergency conditions in hospital emergency rooms. Because hospitals have a responsibility to screen patients to determine whether their condition is emergent and to refer them to appropriate primary care providers if it is not, funds are provided to reimburse them for this service.

**LONG TERM CARE, DEVELOPMENTAL DISABILITIES**

**MAJOR SAVINGS**

**RECOGNIZE CURRENT YEAR PROGRAM VARIANCE - \$9.1 MILLION GENERAL FUND STATE SAVINGS**

An analysis of fiscal year 2012 program expenditures indicates that the Division of Developmental Disabilities will underspend its General Fund-State authority. This is primarily due to higher than anticipated staff vacancies and postponed equipment and goods purchases. Over \$5.4 million is savings in the residential habilitation centers program.

**CORRECT PROGRAM ALLOTMENT - \$8.3 MILLION GENERAL FUND-STATE SAVINGS**

The Division of Developmental Disabilities Community Services program has been using General Fund-State authority for program expenditures that could have rightly been made from federal fund sources. However, the division lacked sufficient federal expenditure authority. Federal expenditure authority is provided in maintenance level and the resulting General Fund-State savings is realized.

**BOARDING HOME RATES - \$1.7 MILLION GENERAL FUND-STATE SAVINGS, \$1.7 MILLION OTHER FUND SAVINGS**

The fiscal year 2013 Medicaid payment rate for boarding homes is reduced by 2 percent.

**FAMILY CAREGIVER SUPPORT PROGRAM EXPANSION - \$1.8 MILLION GENERAL FUND-STATE SAVINGS, \$6.9 MILLION OTHER FUND SAVINGS**

Additional investments are made in the Family Caregiver Support program to divert caseload from the Medicaid program.

**MAJOR INCREASES**

**INITIATIVE 1163 IMPLEMENTATION - \$14.4 MILLION GENERAL FUND-STATE INCREASE, \$20 MILLION OTHER FUND INCREASE**

Funding is provided to implement the enhanced training, background check, and certification requirements of Initiative 1163. The funding is provided for worker wages while they attend training and training trust contributions are maintained at \$0.17 per hour of paid work.

**CRITICAL COMMUNITY PLACEMENTS - \$1.3 MILLION GENERAL FUND-STATE INCREASE, \$1.3 MILLION OTHER FUND INCREASE**

Funding is provided for 35 out-of-home community residential placements for individuals with developmental disabilities in crisis that have been identified as aging out of the Children's Administration or being released from a state institution such as the Department of Corrections, the Juvenile Rehabilitation Administration, or a psychiatric hospital.

**ALCOHOL AND SUBSTANCE ABUSE**

**MAJOR SAVINGS**

**DISABILITY LIFELINE AND ADATSA TREATMENT - \$11.5 MILLION GENERAL FUND-STATE SAVINGS, \$11.1 MILLION OTHER FUNDS SAVINGS**

Effective June 1, 2012, funding is eliminated for chemical dependency treatment for all Disability Lifeline and Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) clients. This impacts inpatient, long-term residential, recovery house, and outpatient treatment services for over 14,500 clients. Similarly, the low-income medical services for these clients are also eliminated; see "Low-Income Medical Assistance" above.

**LONG-TERM RESIDENTIAL TREATMENT - \$2.7 MILLION GENERAL FUND-STATE SAVINGS**

Funding is eliminated for long-term residential services (residential treatment services in excess of 90 days) and recovery house services, impacting about 300 clients.

**MENTAL HEALTH**

**MAJOR SAVINGS**

**OPTIONAL WAIVER SERVICES - \$1.4 MILLION GENERAL FUND-STATE SAVINGS, \$1.6 MILLION OTHER FUND SAVINGS**

Under the terms of the state's federal Medicaid waiver, some individual (RSNs) have been able to earn federal Medicaid matching funds to provide supported employment, clubhouse, and/or respite care services that are not typically covered by Medicaid. The federal government has

recently adopted the position that such services must be funded and available in all RSN areas in order for Medicaid to fund them anywhere. Because state funds are not presently available to provide the services statewide, Medicaid funding for them is discontinued effective July 1, 2012. Individual RSNs may continue to provide these services with state-only, local, or federal block grant funds to the extent those are available.

## **ECONOMIC SERVICES ADMINISTRATION & HOUSING ESSENTIAL NEEDS**

### **MAJOR SAVINGS**

#### **TIME LIMITS, CASELOAD SAVINGS, AND UNDER EXPENDITURES IN TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) AND CHILD CARE - \$155 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Caseloads in TANF and the Working Connections Child Care (WCCC) programs came in significantly under projections in the February forecast resulting in \$108.5 million in savings. There was an additional \$15 million savings from other under expenditures including a delay in implementing an electronic attendance system for child care programs. In addition, the current time limit for a TANF recipient is changed from 60 months to 48 months and the TANF grants is reduced by 2 percent. The State Family Assistance program, which provides cash grants to legal immigrants who do not qualify for federal TANF funding, is eliminated beginning July 1, 2013. These new changes result in a \$32 million in additional savings.

#### **HOUSING AND ESSENTIAL NEEDS - \$64.1 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Last session, the Legislature created the Housing and Essential Needs program administered by the Department of Commerce. The program was created out of the former Disability Lifeline-Cash program in the Economic Services Administration. Applications for the assistance under the program have been less than projected. This item captures the savings from this lower spending and then assumes that the program will be terminated on April 1, 2012. Finally, program expenditures between November 1, 2011 and April 1, 2012 are funded with the Washington Housing Trust Account rather than General Fund-State.

#### **ELIMINATE STATE FOOD ASSISTANCE -- \$13.9 MILLION NEAR GENERAL FUND--STATE SAVINGS**

The State Food Assistance program is eliminated as of July 1, 2012. The State Food Assistance Program provides assistance to legal immigrants who do not qualify for the federal Supplemental Nutritional Assistance Program (SNAP).

#### **STAFFING UNDER EXPENDITURES - \$8 MILLION NEAR GENERAL FUND-STATE SAVINGS**

The Economic Services Administration has one-time under expenditures for staffing from July 2011 through February 2012. The savings resulted from attrition and vacancies across all divisions within the Economic Services Administration.

#### **ELIMINATE INCAPACITY EXAMS FOR DISABILITY LIFELINE AND ADATSA- \$5.4 MILLION IN GENERAL FUND—STATE SAVINGS**

With the elimination of medical services for Disability Lifeline and Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) clients, incapacity exams provided within Economic Services are no longer necessary. See “Low-Income Medical Assistance” above.

## **CHILDREN'S ADMINISTRATION**

### **MAJOR SAVINGS**

#### **REDUCTIONS TO SERVICES AND FOSTER CARE LENGTH OF STAY - \$11.7 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Funding is reduced to reflect a variety of cost savings measures including preventing overpayments, contract efficiencies, and reviews of child care costs for foster children. Savings are also achieved through reductions to evaluation and treatment and training. Costs for programs offering mental health treatment to foster care children are held to fiscal year 2011 levels. The Children's Administration will work to find permanent placements for children that have been difficult to place.

### **MAJOR INCREASES**

#### **FAMILY ASSESSMENTS AND PERFORMANCE-BASED CONTRACTS - \$1.4 MILLION NEAR GENERAL FUND-STATE**

Engrossed Substitute Senate Bill 6555 directs Children's Administration to implement a family assessment response, which would have some families accused of child abuse complete a family assessment and be offered voluntary services. This would be an alternative to a full investigation with findings. Engrossed Second Substitute House Bill 2264 mandates DSHS to enter into performance-based contracts with one or more network administrators for family support and related services. Funding is provided to implement these efforts.

## **CORRECTIONS & OTHER CRIMINAL JUSTICE**

### **MAJOR SAVINGS**

#### **COMMUNITY SUPERVISION REFORM - \$15.1 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Engrossed Substitute Senate Bill 6204 (community supervision), the Department of Corrections will implement a structured community supervision violation process that will reduce the demand for rental jail beds, saving \$21.5 million. \$5.3 million of this savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on an offender's assessed risk level and treatment needs.

#### **HOSPITAL RATES - \$3.3 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Savings are achieved through HB 2803 (incarcerated offenders) which requires hospitals to charge the Department of Corrections the Medicaid rate when an offender receives inpatient, outpatient and ancillary services.

#### **ADMINISTRATIVE COSTS/VACANCIES - \$9.2 MILLION NEAR GENERAL FUND-STATE SAVINGS**

A variety of administrative, programmatic and other adjustments are made to achieve savings in fiscal year 2012. Most of these savings are achieved from vacancies and other under spending.

#### **CIVIL COMMITMENT LEGAL COSTS -- \$2 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Substitute Senate Bill 6493 (sexual predator commitment), the prosecution activities associated with sexually violent predators is transferred from DSHS to the Office of the Attorney General and all defense activities are consolidated in the Office of Public Defense. As a result of the transfer and other actions, an estimated \$2 million in savings are estimated.

## MAJOR INCREASES

### **PRISON SAFETY AND RADIOS - \$2 MILLION ENHANCED 911 ACCOUNT-STATE INCREASE**

One-time funding is provided to install narrowband radios and to implement prison safety measures recommended by the Department's Statewide Security Advisory Committee.

### **CORRECTIONAL OFFICER UNIFORMS - \$311,000 NEAR GENERAL FUND-STATE INCREASE**

Pursuant to HB 2346 (correctional officer uniforms) the Department of Corrections will no longer purchase uniforms from Correctional Industries for correctional officers.

## DEPARTMENT OF HEALTH

### MAJOR SAVINGS

#### **FAMILY PLANNING GRANTS - \$3.0 MILLION GENERAL FUND-STATE SAVINGS**

A 27 percent reduction to the remaining 2011-13 biennial appropriation for family planning grants is taken. Family planning grants are distributed to local health jurisdictions, non-profit agencies, and community organizations to provide reproductive health education and services to the residents of Washington State.

#### **ENVIRONMENTAL HEALTH RISK PREVENTION - \$1.2 MILLION GENERAL FUND-STATE SAVINGS**

Wastewater and water protection programs are reduced by 10 percent resulting in decreased support for large and small on-site sewage systems and elimination of DOHs participation in the Puget Sound Assessment and Monitoring Program. Drinking water programs, zoonotic surveillance, and the Public Health Laboratories are all reduced by 5 percent.

#### **HEALTH CARE AND EMERGENCY MEDICAL SYSTEMS - \$411,000 GENERAL FUND-STATE SAVINGS**

Area Health Education Center's (AHEC) rural health contracts increase health profession student access and workforce to underserved rural areas of the state. Funding for AHEC rural health contracts is reduced by 10 percent in the remainder of the 2011-13 biennium. A \$350,000 reduction to Emergency Medical System and Trauma Council Contracts will be achieved through consolidation of resources, such as staffing and office space, to best preserve essential activities and functions.

### MAJOR INCREASES

#### **TOBACCO QUITLINE - \$1.7 MILLION TOBACCO PREVENTION AND CONTROL ACCOUNT**

Funding is provided in fiscal year 2013 for the Tobacco Quitline. In the 2009-11 biennium, funding for the Tobacco Quitline was eliminated which ended services for the uninsured and underinsured.

## NATURAL RESOURCES

### MAJOR SAVINGS

#### **MTCA RELATED SHIFTS - \$67.8 MILLION GENERAL FUND-STATE SAVINGS**

Funding from the Model Toxics Control Accounts is used in lieu of general fund in the Departments of Ecology (\$37.2 million), Health (\$16.4 million), and Agriculture (\$4.2 million),

the University of Washington College of Environment (\$5 million), and Washington State University College of Agriculture, Human, and Natural Resource Sciences (\$5 million).

**OTHER NATURAL RESOURCES FUND SHIFTS - \$17.6 MILLION GENERAL FUND-STATE SAVINGS**

There are several natural resource programs that rely on both General Fund-State and dedicated funds for the same or similar activities. The budget reduces state general fund in those areas where the state general fund is either subsidizing activities paid for by dedicated accounts or those areas where activities could be paid for by dedicated accounts and those dedicated accounts have excess fund balance. These include: (1) Department of Fish and Wildlife marine enforcement (\$4.6 million); (2) hatchery operations (\$3.0 million); (3) Department of Natural Resources' land management costs (\$2.3 million); and (4) the Department of Ecology's stream gauging, geologic surveys, and investigations (\$1 million).

**SOLID WASTE REDUCTIONS - \$1.6 MILLION GENERAL FUND-STATE SAVINGS AND WASTE REDUCTION, RECYCLING, LITTER CONTROL ACCOUNT SAVINGS**

Waste reduction, recycling and litter programs, and activities that are not directly related to litter pickup are suspended for the remainder of the biennium. The suspended activities include technology research, a financing study, and technical assistance. Savings from the suspension are transferred to the state general fund. Spending for litter pick up is retained at current levels.

**ADMINISTRATIVE REDUCTIONS - \$2.2 MILLION GENERAL FUND-STATE SAVINGS**

Administrative spending is reduced across the natural resource agencies. The reductions are largely aimed at the centralized administrative budget unit and thinning of management. Savings are as follows: Department of Ecology, \$644,000; Recreation and Conservation Office, \$107,000; Environmental and Land Use Hearings Office, \$227,000; State Conservation Commission, \$335,000; Department of Fish and Wildlife, \$235,000; Puget Sound Partnership, \$265,000; Department of Natural Resources, \$449,000; and Department of Agriculture, \$210,000.

**MAJOR INCREASES**

**STATE PARK TRANSITION FUNDS - \$4 MILLION AQUATIC LANDS ENHANCEMENT ACCOUNT**  
State Parks are facing significant short fall from low Discover Pass sales. Pending legislation and agency reforms have reduced spending or increased revenue. Further funding is provided on a one-time basis to assist Parks in their continued transition to a fee-based agency.

**WOODSTOVE REPLACEMENT - \$2 MILLION STATE TOXICS CONTROL ACCOUNT**

Funding is provided for the replacement of uncertified solid fuel burning devices for low and middle income families in air quality nonattainment areas under the federal clean air act.

**GEODUCK ENFORCEMENT - \$552,000 AQUATIC LANDS ENHANCEMENT ACCOUNT**

Funding is provided for increased law enforcement capacity to reduce the occurrence of recent large geoduck poaching and illegal harvest activities.

# **GENERAL GOVERNMENT**

## **MAJOR SAVINGS**

### **EFFICIENCIES IN THE USE OF CENTRAL SERVICES - \$12.0 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Senate Bill 6607, the Department of Enterprise Services is directed to develop policies to reduce state agencies' use of cell phones, mailing, and printed materials. Performance audits by the State Auditor have demonstrated significant savings in these areas are achievable. Savings are assumed from the implementation of these policies by state agencies. Information technology savings resulting from efficiencies within state agencies are also assumed. Other savings are achieved through administrative efficiencies, utilizing excess fund balance, and lower use of certain centralized state services, such as legal assistance, auditing functions, archives, labor relations, and administrative hearings.

## **MAJOR INCREASES**

### **ECONOMIC DEVELOPMENT EVALUATION - \$250,000 NEAR GENERAL FUND-STATE INCREASE**

The Economic Development Commission will evaluate economic development programs and systems for efficiencies, effectiveness and optimal impact on the State's economy.

### **GLOBAL HEALTH - \$250,000 NEAR GENERAL FUND-STATE INCREASE**

Additional funding is provided to implement the provisions of Chapter 13, Laws of 2010 1st sp.s. (2SSB 6675 - Global Health) for the Washington Global Health Technologies and Product Development Competitiveness program. With this funding increase, the program will be funded at \$500,000 in fiscal year 2013.

# APPENDIX A



**Summary of Near GF-S Related Fund Transfers (2012 Session)**

*(Dollars in Thousands)*

<u>Transfers to General Fund-State</u>	<u>FY 12</u>	<u>FY 13</u>	<u>2011-13</u>
Dept of Retirement Systems Account	3,080	3,080	6,160
Financial Services Regulation Account	4,000	-	4,000
State Treasurer's Service Account	-	3,500	3,500
Heritage Center Account	-	2,000	2,000
Coastal Zone Protection Fine Account	500	500	1,000
Waste Reduction & Recycling Account	1,347	1,347	2,694
Flood Control Assistance Account	500	500	1,000
Oyster Reserve Land Account	58	58	116
State Nursery Account	250	250	500
<b>Transfers to General Fund-State</b>	<b>9,735</b>	<b>11,235</b>	<b>20,970</b>
<u>Transfers from General Fund-State</u>			
Reverse Transfer From Education Savings Account*	(22,500)	-	(22,500)
<b>Transfers from General Fund-State</b>	<b>(22,500)</b>	<b>-</b>	<b>(22,500)</b>
<b>Total</b>	<b>(12,765)</b>	<b>11,235</b>	<b>(1,530)</b>

\* At the end of a fiscal year, all unspent General Fund-State appropriations will remain in the state general fund rather than being distributed to other accounts.

**Reduced Local Government Distributions**

*(Dollars in Thousands)*

<u>Total Distributions</u>	<u>FY 12</u>	<u>FY 13</u>	<u>2011-13</u>
Liquor Excess Profits*	-	44,945	44,945
Liquor Excise Tax*	-	28,767	28,767
<b>Total Distributions</b>	<b>-</b>	<b>73,712</b>	<b>73,712</b>

\* Reflects March forecast update

**Solid Waste Tax**

*(Dollars in Thousands)*

	<u>FY 12</u>	<u>FY 13</u>	<u>2011-13</u>
<b>Redirection of Solid Waste Tax</b>	<b>34,778</b>	<b>35,880</b>	<b>70,658</b>

# APPENDIX B

## 2012 Supplemental: Revenue Legislation & Budget Driven Revenue

*(Dollars in Millions)*

Bill	2011-13	
<b>2012 Revenue Reduction Legislation</b>		
SB 6342 Food Processors	(7.3)	
SSB 6073 Narrows Bridge Sales Tax	(4.4)	
E2SSB 5539 Motion pictures	(3.5)	
SB 5873 Server Equipment	(2.4)	
2SSB 5534 Newspapers	(0.0)	
2SSB 5808 Innovative Industries (No Impact Until FY 2014)	0.0	
ESSB 5978 Medicaid Fraud	(4.9)	
<b>2012 Revenue Reduction Legislation</b>	<b>(22.5)</b>	
<b>2012 Revenue Increase Legislation</b>		
ESSB 5542 Cigar Lounges	1.2	
HB 2149 Personal Property Amnesty Program	6.0	
SB 6439 REET Penalties	0.6	
<b>2012 Revenue Increase Legislation</b>	<b>7.8</b>	
<b>Budget Driven Revenue</b>		
<u>Agency</u>	<u>Other Resource Adjustments</u>	<u>2011-13</u>
State Lottery	Efficiencies, Unclaimed Prizes, Other Changes (Opp Pathway Acct)	5.0
LCB	Sale of Liquor Distribution Center (100% of Sale Price)	17.0
DNR	Forest Development Distribution Impacts	2.0
L & I	Factory Assembled Structures	1.2
Treasurer	Obsolete Funds & Accounts	0.5
<b>Budget Driven Revenue</b>		<b>25.7</b>
<b>Total Net Impact</b>		<b>11.0</b>

## BUDGET DRIVEN REVENUE

### **\$5.0 MILLION OPPORTUNITY PATHWAYS ACCOUNT INCREASE**

The Lottery is directed to increase distributions to beneficiaries by achieving efficiencies in unproductive marketing expenses, reducing contracted services, making adjustments to prize payments, and increasing disbursements of unclaimed prize monies.

### **SALE OF THE STATE LIQUOR DISTRIBUTION CENTER - 17.0 MILLION GENERAL FUND-STATE INCREASE**

Pursuant to Initiative 1183, the state will sell the Liquor Control Board's distribution center in Seattle. The building and the equipment appraises at approximately \$28 million. The Senate is assuming a conservative sales price of \$17 million.

## REVENUE CHANGES

<b>Revenue Bills &amp; Other Revenue Actions</b>		
<i>(dollars in thousands)</i>		
<b>Bill</b>	<b>Title</b>	<b>FY11-13</b>
SHB 2149	Personal Property Tax Admin	\$6,000
2SSB 5534	Newspapers B&O Taxation	(\$8)
E2SSB 5539	Motion Pictures	(\$3,500)
ESSB 5542	Cigar Lounges/Tobacconists	\$1,245
2SSB 5808	Innovative Industries	\$0
2ESB 5873	Computer Data Center Equipment	(\$2,400)
ESSB 5978	Medicaid Fraud	(\$4,881)
SSB 6073	Tacoma Narrows - Sales Tax Deferral	(\$4,400)
SB 6342	Food Processors - B&O Tax Preferences	(\$7,300)
SB 6439	Real Estate Excise Tax Penalties	\$594
	<b>Total</b>	<b>(\$14,650)</b>

### **AUTHORIZING WAIVER OF PENALTIES AND INTEREST FOR UNLISTED PERSONAL PROPERTY - \$6.0 MILLION GENERAL FUND-STATE INCREASE**

Substitute House Bill 2149 (authorizing waiver of penalties and interest for unlisted personal property) allows county legislative authorities to temporarily waive penalties for taxpayers who have failed to deliver a list of taxable personal property and make payment of the tax. To qualify, the taxpayer must file with the assessor a correct list and statement of taxable personal property and a completed application for a penalty waiver on or before July 1, 2012. Full payment of the tax must be made to the county by September 1, 2012, of the entire balance due on all tax liabilities for which a penalty waiver is requested.

### **NEWSPAPER B&O TAXATION - \$8,000 GENERAL FUND-STATE DECREASE**

Second Substitute Senate Bill 5534 (newspaper taxation) amends the definition of a newspaper to include the Internet version of printed newspapers and newspaper supplements. The effect of this is to tax advertising revenue from the online versions of newspapers and newspaper supplements at the same rate as the traditional newspaper. The business and occupation (B&O) tax rate for printing and publishing a newspaper, or both, is increased from 0.2904 percent to 0.365 percent until June 30, 2013, and 0.35 percent thereafter.

### **CONCERNING WASHINGTON'S MOTION PICTURE COMPETITIVENESS - \$3.5 MILLION GENERAL FUND-STATE DECREASE**

Engrossed Second Substitute Senate Bill 5539 (concerning Washington's motion picture competitiveness) extends the Motion Picture Competitiveness Program, which allows taxpayers that contributed to an incentive fund to receive a credit against their B&O tax for the full amount contributed, until July 1, 2017. The total annual calendar year credit limit is \$3.5 million for all credits.

**CIGAR LOUNGES/TOBACCONIST SHOPS - \$1.2 MILLION TOBACCO PREVENTION AND CONTROL ACCOUNT--STATE INCREASE**

Engrossed Substitute Senate Bill 5542 (cigar lounges/tobacconists) establishes special license endorsements to the tobacco products retailer's license for cigar lounges and retail tobacconist shops. An establishment or part of establishment must be specifically designated for the smoking of tobacco products and be physically separated from any areas of the same or adjacent location.

**CONCERNING INNOVATIVE INDUSTRIES FOR ECONOMIC DEVELOPMENT - NO IMPACT TO GENERAL FUND-STATE**

Second Substitute Senate Bill 5808 (concerning innovative industries for economic development) creates a B&O tax credit for donations to certain industrial development organizations that are certified by the Department of Commerce. Credits will not be granted until after the certification process and the determination of the allowance of credit, which will occur in fiscal year 2014.

**SALES TAX EXEMPTION FOR SERVERS IN DATA CENTERS - \$2.4 MILLION GENERAL FUND-STATE DECREASE**

Second Engrossed Senate Bill 5873 (sales tax exemption for servers in data centers) extends the time for eligible data centers and qualifying tenants of data centers to qualify for the sales and use tax exemption on server equipment, from those that commenced construction prior to July 1, 2011, to those that have commenced construction between April 1, 2012 and July 1, 2015.

**CONCERNING MEDICAID FRAUD - \$4.9 MILLION GENERAL FUND-STATE DECREASE**

Engrossed Substitute Senate Bill 5978 (concerning Medicaid fraud) provides additional tools to prevent, detect, penalize, and recover the cost of inappropriate billings to the state Medicaid program. To promote transparency regarding the amounts expended on and recovered from such efforts, recoveries and fines that are presently deposited into the general fund or treated as offsets to agency expenditures are instead directed to a new Medicaid Fraud Penalty Account established in the bill. Funds in the account may only be used for Medicaid services and fraud prevention, detection, and recovery.

**TACOMA NARROWS BRIDGE SALES TAX DEFERRAL - \$4.4 MILLION GENERAL FUND-STATE DECREASE**

Substitute Senate Bill 6073 (concerning sales and use taxes related to the state route number 16 corridor improvements project) delays the payback for the sales and use tax deferral on the Narrows Bridge by six years.

**EXTENDING B&O TAX PREFERENCES FOR FRUIT, VEGETABLE, DAIRY, AND SEAFOOD BUSINESSES - \$7.3 GENERAL FUND-STATE DECREASE**

Senate Bill 6342 (extending B&O tax preferences for fruit, vegetable, dairy, and seafood businesses) extends the expiration of the B&O tax exemption for the manufacturing of fruits and vegetables, dairy, and seafood to July 1, 2022. Currently, the B&O exemptions for these activities expire on July 1, 2012 and are replaced with a B&O preferential rate of 0.138 percent.

**DIRECTING REAL ESTATE EXCISE TAX PENALTIES TO THE GENERAL FUND - \$594,000 GENERAL FUND-STATE INCREASE**

Senate Bill 6439 (directing real estate excise tax penalties to the general fund) requires that real estate excise tax penalties be deposited into the state General Fund instead of the Housing Trust Fund.

# APPENDIX C

**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	<b>Strkr Amd to SB 6612</b>	<b>Senate Floor Passed</b>	<b>Difference</b>
<b><i>Employee Compensation</i></b>			
Pension Reform	-143,075	-133,000	-10,075
Employee Hlth Insurance Rates	-33,114	-33,124	10
LEOFF Rate Methods	0	-17,062	17,062
<b>Employee Compensation Total</b>	<b>-176,189</b>	<b>-183,186</b>	<b>6,997</b>
<b><i>K-12 Education</i></b>			
K12 National Board Bonus	0	-17,738	17,738
Other Savings	0	-11,793	11,793
Running Start	0	-8,356	8,356
Readiness to Learn	0	-3,235	3,235
Navigation 101	0	-2,808	2,808
School Based Medical	0	-2,770	2,770
PASS Program	0	-1,500	1,500
Beginning Educator Support Team	0	-1,000	1,000
School For Blind & CCDHL	0	-693	693
Charter School Legislation	780	0	780
Other Increases	895	248	647
Urban School Turnaround	2,000	0	2,000
Teacher Evaluation Systems	5,767	5,767	0
<b>K-12 Education Total</b>	<b>9,442</b>	<b>-43,878</b>	<b>53,320</b>
<b><i>Higher Education Institutions</i></b>			
Tuition Waivers	0	-29,912	29,912
Nonresident Tuition	0	-8,092	8,092
Increase Engineering Degree Production	0	7,600	-7,600
Other Increases	277	0	277
<b>Higher Education Institutions Total</b>	<b>277</b>	<b>-30,404</b>	<b>30,681</b>
<b><i>Higher Education Financial Aid &amp; Other</i></b>			
Other Increases	36	0	36
Student Achievement Council - Financial Aid	1,043	1,043	0
<b>Higher Education Financial Aid &amp; Other Total</b>	<b>1,079</b>	<b>1,043</b>	<b>36</b>
<b><i>Early Learning &amp; Child Care</i></b>			
Other Savings	-2,548	-2,548	0
Seasonal Child Care Admin	-2,070	-2,070	0
<b>Early Learning &amp; Child Care Total</b>	<b>-4,618</b>	<b>-4,618</b>	<b>0</b>
<b><i>Health Care</i></b>			
Disability Lifeline Medical	-40,957	-40,957	0
Small & Non Rural IA DSH	-13,140	-13,140	0
Basic Health Stabilization	-5,000	-5,000	0
HCA: Administrative Reduction	-4,391	-4,391	0
Medicaid False Claims Act	-4,338	-4,338	0
Family Planning Grants	-3,000	-6,000	3,000
Other Savings	-2,719	-2,719	0

**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	<b>Strkr Amd to SB 6612</b>	<b>Senate Floor Passed</b>	<b>Difference</b>
Establish State Drug Formulary	-1,768	-1,768	0
DOH: Other Savings	-1,652	-1,652	0
Blue Ribbon Public Health Funds	0	-5,000	5,000
CPE Grants	0	-4,845	4,845
Other Increases	376	297	79
ER Screening Payment	1,823	0	1,823
Reimbursement Methods Waiver	4,400	4,400	0
<b>Health Care Total</b>	<b>-70,366</b>	<b>-85,113</b>	<b>14,747</b>
<b><i>Long Term Care, DD, and Mental Health</i></b>			
DD: Accrued Savings To Date	-17,436	-17,436	0
LTC: Family Caregiver Support	-1,769	-1,769	0
LTC: Board Home Rate Reduction	-1,711	-1,711	0
MHD: Other Savings	-1,345	-1,345	0
MHD: TBI/Dementia Ward Closure	0	-1,956	1,956
LTC/DD: MPC Restructure	0	1,550	-1,550
DD: Other Increases	600	100	500
DD: Increased Services	1,337	1,337	0
I-1163 (Worker Training)	14,355	14,355	0
<b>Long Term Care, DD, and Mental Health Total</b>	<b>-5,969</b>	<b>-6,875</b>	<b>906</b>
<b><i>JRA, DOC and Criminal Justice</i></b>			
Comm Corrections Changes	-15,168	-15,168	0
Administrative Costs/Vacancies	-9,206	-7,206	-2,000
WSP: Savings	-3,483	0	-3,483
DOC: Hospital Rates & Related Changes	-3,352	-3,200	-152
Furniture Factory COP	-2,045	-2,045	0
SCC & Related Savings	-1,872	-1,872	0
Other Savings	-98	-98	0
DOC: Prison Safety& Radios	0	2,000	-2,000
SCC: McNeil Island Ops	1,530	1,530	0
Other Increases	2,361	2,325	36
<b>JRA, DOC and Criminal Justice Total</b>	<b>-31,333</b>	<b>-23,734</b>	<b>-7,599</b>
<b><i>Other Human Services</i></b>			
TANF/WCCC Savings & Other Changes	-155,000	-202,000	47,000
Essential Needs & Housing	-53,739	-42,565	-11,174
State Food Asst Program	-13,884	-13,884	0
DL/ADATSA Treatment	-11,463	-5,101	-6,362
HEN Underspending	-10,393	-10,393	0
ESA: Staffing	-8,094	-8,094	0
Childrens: Contracted Services	-6,721	-6,721	0
DL/ADATSA Incapacity Exams	-5,415	-4,685	-730
Childrens: Other Savings	-5,031	-5,031	0
DASA: Other Savings	-2,907	-4,957	2,050
Other Savings	-2,501	-1,820	-681
Childrens: Caseload Ratios	0	-6,463	6,463
Childrens: Child Welfare Prgms	0	-809	809
Other Increases	1,705	1,240	465
<b>Other Human Services Total</b>	<b>-273,443</b>	<b>-311,283</b>	<b>37,840</b>



**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	<b>Strkr Amd to SB 6612</b>	<b>Senate Floor Passed</b>	<b>Difference</b>
<b><i>Natural Resources</i></b>			
MTCA Related Shifts	-67,823	-67,823	0
DFW: Savings/Shifts	-9,619	-9,206	-413
DNR: Savings/Shifts	-4,951	-3,556	-1,395
DOE: Savings/Shifts	-3,796	-4,348	552
Consv Comm: Savings	-335	-335	0
PSP: Savings	-265	-265	0
Other Savings	-215	-215	0
AGRI: Savings/Shifts	-210	-210	0
RCO: Savings/Shifts	-180	-180	0
Other Increases	242	242	0
DOE: Increases	265	188	77
<b>Natural Resources Total</b>	<b>-86,887</b>	<b>-85,708</b>	<b>-1,179</b>
<b><i>All Other</i></b>			
Central Service Billings	-12,027	-8,219	-3,808
Other Savings	-4,660	-4,826	166
State Library Funding Shift	-4,000	-4,000	0
DCOM: Communities	-3,657	-2,202	-1,455
Judicial Agencies: Other Savings	-2,674	-2,674	0
Legislative Savings	-2,203	-3,592	1,389
DCOM: Local Govt	-991	-991	0
DCOM: Trade & Econ Dev Svgs	138	-1,234	1,372
DCOM: Increases	200	0	200
ARROW Commission	200	200	0
Other Increases	1,127	2,268	-1,141
Balance Other Accounts	1,150	26,150	-25,000
<b>All Other Total</b>	<b>-27,397</b>	<b>880</b>	<b>-28,277</b>
<b>Grand Total</b>	<b>-665,404</b>	<b>-772,876</b>	<b>107,472</b>

# APPENDIX D

**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	Strkr Amd to SB 6612	ESB5967 (Passed Hse)	Difference
<b>Employee Compensation</b>			
Pension Reform	-143,075	0	-143,075
Employee Hlth Insurance Rates	-33,114	-33,114	0
<b>Employee Compensation Total</b>	<b>-176,189</b>	<b>-33,114</b>	<b>-143,075</b>
<b>K-12 Education</b>			
Collaborative Schools	0	1,500	-1,500
Charter School Legislation	780	0	780
Other Increases	895	1,970	-1,075
Urban School Turnaround	2,000	2,000	0
Teacher Evaluation Systems	5,767	5,767	0
<b>K-12 Education Total</b>	<b>9,442</b>	<b>11,237</b>	<b>-1,795</b>
<b>K-12 Payment Schedule Changes</b>			
Apportionment Delay	0	-330,000	330,000
<b>K-12 Payment Schedule Changes Total</b>	<b>0</b>	<b>-330,000</b>	<b>330,000</b>
<b>Higher Education Institutions</b>			
Other Increases	277	242	35
<b>Higher Education Institutions Total</b>	<b>277</b>	<b>242</b>	<b>35</b>
<b>Higher Education Financial Aid &amp; Other</b>			
Other Increases	36	1,186	-1,150
Student Achievement Council - Financial Aid	1,043	1,158	-115
<b>Higher Education Financial Aid &amp; Other Total</b>	<b>1,079</b>	<b>2,344</b>	<b>-1,265</b>
<b>Early Learning &amp; Child Care</b>			
Other Savings	-2,548	-2,148	-400
Seasonal Child Care Admin	-2,070	-2,070	0
Other Increases	0	10	-10
<b>Early Learning &amp; Child Care Total</b>	<b>-4,618</b>	<b>-4,208</b>	<b>-410</b>
<b>Health Care</b>			
Disability Lifeline Medical	-40,957	0	-40,957
Small & Non Rural IA DSH	-13,140	-13,140	0
Basic Health Stabilization	-5,000	0	-5,000
HCA: Administrative Reduction	-4,391	-3,623	-768
Medicaid False Claims Act	-4,338	-4,338	0
Family Planning Grants	-3,000	0	-3,000
Other Savings	-2,719	-3,090	371
Establish State Drug Formulary	-1,768	-1,768	0
DOH: Other Savings	-1,652	-1,652	0
Apple Health Outreach	0	500	-500
Affordable Care Act Implementation	0	2,114	-2,114
Provider One Phase 2	0	2,580	-2,580
Emergency Room Services	0	3,731	-3,731

**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	Strkr Amd to SB 6612	ESB5967 (Passed Hse)	Difference
Other Increases	376	106	270
ER Screening Payment	1,823	0	1,823
Reimbursement Methods Waiver	4,400	4,400	0
<b>Health Care Total</b>	<b>-70,366</b>	<b>-14,180</b>	<b>-56,186</b>
<b>Long Term Care, DD, and Mental Health</b>			
DD: Accrued Savings To Date	-17,436	-17,436	0
LTC: Family Caregiver Support	-1,769	-1,769	0
LTC: Board Home Rate Reduction	-1,711	-1,711	0
MHD: Other Savings	-1,345	-1,159	-186
LTC: Nursing Home Assessment	0	-14,212	14,212
MHD: TBI/Dementia Ward Closure	0	-3,774	3,774
DD: Other Savings	0	-2,319	2,319
DD: State Only Employment	0	-1,736	1,736
LTC: AFH Cost Recovery	0	-907	907
MHD: Other Increases	0	669	-669
DD: Other Increases	600	600	0
DD: Increased Services	1,337	1,963	-626
I-1163 (Worker Training)	14,355	14,355	0
<b>Long Term Care, DD, and Mental Health Total</b>	<b>-5,969</b>	<b>-27,436</b>	<b>21,467</b>
<b>JRA, DOC and Criminal Justice</b>			
Comm Corrections Changes	-15,168	-16,224	1,056
Administrative Costs/Vacancies	-9,206	-9,206	0
WSP: Savings	-3,483	-3,483	0
DOC: Hospital Rates & Related Changes	-3,352	-3,352	0
Furniture Factory COP	-2,045	-2,045	0
SCC & Related Savings	-1,872	-1,880	8
Other Savings	-98	-848	750
SCC: McNeil Island Ops	1,530	2,300	-770
Other Increases	2,361	2,361	0
<b>JRA, DOC and Criminal Justice Total</b>	<b>-31,333</b>	<b>-32,377</b>	<b>1,044</b>
<b>Other Human Services</b>			
TANF/WCCC Savings & Other Changes	-155,000	-108,000	-47,000
Essential Needs & Housing	-53,739	0	-53,739
State Food Asst Program	-13,884	0	-13,884
DL/ADATSA Treatment	-11,463	0	-11,463
HEN Underspending	-10,393	0	-10,393
ESA: Staffing	-8,094	-8,094	0
Childrens: Contracted Services	-6,721	-6,721	0
DL/ADATSA Incapacity Exams	-5,415	-4,474	-941
Childrens: Other Savings	-5,031	-3,175	-1,856
DASA: Other Savings	-2,907	-3,686	779
Other Savings	-2,501	-2,506	5
Other Increases	1,705	1,482	223
Other	0	250	-250
<b>Other Human Services Total</b>	<b>-273,443</b>	<b>-134,924</b>	<b>-138,519</b>

**2011-13 Revised Omnibus Operating Budget (2012 Supp)****NGF-S + Opportunity Pathways**

(Dollars in Thousands)

	Strkr Amd to SB 6612	ESB5967 (Passed Hse)	Difference
<b><i>Natural Resources</i></b>			
MTCR Related Shifts	-67,823	-28,000	-39,823
DFW: Savings/Shifts	-9,619	-5,298	-4,321
DNR: Savings/Shifts	-4,951	-2,383	-2,568
DOE: Savings/Shifts	-3,796	-3,668	-128
Consv Comm: Savings	-335	-335	0
PSP: Savings	-265	-265	0
Other Savings	-215	-215	0
AGRI: Savings/Shifts	-210	-210	0
RCO: Savings/Shifts	-180	-180	0
DNR: Increases	0	150	-150
Other Increases	242	242	0
DOE: Increases	265	265	0
<b>Natural Resources Total</b>	<b>-86,887</b>	<b>-39,897</b>	<b>-46,990</b>
<b><i>All Other</i></b>			
Central Service Billings	-12,027	-12,999	972
Other Savings	-4,660	-3,782	-878
State Library Funding Shift	-4,000	-4,000	0
DCOM: Communities	-3,657	-518	-3,139
Judicial Agencies: Other Savings	-2,674	-4,207	1,533
Legislative Savings	-2,203	-2,337	134
DCOM: Local Govt	-991	0	-991
Truancy Funding	0	-1,341	1,341
DCOM: Homeless Assistance	0	-567	567
Commute Trip Reduction	0	-84	84
Adjustment for New Bond Issuance	0	840	-840
DCOM: Trade & Econ Dev Svgs	138	-149	287
ARROW Commission	200	0	200
DCOM: Increases	200	811	-611
Other Increases	1,127	2,765	-1,638
Balance Other Accounts	1,150	5,150	-4,000
<b>All Other Total</b>	<b>-27,397</b>	<b>-20,418</b>	<b>-6,979</b>
<b>Grand Total</b>	<b>-665,404</b>	<b>-622,731</b>	<b>-42,673</b>